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### National Instrument 21-101 *Marketplace Operation*

#### PART 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

In this Instrument

“accounting principles” means accounting principles as defined in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards;

“alternative trading system”,

- (a) in every jurisdiction other than Ontario, means a marketplace that
  - (i) is not a recognized quotation and trade reporting system or a recognized exchange, and
  - (ii) does not
    - (A) require an issuer to enter into an agreement to have its securities traded on the marketplace,
    - (B) provide, directly, or through one or more subscribers, a guarantee of a two-sided market for a security on a continuous or reasonably continuous basis,
    - (C) set requirements governing the conduct of subscribers, other than conduct in respect of the trading by those subscribers on the marketplace, and
    - (D) discipline subscribers other than by exclusion from participation in the marketplace, and
- (b) in Ontario has the meaning set out in subsection 1(1) of the *Securities Act* (Ontario);

"ATS" means an alternative trading system;

"corporate debt security" means a debt security issued in Canada by a company or corporation 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, and does not include a government debt security;

"exchange-traded security" means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of this Instrument and NI 23-101;

"foreign exchange-traded security" means a security that is listed on an exchange, or quoted on a quotation and trade reporting system, outside of Canada that is regulated by an ordinary member of the International Organization of Securities Commissions and is not listed on an exchange or quoted on a quotation and trade reporting system in Canada;

"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 or municipal body 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 issued or guaranteed by a crown corporation or public body in Canada,;
- (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;

"IIROC" means the Investment Industry Regulatory Organization of Canada;

"information processor" means any person or company that receives and provides information under this Instrument and has filed Form 21-101F5 and, in Québec, that is a recognized information processor;

"inter-dealer bond broker" means a person or company that is approved by the IIROC under IIROC Rule 36 Inter-Dealer Bond Brokerage Systems, as amended, and is subject to IIROC Rule 36 and IIROC Rule 2100 Inter-Dealer Bond Brokerage Systems, as amended;

"marketplace",

- (a) in every jurisdiction other than Ontario, means
  - (i) an exchange,
  - (ii) a quotation and trade reporting system,
  - (iii) a person or company not included in clause (i) or (ii) that
    - (A) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities,
    - (B) brings together the orders for securities of multiple buyers and sellers, and
    - (C) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade, or
  - (iv) a dealer that executes a trade of an exchange-traded security outside of a marketplace, but does not include an inter-dealer bond broker, and
- (b) in Ontario has the meaning set out in subsection 1(1) of the *Securities Act* (Ontario);

"marketplace participant" means a member of an exchange, a user of a quotation and trade reporting system, or a subscriber of an ATS;

"member" means, for a recognized exchange, a person or company

- (a) holding at least one seat on the exchange, or
- (b) that has been granted direct trading access rights by the exchange and is subject to regulatory oversight by the exchange, and the person or company's representatives;

"NI 23-101" means National Instrument 23-101 *Trading Rules*;

"order" means a firm indication by a person or company, acting as either principal or agent, of a willingness to buy or sell a security;

"participant dealer" means a participant dealer as defined in Part 1 of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces*;

"private enterprise" means a private enterprise as defined in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"publicly accountable enterprise" means a publicly accountable enterprise as defined in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"recognized exchange" means

- (a) in Ontario, a recognized exchange as defined in subsection 1(1) of the Securities Act (Ontario);
- (b) in Québec, an exchange recognized by the securities regulatory authority under securities or derivatives legislation as an exchange or self-regulatory organization; and
- (c) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

"recognized quotation and trade reporting system" means

- (a) in every jurisdiction other than British Columbia, Ontario and Québec, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system,
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;
- (b.1) in Ontario, a recognized quotation and trade reporting system as defined in subsection 1(1) of the *Securities Act* (Ontario), and
- (c) in Québec, a quotation and trade reporting system recognized by the securities regulatory authority under securities or derivatives legislation as an exchange or a self-regulatory organization;

"regulation services provider" means a person or company that provides regulation services and is

- (a) a recognized exchange,
- (b) a recognized quotation and trade reporting system, or

- (c) a recognized self-regulatory entity;

"self-regulatory entity" means a self-regulatory body or self-regulatory organization that

- (a) is not an exchange, and
- (b) is recognized as a self-regulatory body or self-regulatory organization by the securities regulatory authority;

"subscriber" means, for an ATS, a person or company that has entered into a contractual agreement with the ATS to access the ATS for the purpose of effecting trades or submitting, disseminating or displaying orders on the ATS, and the person or company's representatives;

"trading fee" means the fee that a marketplace charges for execution of a trade on that marketplace;

"trading volume" means the number of securities traded;

"unlisted debt security" means a government debt security or corporate debt security; and

"user" means, for a recognized quotation and trade reporting system, a person or company that quotes orders or reports trades on the recognized quotation and trade reporting system, and the person or company's representatives.

## **1.2 Interpretation – Marketplace**

For the purpose of the definition of "marketplace" in section 1.1, a person or company is not considered to constitute, maintain or provide a market or facilities for bringing together buyers and sellers of securities, solely because the person or company routes orders to a marketplace or a dealer for execution.

## **1.3 Interpretation – Affiliated Entity, Controlled Entity and Subsidiary Entity**

- (1) In this Instrument, a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or company, or if each of them is a controlled entity of the same person or company.
- (2) In this Instrument, a person or company is considered to be controlled by a person or company if
  - (a) in the case of a person or company,
    - (i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election

of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company, and

- (ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;
  - (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or
  - (c) in the case of a limited partnership, the general partner is the second-mentioned person or company.
- (3) In this Instrument, a person or company is considered to be a subsidiary entity of another person or company if
- (a) it is a controlled entity of,
    - (i) that other,
    - (ii) that other and one or more persons or companies each of which is a controlled entity of that other, or
    - (iii) two or more persons or companies, each of which is a controlled entity of that other; or
  - (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

#### **1.4 Interpretation – Security**

- (1) In British Columbia, the term "security", when used in this Instrument, includes an option that is an exchange contract but does not include a futures contract.
- (2) In Ontario, the term "security", when used in this Instrument, does not include a commodity futures contract or a commodity futures option that is not traded on a commodity futures exchange registered with or recognized by the Commission under the *Commodity Futures Act* or the form of which is not accepted by the Director under the *Commodity Futures Act*.
- (3) In Québec, the term "security", when used in this Instrument, includes a standardized derivative as this notion is defined in the *Derivatives Act*.

#### **1.5 Interpretation – NI 23-101**

Terms defined or interpreted in NI 23-101 and used in this Instrument have the respective meanings ascribed to them in NI 23-101.

## **PART 2 APPLICATION**

### **2.1 Application**

This Instrument does not apply to a marketplace that is a member of a recognized exchange or a member of an exchange that has been recognized for the purposes of this Instrument and NI 23-101.

## **PART 3 MARKETPLACE INFORMATION**

### **3.1 Initial Filing of Information**

- (1) A person or company must file as part of its application for recognition as an exchange or a quotation and trade reporting system Form 21-101F1.
- (2) A person or company must not carry on business as an ATS unless it has filed Form 21-101F2 at least 45 days before the ATS begins to carry on business as an ATS.

### **3.2 Change in Information**

- (1) Subject to subsection (2), a marketplace must not implement a significant change to a matter set out in Form 21-101F1 or in Form 21-101F2 unless the marketplace has filed an amendment to the information provided in Form 21-101F1 or in Form 21-101F2 in the manner set out in the applicable form at least 45 days before implementing the change.
  - (1.1) A marketplace that has entered into an agreement with a regulation services provider under NI 23-101 must not implement a significant change to a matter set out in Exhibit E – Operation of the Marketplace of Form 21-101F1 or Exhibit E – Operation of the Marketplace of Form 21-101F2 as applicable, or Exhibit I – Securities of Form 21-101F1 or Exhibit I – Securities of Form 21-101F2 as applicable, unless the marketplace has provided the applicable exhibit to its regulation services provider at least 45 days before implementing the change.
- (2) A marketplace must file an amendment to the information provided in Exhibit L – Fees of Form 21-101F1 or Exhibit L – Fees of Form 21-101F2, as applicable, at least seven business days before implementing a change to the information provided in Exhibit L – Fees.
- (3) For any change involving a matter set out in Form 21-101 F1 or Form 21-101F2 other than a change referred to in subsection (1) or (2), a marketplace must file an amendment to the information provided in the applicable form by the earlier of

- (a) the close of business on the 10<sup>th</sup> day after the end of the month in which the change was made, and
  - (b) if applicable, the time the marketplace discloses the change publicly.
- (4) The chief executive officer of a marketplace, or an individual performing a similar function, must certify in writing, within 30 days after the end of each calendar year, that the information contained in the marketplace's current Form 21-101F1 or Form 21-101F2, as applicable, including the description of its operations, is true, correct, and complete and that the marketplace is operating as described in the applicable form.
- (5) A marketplace must file an updated and consolidated Form 21-101F1 or Form 21-101F2, as applicable, within 30 days after the end of each calendar year.

### **3.3 Reporting Requirements**

A marketplace must file Form 21-101F3 within 30 days after the end of each calendar quarter during any part of which the marketplace has carried on business.

### **3.4 Ceasing to Carry on Business as an ATS**

- (1) An ATS that intends to cease carrying on business as an ATS must file a report on Form 21-101F4 at least 30 days before ceasing to carry on that business.
- (2) An ATS that involuntarily ceases to carry on business as an ATS must file a report on Form 21-101F4 as soon as practicable after it ceases to carry on that business.

### **3.5 Forms Filed in Electronic Form**

A person or company that is required to file a form or exhibit under this Instrument must file that form or exhibit in electronic form.

## **PART 4 MARKETPLACE FILING OF AUDITED FINANCIAL STATEMENTS**

### **4.1 Filing of Initial Audited Financial Statements**

- (1) A person or company must file as part of its application for recognition as an exchange or a quotation and trade reporting system, together with Form 21-101F1, audited financial statements for its latest financial year that
  - (a) are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises or IFRS,



- (b) include notes to the financial statements that identify the accounting principles used to prepare the financial statements, and
  - (c) are audited in accordance with Canadian GAAS or International Standards on Auditing and are accompanied by an unmodified auditor's report.
- (2) A person or company must not carry on business as an ATS unless it has filed, together with Form 21-101F2, audited financial statements for its latest financial year.

#### **4.2 Filing of Annual Audited Financial Statements**

- (1) A recognized exchange and a recognized quotation and trade reporting system must file annual audited financial statements within 90 days after the end of its financial year in accordance with the requirements outlined in subsection 4.1(1).
- (2) An ATS must file annual audited financial statements.

### **PART 5 MARKETPLACE REQUIREMENTS**

#### **5.1 Access Requirements**

- (1) A marketplace must not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (2) A marketplace must
- (a) establish written standards for granting access to each of its services, and
  - (b) keep records of
    - (i) each grant of access including 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.
- (3) A marketplace must not
- (a) permit unreasonable discrimination among clients, issuers and marketplace participants, or
  - (b) impose any burden on competition that is not reasonably necessary and appropriate.

## **5.2 No Restrictions on Trading on Another Marketplace**

A marketplace must not prohibit, condition, or otherwise limit, directly or indirectly, a marketplace participant from effecting a transaction on any marketplace.

## **5.3 Public Interest Rules**

- (1) Rules, policies and other similar instruments adopted by a recognized exchange or a recognized quotation and trade reporting system
  - (a) must not be contrary to the public interest; and
  - (b) must be designed to
    - (i) ensure compliance with securities legislation,
    - (ii) prevent fraudulent and manipulative acts and practices,
    - (iii) promote just and equitable principles of trade, and
    - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating, transactions in securities.
- (2) Repealed.

## **5.4 Compliance Rules**

A recognized exchange or a recognized quotation and trade reporting system must have rules or other similar instruments that

- (a) require compliance with securities legislation; and
- (b) provide appropriate sanctions for violations of the rules or other similar instruments of the exchange or quotation and trade reporting system.

## **5.5 Filing of Rules**

A recognized exchange or a recognized quotation and trade reporting system must file all rules, policies and other similar instruments, and all amendments thereto.

## **5.6 Repealed.**

## **5.7 Fair and Orderly Markets**

A marketplace must take all reasonable steps to ensure that its operations do not interfere with fair and orderly markets.

## 5.8 Discriminatory Terms

A marketplace must not impose terms that have the effect of discriminating between orders that are routed to the marketplace and orders that are entered on that marketplace for execution.

## 5.9 Risk Disclosure for Trades in Foreign Exchange-Traded Securities

- (1) A marketplace that is trading foreign exchange-traded securities must provide each marketplace participant with disclosure in substantially the following words:

"The securities traded by or through the marketplace are not listed on an exchange in Canada and may not be securities of a reporting issuer in Canada. As a result, there is no assurance that information concerning the issuer is available or, if the information is available, that it meets Canadian disclosure requirements."

- (2) Before the first order for a foreign exchange-traded security is entered onto the marketplace by a marketplace participant, the marketplace must obtain an acknowledgement from the marketplace participant that the marketplace participant has received the disclosure required in subsection (1).

## 5.10 Confidential Treatment of Trading Information

- (1) A marketplace must not release a marketplace participant's order or trade information to a person or company other than the marketplace participant, a securities regulatory authority or a regulation services provider unless
  - (a) the marketplace participant has consented in writing to the release of the information,
  - (b) the release of the information is required by this Instrument or under applicable law, or
  - (c) the information has been publicly disclosed by another person or company, and the disclosure was lawful.
- (1.1) Despite subsection (1), a marketplace may release a marketplace participant's order or trade information to a person or company if the marketplace
  - (a) reasonably believes that the information will be used solely for the purpose of capital markets research,
  - (b) reasonably believes that if information identifying, directly or indirectly, a marketplace participant or a client of the marketplace participant is released,

- (i) it is required for the purpose of the capital markets research, and
- (ii) that the research is not intended for the purpose of
  - (A) identifying a particular marketplace participant or a client of the marketplace participant, or
  - (B) identifying a trading strategy, transactions, or market positions of a particular marketplace participant or a client of the marketplace participant,
- (c) has entered into a written agreement with each person or company that will receive the order and trade information from the marketplace that provides that
  - (i) the person or company must
    - (A) not disclose to or share any information with any person or company if that information could, directly or indirectly, identify a marketplace participant or a client of the marketplace participant without the marketplace's consent, other than as provided under subparagraph (ii) below,
    - (B) not publish or otherwise disseminate data or information that discloses, directly or indirectly, a trading strategy, transactions, or market positions of a marketplace participant or a client of the marketplace participant,
    - (C) not use the order and trade information, or provide it to any other person or company, for any purpose other than capital markets research,
    - (D) keep the order and trade information securely stored at all times,
    - (E) keep the order and trade information for no longer than a reasonable period of time after the completion of the research and publication process, and
    - (F) immediately inform the marketplace of any breach or possible breach of the confidentiality of the information provided,
  - (ii) the person or company may disclose order or trade information used in connection with research submitted to a

publication if

- (A) the information to be disclosed will be used solely for the purposes of verification of the research carried out by the person or company,
  - (B) the person or company must notify the marketplace prior to disclosing the information for verification purposes, and
  - (C) the person or company must obtain written agreement from the publisher and any other person or company involved in the verification of the research that the publisher or the other person or company will
    - (I) maintain the confidentiality of the information,
    - (II) use the information only for the purposes of verifying the research,
    - (III) keep the information securely stored at all times,
    - (IV) keep the information for no longer than a reasonable period of time after the completion of the verification, and
    - (V) immediately inform the marketplace of any breach or possible breach of the agreement or of the confidentiality of the information provided, and
- (iii) the marketplace has the right to take all reasonable steps necessary to prevent or address a breach or possible breach of the confidentiality of the information provided or of the agreement.

(1.2) A marketplace that releases a marketplace participant's order or trade information under subsection (1.1) must

- (a) promptly inform the regulator or, in Québec, the securities regulatory authority, in the event the marketplace becomes aware of any breach or possible breach of the confidentiality of the information provided or of the agreement, and
- (b) take all reasonable steps necessary to prevent or address a breach or possible breach of the confidentiality of the information provided or of the agreement.

- (2) A marketplace must not carry on business unless it has implemented reasonable safeguards and procedures to protect a marketplace participant's order or trade information, including
  - (a) limiting access to order or trade information of marketplace participants to
    - (i) employees of the marketplace, or
    - (ii) persons or companies retained by the marketplace to operate the system or to be responsible for compliance by the marketplace with securities legislation; and
  - (b) implementing standards controlling trading by employees of the marketplace for their own accounts.
- (3) A marketplace must not carry on business as a marketplace unless it has implemented adequate oversight procedures to ensure that the safeguards and procedures established under subsection (2) are followed.

#### **5.11 Management of Conflicts of Interest**

A marketplace must establish, maintain and ensure compliance with policies and procedures that identify and manage any conflicts of interest arising from the operation of the marketplace or the services it provides.

#### **5.12 Outsourcing**

If a marketplace outsources any of its key services or systems to a service provider, which includes affiliates or associates of the marketplace, the marketplace must

- (a) establish and maintain policies and procedures for the selection of service providers to which key services and systems may be outsourced and for the evaluation and approval of such outsourcing arrangements,
- (b) identify any conflicts of interest between the marketplace and the service provider to which key services or systems are outsourced, and establish and maintain policies and procedures to mitigate and manage such conflicts of interest,
- (c) enter into a contract with the service provider to which key services or systems are outsourced that is appropriate for the materiality and nature of the outsourced activities and that provides for adequate termination procedures,
- (d) maintain access to the books and records of the service providers relating to the outsourced activities,
- (e) ensure that the securities regulatory authorities have access to all data, information and systems maintained by the service provider on behalf of

the marketplace for the purposes of determining the marketplace's compliance with securities legislation,

- (f) take appropriate measures to determine that service providers to which key services or systems are outsourced establish, maintain and periodically test an appropriate business continuity plan, including a disaster recovery plan,
- (g) take appropriate measures to ensure that the service providers protect the marketplace participants' proprietary, order, trade or any other confidential information, and
- (h) establish processes and procedures to regularly review the performance of the service provider under any such outsourcing arrangement.

### **5.13 Access Arrangements with a Service Provider**

If a third party service provider provides a means of access to a marketplace, the marketplace must ensure the third party service provider complies with the written standards for access that the marketplace has established pursuant to paragraph 5.1(2)(a) when providing the access services.

## **PART 6 REQUIREMENTS APPLICABLE ONLY TO ATSs**

### **6.1 Registration**

An ATS must not carry on business as an ATS unless

- (a) it is registered as a dealer;
- (b) it is a member of a self-regulatory entity; and
- (c) it complies with the provisions of this Instrument and NI 23-101.

### **6.2 Registration Exemption Not Available**

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

### **6.3 Securities Permitted to be Traded on an ATS**

An ATS must not execute trades in securities other than

- (a) exchange-traded securities;
- (b) corporate debt securities;
- (c) government debt securities; or

(d) foreign exchange-traded securities.

**6.4 Repealed.**

**6.5 Repealed.**

**6.6 Repealed.**

**6.7 Notification of Threshold**

(1) An ATS must notify the securities regulatory authority in writing if,

(a) during at least two of the preceding three months of operation, the total dollar value of the trading volume on the ATS for a month in any type of security is equal to or greater than 10 percent of the total dollar value of the trading volume for the month in that type of security on all marketplaces in Canada,

(b) during at least two of the preceding three months of operation, the total trading volume on the ATS for a month in any type of security is equal to or greater than 10 percent of the total trading volume for the month in that type of security on all marketplaces in Canada, or

(c) during at least two of the preceding three months of operation, the number of trades on the ATS for a month in any type of security is equal to or greater than 10 percent of the number of trades for the month in that type of security on all marketplaces in Canada.

(2) An ATS must provide the notice referred to in subsection (1) within 30 days after the threshold referred to in subsection (1) is met or exceeded.

**6.8 Repealed.**

**6.9 Name**

An ATS must not use in its name the word "exchange", the words "stock market", the word "bourse" or any derivations of those terms.

**6.10 Repealed.**

**6.11 Risk Disclosure to Non-Registered Subscribers**

(1) When opening an account for a subscriber that is not registered as a dealer under securities legislation, an ATS must provide that subscriber with disclosure in substantially the following words:

Although the ATS is registered as a dealer under securities legislation, it is a marketplace and therefore does not ensure best execution for its subscribers.



- (2) Before the first order submitted by a subscriber that is not registered as a dealer under securities legislation is entered onto the ATS by the subscriber, the ATS must obtain an acknowledgement from that subscriber that the subscriber has received the disclosure required in subsection (1).

**6.12 Repealed.**

**6.13 Repealed.**

**Part 7 INFORMATION TRANSPARENCY REQUIREMENTS FOR MARKETPLACES DEALING IN EXCHANGE-TRADED SECURITIES AND FOREIGN EXCHANGE-TRADED SECURITIES**

**7.1 Pre-Trade Information Transparency – Exchange-Traded Securities**

- (1) A marketplace that displays orders of exchange-traded securities to a person or company must provide accurate and timely information regarding orders for the exchange-traded securities displayed by 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.
- (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 and if the orders posted on the marketplace meet the size threshold set by a regulation services provider.
- (3) A marketplace that is subject to subsection (1) must not make the information referred to in that subsection available to any person or company before it makes that information available to an information processor or, if there is no information processor, to an information vendor.

**7.2 Post-Trade Information Transparency – Exchange-Traded Securities**

- (1) A marketplace must provide accurate and timely information regarding trades 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, to an information vendor that meets the standards set by a regulation services provider.
- (2) A marketplace that is subject to subsection (1) must not make the information referred to in that subsection available to any person or company before it makes that information available to an information processor or, if there is no information processor, to an 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 must provide accurate and timely information regarding orders for the foreign exchange-traded securities displayed by the marketplace to an 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 and if the orders posted on the marketplace meet the size threshold set by a regulation services provider.

#### **7.4 Post-Trade Information Transparency – Foreign Exchange-Traded Securities**

A marketplace must provide accurate and timely information regarding trades for foreign exchange-traded securities executed on the marketplace to an information vendor.

#### **7.5 Consolidated Feed – Exchange-Traded Securities**

An information processor must produce an accurate consolidated feed in real-time showing the information provided to the information processor under sections 7.1 and 7.2.

#### **7.6 Compliance with Requirements of an Information Processor**

A marketplace that is subject to this part must comply with the reasonable requirements of the information processor to which it is required to provide information under this part.

### **Part 8 INFORMATION TRANSPARENCY REQUIREMENTS FOR MARKETPLACES DEALING IN UNLISTED DEBT SECURITIES, INTER-DEALER BOND BROKERS AND DEALERS**

#### **8.1 Pre-Trade and Post-Trade Information Transparency Requirements – Government Debt Securities**

- (1) A marketplace that displays orders of government debt securities to a person or company must provide to an information processor accurate and timely information regarding orders for government debt securities displayed by 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 must 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 must 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 must 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 to a person or company must provide accurate and timely information regarding orders for designated corporate debt securities displayed by 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.
- (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 must 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.
- (4) An inter-dealer bond broker must 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.
- (5) A dealer executing trades of corporate debt securities outside of a marketplace must 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.

## **8.3 Consolidated Feed – Unlisted Debt Securities**

An information processor must produce an accurate consolidated feed in real-time showing the information provided to the information processor under sections 8.1 and

8.2.

#### **8.4 Compliance with Requirements of an Information Processor**

A marketplace, inter-dealer bond broker or dealer that is subject to this Part must comply with the reasonable requirements of the information processor to which it is required to provide information under this Part.

**8.5 Repealed.**

#### **8.6 Exemption for Government Debt Securities**

Section 8.1 does not apply until January 1, 2018.

**PART 9 Repealed.**

### **PART 10 TRANSPARENCY OF MARKETPLACE OPERATIONS**

#### **10.1 Disclosure by Marketplaces**

A marketplace must publicly disclose, on its website, information reasonably necessary to enable a person or company to understand the marketplace's operations or services it provides, including, but not limited, to information related to

- (a) all fees, including any listing, trading, data, co-location and routing fees charged by the marketplace, an affiliate or by a party to which services have directly or indirectly been outsourced or which directly or indirectly provides those services,
- (b) how orders are entered, interact and execute,
- (c) all order types,
- (d) access requirements,
- (e) the policies and procedures that identify and manage any conflicts of interest arising from the operation of the marketplace or the services it provides,
- (f) any referral arrangements between the marketplace and service providers,
- (g) where routing is offered, how routing decisions are made,
- (h) when indications of interest are disseminated, the information disseminated and the types of recipients of such indications of interest,

- (i) any access arrangements with a third party service provider, including the name of the third party service provider and the standards for access to be complied with by the third party service provider, and
- (j) the hours of operation of any testing environments provided by the marketplace, a description of any differences between the testing environment and production environment of the marketplace and the potential impact of these differences on the effectiveness of testing, and any policies and procedures relating to a marketplace's use of uniform test symbols for purposes of testing in its production environment.

**10.2 Repealed.**

**10.3 Repealed.**

## **PART 11 RECORDKEEPING REQUIREMENTS FOR MARKETPLACES**

### **11.1 Business Records**

A marketplace must keep such books, records and other documents as are reasonably necessary for the proper recording of its business in electronic form.

### **11.2 Other Records**

- (1) As part of the records required to be maintained under section 11.1, a marketplace must include the following information in electronic form:
  - (a) a record of all marketplace participants who have been granted access to trading in the marketplace;
  - (b) daily trading summaries for the marketplace, including
    - (i) a list of securities traded,
    - (ii) transaction volumes
      - (A) for securities other than debt securities, expressed as the number of issues traded, number of trades, total unit volume and total dollar value of trades and, if the price of the securities traded is quoted in a currency other than Canadian dollars, the total value in that other currency, and
      - (B) for debt securities, expressed as the number of trades and total dollar value traded and, if the price of the securities traded is quoted in a currency other than Canadian dollars, the total value in that other currency,

- (c) a record of each order which must include
- (i) the order identifier assigned to the order by the marketplace,
  - (ii) the marketplace participant identifier assigned to the marketplace participant transmitting the order,
  - (iii) the identifier assigned to the marketplace where the order is received or originated,
  - (iv) each unique client identifier assigned to a client accessing the marketplace using direct electronic access,
  - (v) the type, issuer, class, series and symbol of the security,
  - (vi) the number of securities to which the order applies,
  - (vii) the strike date and strike price, if applicable,
  - (viii) whether the order is a buy or sell order,
  - (ix) whether the order is a short sale order, if applicable,
  - (x) whether the order is a market order, limit order or other type of order, and if the order is not a market order, the price at which the order is to trade,
  - (xi) the date and time the order is first originated or received by the marketplace,
  - (xii) whether the account is a retail, wholesale, employee, proprietary or any other type of account,
  - (xiii) the date and time the order expires,
  - (xiv) whether the order is an intentional cross,
  - (xv) whether the order is a jitney and if so, the identifier of the underlying broker,
  - (xvi) the currency of the order,
  - (xvii) whether the order is routed to another marketplace for execution, and the date, time and name of the marketplace to which the order was routed, and
  - (xviii) whether the order is a directed-action order, and whether the marketplace marked the order as a directed-action

order or received the order marked as a directed-action order, and

- (d) in addition to the record maintained in accordance with paragraph (c), all execution report details of orders, including
  - (i) the identifier assigned to the marketplace where the order was executed,
  - (ii) whether the order was fully or partially executed,
  - (iii) the number of securities bought or sold,
  - (iv) the date and time of the execution of the order,
  - (v) the price at which the order was executed,
  - (vi) the identifier assigned to the marketplace participant on each side of the trade,
  - (vii) whether the transaction was a cross,
  - (viii) time-sequenced records of all messages sent to or received from an information processor, an information vendor or a marketplace,
  - (ix) the marketplace trading fee for each trade, and
  - (x) each unique client identifier assigned to a client accessing the marketplace using direct electronic access.

### **11.2.1 Transmission in Electronic Form**

A marketplace must transmit

- (a) to a regulation services provider, if it has entered into an agreement with a regulation services provider in accordance with National Instrument 23-101 *Trading Rules*, the information required by the regulation services provider within ten business days, in electronic form and in the manner requested by the regulation services provider, and
- (b) to the securities regulatory authority the information required by the securities regulatory authority under securities legislation within ten business days, in electronic form and in the manner requested by the securities regulatory authority.

### **11.3 Record Preservation Requirements**

- (1) For a period of not less than seven years from the creation of a record

referred to in this section, and for the first two years in a readily accessible location, a marketplace must keep

- (a) all records required to be made under sections 11.1 and 11.2;
  - (b) at least one copy of its standards for granting access to trading, if any, all records relevant to its decision to grant, deny or limit access to a person or company and, if applicable, all other records made or received by the marketplace in the course of complying with section 5.1;
  - (c) at least one copy of all records made or received by the marketplace in the course of complying with sections 12.1 and 12.4, including all correspondence, memoranda, papers, books, notices, accounts, reports, test scripts, test results, and other similar records;
  - (d) all written notices provided by the marketplace to marketplace participants generally, including notices addressing hours of system operations, system malfunctions, changes to system procedures, maintenance of hardware and software, instructions pertaining to access to the marketplace and denials of, or limitation to, access to the marketplace;
  - (e) the acknowledgement obtained under subsection 5.9(2) or 6.11(2);
  - (f) a copy of any agreement referred to in section 8.4 of NI 23-101;
  - (g) a copy of any agreement referred to in subsections 13.1(2) and 13.1(3);
  - (h) a copy of any agreement referred to in section 5.10; and
  - (i) a copy of any agreement referred to in paragraph 5.12(c).
- (2) During the period in which a marketplace is in existence, the marketplace must keep
- (a) all organizational documents, minute books and stock certificate books;
  - (b) copies of all forms filed under Part 3; and
  - (c) in the case of an ATS, copies of all notices given under section 6.7.

#### **11.4 Repealed.**

#### **11.5 Synchronization of Clocks**

- (1) A marketplace trading exchange-traded securities or foreign exchange-traded securities, an information processor receiving information about



those securities, and a dealer trading those securities must synchronize the clocks used for recording or monitoring the time and date of any event that must be recorded under this part and under NI 23-101 with the clock used by a regulation services provider monitoring the activities of marketplaces and marketplace participants trading those securities.

- (2) A marketplace trading corporate debt securities or government debt securities, an information processor receiving information about those securities, a dealer trading those securities, and an inter-dealer bond broker trading those securities must synchronize the clocks used for recording or monitoring the time and date of any event that must be recorded under this part and under NI 23-101.

## **PART 12 MARKETPLACE SYSTEMS AND BUSINESS CONTINUITY PLANNING**

### **12.1 System Requirements**

For each system, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, a marketplace must

- (a) develop and maintain
  - (i) an adequate system of internal control over those systems, and
  - (ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security, change management, problem management, network support and system software support,
- (b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually,
  - (i) make reasonable current and future capacity estimates,
  - (ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and
- (c) promptly notify the regulator or, in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any material systems failure, malfunction, delay or security breach and provide timely updates on the status of the failure, malfunction, delay or security breach, the resumption of service and the results of the marketplace's internal review of the failure, malfunction, delay or security breach.

#### **12.1.1 Auxiliary Systems**

For each system that shares network resources with one or more of the systems, operated by or on behalf of the marketplace, that supports order entry, order routing,

execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, that, if breached, would pose a security threat to one or more of the previously mentioned systems, a marketplace must

- (a) develop and maintain an adequate system of information security controls that relate to the security threats posed to any system that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, and
- (b) promptly notify the regulator, or in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any material security breach and provide timely updates on the status of the breach, the resumption of service, where applicable, and the results of the marketplace's internal review of the security breach.

## **12.2 System Reviews**

- (1) A marketplace must annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards to ensure that the marketplace is in compliance with
  - (a) paragraph 12.1(a),
  - (b) section 12.1.1, and
  - (c) section 12.4.
- (2) A marketplace must provide the report resulting from the review conducted under subsection (1) to
  - (a) its board of directors, or audit committee, promptly upon the report's completion, and
  - (b) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30<sup>th</sup> day after providing the report to its board of directors or the audit committee or the 60<sup>th</sup> day after the calendar year end.

## **12.3 Availability of Technology Requirements and Testing Facilities**

- (1) A marketplace must make publicly available all technology requirements regarding interfacing with or accessing the marketplace in their final form,
  - (a) if operations have not begun, for at least three months immediately before operations begin; and
  - (b) if operations have begun, for at least three months before implementing a material change to its technology requirements.

- (2) After complying with subsection (1), a marketplace must make available testing facilities for interfacing with or accessing the marketplace,
  - (a) if operations have not begun, for at least two months immediately before operations begin; and
  - (b) if operations have begun, for at least two months before implementing a material change to its technology requirements.
- (3) A marketplace must not begin operations before
  - (a) it has complied with paragraphs (1)(a) and (2)(a),
  - (b) its regulation services provider, if applicable, has confirmed to the marketplace that trading may commence on the marketplace, and
  - (c) the chief information officer of the marketplace, or an individual performing a similar function, has certified in writing to the regulator, or in Québec, the securities regulatory authority, that all information technology systems used by the marketplace have been tested according to prudent business practices and are operating as designed.
- (3.1) A marketplace must not implement a material change to the systems referred to in section 12.1 before
  - (a) it has complied with paragraphs (1)(b) and (2)(a), and
  - (b) the chief information officer of the marketplace, or an individual performing a similar function, has certified in writing to the regulator, or in Québec, the securities regulatory authority, that the change has been tested according to prudent business practices and is operating as designed.
- (4) Subsection (3.1) does not apply to a marketplace if the change must be made immediately to address a failure, malfunction or material delay of its systems or equipment if
  - (a) the marketplace immediately notifies the regulator, or in Québec, the securities regulatory authority, and, if applicable, its regulation services provider, of its intention to make the change; and
  - (b) the marketplace publishes the changed technology requirements as soon as practicable.

### **12.3.1 Uniform Test Symbols**

A marketplace must use uniform test symbols, as set by a regulator, or in Québec, the securities regulatory authority, for the purpose of performing testing in its production

environment.

## **12.4 Business Continuity Planning**

- (1) A marketplace must
  - (a) develop and maintain reasonable business continuity plans, including disaster recovery plans, and
  - (b) test its business continuity plans, including disaster recovery plans, according to prudent business practices on a reasonably frequent basis and, in any event, at least annually.
- (2) A marketplace with a total trading volume in any type of security equal to or greater than 10% of the total dollar value of the trading volume in that type of security on all marketplaces in Canada during at least two of the preceding three months of operation must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, and trade clearing, can resume operations within two hours following the declaration of a disaster by the marketplace.
- (3) A recognized exchange or quotation and trade reporting system, that directly monitors the conduct of its members or users and enforces requirements set under section 7.1(1) or 7.3(1) of NI 23-101, must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the marketplace, that is critical and supports real-time market surveillance, can resume operations within two hours following the declaration of a disaster at the primary site by the exchange or quotation and trade reporting system.
- (4) A regulation services provider, that has entered into a written agreement with a marketplace to conduct market surveillance for the marketplace, must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the regulation services provider, that is critical and supports real-time market surveillance can resume operations within two hours following the declaration of a disaster at the primary site by the regulation services provider.

### **12.4.1 Industry-Wide Business Continuity Tests**

A marketplace, recognized clearing agency, information processor, and participant dealer must participate in all industry-wide business continuity tests, as determined by a regulation services provider, regulator, or in Québec, the securities regulatory authority.

## **PART 13 CLEARING AND SETTLEMENT**

### **13.1 Clearing and Settlement**

- (1) All trades executed on a marketplace must be reported and settled through a clearing agency.
- (2) For a trade executed through an ATS by a subscriber that is registered as a dealer under securities legislation, the ATS and its subscriber must enter into an agreement that specifies whether the trade must be reported to a clearing agency by
  - (a) the ATS;
  - (b) the subscriber; or
  - (c) an agent for the subscriber that is a clearing member of a clearing agency.
- (3) For a trade executed through an ATS by a subscriber that is not registered as a dealer under securities legislation, an ATS and its subscriber must enter into an agreement that specifies whether the trade must be reported to a clearing agency by
  - (a) the ATS; or
  - (b) an agent for the subscriber that is a clearing member of a clearing agency.

### **13.2 Access to Clearing Agency of Choice**

- (1) A marketplace must report a trade in a security to a clearing agency designated by a marketplace participant.
- (2) Subsection (1) does not apply to a trade in a security that is a standardized derivative or an exchange-traded security that is an option.

## **PART 14 REQUIREMENTS FOR AN INFORMATION PROCESSOR**

### **14.1 Filing Requirements for an Information Processor**

- (1) A person or company that intends to carry on business as an information processor must file Form 21-101 F5 at least 90 days before the information processor begins to carry on business as an information processor.
- (2) Repealed.

### **14.2 Change in Information**

- (1) At least 45 days before implementing a significant change involving a matter set out in Form 21-101F5, an information processor must file an

amendment to the information provided in Form 21-101F5 in the manner set out in Form 21-101F5.

- (2) If an information processor implements a change involving a matter set out in Form 21-101F5, other than a change referred to in subsection (1), the information processor must, within 30 days after the end of the calendar quarter in which the change takes place, file an amendment to the information provided in Form 21-101F5 in the manner set out in Form 21-101F5.

### **14.3 Ceasing to Carry on Business as an Information Processor**

- (1) If an information processor intends to cease carrying on business as an information processor, the information processor must file a report on Form 21-101F6 at least 30 days before ceasing to carry on that business.
- (2) If an information processor involuntarily ceases to carry on business as an information processor, the information processor must file a report on Form 21-101F6 as soon as practicable after it ceases to carry on that business.

### **14.4 Requirements Applicable to an Information Processor**

- (1) An information processor must enter into an agreement with each marketplace, interdealer bond broker and dealer that is required to provide information to the information processor that the marketplace, inter-dealer bond broker or dealer will
  - (a) provide information to the information processor in accordance with Part 7 or 8, as applicable; and
  - (b) comply with any other reasonable requirements set by the information processor.
- (2) An information processor must provide timely, accurate, reliable and fair collection, processing, distribution and publication of information for orders for, and trades in, securities.
- (3) An information processor must keep such books, records and other documents as are reasonably necessary for the proper recording of its business.
- (4) An information processor must establish in a timely manner an electronic connection or changes to an electronic connection to a marketplace, inter-dealer bond broker or dealer that is required to provide information to the information processor.
- (5) An information processor must provide prompt and accurate order and trade information and must not unreasonably restrict fair access to such information.

- (6) An information processor must file annual audited financial statements within 90 days after the end of its financial year that
  - (a) are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, Canadian GAAP applicable to private enterprises or IFRS,
  - (b) include notes to the financial statements that identify the accounting principles used to prepare the financial statements, and
  - (c) are audited in accordance with Canadian GAAS or International Standards on Auditing and are accompanied by an auditor's report.
- (6.1) If an information processor is operated as a division or unit of a person or company, the person or company must file the income statement and the statement of cash flow of the information processor and any other information necessary to demonstrate the financial condition of the information processor within 90 days after the end of the financial year of the person or company.
- (7) An information processor must file its financial budget within 30 days after the start of a financial year.
- (7.1) If an information processor is operated as a division or unit of a person or company, the person or company must file the financial budget relating to the information processor within 30 days of the start of the financial year of the person or company.
- (8) An information processor must file, within 30 days after the end of each calendar quarter, the process and criteria for the selection of government debt securities, as applicable, and designated corporate debt securities and the list of government debt securities, as applicable, and designated corporate debt securities.
- (9) An information processor must file, 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 required by the Instrument, including where the list of designated securities can be found.

#### 14.5 System Requirements

An information processor must

- (a) develop and maintain
  - (i) an adequate system of internal controls over its critical systems, and

- (ii) adequate information technology general controls, including, without limitation, controls relating to information systems operations, information security, change management, problem management, network support, and system software support,
- (b) in accordance with prudent business practice, on a reasonably frequent basis and in any event, at least annually,
  - (i) make reasonable current and future capacity estimates for each of its systems, and
  - (ii) conduct capacity stress tests of its critical systems to determine the ability of those systems to process information in an accurate, timely and efficient manner.
  - (iii) Repealed.
- (c) annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraph (a) and section 14.6,
- (d) provide the report resulting from the review conducted under paragraph (c) to
  - (i) its board of directors or the audit committee promptly upon the report's completion, and
  - (ii) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30<sup>th</sup> day after providing the report to its board of directors or the audit committee or the 60<sup>th</sup> day after the calendar year end, and
- (e) promptly notify the following of any failure, malfunction or material delay of its systems or equipment
  - (i) the regulator or, in Québec, the securities regulatory authority, and
  - (ii) any regulation services provider, recognized exchange or recognized quotation and trade reporting system monitoring trading of the securities about which information is provided to the information processor.

## **14.6 Business Continuity Planning**

An information processor must

- (a) develop and maintain reasonable business continuity plans, including disaster recovery plans,



- (b) test its business continuity plans, including disaster recovery plans, according to prudent business practices and on a reasonably frequent basis and, in any event, at least annually, and
- (c) establish, implement, and maintain policies and procedures reasonably designed to ensure that its critical systems can resume operations within one hour following the declaration of a disaster by the information processor.

#### **14.7 Confidential Treatment of Trading Information**

An information processor must not release order and trade information to a person or company other than the marketplace, inter-dealer bond broker or dealer that provided this information in accordance with this Instrument or a securities regulatory authority, unless

- (a) the release of that information is required by this Instrument or under applicable law, or
- (b) the information processor received prior approval from the securities regulatory authority.

#### **14.8 Transparency of Operations of an Information Processor**

An information processor must publicly disclose on its website information reasonably necessary to enable a person or company to understand the information processor's operations or services it provides including, but not limited to

- (a) all fees charged by the information processor for the consolidated data,
- (b) a description of the process and criteria for the selection of government debt securities, as applicable, and designated corporate debt securities and the list of government debt securities, as applicable, and designated corporate debt securities,
- (c) access requirements, and
- (d) the policies and procedures to manage conflicts of interest that may arise in the operation of the information processor.

### **PART 15 EXEMPTION**

#### **15.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an

exemption.

**PART 16      EFFECTIVE DATE**

**16.1    Effective Date** – This Instrument comes into force on December 1, 2001.

**FORM 21-101F1  
INFORMATION STATEMENT  
EXCHANGE OR QUOTATION AND TRADE REPORTING SYSTEM**

Filer:             EXCHANGE             QUOTATION AND TRADE REPORTING SYSTEM

Type of Filing:  INITIAL             AMENDMENT; AMENDMENT No. \_\_\_\_\_

1. Full name of exchange or quotation and trade reporting system:

2. Name(s) under which business is conducted, or name of market or facility, if different from item 1:

3. If this filing makes a name change on behalf of the exchange or quotation and trade reporting system in respect of the name set out in item 1 or item 2, enter the previous name and the new name:

Previous name:

New name:

4. Head office

Address:

Telephone:

Facsimile:

5. Mailing address (if different):

6. Other offices

Address:

Telephone:

Facsimile:

7. Website address:

8. Contact employee

Name and title:

Telephone number:

Facsimile:

E-mail address:

9. Counsel

Firm name:

Contact name:

Telephone number:

Facsimile:

E-mail address:

10. Market Regulation is being conducted by:

- the exchange
- the quotation and trade reporting system
- regulation services provider other than the filer (see Exhibit M)

**EXHIBITS**

File all Exhibits with the Filing. For each Exhibit, include the name of the exchange or quotation and trade reporting system, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be furnished instead of such Exhibit.

Except as provided below, if the filer, recognized exchange or recognized quotation and trade reporting system files an amendment to the information provided in its Filing and the information relates to an Exhibit filed with the Filing or a subsequent amendment, the filer, recognized exchange or recognized quotation and trade reporting system, must, in order to comply with subsections 3.2(1), 3.2(2) or 3.2(3) of National Instrument 21-101, provide a description of the change, the expected date of the implementation of the change, and file a complete and updated Exhibit. The filer must provide a clean and a blacklined version showing changes from the previous filing.

If the filer, recognized exchange or recognized quotation and trade reporting system has otherwise filed the information required by the previous paragraph pursuant to section 5.5 of National Instrument 21-101, it is not required to file the information again as an amendment to an Exhibit. However, if supplementary material relating to a filed rule is contained in an Exhibit, an amendment to the Exhibit must also be filed.

## **Exhibit A – Corporate Governance**

1. Legal status:
  - Corporation
  - Partnership
  - Sole Proprietorship
  - Other (specify):
  
2. Except where the exchange or quotation and trade reporting system is a sole proprietorship, indicate the following:
  1. Date (DD/MM/YYYY) of formation.
  2. Place of formation.
  3. Statute under which exchange or quotation and trade reporting system was organized.
  
3. Provide a copy of the constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents, and all subsequent amendments.
  
4. Provide the policies and procedures to address potential conflicts of interest arising from the operation of the marketplace or the services it provides, including those related to the commercial interest of the marketplace, the interests of its owners and its operators, the responsibilities and sound functioning of the marketplace, and those between the operations of the marketplace and its regulatory responsibilities.

## **Exhibit B – Ownership**

A list of the registered or beneficial holders of securities of, partnership interests in, or other ownership interests in, the exchange or recognized quotation and trade reporting system. For each of the persons listed in the Exhibit, please provide the following:

1. Name.
2. Principal business or occupation and title.
3. Ownership interest.
4. Nature of the ownership interest, including a description of the type of security, partnership interest or other ownership interest.
5. Whether the person has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*).

In the case of an exchange or quotation and trade reporting system that is publicly traded, if the exchange or quotation and trade reporting system is a corporation, please only provide a list of each shareholder that directly owns five percent or more of a class of a voting security of the exchange or quotation and trade reporting system.

### **Exhibit C - Organization**

1. A list of partners, officers, governors, and members of the board of directors and any standing committees of the board, or persons performing similar functions, who presently hold or have held their offices or positions during the previous year, indicating the following for each:
  1. Name.
  2. Principal business or occupation and title.
  3. Dates of commencement and expiry of present term of office or position.
  4. Type of business in which each is primarily engaged and current employer.
  5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
  6. Whether the person is considered to be an independent director.
2. A list of the committees of the board, including their mandates and the Board mandate.

### **Exhibit D - Affiliates**

1. For each affiliated entity of the exchange or quotation and trade reporting system provide the name, head office address and describe the principal business of the affiliate.
2. For each affiliated entity of the exchange or quotation and trade reporting system
  - (i) to which the exchange or quotation and trade reporting system has outsourced any of its key services or systems affecting the market or facility described in Exhibit E – Operations of the Marketplace, including order entry, trading, execution, routing and data, or
  - (ii) with which the exchange or quotation and trade reporting system has any other material business relationship, including loans, cross-guarantees, etc.,

provide the following information:

1. Name and address of the affiliate.
2. The name and title of the directors and officers, or persons performing similar functions, of the affiliate.
3. A description of the nature and extent of the contractual and other agreements with the exchange and quotation and trade reporting system, and the roles and responsibilities of the affiliate under the arrangement.

4. A copy of each material contract relating to any outsourced functions or other material relationship.

5. Copies of constituting documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents.

6. For the latest financial year of the affiliated entity, financial statements, which may be unaudited, prepared in accordance with

- a. Canadian GAAP applicable to publicly accountable enterprises or
- b. Canadian GAAP applicable to private enterprises, or
- c. IFRS.

Where the affiliated entity is incorporated or organized under the laws of a foreign jurisdiction, such financial statements may also be prepared in accordance with

- a. U.S. GAAP or
- b. accounting principles of a designated foreign jurisdiction as defined under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

### ***Exhibit E – Operations of the Marketplace***

Describe in detail the manner of operation of the market or facility and its associated functions. This must include, but is not limited to, a description of the following:

1. The structure of the market (e.g., call market, auction market, dealer market).
2. Means of access to the market or facility and services, including a description of any co-location arrangements.
3. The hours of operation.
4. A description of the services offered by the marketplace including, but not limited to, order entry, co-location, trading, execution, routing and data.
5. A list of the types of orders offered, including, but not limited to, a description of the features and characteristics of orders.
6. Procedures regarding the entry, display and execution of orders. If indications of interest are used, please describe the information they include and list the types of recipients.
7. A description of how orders interact, including, but not limited to, the priority of execution for all order types.

8. A description of order routing procedures.
9. A description of order and trade reporting procedures.
10. A description of procedures for clearance and settlement of transactions.
11. The safeguards and procedures of the marketplace to protect trading information of marketplace participants.
12. Training provided to participants and a copy of any materials provided both with respect to systems of the marketplace, the requirements of the marketplace, and the rules of the regulation services providers, if applicable.
13. Steps taken to ensure that marketplace participants have knowledge of and comply with the requirements of the marketplace.

The filer must provide all policies, procedures and trading manuals related to the operation of the marketplace and, if applicable, the order router.

The filer must provide all material contracts related to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.

#### ***Exhibit F – Outsourcing***

Where the exchange or quotation and trade reporting system has outsourced the operation of key services or systems affecting the market or facility described in Exhibit E – Operations of the Marketplace to an arms-length third party, including any function associated with the routing, trading, execution, data, clearing and settlement and, if applicable, surveillance, provide the following information:

1. Name and address of person or company to which the function has been outsourced.
2. A description of the nature and extent of the contractual or other agreement with the exchange or quotation and trade reporting system and the roles and responsibilities of the arms-length party under the arrangement.
3. A copy of each material contract relating to any outsourced function.
4. A copy of the marketplace's policies and procedures for the selection of service providers to which key services and systems may be outsourced and for the evaluation and approval of such outsourcing arrangements that are established and maintained pursuant to paragraph 5.12(a) of National Instrument 21-101 *Marketplace Operation*.
5. A description of any conflicts of interest between the marketplace and the service provider to which key services and systems are outsourced and a copy of the policies and procedures to mitigate and manage such conflicts of interest that have been established pursuant to paragraph 5.12(b) of



National Instrument 21-101 *Marketplace Operation*.

6. A description of the measures the marketplace has taken pursuant to paragraph 5.12(f) of National Instrument 21-101 *Marketplace Operation* to ensure that the service provider has established, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan.
7. A description of the measures the marketplace has taken pursuant to paragraph 5.12(g) of National Instrument 21-101 *Marketplace Operation* to ensure that the service provider protects the proprietary, order, trade or any other confidential information of the participants of the marketplace.
8. A copy of the marketplace's processes and procedures to regularly review the performance of a service provider under an outsourcing arrangement that are established pursuant to paragraph 5.12(h) of National Instrument 21-101 *Marketplace Operation*.

### ***Exhibit G - Systems and Contingency Planning***

#### *General*

Provide:

1. A high level description of the marketplace's systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing.
2. An organization chart of the marketplace's information technology group unless otherwise provided as part of the report required by subsection 12.2(1) of the Instrument.

#### *Business Continuity Planning*

Please provide a description of the marketplace's business continuity and disaster recovery plans that includes, but is not limited to, information regarding the following:

1. Where the primary processing site is located.
2. What the approximate percentage of hardware, software and network redundancy is at the primary site.
3. Any uninterruptible power source (UPS) at the primary site.
4. How frequently market data is stored off-site.
5. Any secondary processing site, the location of any such secondary processing site, and whether all of the marketplace's critical business data is accessible through the secondary processing site.

6. The creation, management, and oversight of the plans, including a description of responsibility for the development of the plans and their ongoing review and updating.
7. Escalation procedures, including event identification, impact analysis, and activation of the plans in the event of a disaster or disruption.
8. Procedures for internal and external communications, including the distribution of information internally, to the securities regulatory authority, and, if appropriate, to the public, together with the roles and responsibilities of marketplace staff for internal and external communications.
9. The scenarios that would trigger the activation of the plans.
10. How frequently the business continuity and disaster recovery plans are tested.
11. Procedures for record keeping in relation to the review and updating of the plans, including the logging of tests and deficiencies.
12. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace and the service level to which such systems are to be restored.
13. Any single points of failure faced by the marketplace.

### *Systems Capacity*

Please provide information regarding:

1. How frequently future market activity is evaluated in order to adjust processing capacity.
2. The approximate excess capacity maintained over average daily transaction volumes.
3. How often or at what point stress testing is performed.

### *Systems*

Please provide information regarding:

1. Whether the trading engine was developed in-house or by a commercial vendor.
2. Whether the trading engine is maintained in-house or by a commercial vendor and provide the name of the commercial vendor, if applicable.

3. The marketplace's networks. Please provide a copy of a high-level network diagram of the systems referred to in section 12.1 of the Instrument, as applicable, together with a description of the external points of contact for the marketplace's networks.
4. The message protocols supported by the marketplace's systems.
5. The transmission protocols used by the marketplace's systems.

#### *IT Risk Assessment*

Please describe the IT risk assessment framework, including:

1. How the probability and likelihood of IT threats are considered.
2. How the impact of risks are measured according to qualitative and quantitative criteria.
3. The documentation process for acceptable residual risks with related offsets.
4. The development of management's action plan to implement a risk response to a risk that has not been accepted..

#### ***Exhibit H – Custody of Assets***

1. If the exchange or quotation and trade reporting system proposes to hold funds or securities of a marketplace participant on a regular basis, a description of the controls that will be implemented to ensure the safety of the funds or securities.
2. If any other person or company, other than the exchange or quotation and trade reporting system, will hold or safeguard funds or securities of a marketplace participant on a regular basis, provide the name of the person or company and a description of the controls that will be implemented to ensure the safety of the funds or securities.

#### ***Exhibit I - Securities***

1. List the types of securities listed on the exchange or quoted on the quotation and trade reporting system. If this is an initial filing, list the types of securities the filer expects to list or quote.
2. List the types of any other securities that are traded on the marketplace or quoted on the quotation and trade reporting system, indicating the exchange(s) on which such securities are listed. If this is an initial filing, list the types of securities the filer expects to trade.

#### ***Exhibit J – Access to Services***

1. A complete set of all forms, agreements or other materials pertaining to access to

the services of the marketplace described in Exhibit E item 4, including trading on the exchange or quotation and trade reporting system.

2. Describe the classes of marketplace participants.
3. Describe the exchange or quotation and trade reporting service's criteria for access to the services of the marketplace.
4. Describe any differences in access to the services offered by the marketplace to different groups or classes of marketplace participants.
5. Describe conditions under which marketplace participants may be subject to suspension or termination with regard to access to the services of the exchange or quotation and trade reporting system.
6. Describe any procedures that will be involved in the suspension or termination of a marketplace participant.
7. Describe the exchange or quotation and trade reporting system's arrangements for permitting clients of marketplace participants to have access to the marketplace. Provide a copy of any agreements or documentation relating to these arrangements.

#### ***Exhibit K – Marketplace Participants***

Provide an alphabetical list of all marketplace participants, including the following information:

1. Name.
2. Date of becoming a marketplace participant.
3. Describe the type of trading activities engaged in by the marketplace participant (e.g., agency trading, proprietary trading, registered trading, market making).
4. The class of participation or other access. Please identify if the marketplace participant accesses the marketplace through co-location.
5. Provide a list of all persons or entities that were denied or limited access to the marketplace, indicating for each
  - (i) whether they were denied or limited access,
  - (ii) the date the marketplace took such action,
  - (iii) the effective date of such action, and
  - (iv) the nature and reason for any denial or limitation of access.

#### ***Exhibit L - Fees***

A description of the fee model and all fees charged by the marketplace, or by a party to which services have been directly or indirectly outsourced, including, but not limited

to, fees relating to connecting to the market or facility, access, data, regulation (if applicable), trading, routing, and co-location, how such fees are set, and any fee rebates or discounts and how the rebates and discounts are set.

**Exhibit M - Regulation**

Market Regulation is being conducted by:

the exchange or QTRS

1. Provide a description of the regulation performed by the exchange or QTRS, including the structure of the department performing regulation, how the department is funded, policies and procedures in place to ensure confidentiality and the management of conflicts of interest, and policies and procedures relating to conducting an investigation.
2. If more than one entity is performing regulation services for a type of security and the filer is conducting market regulation for itself and its members, provide a copy of the contract between the filer and the regulation services provider providing for co-ordinated monitoring and enforcement under section 7.5 of National Instrument 23-101 *Trading Rules*.

a regulation services provider other than the filer (provide a copy of the contract between the filer and the regulation services provider)

**Exhibit N - Acknowledgement**

The form of acknowledgement required by subsection 5.9(2) of National Instrument 21-101 *Marketplace Operation*.

**CERTIFICATE OF EXCHANGE OR QUOTATION AND TRADE REPORTING SYSTEM**

The undersigned certifies that the information given in this report is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of exchange or quotation and trade reporting system)

\_\_\_\_\_  
(Name of director, officer or partner - please type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - please type or print)

**FORM 21-101F2  
INFORMATION STATEMENT  
ALTERNATIVE TRADING SYSTEM**

**TYPE OF FILING:**

INITIAL OPERATION REPORT       AMENDMENT; AMENDMENT No. \_\_\_\_\_

Identification:

1. Full name of alternative trading system:
  
2. Name(s) under which business is conducted, if different from item 1:
  
3. If this filing makes a name change on behalf of the alternative trading system in respect of the name set out in Item 1 or Item 2, enter the previous name and the new name.

Previous name:

New name:

4. Head office

Address:

Telephone:

Facsimile:

5. Mailing address (if different):

6. Other offices

Address:

Telephone:

Facsimile:

7. Website address:

8. Contact employee

Name and title:

Telephone number:

Facsimile:

E-mail address:

9. Counsel

Firm name:

Contact name:

Telephone number:

Facsimile:

E-mail address:

10. The ATS is

a member of ..... (name of the recognized self-regulatory entity)

a registered dealer

11. If this is an initial operation report, the date the alternative trading system expects to commence operation:

12. The ATS has contracted with [name of regulation services provider] to perform market regulation for the ATS and its subscribers.

**EXHIBITS**

File all Exhibits with the Initial Operation Report. For each Exhibit, include the name of the ATS, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be furnished instead of such Exhibit.

If the ATS files an amendment to the information provided in its Initial Operation Report and the information relates to an Exhibit filed with the Initial Operation Report or a subsequent amendment, the ATS must, in order to comply with subsection 3.2(1), 3.2(2) or 3.2(3) of National Instrument 21-101, provide a description of the change, the expected date of the implementation of the change, and file a complete and

updated Exhibit. The ATS must provide a clean and blacklined version showing changes from the previous filing.

### **Exhibit A – Corporate Governance**

1. Legal status:
  - Corporation
  - Partnership
  - Sole Proprietorship
  - Other (specify):
  
2. Except where the ATS is a sole proprietorship, indicate the following:
  1. Date (DD/MM/YYYY) of formation.
  2. Place of formation.
  3. Statute under which the ATS was organized.
  
3. Provide a copy of the constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents, and all subsequent amendments.
  
4. Provide the policies and procedures to address conflicts of interest arising from the operation of the marketplace or the services it provides, including those related to the commercial interest of the marketplace, the interests of its owners and its operators, and the responsibilities and sound functioning of the marketplace.

### **Exhibit B – Ownership**

A list of the registered or beneficial holders of securities of, partnership interests in, or other ownership interests in, the ATS. For each of the persons listed in the Exhibit, please provide the following:

1. Name.
2. Principal business or occupation and title.
3. Ownership interest.
4. Nature of the ownership interest, including a description of the type of security, partnership interest or other ownership interest.
5. Whether the person has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*).

In the case of an ATS that is publicly traded, if the ATS is a corporation, please only



provide a list of each shareholder that directly owns five percent or more of a class of a voting security of the ATS.

### ***Exhibit C - Organization***

1. A list of partners, officers, governors, and members of the board of directors and any standing committees of the board, or persons performing similar functions, who presently hold or have held their offices or positions during the previous year, indicating the following for each:
  1. Name.
  2. Principal business or occupation and title.
  3. Dates of commencement and expiry of present term of office or position.
  4. Type of business in which each is primarily engaged and current employer.
  5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
  6. Whether the person is considered to be an independent director.
2. A list of the committees of the board, including their mandates.

The filer must provide all material contracts relating to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.

### ***Exhibit D - Affiliates***

1. For each affiliated entity of the ATS provide the name, head office address and describe the principal business of the affiliate.
2. For each affiliated entity of the ATS
  - (i) to which the ATS has outsourced any of its key services or systems affecting the market or facility described in Exhibit E – Operations of the Marketplace, including order entry, trading, execution, routing and data, or
  - (ii) with which the ATS has any other material business relationship, including loans, cross-guarantees, etc.

provide the following information:

1. Name and address of the affiliate.
2. The name and title of the directors and officers, or persons performing similar functions, of the affiliate.

3. A description of the nature and extent of the contractual and other agreements with the ATS and the roles and responsibilities of the affiliate under the arrangement.
4. A copy of each material contract relating to any outsourced functions or other material relationship.
5. Copies of constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents.

### ***Exhibit E – Operations of the Marketplace***

Describe in detail the manner of operation of the market and its associated functions. This must include, but is not limited to, a description of the following:

1. The structure of the market (e.g., call market, auction market, dealer market).
2. Means of access to the market or facility and services, including a description of any co-location arrangements.
3. The hours of operation.
4. A description of the services offered by the marketplace including, but not limited to, order entry, co-location, trading, execution, routing and data.
5. A list of the types of orders offered, including, but not limited to, a description of the features and characteristics of orders.
6. Procedures regarding the entry, display and execution of orders. If indications of interest are used, please describe the information they include and list the types of recipients.
7. A description of how orders interact, including, but not limited to, the priority of execution for all order types.
8. A description of order routing procedures.
9. A description of order and trade reporting procedures.
10. A description of procedures for clearance and settlement of transactions.
11. The safeguards and procedures of the marketplace to protect trading information of marketplace participants.
12. Training provided to participants and a copy of any materials provided both with respect to systems of the marketplace, the requirements of the marketplace, and the rules of the regulation services providers, if applicable.

13. Steps taken to ensure that marketplace participants have knowledge of and comply with the requirements of the marketplace.

The filer must provide all policies, procedures and trading manuals related to the operation of the marketplace and, if applicable, the order router.

The filer must provide all material contracts relating to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.

### ***Exhibit F – Outsourcing***

Where the ATS has outsourced the operation of key services or systems affecting the market or facility described in Exhibit E – Operations of the Marketplace to an arms-length third party, including any function associated with routing, trading, execution, clearing and settlement, data and co-location, provide the following information:

1. Name and address of person or company to which the function has been outsourced.
2. A description of the nature and extent of the contractual or other agreement with the ATS and the roles and responsibilities of the arms-length party under the arrangement.
3. A copy of each material contract relating to any outsourced function.
4. A copy of the marketplace's policies and procedures for the selection of service providers to which key services and systems may be outsourced and for the evaluation and approval of such outsourcing arrangements that are established and maintained pursuant to paragraph 5.12(a) of National Instrument 21-101 *Marketplace Operation*.
5. A description of any conflicts of interest between the marketplace and the service provider to which key services and systems are outsourced and a copy of the policies and procedures to mitigate and manage such conflicts of interest that have been established pursuant to paragraph 5.12(b) of National Instrument 21-101 *Marketplace Operation*.
6. A description of the measures the marketplace has taken pursuant to paragraph 5.12(f) of National Instrument 21-101 *Marketplace Operation* to ensure that the service provider has established, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan.
7. A description of the measures the marketplace has taken pursuant to paragraph 5.12(g) of National Instrument 21-101 *Marketplace Operation* to ensure that the service provider protects the proprietary order, trade or any other confidential information of the participants of the marketplace.
8. A copy of the marketplace's processes and procedures to regularly review the performance of a service provider under an outsourcing

arrangement that are established pursuant to paragraph 5.12(h) of National Instrument 21-101 *Marketplace Operation*.

### ***Exhibit G- Systems and Contingency Planning***

#### *General*

Provide:

1. A high level description of the marketplace's systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing.
2. An organization chart of the marketplace's information technology group unless otherwise provided as part of the report required by subsection 12.2(1) of the Instrument.

#### *Business Continuity Planning*

Please provide a description of the marketplace's business continuity and disaster recovery plans that includes, but is not limited to, information regarding the following:

1. Where the primary processing site is located.
2. What the approximate percentage of hardware, software and network redundancy is at the primary site.
3. Any uninterruptible power source (UPS) at the primary site.
4. How frequently market data is stored off-site.
5. Any secondary processing site, the location of any such secondary processing site, and whether all of the marketplace's critical business data is accessible through the secondary processing site.
6. The creation, management, and oversight of the plans, including a description of responsibility for the development of the plans and their ongoing review and updating.
7. Escalation procedures, including event identification, impact analysis, and activation of the plans in the event of a disaster or disruption.
8. Procedures for internal and external communications, including the distribution of information internally, to the securities regulatory authority, and, if appropriate, to the public, together with the roles and responsibilities of marketplace staff for internal and external communications.
9. The scenarios that would trigger the activation of the plans.

10. How frequently the business continuity and disaster recovery plans are tested.
11. Procedures for record keeping in relation to the review and updating of the plans, including the logging of tests and deficiencies.
12. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace and the service level to which such systems are to be restored.
13. Any single points of failure faced by the marketplace.

### *Systems Capacity*

Please provide information regarding:

1. How frequently future market activity is evaluated in order to adjust processing capacity.
2. The approximate excess capacity maintained over average daily transaction volumes.
3. How often or at what point stress testing is performed.

### *Systems*

Please provide information regarding:

1. Whether the trading engine was developed in-house or by a commercial vendor.
2. Whether the trading engine is maintained in-house or by a commercial vendor and provide the name of the commercial vendor, if applicable.
3. The marketplace's networks. Please provide a copy of a high-level network diagram of the systems referred to in section 12.1 of the Instrument, as applicable, together with a description of the external points of contact for the marketplace's networks.
4. The message protocols supported by the marketplace's systems.
5. The transmission protocols used by the marketplace's systems.

### *IT Risk Assessment*

Please describe the IT risk assessment framework, including:

1. How the probability and likelihood of IT threats are considered.

2. How the impact of risks are measured according to qualitative and quantitative criteria.
3. The documentation process for acceptable residual risks with related offsets.
4. The development of management's action plan to implement a risk response to a risk that has not been accepted.

#### ***Exhibit H – Custody of Assets***

1. If the ATS proposes to hold funds or securities of a marketplace participant on a regular basis, a description of the controls that will be implemented to ensure the safety of the funds or securities.
2. If any other person or company, other than the ATS, will hold or safeguard funds or securities of a marketplace participant on a regular basis, provide the name of the person or company and a description of the controls that will be implemented to ensure the safety of the funds or securities.

#### ***Exhibit I- Securities***

List the types of securities that are traded on the ATS, indicating the exchange(s) on which such securities are listed. If this is an initial filing, list the types of securities the ATS expects to trade.

#### ***Exhibit J – Access to Services***

1. A complete set of all forms, agreements or other materials pertaining to access to the services of the marketplace described in Exhibit E item 4, including trading on the ATS.
2. Describe the classes of marketplace participants (i.e. dealer, institution or retail).
3. Describe the ATS's criteria for access to the services of the marketplace.
4. Describe any differences in access to the services offered by the marketplace to different groups or classes of marketplace participants.
5. Describe conditions under which marketplace participants may be subject to suspension or termination with regard to access to the services of the ATS.
6. Describe any procedures that will be involved in the suspension or termination of a marketplace participant.
7. Describe the ATS's arrangements for permitting clients of marketplace participants to have access to the marketplace. Provide a copy of any agreements or documentation relating to these arrangements.

#### ***Exhibit K – Marketplace Participants***

Provide an alphabetical list of all marketplace participants, including the following information:

1. Name.
2. Date of becoming a marketplace participant.
3. Describe the type of trading activities primarily engaged in by the marketplace participant (e.g., agency trading, proprietary trading, registered trading, market making).
4. The class of participation or other access. Please identify if the marketplace participant accesses the marketplace through co-location.
5. Provide a list of all persons or entities that were denied or limited access to the marketplace, indicating for each
  - (i) whether they were denied or limited access,
  - (ii) the date the marketplace took such action,
  - (iii) the effective date of such action, and
  - (iv) the nature and reason for any denial or limitation of access.

**Exhibit L - Fees**

A description of the fee model and all fees charged by the marketplace, or by a party to which services have been directly or indirectly outsourced, including, but not limited to, fees relating to connecting to the market or facility, access, data, regulation (if applicable), trading, routing, and co-location, how such fees are set and any fee rebates or discounts and how the rebates and discounts are set.

**Exhibit M - Regulation**

The ATS has contracted with regulation services provider ..... to perform market regulation for ATS and its subscribers. Provide a copy of the contract between the filer and the regulation services provider.

**Exhibit N - Acknowledgement**

The form of acknowledgement required by subsections 5.9(2) and 6.11(2) of National Instrument 21-101 *Marketplace Operation*.

**CERTIFICATE OF ALTERNATIVE TRADING SYSTEM**

The undersigned certifies that the information given in this report is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of alternative trading system)

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(Name of director, officer or partner - please type or print)

---

(Signature of director, officer or partner)

---

(Official capacity - please type or print).



**FORM 21-101F3**  
**QUARTERLY REPORT OF MARKETPLACE ACTIVITIES**

**A. General Marketplace Information**

1. Marketplace Name:
2. Period covered by this report:
3. Identification
  - A. Full name of marketplace (if sole proprietor, last, first and middle name):
  - B. Name(s) under which business is conducted, if different from item A:
  - C. Marketplace main street address:
4. A list of all amendments in the information in Form 21-101F1 or 21-101F2 that were filed with the Canadian securities regulatory authorities and implemented during the period covered by the report. The list must include a brief description of each amendment, the date filed and the date implemented.
5. A list of all amendments in the information in Form 21-101F1 or 21-101F2 that have been filed with the Canadian securities regulatory authorities but not implemented as of the end of the period covered by the report. The list must include a brief description of each amendment, the date filed and the reason why it was not implemented.
6. Systems - If any outages occurred at any time during the period for any system relating to trading activity, including trading, routing or data, provide the date, duration, reason for the outage and its resolution.
7. Systems Changes – A brief description of any significant changes to the systems and technology used by the marketplace that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing that were planned, under development, or implemented during the quarter. Please provide the current status of the changes that are under development.
8. [Repealed]

**B. Marketplace Activity Information**

***Section 1 –Marketplaces Trading Exchange-Listed Securities***

1. **General trading activity** – For each type of security traded on the marketplace, provide the details (where appropriate) requested in the form set out in **Chart 1**. The information must be provided for transactions executed at the opening of the market, during regular trading hours, and after hours during the quarter. Enter “None”, “N/A”, or “0” where appropriate.

**Chart 1 – General trading activity for marketplaces trading exchange-listed securities**

Category of Securities	Volume		Value		Number of Trades	
	Transparent	Non-transparent	Transparent	Non-transparent	Transparent	Non-transparent
<b>Exchange-Traded Securities</b>						
1. Equity (includes preferred shares)						
2. Exchange-traded funds (ETFs)						
3. Debt securities						
4. Options						
<b>Foreign Exchange-Traded Securities</b>						
1. Equity (includes preferred shares)						
2. ETFs						
3. Debt securities						
4. Options						

2. **Crosses** - Provide the details (where appropriate) requested in the form set out in **Chart 2** below for each type of cross executed on the marketplace for trades executed at the opening of the market, during regular trading and after hours during the quarter. Enter "None", "N/A", or "0" where appropriate.

**Chart 2 – Crosses**

Types of Crosses	Volume	Value	Number of Trades
1. Intentional Crosses <sup>1</sup>			
2. Internal crosses			
3. Other crosses			

3. **Order information** – Provide the details (where appropriate) requested in the form set out in **Chart 3** below for each type of order in exchange traded securities executed on the marketplace for orders entered at the opening of the market, during

<sup>1</sup> See definition of an Internal and Intentional Cross in Section 1.1 of the Universal Market Integrity Rules.

regular trading and after hours during the quarter. Enter "none", "N/A" or "0" where appropriate.

### Chart 3 – Order information

Types of Orders	Number of Orders	Orders Executed	Orders Cancelled <sup>2</sup>
1. Anonymous <sup>3</sup>			
2. Fully transparent			
3. Pegged Orders			
4. Fully hidden			
5. Separate dark facility of a transparent market			
6. Partially hidden (reserve)			
7. Total number of orders entered during the quarter			

4. **Trading by security** – Provide the details requested in the form set out in **Chart 4** below for the 10 most traded securities on the marketplace (based on the volume of securities traded) for trades executed at the opening of the market, during regular trading and after hours during the quarter. Enter "None", "N/A", or "0" where appropriate.

### Chart 4 – Most traded securities

Category of Securities	Volume	Value	Number of Trades
<b>Exchange-Traded Securities</b>			
1. Equity (includes preferred shares) [Name of Securities]			
1.			
2.			
3.			
4.			
5.			
6.			
7.			

<sup>2</sup> By cancellations, we mean "pure" cancellations, i.e. cancellations that do not result in a new and amended order.

<sup>3</sup> Orders executed under ID 001.

8. 9. 10.			
2. ETFs [Name of Securities] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.			
3. Debt [Enter issuer, maturity and coupon] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.			
<b>Foreign Exchange-Traded Securities</b>			
1. Equity (includes preferred shares) [Name of Securities] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.			
2. ETFs [Name of Securities] 1. 2. 3. 4. 5. 6.			

7.			
8.			
9.			
10.			
3. Debt [Name of Securities]			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

**5. Trading by marketplace participant** - Provide the details requested in the form set out in **Chart 5** below for the top 10 marketplace participants (based on the volume of securities traded). The information must be provided for the total trading volume, including for trades executed at the opening of the market, during regular trading and after hours during the quarter. Enter "None", "N/A", or "0" where appropriate. Where a marketplace's marketplace participants are dealers and non-dealers, the marketplace must complete a separate chart for each.

**Chart 5 – Concentration of trading by marketplace participant**

Marketplace Participant Name	Total Active Volume	Total Passive Volume
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

**6. Routing activities** - Indicate the percentage of marketplace participants that used marketplace-owned or third party or affiliated routing services during the reporting period. In addition, provide the information in **Chart 6** below.

**Chart 6 – Routing of marketplace orders**

Number of orders executed on the reporting marketplace	
Number of orders routed to away	

marketplaces (list all marketplaces where orders were routed)	
Number of orders that are marked and treated as Directed Action Orders (DAO)	

**Section 2 – Fixed Income Marketplaces**

1. **General trading activity** - Provide the details (where appropriate) requested in the form set out in **Chart 7** below for each type of fixed income security traded on the marketplace for transactions executed during regular trading hours during the quarter. Enter "None", "N/A", or "0" where appropriate.

**Chart 7 – Fixed income activity**

Category of Securities	Value Traded	Number of Trades
Domestic Unlisted Debt Securities - Government		
1. Federal		
2. Federal Agency		
3. Provincial and Municipal		
Domestic Unlisted Debt Securities – Corporate		
Domestic Unlisted Debt Securities - Other		
Foreign Unlisted Debt Securities – Government		
Foreign Unlisted Debt Securities – Corporate		
Foreign Unlisted Debt Securities - Other		

2. **Trading by security** – Provide the details requested in the form set out in **Chart 8** below for each fixed income security traded on the marketplace for trades executed during regular trading hours during the quarter. Enter "None", "N/A", or "0" where appropriate.

**Chart 8 – Traded fixed income securities**

<b>Category of Securities</b>	<b>Value Traded</b>	<b>Number of Trades</b>
Domestic Unlisted Debt Securities - <b>Government</b> 1. Federal [Enter issuer, maturity, coupon]		
2. Federal Agency [Enter issuer, maturity, coupon]		
3. Provincial and Municipal [Enter issuer, maturity, coupon]		
Domestic Unlisted Debt Securities - <b>Corporate</b> [Enter issuer, maturity, coupon]		
Domestic Unlisted Debt Securities - <b>Other</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Government</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Corporate</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Other</b> [Enter issuer, maturity, coupon]		

**3. Trading by marketplace participant** - Provide the details requested in the form set out in **Chart 9** below for the top 10 marketplace participants for trades executed during regular trading hours during the quarter. Enter "None", "N/A", or "0" where appropriate. If marketplace participants are dealers and non-dealer institutions, the marketplace must complete a separate chart for each.

**Chart 9 – Concentration of trading by marketplace participant**

<b>Marketplace Participant Name</b>	<b>Value Traded</b>
1.	
2.	
3.	
4.	

5.	
6.	
7.	
8.	
9.	
10.	

**Section 3 – Securities Lending Marketplaces**

1. **General lending activity** – Please provide details (where appropriate) requested in the form set out in **Chart 10** below for each type of securities loaned on the marketplace. Enter “None”, “N/A” or “0” where appropriate.

**Chart 10 – Lending activity**

Category of Securities	Quantity of Securities Lent During the Quarter	Aggregate Value of Securities Lent During the Quarter
Domestic		
1. Corporate Equity Securities		
1.1. Common Shares		
1.2. Preferred Shares		
2. Non-Corporate Equity Securities (e.g. trust units, partnership units, etc.)(please specify)		
3. Government Debt Securities		
4. Corporate Debt Securities		
5. Other Fixed Income Securities (please specify)		
Foreign		
1. Corporate Equity Securities		
1.1. Common Shares		
1.2. Preferred Shares		
2. Non-Corporate Equity Securities (e.g. trust units, partnership units, etc.)(please specify)		
3. Government Debt Securities		
4. Corporate Debt Securities		
5. Other Fixed Income Securities (please specify)		



**2. Trading by marketplace participant** – Provide the details requested in the form set out in **Chart 11** and **Chart 12** below for the top 10 borrowers and lenders based on their aggregate value of securities borrowed or loaned, respectively, during the quarter.

**Chart 11 – Concentration of activity by borrower**

Borrower Name	Aggregate Value of Securities Borrowed During the Quarter
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

**Chart 12 – Concentration of activity by lender**

Lender Name	Aggregate Value of Securities Loaned During the Quarter
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

**3. Lending activity by security** – Provide the details requested in the form set out in **Chart 13** below for the 10 most loaned securities on the marketplace (based on the quantity of securities loaned during the quarter). Enter “None”, “N/A” or “0” where appropriate.

**Chart 13 – Most loaned securities**

Category of Securities	Quantity of Securities Lent During the Quarter	Aggregate Value of Securities Lent During the Quarter
Domestic		
1. Common Shares [Name of Security]		
1.		
2.		

3. 4. 5. 6. 7. 8. 9. 10.		
2. Preferred Shares [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
3. Non-Corporate Equity Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
4. Government Debt Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
5. Corporate Debt Securities [Name of Security] 1.		

2. 3. 4. 5. 6. 7. 8. 9. 10.		
6. Other Fixed Income Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
Foreign		
1. Common Shares [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
2. Preferred Shares [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
3. Non-Corporate Equity Securities [Name of Security]		

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
4. Government Debt Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
5. Corporate Debt Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		
6. Other Fixed Income Securities [Name of Security] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.		

## Section 4 – Derivatives Marketplaces in Quebec

1. **General trading activity** – For each category of product traded on the marketplace, provide the details (where appropriate) requested in the form set out in **Chart 14** below. For products other than options on ETFs and equity options, provide the details on a product-by-product basis in the appropriate category. Details for options on ETFs and equity options must be provided on an aggregate basis (one total for options on ETFs and one for options on equities). The information must be provided for transactions executed in the early session, during the regular session, and in the extended session during the quarter. Enter “None”, “N/A”, or “0” where appropriate.

**Chart 14 – General trading activity**

Category of Product	Volume	Number of Trades	Open Interest (Number/End of Quarter)
<b>Futures Products</b>			
1(a) Interest rate - short term			
1(b) Interest rate - long term			
2. Index			
3. ETF			
4. Equity			
5. Currency			
6. Energy			
7. Others, please specify			
<b>Options Products</b>			
1(a) Interest rate - short term			
1(b) Interest rate - long term			
2. Index			
3. ETF			
4. Equity			
5. Currency			
6. Energy			
7. Others, please specify			

2. **Trades resulting from pre-negotiation discussions** - Provide the details (where appropriate) requested in the form set out in **Chart 15** below by product and for each type of trade resulting from pre-negotiation discussions. For products other than options on ETFs and equity options, provide the details on a product-by-product basis in the appropriate category. Details for options on ETFs and equity options must be provided on an aggregate basis (one total for options on ETFs and one for options on equities). The information must be provided for trades executed in the early session, during the regular session and in the extended session during the quarter. Enter “None”, “N/A”, or

"0" where appropriate.

**Chart 15 –Trades resulting from pre-negotiation discussions**

Type of Trade	Volume	Number of Trades
<b>Futures Products</b>		
A. Cross		
B. Pre-arranged		
C. Block		
D. Exchange for physical		
E. Exchange for risk		
F. Riskless basis cross		
G. Others, please specify		
<b>Options Products</b>		
A. Cross		
B. Pre-arranged		
C. Block		
D. Others, please specify		

**3. Order information** – Provide the details (where appropriate) requested in the form set out in **Chart 16** below by product and for each type of order in exchange traded contracts executed on the marketplace. For products other than options on ETFs and equity options, provide the details on a product-by-product basis in the appropriate category. Details for options on ETFs and equity options must be provided on an aggregate basis (one total for options on ETFs and one for options on equities). The information must be provided for orders entered in the early session, during the regular session and in the extended session during the quarter. Enter "none", "N/A" or "0" where appropriate.

**Chart 16 – Order information**

Type of Orders	Volume	Number of Trades
1. Anonymous		
2. Fully transparent		
3. Pegged orders		
4. Fully hidden		
5. Separate dark facility of a transparent market		
6. Partially hidden (reserve, for example, iceberg orders)		

**4. Trading by product** – Provide the details requested in the form set out in **Chart 17** below. For each product other than options on ETFs and equity options, list the most actively-traded contracts (by volume) on the marketplace that in the aggregate constitute at least 75% of the total volume for each product during the quarter. The list must include at least 3 contracts. For options on ETFs and equity options, list the 10 most actively traded classes by volume. Details for options on ETFs and equity options must be provided on an aggregate basis (one total for options on ETFs and one for options on equities). The information must be provided for trades executed in the early session, during the regular session and in the extended session during the quarter. Enter “None”, “N/A”, or “0” where appropriate.

**Chart 17 – Most traded contracts**

Category of Product	Volume	Number of Trades	Open Interest (Number/End of Quarter)
<b>Futures Products</b>			
1. Name of products – 3 most-traded contracts (or more as applicable) 1. 2. 3.			
<b>Options Products</b>			
2. ETF [Classes] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.			
3. Equity [Classes] 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.			
4. Other listed options			

(specify for each) – 3 most traded contracts (or more as applicable) 1. 2. 3.			
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**5. Concentration of trading by marketplace participant** - Provide the details requested in the form set out in **Chart 18** below. For each product other than options on ETFs and equity options, list the top marketplace participants whose aggregate trading (by volume) constituted at least 75% of the total volume traded. The list must include at least 3 marketplace participants. For options on ETFs and equity options, provide the top 10 most active marketplace participants (by volume). The information must be provided on an aggregate basis (one total for options on ETFs and one for options on equities). The information must be provided for trades executed in the early session, during the regular session and in the extended session during the quarter. Enter "None", "N/A", or "0" where appropriate.

**Chart 18 – Concentration of trading by marketplace participant**

Product Name	Marketplace Participant Name	Volume
<b>Futures</b>		
Product Name (specify for each)	1. 2. 3. (more if necessary)	
<b>Options</b>		
ETF	1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	
Equity	1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	
Other options (specify for each)	1. 2.	



	3. (more if necessary)	
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**C. Certificate of Marketplace**

The undersigned certifies that the information given in this report relating to the marketplace is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
(Name of Marketplace)

\_\_\_\_\_  
(Name of director, officer or partner – please type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity – please type or print) ”

**FORM 21-101F4  
CESSATION OF OPERATIONS REPORT FOR  
ALTERNATIVE TRADING SYSTEM**

1. Identification:

A. Full name of alternative trading system (if sole proprietor, last, first and middle name):

B. Name(s) under which business is conducted, if different from item 1A:

2. Date alternative trading system proposes to cease carrying on business as an ATS:

3. If cessation of business was involuntary, date alternative trading system has ceased to carry on business as an ATS:

4. Please check the appropriate box:

- the ATS intends to carry on business as an exchange and has filed Form 21-101F1.  
 the ATS intends to cease to carry on business.  
 the ATS intends to become a member of an exchange.

**Exhibits**

File all Exhibits with the Cessation of Operations Report. For each exhibit, include the name of the ATS, the date of filing of the exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be furnished instead of such Exhibit.

***Exhibit A***

The reasons for the alternative trading system ceasing to carry on business as an ATS.

***Exhibit B***

A list of each of the securities the alternative trading system trades.

***Exhibit C***

The amount of funds and securities, if any, held for subscribers by the alternative trading system, or another person or company retained by the alternative trading system to hold funds and securities for subscribers and the procedures in place to transfer or to return all funds and securities to subscribers.

## CERTIFICATE OF ALTERNATIVE TRADING SYSTEM

The undersigned certifies that the information given in this report is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_  
(Name of alternative trading system)

\_\_\_\_\_  
(Name of director, officer or partner - please type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - please type or print)

**FORM 21-101F5  
INFORMATION STATEMENT  
INFORMATION PROCESSOR**

**TYPE OF FILING:**

INITIAL FORM       AMENDMENT; AMENDMENT No. \_\_\_\_\_

**GENERAL INFORMATION**

1. Full name of information processor:
2. Name(s) under which business is conducted, if different from item 1:
3. If this filing makes a name change on behalf of the information processor in respect of the name set out in item 1 or item 2, enter the previous name and the new name:

Previous name:

New name:

4. Head office

Address:

Telephone:

Facsimile:

5. Mailing address (if different):

6. Other offices

Address:

Telephone:

Facsimile:

7. Website address:

8. Contact employee

Name and title:

Telephone number:

Facsimile:

E-mail address:

9. Counsel

Firm name:

Contact name:

Telephone number:

Facsimile:

E-mail address:

10. List of all marketplaces, dealers or other parties for which the information processor is acting or for which it proposes to act as an information processor. For each marketplace, dealer or other party, provide a description of the function(s) which the information processor performs or proposes to perform.

11. List all types of securities for which information will be collected, processed, distributed or published by the information processor. For each such marketplace, dealer or other party, provide a list of all securities for which information with respect to quotations for, or transactions in, is or is proposed to be collected, processed, distributed or published.

### **Exhibits**

File all Exhibits with the Initial Form. For each Exhibit, include the name of the information processor, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be furnished instead of such Exhibit.

If the information processor files an amendment to the information provided in its Initial Form, and the information relates to an Exhibit filed with the Initial Form or a subsequent amendment, the information processor must, in order to comply with sections 14.1 and 14.2 of National Instrument 21-101, provide a description of the change, the expected date of the implementation of the change, and file a complete and updated Exhibit. The information processor must provide a clean and a blacklined version showing changes from the previous filing.

### ***Exhibit A - Corporate Governance***

1. Legal status:

Corporation

Sole Proprietorship

Partnership

Other (specify):

2. Except where the information processor is a sole proprietorship, indicate the date and place where the information processor obtained its legal status (e.g., place of incorporation, place where partnership agreement was filed or where information processor was formed):
  1. Date (DD/MM/YYYY) of formation.
  2. Place of formation.
  3. Statute under which the information processor was organized.
3. Provide a copy of the constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents, and all subsequent documents.
4. Provide the policies and procedures which promote independence of the information processor from the marketplaces, inter-dealer bond brokers and dealers that provide data.
5. Provide the policies and procedures which address the potential conflicts of interest between the interests of the information processor and its owners, partners, directors and officers.

#### ***Exhibit B - Ownership***

List any person or company who owns 10 percent or more of the information processor's outstanding shares or who, either directly or indirectly, through agreement or otherwise, in any other manner, may control or direct the management or policies of the information processor. Provide the full name and address of each such person and attach a copy of the agreement or, if there is none written, describe the agreement or basis through which such person exercises or may exercise such control or direction.

#### ***Exhibit C - Organization***

1. A list of the partners, directors, governors, and members of the board of directors and any standing committees of the board, or persons performing similar functions who presently hold or have held their offices or positions during the previous year, identifying those individuals with overall responsibility for the integrity and timeliness of data reported to and displayed by the system (the "System") of the information processor, indicating the following for each:
  1. Name.
  2. Principal business or occupation and title.
  3. Dates of commencement and expiry of present term of office or position.
  4. Type of business in which each is primarily engaged and current employer.
  5. Type of business in which each was primarily engaged in the preceding five years, if

different from that set out in item 4.

6. Whether the person is considered to be an independent director.
7. A list of the committees of the board, including their mandates.
8. A narrative or graphic description of the organizational structure of the information processor.

#### ***Exhibit D - Staffing***

A description of the personnel qualifications for each category of professional, non-professional and supervisory employee employed by the information processor. Detail whether the personnel are employed by the information processor or a third party, identifying the employees responsible for monitoring the timeliness and integrity of data reported to and displayed by the System.

#### ***Exhibit E - Affiliates***

For each affiliated entity of the information processor, and for any person or company with whom the information processor has a contractual or other agreement relating to the operations of the information processor, including loans or cross-guarantees, provide the following information:

1. Name and address of person or company.
2. Form of organization (e.g., association, corporation, partnership, etc.).
3. Name of location and statute citation under which organized.
4. Date of incorporation in present form.
5. A description of nature and extent of affiliation and/or contractual or other agreement with the information processor.
6. A description of business or functions of the affiliates.
7. If a person or company has ceased to be an affiliated entity of the information processor during the previous year or ceased to have a contractual or other agreement relating to the operation of the information processor during the previous year, provide a brief statement of the reasons for termination of the relationship.

#### ***Exhibit F - Services***

A description in narrative form of each service or function performed by the information processor. Include a description of all procedures utilized for the collection, processing, distribution, validation and publication of information with respect to orders and trades in securities.

### ***Exhibit G – System and Operations***

1. Describe the manner of operation of the System of the information processor that collects, processes, distributes and publishes information in accordance with National Instruments 21-101 and 23-101. This description must include the following:
  1. The means of access to the System.
  2. Procedures governing entry and display of quotations and orders in the System including data validation processes.
  3. A description of any measures used to verify the timeliness and accuracy of information received and disseminated by the System, including the processes to resolve data integrity issues identified.
  4. The hours of operation of the System.
  5. A description of the training provided to users of the System and any materials provided to the users.
2. Include a list of all computer hardware utilized by the information processor to perform the services or functions listed in Exhibit F, indicating:
  1. Manufacturer, and manufacturer's equipment and identification number.
  2. Whether purchased or leased (if leased, duration of lease and any provisions for purchase or renewal).
  3. Where such equipment (exclusive of terminals and other access devices) is physically located.
3. Provide a description of the measures or procedures implemented by the information processor to provide for the security of any system employed to perform the functions of an information processor. This must include a general description of any physical and operational safeguards designed to prevent unauthorized access to the system.
4. Provide a description of all backup systems which are designed to prevent interruptions in the performance of any information providing functions as a result of technical malfunctions or otherwise in the system itself, in any permitted input or output system connection or as a result of any independent source.
5. Describe the business continuity and disaster recovery plans of the information processor, and provide any relevant documentation.
6. List each type of interruption which has lasted for more than two minutes and has occurred within the six (6) months preceding the date of the filing, including the date



- of each interruption, the cause and duration. Provide the total number of interruptions which have lasted two minutes or less.
7. Describe the procedures for reviewing system capacity, and indicate current and future capacity estimates.
  8. Quantify in appropriate units of measure the limits on the information processor's capacity to receive, collect, process, store or display the data elements included within each function.
  9. Identify the factors (mechanical, electronic or other) which account for the current limitations on the capacity to receive, collect, process, store or display the data elements included within each function described in section 8 above.
  10. Describe the procedures for conducting stress tests.

#### ***Exhibit H – Outsourcing***

Where the information processor has outsourced the operation of any aspect of the services listed in Exhibit F to an arms-length third party, including any function related to the collection, consolidation, and dissemination of data, provide the following information:

1. Name and address of person or company to whom the function has been outsourced.
2. A description of the nature and extent of the contractual or other agreement with the information processor, and the roles and responsibilities of the arms-length third party under the arrangement.
3. A copy of each material contract relating to any outsourced function.

#### ***Exhibit I - Financial Viability***

1. Provide a business plan with pro forma financial statements and estimates of revenue.
2. Discuss the financial viability of the information processor in the context of having sufficient financial resources to properly perform its functions.

#### ***Exhibit J - Fees and Revenue Sharing***

1. Provide a complete list of all fees and other charges imposed, or to be imposed, by or on behalf of the information processor for its information services. This would include all fees to provide data and fees to receive the data from the information processor.
2. Where arrangements exist to share revenue from the sale of data disseminated by the information processor with marketplaces, inter-dealer bond brokers and dealers that provide data to the information processor in accordance with National Instrument 21-101, provide a complete description of the arrangements and the basis for these arrangements.

### ***Exhibit K – Reporting to the Information Processor***

1. List all persons and entities that provide data to the information processor in accordance with the requirements of National Instrument 21-101.
2. Provide a complete set of all forms, agreements and other materials pertaining to the provision of data to the information processor.
3. A description of any specifications or criteria required of marketplaces, inter-dealer bond brokers or dealers that provide securities information to the information processor for collection, processing for distribution or publication. Identify those specifications or criteria which limit, are interpreted to limit or have the effect of limiting access to or use of any services provided by the information processor and state the reasons for imposing such specifications or criteria.
4. For each instance during the past year in which any person or entity has been prohibited or limited to provide data by the information processor, indicate the name of each such person or entity and the reason for the prohibition or limitation.

### ***Exhibit L - Access to the Services of the Information Processor***

1. A list of all persons and entities who presently subscribe or who have notified the information processor of their intention to subscribe to the services of the information processor.
2. The form of contract governing the terms by which persons may subscribe to the services of an information processor.
3. A description of any specifications or criteria which limit, are interpreted to limit or have the effect of limiting access to or use of any services provided by the information processor and state the reasons for imposing such specifications or criteria. This applies to limits relating to providing information to the information processor and the limits relating to accessing the consolidated feed distributed by the information processor.
4. For each instance during the past year in which any person has been prohibited or limited in respect of access to services offered by the information processor, indicate the name of each such person and the reason for the prohibition or limitation.

### ***Exhibit M - Selection of Securities for which Information Must Be Reported to the Information Processor***

Where the information processor is responsible for making a determination of the data which must be reported, including the securities for which information must be reported in accordance with National Instrument 21-101, describe the manner of selection and communication of these securities. This description must include the following:

1. The criteria used to determine the securities for which information must be reported and the data which must be reported to the information processor.

2. The process for selection of the securities, including a description of the parties consulted in the process and the frequency of the selection process.
3. The process to communicate the securities selected and data to be reported to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by National Instrument 21-101. The description must include where this information is located.

### **CERTIFICATE OF INFORMATION PROCESSOR**

The undersigned certifies that the information given in this report is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

\_\_\_\_\_  
(Name of information processor )

\_\_\_\_\_  
(Name of director, officer or partner - please type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - please type or print)

**NATIONAL INSTRUMENT 21-101**

**FORM 21-101F6  
CESSATION OF OPERATIONS REPORT FOR  
INFORMATION PROCESSOR**

1. Identification:

A. Full name of information processor:

B. Name(s) under which business is conducted, if different from item 1A:

2. Date information processor proposes to cease carrying on business:

3. If cessation of business was involuntary, date information processor ceased to carry on business:

**Exhibits**

File all Exhibits with the Cessation of Operations Report. For each Exhibit, include the name of the information processor, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be furnished instead of such Exhibit.

**Exhibit A**

The reasons for the information processor ceasing to carry on business.

**Exhibit B**

A list of each of the securities the information processor displays.

**CERTIFICATE OF INFORMATION PROCESSOR**

The undersigned certifies that the information given in this report is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of information processor)

\_\_\_\_\_

(Name of director, officer or partner - please type or print)

---

(Signature of director, officer or partner)

---

(Official capacity - please type or print)