

Citation: 2026 BCSECCOM 337

Headnote

Relief from the requirement to be recognized as an exchange – relief to facilitate odd-lot and/or fractional trading facilities – relief granted subject to certain conditions set out in the decision – relief granted based on the particular facts and circumstances – decision should not be viewed as precedent for others.

Applicable legislative provisions and instruments

Securities Act, R.S.B.C. 1996, c. 418, sections 25 and 33.

Exemption Order

CIX Trading Inc.

Section 33 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act)

Background

CIX Trading Inc. (CIX) is an alternative trading system (ATS) operating in Canada. CIX plans to introduce a facility on one of its marketplaces that may result in it no longer falling into the definition of ATS under National Instrument 21-101 *Marketplace Operation* (NI 21-101) as it may be offering a service that can only be offered by an exchange.

Concurrently with granting this order, the British Columbia Securities Commission (the Commission) ordered under section 187(1)(a) of the Act that the definition of ATS in section 1.1 of NI 21-101 was varied as it applies to CIX, such that CIX continues to fall into the definition of ATS.

CIX was previously granted relief in Ontario, Alberta, Manitoba, New Brunswick, Newfoundland And Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon (collectively, the Jurisdictions) from the requirement to be recognized as a “stock exchange” or “exchange.”

Definitions

Terms defined in the Act, National Instrument 14-101 *Definitions* and NI 21-101 have the same meaning if used in this order.

Relief Requested

The Commission may make an order under Subsection 33(2) of the Act exempting CIX from the requirement to be recognized as an exchange under Section 25 of the Act (the Exchange Relief).

Representations

This decision is based on the following facts represented by CIX:

1. CIX is a corporation subject to the laws of Canada and is approved to operate an ATS in Canada. Upon launch of operations, CIX will operate three marketplaces called ASPEN, ASPEN VERT, and MIDPOINT to trade Canadian exchange-traded securities.
2. In connection with its status as an ATS, CIX is registered as an investment dealer in each of the Jurisdictions and is a dealer and marketplace member of the Canadian Investment Regulatory Organization (CIRO), and it is not in default of securities legislation in any jurisdiction in Canada.
3. CIX's head office is located in Toronto, Ontario.
4. CIX is proposing to introduce a facility in ASPEN VERT for odd lot and fractional trading: the CIX Fractional Program (the FLP Program). An odd lot is an order for a number of shares that is less than the minimum prescribed "standard trading unit" size as defined in CIRO's Universal Market Integrity Rules. A fractional order is an order for less than one whole share.
5. CIX subscribers will be able to receive fills for odd lot and fractional orders that are immediately marketable against the Canadian Best Bid and Offer (CBBO), which is the highest bid price and lowest offer price respectively on any Canadian marketplace that displays details of orders. CIX's Fractional and Odd Lot Liquidity Providers (FLPs) will meet their responsibility to provide executions against incoming odd lot and fractional orders on the passive side of the CBBO through resting orders entered by them on ASPEN VERT. The FLP Program is described below:
 - (a) A subscriber will qualify to become an FLP if it is a member in good standing with CIRO, has met all applicable CIX requirements and has requested to be an FLP and signed the FLP Program Agreement.
 - (b) Each FLP will be assigned a list of securities based on the number of CIX FLPs.
 - (c) FLPs provide liquidity by maintaining primary pegged orders in their assigned symbols of responsibility to ensure a two-sided market for odd lot and fractional orders throughout the trading day within the ASPEN VERT order book.
 - (d) Incoming fractional and odd lot orders routed to the ASPEN VERT order book are eligible to match against primary pegged orders entered by FLPs based on the CBBO.
 - (e) Day orders that are not immediately marketable against the CBBO and resting at a limit will be accepted and will not be displayed.
 - (f) Orders containing at least one board lot and an odd lot, including fractional quantities, (mixed lot) will be accepted.
 - (g) The odd lot or fractional portion of a mixed lot will receive execution from the FLP and the board lot portion of the mixed lot order will seek available liquidity on the ASPEN VERT central limit order book.
 - (h) CIX subscribers that are interested in serving as FLPs can be designated as such at the discretion of CIX. Where CIX allocates listed securities to an

FLP, the FLP will be responsible for providing immediate fills for incoming marketable odd lot and fractional orders through resting pegged orders. There will be a lead FLP for each assigned security.

6. Because CIX is offering the FLP Program described in paragraph 5 and as a result may be providing directly or through its subscribers, a two-sided market on a continuous or reasonably continuous basis, absent the Exchange Relief, CIX may not fall within the definition of “alternative trading system” under NI 21-101 as it may be offering a service that can only be offered by an exchange.
7. The FLP Program is limited to odd lot and fractional orders that cannot be displayed or executed in a central limit order book that requires orders to be one or more whole standard trading units. Granting the Exchange Relief for this limited service will not offend the policy rationale for excluding ATSS from offering market making services generally.

Order

Considering that to do so would not be prejudicial to the public interest, the Commission orders that the Exchange Relief is granted, provided that CIX does not engage in any exchange activity that is not described in this order without obtaining prior approval of the Commission.

October 6, 2026

“Brenda M. Leong”

Brenda M. Leong
Chair