

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) Section 1.1 is amended by repealing the definition of “market integrator”.
- (3) Section 5.2 is amended by repealing “or user” and substituting “, user or a person or company with access to the recognized exchange or recognized quotation and trade reporting system”.
- (4) Part 6 is amended by:
 - (a) adding in section 6.12 “or a person or company with access to the ATS” after “a subscriber”; and
 - (b) adding the following section:

“6.13 Access Requirements – An ATS shall

 - (a) establish written standards for granting access to trading on it;
 - (b) not unreasonably prohibit, condition or limit access by a person or company to services offered by it; and
 - (c) keep records of
 - (i) each grant of access, including, for each subscriber, the reasons for granting access to an applicant, and
 - (ii) each denial or limitation of access, including the reasons for denying or limiting access to an applicant.”.
- (5) Part 7 is amended by repealing sections 7.1, 7.2, 7.3, 7.4 and 7.5 and substituting the following:

“7.1 Pre-trade Information Transparency - Exchange-Traded Securities

 - (1) A marketplace that displays orders of exchange-traded securities to a person or company shall provide accurate and timely information regarding orders for the exchange-traded securities displayed on the marketplace to an information processor as required by the information processor or, if there is no information processor, any information vendor that meets the standards set by a regulation services provider with which the marketplace has executed a contract under NI 23-101 as required by the information vendor.

- (2) Subsection (1) does not apply if the marketplace only displays orders to its employees or to persons or companies retained by the marketplace to assist in the operation of the marketplace.

7.2 Post-trade Information Transparency – Exchange-Traded Securities – A marketplace shall provide accurate and timely information regarding orders for exchange-traded securities executed on the marketplace to an information processor as required by the information processor or, if there is no information processor, any information vendor that meets the standards set by a regulation services provider with which the marketplace has executed a contract under NI 23-101 as required by the information vendor.

7.3 Pre-trade Information Transparency – Foreign Exchange-Traded Securities

- (1) A marketplace that displays orders of foreign exchange-traded securities to a person or company shall provide accurate and timely information regarding orders for the foreign exchange-traded securities displayed on the marketplace to any information vendor.

- (2) Subsection (1) does not apply if the marketplace only displays orders to its employees or to persons or companies retained by the marketplace to assist in the operation of the marketplace.

7.4 Post-trade Information Transparency – Foreign Exchange-Traded Securities – A marketplace shall provide accurate and timely information regarding orders for foreign exchange-traded securities executed on the marketplace to any information vendor.

7.5 Exemption for Options – This Part does not apply to exchange-traded securities that are options and foreign exchange-traded securities that are options until January 1, 2007.”.

- (6) Part 8 is amended by:

- (a) repealing sections 8.1, 8.2, 8.3, 8.4 and 8.5 and substituting the following:

“8.1 Pre-Trade and Post-Trade Information Transparency Requirements - Government Debt Securities

- (1) A marketplace that displays orders of government debt securities shall provide to an information processor accurate and timely information regarding orders for government debt securities displayed on the marketplace as required by the information processor.

- (2) Subsection (1) does not apply if the marketplace only displays orders to its employees or to persons or companies retained by the marketplace to assist in the operation of the marketplace.

- (3) A marketplace shall provide to an information processor accurate and timely information regarding details of trades of government debt

securities executed on the marketplace as required by the information processor.

- (4) An inter-dealer bond broker shall provide to an information processor accurate and timely information regarding orders for government debt securities executed through the inter-dealer bond broker as required by the information processor.
- (5) An inter-dealer bond broker shall provide to an information processor accurate and timely information regarding details of trades of government debt securities executed through the inter-dealer bond broker as required by the information processor.

8.2 Pre-Trade and Post-Trade Information Transparency Requirements - Corporate Debt Securities

- (1) A marketplace that displays orders of corporate debt securities shall provide to an information processor accurate and timely information regarding orders for corporate debt securities displayed on the marketplace as required by the information processor.
- (2) Subsection (1) does not apply if the marketplace only displays orders to its employees or to persons or companies retained by the marketplace to assist in the operation of the marketplace.
- (3) A marketplace shall provide to an information processor accurate and timely information regarding details of trades of corporate debt securities executed on the marketplace as required by the information processor.
- (4) An inter-dealer bond broker shall provide to an information processor accurate and timely information regarding details of trades of corporate debt securities executed through the inter-dealer bond broker as required by the information processor.
- (5) A dealer executing trades of corporate debt securities outside of a marketplace shall provide to an information processor accurate and timely information regarding details of trades of corporate debt securities traded by or through the dealer as required by the information processor.

8.3 Exemption for Government Debt Securities - Section 8.1 does not apply until January 1, 2007.”; and

- (b) renumbering existing sections 8.6 and 8.7 as sections 8.4 and 8.5.
- (7) Part 9 is amended by:
- (a) striking out the title of Part 9 and substituting “REQUIREMENTS FOR MARKETPLACES”;
 - (b) repealing sections 9.1, 9.2 and 9.3;

- (c) adding “or an information vendor” after “to an information processor” in existing subsection 9.4(2); and
 - (d) renumbering existing section 9.4 as section 9.1.
- (8) Part 10 is amended by repealing sections 10.1 and 10.2 and substituting the following:
- “10.1 Disclosure of Transaction Fees for Marketplaces** - If a marketplace charges a transaction fee to participants of another marketplace to execute a trade by accessing an order on the first marketplace, the marketplace
- (a) shall disclose a schedule of all transaction fees to
 - (i) an information processor; or
 - (ii) if there is no information processor, an information vendor that meets the standards set by a regulation services provider; or
 - (b) shall make its schedule of transaction fees publicly available.”.
- (9) Part 11 is amended by:
- (a) repealing subparagraphs 11.2(1)(c)(xii), (xvi) and (xviii) and renumbering the subparagraphs accordingly;
 - (b) striking out “;” after “of the order” in existing subparagraph 11.2(1)(c)(xvii) and substituting “; and”;
 - (c) striking out the reference to the market integrator in subparagraph 11.2(1)(d)(viii); and
 - (d) adding in paragraph 11.3(1)(b) after the reference to section 5.1 “or 6.13”.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This Instrument comes into force on December 31, 2003.

AMENDMENTS TO FORMS 21-101F1, 21-101F2, 21-101F3, 21-101F4, 21-101F5 and 21-101F6

PART 1 AMENDMENTS

1.1 Amendments -This Instrument amends Forms 21-101F1, 21-101F2, 21-101F3, 21-101F4, 21-101F5 and 21-101F6 by striking out the following:

“? THE FILER CONSENTS TO HAVING THE INFORMATION ON THIS FORM AND ATTACHED EXHIBITS PUBLICLY AVAILABLE.”

PART 2 EFFECTIVE DATE

2.1 Effective Date – This Instrument comes into force on December 31, 2003.

