

Appendix I – Blackline comparison of the revised criteria to last publication

Fully paid securities lending (FPL) – Securities eligibility criteria

Effective [date], a Dealer Member (Dealer) ~~can~~may only borrow client fully paid and excess margin securities, pursuant to Part B.2. of IDPC Rule 4600, that meet the following eligibility criteria set out by CIRO in compliance with IDPC Rule section 4628.

Rule prescribed criteria¹

~~The borrowing Dealer must ensure that they only borrow client securities held by clients in their non-registered accounts.~~

Additional CIRO prescribed criteria²

The borrowing Dealer ~~Member must~~may only borrow client equity securities listed on an exchange. For Canadian listed equity securities, the Dealer must ensure that they meet at least one of the following criteria:

- 6-month average volume weighted average closing price $\geq$ \$2.00, or
- 6-month average daily trading volume $\geq$ 100,000 shares, or
- 6-month average free float market capitalization $\geq$ \$200 million.

The securities eligibility criteria prescribed by CIRO may change from time to time.

To ensure compliance with the securities eligibility restrictions, Dealers are expected to maintain a list of securities eligible ~~under~~for the fully paid lending activity based on the above criteria. They are also expected to review their fully paid lending transactions against these criteria at least monthly and terminate loans that don't meet the criteria as soon as possible.³

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¹~~IDPC Rule subsection 4628(1).~~

²~~IDPC Rule subsection 4628(2).~~

³~~Guidance on fully paid securities lending GN-[SERIES]-2#-####.~~