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COR#05/059

Headnote

Exemption from the requirement that a person must not carry on business as an exchange in British Columbia unless it is recognized by the commission

Exemption Order

Canadian Trading and Quotation System Inc.

Section 33 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1
1. On March 26, 2005, the Commission issued a temporary order exempting Canadian Trading and Quotation System Inc. (CNQ) from recognition as an exchange under section 33(1) of the Act (COR#05/018).
 2. The Ontario Securities Commission (OSC) has recognized CNQ as a stock exchange by order under section 21 of the *Securities Act* (Ontario) (the OSC recognition order).
 3. The OSC has agreed to act as the lead regulator for CNQ under a Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems (MOU) under which a lead regulator is responsible for conducting oversight programs of recognized exchanges and quotation and trade reporting systems to ensure that they meet appropriate standards for market operation and regulation.

Representations

- ¶ 2 CNQ represents that:
1. it is incorporated under the *Ontario Business Corporations Act* and its head office is at 161 Bay Street, Suite 3850, Toronto, Ontario;
 2. it has opened an office in British Columbia;
 3. under the OSC recognition order, it must file with the OSC each new or amended rule, policy or other similar instrument (regulatory instruments) adopted by its board of directors and must comply in all other respects with the rule review process outlined in Appendix “B” to the OSC recognition order;

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4. it will provide the Commission with:
 - (a) copies of all regulatory instruments at the same time as it files them with the OSC for review and approval; and
 - (b) copies of all regulatory instruments approved by the OSC;
5. it will submit to the Commission or the Executive Director any information reasonably requested by the Commission or the Executive Director within 10 days of the request.

Order

- ¶ 3 Considering that to do so would not be prejudicial to the public interest, the Commission orders under section 33 of the Act that, as long as the OSC continues to recognize CNQ as a stock exchange and acts as the lead regulator for CNQ under the MOU or any successor memorandum, CNQ is exempt from the recognition requirement in section 25 of the Act.

- ¶ 4 July 5, 2005

Douglas M. Hyndman
Chair