

Appendix B – Draft Model Order

MODEL DRAFT ORDER

**IN THE MATTER OF THE SECURITIES ACT, RSO 1990, CHAPTER S5, AS
AMENDED**

(the “Act”)

AND

**IN THE MATTER OF
[INSERT EXCHANGE/ATS]**

([Exchange/ATS short form])

ORDER (Subsection 21(5)/Section 21.0.1 of the Act)

WHEREAS [Exchange/ATS short form] is an exchange/alternative trading system (ATS) carrying on business in Ontario;

AND WHEREAS if it considers it to be in the public interest, the Ontario Securities Commission (Commission) has the authority to make any decision with respect to the manner in which a recognized exchange/an alternative trading system carries on business;

AND WHEREAS the payment of rebates by a marketplace may be changing behaviours of marketplace participants and creating unnecessary conflicts of interest for dealer routing decisions that may be difficult to manage, contributing to increased segmentation of order flow, and/or contributing to increased intermediation on highly liquid securities;

AND WHEREAS in light of the information set out in the paragraph above, it is the Commission’s opinion that it is in the public interest to conduct a pilot study on the prohibition of the payment of rebates by marketplaces for a sample of securities (the Pilot);

AND WHEREAS the Pilot will apply to [insert number] of securities;

AND WHEREAS the objective of the Pilot is to gain a better understanding of the effects of the prohibition of rebate payments by Canadian marketplaces (the Objective) to determine whether the Commission should facilitate the transition to an amended rule regarding the payment of rebates by marketplaces;

IT IS ORDERED that, pursuant to subsection 21(5)/section 21.0.1 of the Act:

1. On [insert Pilot start date], [insert Exchange/ATS] shall implement the Pilot according to the design set out at Appendix A appended to this Order, by eliminating rebates for those securities set out at [insert where treated securities listed] in Appendix A until [insert Pilot end date].

2. Between [insert Pilot start date] and [insert Pilot end date], if [insert Exchange/ATS] seeks any amendment to its Form 21-101F1/2, including the exhibits thereto (the Proposed Amendments), [insert Exchange/ATS] shall file submissions which satisfy the Commission that the Proposed Amendments do not negatively impact the Objective of the Pilot.

DATED this ___ day of _____, 201_, to take effect _____, 201_.

[Name]
[Title]
Ontario Securities Commission

[Name]
[Title]
Ontario Securities Commission