

CANADIAN SECURITIES EXCHANGE
SIGNIFICANT CHANGE SUBJECT TO PUBLIC COMMENT
AMENDMENTS TO TRADING SYSTEM FUNCTIONALITY & FEATURES
NOTICE AND REQUEST FOR COMMENT

CNSX Markets Inc., (“CSE”) is publishing this Notice in accordance with the process for the Review and Approval of Rules and Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to the Exchange’s recognition orders (the “Protocol”). The CSE intends to implement enhancements to its trading system in response to customer feedback. The proposed changes are described below.

A. Description of the Proposed Changes

CSE Closing Price (CCP) Session Enhancements

On September 30, 2019 CSE published Notice 2019-005 announcing OSC and BCSC approval of the proposed Closing Price Session. CSE is proposing amendments to the approved functionality, specifically: the addition of support for bypass orders and crosses in the Closing Price Session (“CCP”), and a change to the behaviour of how iceberg orders are replenished in the CCP session.

- The bypass marker and cross currently available during continuous trading will also be supported on orders and intentional crosses during the CCP session, allowing an intentional cross to be executed at the CCP in the case where more aggressively priced orders already exist in the book.
- Iceberg orders in the book during the CCP session with limits more aggressive than the CCP that replenish will no longer replenish visible volume priced at the CCP. They will instead replenish at their original limit price.

B. Expected Implementation Date: Q2, 2020

C. Rationale and Analysis

CSE is proposing the addition of the bypass marker on orders and intentional crosses and the change to iceberg order behaviour in CSE CCP in response to customer feedback about consistency with existing functionality on other exchanges.

The use of the bypass marker on intentional crosses during the CSE CCP is optional for participants.

D. Expected Impact

The impact is expected to be insignificant. The proposed changes are in response to customer requests. The use of these order types and features is optional.

E. Compliance with Ontario and British Columbia Securities Law

There will be no impact on the CSE's compliance with Ontario and British Columbia securities laws. The changes do not alter any of the requirements for fair access or the maintenance of fair and orderly markets.

F. Technology Changes

Clients already support similar features (to these proposed) on Canadian marketplaces, including the CSE, during continuous trading sessions. CSE does not anticipate there to be a material technological changes.

G. Other Markets or Jurisdictions

The table below identifies where the proposed functionality is new or currently available.

PROPOSED CHANGE	MARKETS AVAILABLE
Bypass marker on orders and intentional crosses in a closing price session	N/A
Iceberg order replenish behaviour in a closing price session	TSX

Comments

Please submit comments on the proposed amendments no later than January 9, 2020 to:

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