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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the transparency requirements of section 8.2 of NI 21-101 for temporary period, subject to certain conditions

Applicable British Columbia Provisions

National Instrument 21-101 *Marketplace Operation*

National Instrument 23-101 *Trading Rules*

IN THE MATTER OF NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF CANDEAL.CA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Yukon Territory, Northwest Territories and Nunavut (the “Jurisdictions”) has received an application from CanDeal.ca Inc. (“CanDeal”) for a decision pursuant to National Instrument 21-101 Marketplace Operation (“NI-21-101”) that CanDeal be granted an exemption from the post-trade information requirements contained in section 8.2 of NI 21-101;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS terms in this decision document that are defined in NI 21-101 are so identified as therein defined;

AND WHEREAS CanDeal has represented to the Decision Makers that:

1. CanDeal is an alternative trading system that will facilitate institutional trading between institutional customers (“Customers”) and investment dealers, which

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investment dealers currently provide liquidity in the market for fixed income securities, including government debt securities and corporate debt securities;

2. CanDeal has applied to become a member of the Investment Dealers Association of Canada and has been registered or applied to be registered as an investment dealer, or its equivalent category, in each of the Jurisdictions;
3. CanDeal will, among other things (i) provide a real-time feed of best indicative prices for fixed income securities traded over CanDeal, (ii) provide Customers with access to quotes from multiple participating investment dealers through a single platform and (iii) enable trades to be executed electronically between such dealers and their customers;
4. CanDeal intends to provide facilities for trading various categories (each, a "Category") of debt securities including:
 - (i) Canadian government debt securities - 0-3 years,
 - (ii) Canadian government debt securities - 3-10 years,
 - (iii) Canadian government debt securities - 10 years and over,
 - (iv) provincial government debt securities - 0-10 years,
 - (v) provincial government debt securities - 10 years and over,
 - (vi) corporate debt securities – 0-10 years, and
 - (vii) corporate debt securities - 10 years and over;

AND WHEREAS under the System, this Decision Document evidences the decision of each Decision Maker;

AND WHEREAS each Decision Maker is satisfied that the test contained in NI 21-101 that provides the Decision Maker with the jurisdiction to make the Decision has been met;

IT IS HEREBY DECIDED by the Decision Makers that CanDeal shall be exempt from section 8.2 of NI 21-101 in respect of each Category until the earlier of:

- (a) December 31, 2003; and
- (b) the date when the total trading volume on CanDeal in any Category in at least three of the preceding four calendar quarters exceeds 5% of the total

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aggregate trading in such securities by all ATs, inter-dealer bond
brokers and dealers for such calendar quarter;

AND IT IS FURTHER DECIDED that if CanDeal sells or otherwise provides post-trade information to any information vendor, the exemption from section 8.2 of NI 21-101 provided above shall not be available unless CanDeal thereupon on a timely basis provides such post-trade information to CanPX to the extent such post-trade information would have had to be so provided if section 8.2 of NI 21-101 applied.

DATED this 12th of July, 2002

Randee B. Pavalow