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AMENDMENTS TO COMPANION POLICY 21-101CP – TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

PART 1 AMENDMENT

1.1 Amendment

- (1) This amends Companion Policy 21-101CP – to National Instrument 21-101 *Marketplace Operation*.
- (2) Section 1.2 is amended by striking out the last sentence and substituting “A security that is listed on a foreign exchange or quoted on a foreign quotation and trade reporting system, and is not listed or quoted on a domestic exchange or quotation and trade reporting system, falls within the definition of “foreign exchange-traded security”.”.
- (3) Subsection 5.1(3) is amended by striking out the last sentence and substituting the following:

“For the purpose of sections 7.1, 7.3, 8.1 and 8.2 of the Instrument, the Canadian securities regulatory authorities do not consider special terms orders that are not immediately executable or that trade in special terms books, such as all-or-none, minimum fill or cash or delayed delivery, to be orders that must be provided to an information processor or, if there is no information processor, to an information vendor for consolidation.”.
- (4) Part 9 is amended by:
 - (a) repealing subsection 9.1(1) and substituting the following:

“9.1 Information Transparency Requirements for Exchange-Traded Securities - (1) Subsection 7.1(1) of the Instrument requires a marketplace that displays orders of exchange-traded securities to any person or company to provide information to an information processor or, if there is no information processor, to an information

vendor. Section 7.2 requires the marketplace to provide information regarding trades of exchange-traded securities to an information processor or, if there is no information processor, an information vendor.”;

(b) adding the following at the end of subsection 9.1(2):

“The Canadian securities regulatory authorities expect that information required to be provided to the information processor or information vendor under the Instrument will be provided in real time or as close to real time as possible.”; and

(c) repealing subsections 9.1(3) and 9.1(4).

(5) Paragraph 10.1(3)(c) is amended by deleting “that meets the standards set by the regulation services provider”.

(6) Section 12.1 is amended by:

(a) striking out all references to “transaction fees” and substituting “trading fees”;

(b) adding after the first sentence “The schedule should include all trading fees and provide the minimum and maximum fees payable for certain representative transactions.”; and

(c) striking out “Each marketplace is required to publicly post a schedule of all trading fees that are applicable to outside marketplace participants that are accessing an order and executing a trade displayed through an information processor or information vendor.”.

(7) The Policy is amended by adding the following Part after Part 16:

“Part 17 – Reporting of Order Execution Information by Marketplaces

17.1 (1) Reporting of Order Execution Information by Marketplaces – Section 14.1.1 of the Instrument requires a marketplace to make available standardized, monthly reports of statistical information concerning order executions. It is expected that this information would provide a starting point to promote visibility and best execution, in particular, relating to the factors of execution price and speed. It is also expected that this information would provide a tool for dealers and advisers to evaluate the quality of executions among marketplaces and aid in fulfilling their duty of best execution.

(2) Section 14.1.1 of the Instrument refers to “order type”. An order type is established by each marketplace and it includes an intentional cross,

internal cross, market-on-close order, basis order, call market order, opening order, closing order, market order, limit order and special terms order.”.