

British Columbia Securities Commission

***Variation of definition of alternative trading system in National Instrument 21-101
Marketplace Operation as it applies to CIX Trading Inc.***

(Order under section 187 of the Securities Act)

Date: October 6, 2026

Definitions

1. Terms defined in the *Securities Act* (British Columbia) (the Act), National Instrument 14-101 *Definitions* and National Instrument 21-101 *Marketplace Operation* (NI 21-101) have the same meaning if used in this Order.

Background

2. CIX Trading Inc. (CIX) is a corporation subject to the laws of Canada and is approved to operate an alternative trading system (ATS) in Canada. Upon launch of operations, CIX will operate three marketplaces called ASPEN, ASPEN VERT, and MIDPOINT to trade Canadian exchange-traded securities.
3. In connection with its status as an ATS, CIX is registered as an investment dealer in all jurisdictions and is a dealer and marketplace member of the Canadian Investment Regulatory Organization (CIRO).
4. CIX's head office is located in Toronto, Ontario.
5. 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.
6. 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.
7. Because CIX is offering the FLP Program described in paragraph 6 and as a result may be providing directly or through its subscribers, a two-sided market on a continuous or reasonably continuous basis, CIX may not fall within the definition of "alternative trading system" under NI 21-101 and may be offering a service that can only be offered by an exchange.
 8. 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.
 9. Varying the definition of ATS for this limited service will not offend the policy rationale for excluding ATSs from offering market making services generally.
 10. Concurrently with granting this order, the Commission made 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.
 11. 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 from the requirement to be recognized as a "stock exchange" or "exchange."

Order

12. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under paragraph 187(1)(a) of the Act that the definition of alternative trading system in section 1.1 of NI 21-101 is varied as it applies to CIX to permit CIX to provide, through the FLP Program, a guarantee of a two-sided market for a security on a continuous or reasonably continuous basis.

Effective Date

13. This Order comes into effect on October 6, 2026.

For the Commission:

"Brenda M. Leong"

Brenda M. Leong
Chair
BC Securities Commission