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Rules Bulletin > Implementation Bulletin

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Rule Connection: UMIR

Division: Investment Dealer

Amendments Respecting Net Asset Value Orders and Intentional Crosses

Executive Summary

On June 12, 2025, the Canadian Securities Administrators (**CSA**) approved amendments to the Universal Market Integrity Rules (**UMIR**) that:

- increase transparency around the execution of certain orders in Exempt Exchange-traded Funds (**ETFs**) where the execution price of the order references the net asset value (**NAV**) of the ETF as published by the issuer of the ETF in accordance with applicable securities legislation, and
- remove an outdated prohibition in the definition of “intentional cross” that prohibits an intentional cross where one side of the trade is jitney and to clarify its application (**Amendments**).

On July 18, 2024, CIRI published for comment proposed changes to UMIR in CIRI Bulletin [24-0213 Proposed Amendments Respecting Net Asset Value Orders and Intentional Crosses](#). These amendments were proposed to address a lack of transparency around the execution of ETF orders at NAV and to address concerns that the definition of “intentional cross” in UMIR was not consistent with the current structure of the Canadian market.

No changes to the proposed amendments were made.

1. Comments received

We received seven comment letters in response to Bulletin 24-0213. We provide a summary of these comments and our response in Appendix C. In addition to the summary, we provide clarifications below in relation to specific issues on which we sought feedback.

1.1 Minimum size requirements for the entry of a Net Asset Value Order

In Bulletin 24-0213 we noted that we considered requiring a Net Asset Value Order to be of a minimum size, but did not propose this condition. Generally, commenters were not supportive of a minimum size.

While the Amendments do not impose a size requirement, CIRO expects that Net Asset Value Orders will typically be for larger quantities. We also expect that CIRO Dealer Members will have policies and procedures related to best execution that where applicable, would consider the appropriateness of executing a small order to purchase or sell an ETF as a Net Asset Value Order, rather than immediately executing the order in the continuous market at the time of receipt.

1.2 Minimum size requirements for the entry of an intentional cross marked as jitney on one side

In Bulletin 24-0213 we noted that we considered requiring a minimum size threshold for the entry of an intentional cross marked as jitney on one side, but did not propose this condition. Most commenters were not supportive of this restriction with several commenters suggesting that other CIRO rules would apply and would appropriately govern trading behaviour.

While the Amendments do not impose a size requirement, CIRO expects that intentional crosses marked as jitney on one side will typically be for larger quantities. We also note that all other UMIR requirements continue to be applicable to the execution of an intentional cross marked as jitney on one side, unless a specific exception is available. These include but are not limited to UMIR provisions such as UMIR 5.3 *Client Priority*, UMIR 6.3 *Exposure of Client Orders* and UMIR 8.1 *Client-Principal Trading*.

1.3 Timing of execution of a Net Asset Value Order

In Bulletin 24-0213 we noted our expectation that a Net Asset Value Order would be executed as soon as is practical after publication of NAV by the issuer of the ETF. We sought specific feedback on whether this should be a specific requirement within UMIR and most commenters were not supportive of any requirement.

While the Amendments do not impose this requirement, we are of the view that a Net Asset Value Order should typically be executed as soon as practicable. This would generally mean promptly after a Canadian marketplace is open for trading (and after publication of official NAV by the issuer of the ETF). We would not expect a Participant to withhold a Net Asset Value Order from execution unless a legitimate and documented reason exists.

1.4 Execution price of a Net Asset Value Order

In Bulletin 24-0213 we noted that the definition of a Net Asset Value Order requires that the order is entered on a marketplace to trade at a price that references the most recent NAV as published by the issuer of an ETF. It does not require that the trade price be exactly the NAV as published by the issuer.

We sought specific feedback on this issue and the majority of commenters were supportive of allowing the execution price of a Net Asset Value Order to be at a reference to the published NAV.

While the Amendments allow for a reference to published NAV, we note that Participants are still responsible for all applicable CRO requirements including all required documentation related to any markup or markdown to published NAV. We would expect that any differential between the execution price of the Net Asset Value Order and official published NAV will be limited and generally represent fees and commissions where applicable.

For further clarity we also note that pursuant to UMIR 6.1(3), where an intentional cross is entered at a price which is a fraction of a trading increment, the execution price must be a better price for both the order to purchase and the order to sell. While published NAV is typically priced in multiple decimal places, there is no exception to UMIR 6.1(3) for the execution of a Net Asset Value Order.

1.5 Concerns related to implementation timing

In Bulletin 24-0213 we proposed at least a 90-day implementation period after the publication of a Rules Bulletin implementing the proposed changes. One commenter expressed concern regarding the technology work required to accommodate the new designation required for a Net Asset Value Order under UMIR 6.2 and requested clarification as to whether existing practices would be permitted until such time as technology work could be completed.

As noted below, implementation will be 180 days from the publication of this Bulletin. Once the Amendments are implemented, Participants that are not yet able to include the required designation under UMIR 6.2 would not be permitted to enter a Net Asset Value Order.

2. Implementation

The Amendments will be effective on January 13, 2026, being 180 days after the publication of this Bulletin.

Dealer Members will be expected to update all applicable policies and procedures in respect of the use of both Net Asset Value Orders and the execution of intentional crosses marked as jitney on one side. This may include:

- Ensuring client identifiers are included where required, including any required identifier for the client of a jitney Participant that is on one side of an intentional cross.
- Ensuring the jitney Participant's identifier is included on an intentional cross marked as jitney.
- Ensuring compliance with all audit trail requirements, including all necessary documentation related to the execution of Net Asset Value Orders (e.g., time of order receipt, record of client instructions, markup or markdown to NAV, published NAV price).
- Any necessary updates to policies and procedures related to the application of UMIR 5.3 *Client Priority*, including considerations related to compliance with requirements of UMIR 5.3 where a Participant gives an order to another Participant to be executed as a jitney intentional cross.
- Where applicable, ensuring compliance with UMIR 6.3 *Order Exposure* when giving a client order to another Participant to be executed as a jitney intentional cross.

- Where applicable, ensuring compliance with UMIR 8.1 *Client-Principal Trading* when executing an intentional cross marked as jitney on one side for another Participant.

Dealer Members and marketplaces (where that marketplace chooses to offer the ability to execute a Net Asset Value Order) will need to undertake technology work to accommodate the new order type. For compliance with the designation required under UMIR 6.2, a Net Asset Value Order must be entered with a new FIX tag value 549=102 to report the Net Asset Value Order in both the Cross Order and Trade Report Messages. Tag 549 (CrossType) is an integer in the FIX specification that applies to both Cross and Trade messages.

3. Appendices

[Appendix A](#) - Amendments to UMIR (blackline)

[Appendix B](#) - Amendments to UMIR (clean)

[Appendix C](#) - Summary of comments received and CIRO's responses