

**Amendments to
National Instrument 21-101 *Marketplace Operation***

PART 1 AMENDMENT

1.1 Amendment

- (1) This Instrument amends National Instrument 21-101 *Marketplace Operation*.
- (2) Section 1.1 is amended:
 - (a) in the definition of “foreign exchange-traded security” by
 - (i) striking out “only” wherever it appears; and
 - (ii) by adding “and is not listed on an exchange or quoted on a quotation and trade reporting system in Canada” after “International Organization of Securities Commissions”;
 - (b) in the definition of “IDA” by adding “, or its successor” after “Canada”;
 - (c) by repealing the definition of “member” and substituting the following:

“ “member” means, for a recognized exchange, a person or company

 - (a) holding at least one seat on the exchange, or
 - (b) that has been granted direct trading access rights by the exchange and is subject to regulatory oversight by the exchange,

and the person or company’s representatives;”;
 - (d) in the definition of “recognized exchange” by adding in paragraph (b) “or authorized by the securities regulatory authority” after “as a self-regulatory organization”;
 - (e) in the definition of “subscriber” by adding “, and the person or company’s representatives” after “orders on the ATS”; and
 - (f) in the definition of “user” by adding “, and the person or company’s representatives” after “on the recognized quotation and trade reporting system”.
- (3) Part 7 is amended:
 - (a) in subsection 7.1(1) and section 7.2 by striking out “that meets the standards set by a regulation services provider”; and

- (b) in section 7.5 by striking out “and timely” and by adding “in real-time” after “consolidated feed”.
- (4) Part 8 is amended:
 - (a) in subsections 8.2(1), 8.2(3), 8.2(4) and 8.2(5) by striking out “that meets the standards set by a regulation services provider, as required by the regulation services provider”;
 - (b) in section 8.3 by striking out “a” after “produce” and substituting “an accurate”;
 - (c) in section 8.5 by striking out “report” wherever it appears and by substituting “file”; and
 - (d) in subsection 8.5(1) by adding “the” before “selection”.
- (5) Part 10 is amended by deleting all references to “transaction fees” and substituting “trading fees”.
- (6) Part 11 is amended:
 - (a) in section 11.1 by adding “in electronic form” after “business”;
 - (b) in subsection 11.2(1),
 - (i) by striking out “In addition to” and substituting “As part of”;
 - (ii) by striking out “keep” and substituting “include”; and
 - (iii) by adding “in electronic form” after “information”;
 - (c) in paragraph 11.2(1)(b) by striking out “, in electronic form,”;
 - (d) by repealing subsections 11.2(2) and 11.2(3); and
 - (e) by adding the following section after section 11.2:

“11.2.1 Transmission in Electronic Form - A marketplace shall transmit

 - (a) to a regulation services provider, if it has entered into an agreement with a regulation services provider in accordance with NI 23-101, the information required by the regulation services provider, within ten business days, in electronic form; and
 - (b) to the securities regulatory authority the information required by the securities regulatory authority under securities legislation, within ten business days, in electronic form.”.

- (7) Section 12.2 is amended by:
 - (a) striking out the “s” at the end of “Paragraphs”; and
 - (b) striking out “and 12.1(c) do” and substituting “does”.
- (8) The following Part is added after Part 14:

“Part 14.1 – Reporting of Order Execution Information by Marketplaces

14.1.1 (1) Reporting of order execution information by marketplaces – A marketplace must make publicly available a monthly report, in electronic form, on the orders, not including any excluded orders as defined in NI 23-101, that it received for execution from any marketplace participant that were not immediately routed to another marketplace and shall include the following information in the report:

Liquidity Measures:

- (a) the number of orders that the marketplace received;
- (b) the number of orders that were cancelled;
- (c) the number of orders that were executed on the marketplace;
- (d) the average volume of all orders received on the marketplace;

Trading Statistics:

- (e) the number of trades executed on the marketplace;
- (f) the volume of all trades executed on the marketplace;
- (g) the value of all trades executed on the marketplace;
- (h) the arithmetic mean and median size of trades executed on the marketplace;
- (i) the number of trades that were executed on the marketplace with a volume of:
 - (i) for securities other than options,
 - 1. over 5,000 shares, and
 - 2. over 10,000 shares, and

- (ii) for options,
 - 1. over 100 options contracts; and
 - 2. over 250 options contracts.

Speed and Certainty of Execution Measures:

- (j) the number of orders at the best bid price and best ask price of the marketplace executed
 - (i) from 0 to 9 seconds after the time of their receipt;
 - (ii) from 10 to 59 seconds after the time of their receipt;
 - (iii) from 60 seconds to 5 minutes after the time of their receipt;
 - (iv) over 5 minutes after the time of their receipt.

(2) The reporting required in paragraphs (1)(a) through (j) shall be categorized by security and by order type.”.