

AMENDMENTS TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

PART 1 AMENDMENTS

1.1 Amendments

- (1) This Instrument amends National Instrument 21-101 Marketplace Operation.
- (2) Part 1 is amended by repealing the definition of “government debt security” and substituting the following definition:

“government debt security” means

 - (a) a debt security issued or guaranteed by the government of Canada, or any province or territory of Canada,
 - (b) a debt security issued or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated,
 - (c) a debt security of a crown corporation,
 - (d) in Ontario, a debt security of any school board in Ontario or of a corporation established under section 248(1) of the Education Act (Ontario), or
 - (e) in Québec, a debt security of the Comité de gestion de la taxe scolaire de l’île de Montréal

that is not listed on a recognized exchange or quoted on a recognized quotation and trade reporting system or listed on an exchange or quoted on a quotation and trade reporting system that has been recognized for the purposes of this Instrument and NI 23-101;

- (3) Section 6.2 is repealed and the following substituted:

Except as provided in this Instrument, the registration exemptions applicable to dealers under securities legislation are not available to an ATS.

- (4) Part 7 is amended by:
- a. striking out the reference in section 7.2 to “orders” and substituting “trades”;
 - b. striking out the reference in section 7.4 to “orders” and substituting “trades”;
 - c. repealing section 7.5; and
 - d. adding the following:

7.6 Consolidated Feed – Exchange-Traded Securities – An information processor shall produce an accurate and timely consolidated feed showing the information provided to the information processor under sections 7.1 and 7.2.

7.7 Compliance with Requirements of an Information Processor – A marketplace shall comply with the reasonable requirements of the information processor to which it is required to provide information under this Part.

- (5) Part 8 is amended by

- a. repealing subsection 8.1(1) and substituting the following:

A marketplace that displays orders of government debt securities to a person or company shall provide accurate and timely information regarding orders for designated government debt securities displayed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- b. repealing subsection 8.1(3) and substituting the following:

A marketplace shall provide accurate and timely information regarding details of trades of designated government debt securities executed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- c. repealing subsection 8.1(4) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding orders for designated government debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- d. repealing subsection 8.1(5) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding details of trades of designated government debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- e. repealing subsection 8.2(1) and substituting the following:

A marketplace that displays orders of corporate debt securities to a person or company shall provide accurate and timely information regarding orders for designated corporate debt securities displayed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- f. repealing subsection 8.2(3) and substituting the following:

A marketplace shall provide accurate and timely information regarding details of trades of designated corporate debt securities executed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

- g. repealing subsection 8.2(4) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding details of trades of designated corporate debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that

meets the standards set by a regulation services provider, as required by the regulation services provider;

h. repealing subsection 8.2(5) and substituting the following:

A dealer executing trades of corporate debt securities outside of a marketplace shall provide accurate and timely information regarding details of trades of designated corporate debt securities traded by or through the dealer to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

i. repealing section 8.5 and substituting the following:

8.5 Reporting requirements for the information processor - The information processor shall report, within 30 days after the end of each calendar quarter, the process and criteria for selection of the designated government debt securities and designated corporate debt securities and the list of designated government debt securities and designated corporate debt securities. The information processor shall also report, within 30 days after the end of each calendar year, the process to communicate the designated securities to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by the Instrument, including where the list of designated securities can be found.

(6) Part 11 is amended by repealing section 11.2(2) and substituting the following:

11.2(2) Transmittal of Order Information – A marketplace shall transmit to a securities regulatory authority or 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 securities regulatory authority or a regulation services provider, within ten business days, in electronic form as required by the securities regulatory authority or regulation services provider.

11.2(3) Electronic Form – The record kept by a marketplace under section 11.1 and subsection 11.2(1) and the transmission of information to a securities regulatory authority or a regulation services provider under subsection 11.2(2) shall be in electronic form as prescribed by a securities regulatory authority or a regulation services provider.

- (7) Part 12 is amended by adding the following section 12.3:

12.3 Availability of technology specifications and testing facilities

– (1) For at least two months immediately prior to operating, a marketplace shall make available to the public any technology requirements regarding interfacing with or access to the marketplace.

(2) After the technology requirements set out in subsection (1) have been published, a marketplace shall make available to the public, for at least one month, testing facilities for interfacing with and access to the marketplace.

- (8) Appendix A to National Instrument 21-101 Marketplace Operation is repealed.