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SUBMITTED BY EMAIL

December 13, 2013

CPSS secretariat (cpss@bis.org)

IOSCO secretariat (gdisclosure@iosco.org)

Committee Payment and Settlement Systems and the Technical Committee
International Organization of Securities Commissions

RE: Consultation Paper IOSCO Consultative Report on Disclosure Standards

Dear Sir or Madam:

Canadian Derivatives Clearing Corporation ("CDCC"), The Canadian Depository for Securities Ltd ("CDS") and Natural Gas Exchange Inc. ("NGX") (collectively, the "TMX CCPs") appreciate the opportunity to submit their views in response to Committee Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions ("CPSS-IOSCO") consultative report on public quantitative disclosure standards for central counterparties ("the Report") under the principles for financial market infrastructures ("PFMI"). We have three broad concerns with the requirements set out under the Report – commercial impact, privacy and implementation concerns – which we have detailed and addressed below.

TMX Group

The TMX CCPs are subsidiaries of TMX Group Limited ("TMX Group"). TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, Boston Options Exchange, Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S. markets (New York, Houston, Boston and Chicago) as well as in London, Beijing and Sydney.

(1) Commercial Impact

Many of the proposed quantitative disclosure standards (the "Proposed Standards") set out in the Report have a potential commercial impact on clearing members and/or CCPs. Such commercial implications include competitive disclosure considerations, cost/benefit imbalances, and information

that may imply excess risk concerns resulting in unwarranted market, general public, or regulatory response.

Section 4.3 of the Proposed Standards is concerning from a commercial perspective because it would require CCPs to report the credit exposures to the two largest participants irrespective of the cover 1 or cover 2 regulatory requirements of the CCP. Cover 1 CCPs are required to maintain adequate financial resources to cover the obligations arising from the failure of the single largest exposure member. The disclosure of the credit exposures to the two largest participants overstates the level of resources to be maintained by the CCP and may result in undue concern and adverse reaction by various stakeholders. Such unintended consequences can be avoided by aligning the reporting requirements of the CCP with their respective financial coverage requirements.

Sections 6.1 and 6.2 of the Proposed Standards consider the frequency and manner in which initial margin data is reported. From a cost/benefit analysis, the incremental value of daily or monthly reporting is outweighed by the resource burden to provide information on such a frequent basis. Quarterly reporting of end-of period data would provide an acceptable balance of resource requirements and public disclosure of margin information and aligns with globally accepted accounting reporting practices.

(2) Privacy

The Report suggests that the disclosure of quantitative risk statistics is necessary to provide for a relative risk comparison of CCPs across markets and jurisdictions. However, we are of the view that certain disclosure requirements would raise privacy issues for market participants and privacy issues for the CCPs.

Privacy Issues for Market Participants

The disclosure of certain market/risk statistics such as largest exposure (set out in Section 4.3 of the Proposed Standards) or delivery and settlement metrics (set out in Section 10 of the Proposed Standards), could potentially allow for the identification of market participants in certain markets thereby inhibiting the anonymity that CCPs provide. Privacy issues of this type have far reaching consequences and ultimately impact the cost of transacting through the CCP.

Privacy Issues for the CCPs

The disclosure of corporate financial performance metrics (set out in Section 15 of the Proposed Standards), although important for a proper credit assessment of the CCP, should be limited to balance sheet information alone. It is our view that revenue and cost considerations do not need to be factored into the disclosure framework since it may have a detrimental impact on the competitiveness of the CCP and may, in certain circumstances, lead to misinterpretation of the financial profile of the CCP.

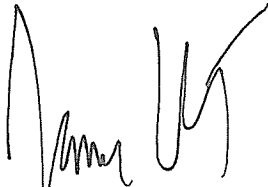
(3) Implementation

It is our view that there are implementation issues with the guidance note. Specifically, disclosure requirements should not under any circumstances be more frequent than quarterly as we believe that this will add an unnecessary burden on reporting CCPs. Furthermore, disclosure should be on

commoditized elements of the risk management process and should not include bespoke elements which would make the disclosure process more costly and lengthy.

The TMX CCPs appreciate the opportunity to respond to the Report and look forward to further dialogue on the quantitative disclosure standards. We hope that you will consider our concerns and suggestions and would be happy to discuss these at greater length with the staff. Please feel free to contact Steve Lappin at steve.lappin@ngx.com, George Kormas at gkormas@cdcc.ca or David Stanton at dstanton@cds.ca if you have any questions regarding our comments.

Respectfully submitted,



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