

# 2007 BCSECCOM 90

COR#07/001

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## Headnote

National Instrument 21-101, s. 15.1 - Marketplace Operation - A person who resides in a Canadian jurisdiction outside BC wants to operate an alternative trading system (ATS) in BC. - The ATS is registered as a dealer in the Canadian jurisdiction to which it has the most significant connection; the ATS's subscribers are all registered dealers; any direct access clients (i) already have direct access privileges with a recognized exchange, and (ii) are the responsibility of the subscriber.

## Applicable Legislative Provisions

National Instrument 21-101 *Marketplace Operation*, s. 15.1

**In the Matter of  
the Securities Legislation  
of British Columbia, Saskatchewan, Manitoba, Quebec, Nova Scotia, and  
Newfoundland and Labrador (the Jurisdictions)**

**and**

**In the Matter of  
the Mutual Reliance Review System  
for Exemptive Relief Applications (the System)**

**and**

**In the Matter of  
TriAct Canada Marketplace LP (the Filer)**

**MRRS Decision Document**

## Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the Legislation) of the Jurisdictions for relief from the requirement that the Filer be registered as a dealer in each of the Jurisdictions (the Requested Relief) so that it can carry on business as an alternative trading system (ATS).

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### Under the System

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

- ¶ 2 Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

### Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- (a) the Filer is a limited partnership established under the laws of Ontario with its registered office in Toronto, Ontario;
  - (b) the Filer intends to operate an electronic trading system (the trading system) which allows subscribers to confidentially trade securities that are listed on the Toronto Stock Exchange (the TSX) and the TSX Venture Exchange (TSX VE);
  - (c) the trading system is an ATS under National Instrument 21-101 *Marketplace Operation* (NI 21-101) and has completed the filing and settlement of its initial operation report (Form 21-101F2) with the Ontario Securities Commission (the OSC);
  - (d) the Filer is registered with the OSC as an investment dealer and is a member of the Investment Dealers Association of Canada (Ontario District) (the IDA), and has obtained the necessary regulatory approvals to operate the trading system in Ontario;
  - (e) the Filer has contracted with Market Regulation Services Inc. for market regulation of the ATS;
  - (f) the Filer will be the sole party providing access to the trading system in the Jurisdictions and Ontario;
  - (g) all subscribers to the trading system in the Jurisdictions will be registered investment dealers; and

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- (h) the Filer may grant to clients of subscribers direct access privileges to the trading system based on the clients' existing direct access to either the TSX or the TSX VE (direct access clients).

### **Decision**

- ¶ 4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (a) the Filer maintains registration as an investment dealer with the OSC and membership with the IDA,
- (b) all subscribers to the trading system are registered investment dealers, and
- (c) the Filer assigns to each direct access client the same client identifier used by the direct access client on either the TSX or the TSX VE, which will be used to identify all of the direct access client's activity on the trading system.

Robin Ford  
Commissioner