

ANNEX C

Amendments to National Instrument 23-101 *Trading Rules*

1. **National Instrument 23-101 Trading Rules, B.C. Reg. 252/2001, is amended as set out in this Schedule.**
2. **Sections 3.1 and 4.3 are amended by replacing “shall” with “must”.**
3. **Section 5.1 is amended by replacing “no person or company shall” with “a person or company must not”.**
4. **Sections 6.1, 6.3, 6.4, 6.5 and 6.6 are amended by replacing “shall” wherever it occurs with “must”.**
5. **Section 6.7 is amended by replacing “No person or company shall” with “A person or company must not”.**
6. **Section 6.8 is amended by adding “, except for paragraph 6.3(1)(c),” after “In Québec, this Part”.**
7. **Section 7.1 is amended**
 - (a) **in subsections (1) and (2) by replacing “shall” with “must”, and**
 - (b) **by adding the following subsection:**
 - (3) If a recognized exchange has entered into a written agreement under section 7.2, the recognized exchange must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized exchange and the conduct of the exchange’s members, and that enable the regulation services provider to effectively monitor trading on the exchange and across marketplaces..
8. **Section 7.2 is repealed and the following substituted:**
 - 7.2 **Agreement between a Recognized Exchange and a Regulation Services Provider** – A recognized exchange that monitors the conduct of its members indirectly through a regulation services provider must enter into a written agreement with the regulation services provider which provides that the regulation services provider will
 - (a) monitor the conduct of the members of the recognized exchange,
 - (b) monitor the compliance of the recognized exchange with the requirements set under subsection 7.1(3), and
 - (c) enforce the requirements set under subsection 7.1(1).
 - 7.2.1 **Obligations of a Recognized Exchange to a Regulation Services Provider** – A recognized exchange that has entered into a written agreement with a regulation services provider must
 - (a) transmit to the regulation services provider the information required under Part 11 of NI 21-101 and any information reasonably required by the regulation services provider, in the form and manner requested by the regulation services provider, to effectively monitor
 - (i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.1(1), and
 - (ii) the conduct of the recognized exchange, including the compliance of the recognized exchange with the requirements set under subsection 7.1(3), and
 - (b) comply with all orders or directions made by the regulation services provider..
9. **Section 7.3 is amended**
 - (a) **in subsections (1) and (2) by replacing “shall” with “must”, and**
 - (b) **by adding the following subsection:**
 - (3) If a recognized quotation and trade reporting system has entered into a written agreement under section 7.4, the recognized quotation and trade reporting system must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized quotation and trade reporting system and the conduct of the quotation and trade reporting system’s users, and that enable the regulation services provider

to effectively monitor trading on the recognized quotation and trade reporting system and across marketplaces..

10. Section 7.4 is repealed and the following substituted:

7.4 Agreement between a Recognized Quotation and Trade Reporting System and a Regulation Services Provider - A recognized quotation and trade reporting system that monitors the conduct of its users indirectly through a regulation services provider must enter into a written agreement with the regulation services provider which provides that the regulation services provider will

- (a) monitor the conduct of the users of the recognized quotation and trade reporting system,
- (b) monitor the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3), and
- (c) enforce the requirements set under subsection 7.3(1).

7.4.1 Obligations of a Quotation and Trade Reporting System to a Regulation Services Provider – A recognized quotation and trade reporting system that has entered into a written agreement with a regulation services provider must

- (a) transmit to the regulation services provider the information required under Part 11 of NI 21-101 and any information reasonably required by the regulation services provider in the form and manner requested by the regulation services provider to effectively monitor
 - (i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.3(1), and
 - (ii) the conduct of the recognized quotation and trade reporting system, including the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3), and
- (b) comply with all orders or directions made by the regulation services provider..

11. Sections 7.5 to 9.2 and section 10.1 are amended by replacing “shall” wherever it occurs with “must”.

12. Section 10.2 is amended by replacing “shall enter into an agreement” with “must enter into a written agreement”.

13. Sections 11.2 and 11.3 are amended by replacing “shall” wherever it occurs with “must”.