

**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.”.