

Headnote

S. 171 of the Securities Act and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application to revoke the decision granting a U.S. broker-dealer and operator of an alternative trading system relief from the dealer registration requirement and from the application of all provisions of NI 21-101, NI 23-101 and NI 23-103 – decision to revoke exemptive relief granted.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 171, NI 21-101, s. 15., NI 23-101, s. 12.1 and NI 23-103, s. 10

December 5, 2024

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO (for a passport application), BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, PRINCE EDWARD ISLAND, YUKON, NORTHWEST TERRITORIES AND NUNAVUT (the Jurisdictions)

AND IN THE MATTER OF THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF CARTA CAPITAL MARKETS, LLC (the Filer)

DECISION

Background

The securities regulatory authority or regulator in Ontario has received an application from the Filer for a decision under the securities legislation of the jurisdiction of the principal regulator to revoke the decision dated January 21, 2022 granting the Filer exemptive relief from the dealer registration requirement in the securities legislation of the jurisdiction of the principal regulator to permit the Filer to provide Canadian residents who hold securities of private issuers domiciled in the United States and other jurisdictions outside of Canada with brokerage services to allow them to sell such securities in transactions offered on the alternative trading system (ATS) operated by the Filer to clients in the Jurisdictions (the **Dealer Registration Relief Revocation**, which is a passport decision).

The securities regulatory authority or regulator in each of the Jurisdictions (the **Coordinated Exemptive Relief Decision Makers**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to revoke the decision dated January 21, 2022 granting the Filer exemptive relief under:

- (a) section 15.1 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) from NI 21-101 in whole;
- (b) section 12.1 of National Instrument 23-101 *Trading Rules* (**NI 23-101**) from NI 23-101 in whole; and
- (c) section 10 of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) from NI 23-103 in whole

(the **Marketplace Relief Revocation**, which is a coordinated review decision).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

- (a) the Ontario Securities Commission is the principal regulator for this application,
- (b) in respect of the Dealer Registration Relief Revocation, the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut,
- (c) in respect of the Marketplace Relief Revocation, the decision is the decision of the principal regulator, and
- (d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. the Filer has wound down its operations of the ATS known as “CartaX” in the Jurisdictions;
2. there is currently no trading activity on the CartaX platform and the Filer has currently ceased its activities as an ATS in the Jurisdictions; and
3. the Filer is not in default of securities legislation in any jurisdiction of Canada and is in compliance in all material respects with U.S. securities laws.

Decision

Each of the principal regulator and the Coordinated Exemptive Relief Decision Makers is satisfied

that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

The decision of the principal regulator under the Legislation is that the Dealer Registration Relief Revocation is granted.

The decision of the Coordinated Review Decision Makers under the Legislation is that the Marketplace Relief Revocation is granted.

“Michelle Alexander”
Manager, Trading and Markets Division
Ontario Securities Commission