

## ANNEX B – The Proposed Amendments

### AMENDMENTS TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

1. *National Instrument 21-101 Marketplace Operation is amended by this Instrument.*
2. *National Instrument 21-101 Marketplace Operation is amended by replacing “shall” wherever it occurs with “must”.*
3. *National Instrument 21-101 Marketplace operation is amended by replacing “percent” wherever it occurs with “%”.*
4. *Section 1 is amended by*
  - (a) *replacing “;” with “,” in paragraph (a)(iv) of the definition of marketplace, and*
  - (b) *replacing “Accouting” with “Accounting” in the definition of private enterprise.*
5. *Section 1.4(2) is amended by replacing “Commodity Futures Act” wherever it occurs with “Commodity Futures Act”.*
6. *Section 3.2 is amended by*
  - (a) *adding “applicable” after “in the manner set out in the” in subsection(1),*
  - (b) *adding the following item after subsection (1):*
    - (1.1) A marketplace that has entered into an agreement with a regulation services provider in accordance with 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 filing to its regulation services provider at least 45 days before implementing the change.,
  - (c) *adding “applicable” after “amendment to the information provided in the” in subsection (3), and*
  - (d) *adding the following item after subsection (3):*
    - (4) The chief executive officer of a marketplace, or 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 its operations have been implemented as described in the applicable Form.
    - (5) A marketplace must provide an updated and consolidated Form 21-101F1 or Form 21-101F2, as applicable, within 30 days after the end of each calendar year..
7. *Section 5.1 is amended by replacing “;” with “,” in subsections (2)(a) and (3)(a).*
8. *Section 5.7 is amended by deleting an additional space after “not”.*
9. *Section 5.10 is amended by*
  - (a) *adding the following item after subsection (1):*
    - (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 has entered into a written agreement with each person or company that will receive the order and trade information that provides that
      - (a) the person or company must
        - (i) 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 subsection (1.3) below;
        - (ii) not publish or otherwise disseminate data or information that discloses, directly or indirectly, the transactions, trading strategies or market positions of a marketplace

participant or a client of the marketplace participant;

- (iii) not use the order and trade information or provide it to any other person or company for any purpose other than capital markets research;
- (iv) keep the order and trade information securely stored at all times;
- (v) keep the order and trade information only for a reasonable period of time after the completion of the research and publication process; and
- (vi) immediately inform the marketplace of any breach or possible breach of the confidentiality of the information provided; and

(b) the marketplace has the right to take appropriate steps, that in the marketplace's sole discretion, are necessary to prevent or deal with 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 pursuant to 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 appropriate steps that in the marketplace's sole discretion, are necessary against that person or company to prevent or deal with a breach or possible breach of the confidentiality of the information provided or of the agreement.

(1.3) A person or company that receives a marketplace participant's order or trade information from a marketplace pursuant to subsection (1.1) may disclose the order or trade information used in connection with research submitted to a publication if it has entered into a written agreement with the marketplace that provides that:

(a) the information the person or company will disclose is used for verification purposes only,

(b) the person or company must obtain written agreement from the publication or any person or company involved in the verification of the research to maintain the confidentiality of the information,

(c) the person or company must notify the marketplace prior to sharing the information for verification purposes, and

(d) the person or company must obtain written agreement from the publication or any person or company involved in the verification of the research that the publication or other person or company will immediately inform the marketplace of any breach or possible breach of the agreement or of the confidentiality of the information provided..

**10. Section 5.12 is amended by**

**(a) deleting “:” after “the marketplace must” in the preamble,**

**(b) replacing “key services and systems” with “key services or systems” in subsections (b) and (c), and**

**(c) deleting “,” after “on behalf of the marketplace” in subsection (e).**

**11. Part 5 is amended by**

**(a) adding the following item:**

**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..

12. **Section 6.7(1) is amended by replacing “;” with “,” in subsections (a) and (b).**
13. **Section 7.1 is amended by adding the following item:**
  - (3) A marketplace that is subject to subsection (1) must not make the information referred to in that subsection available to any other person or company before it makes that information available to the information processor or, if there is no information processor, to the information vendor..
14. **Section 7.2 is amended by**
  - (a) **adding “(1)” before “A marketplace must provide accurate and timely”, and**
  - (b) **adding the following item:**
    - (2) A marketplace must not make the information referred to in subsection (1) available to any other person or company before it makes that information available to the information processor or, if there is no information processor, to the information vendor..
15. **Subsection 8.1(5) is amended by replacing “interdealer” with “inter-dealer”.**
16. **Section 8.6 is amended by replacing “2015” with “2018”.**
17. **Section 10.1 is amended by**
  - (a) **adding “,” after “disclose”,**
  - (b) **adding “,” after “website”,**
  - (c) **adding “,” after “or services it provides, including”,**
  - (d) **adding “,” after “but not limited to”,**
  - (e) **deleting “:” after “information related to”,**
  - (f) **replacing “;” wherever it occurs with “,”,**
  - (g) **deleting “; and” in subsection (g) and replacing it with “,”,**
  - (h) **replacing “.” with “,” in subsection (h), and**
  - (i) **adding the following items:**
    - (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..
18. **Section 11.2 is amended by replacing “;” with “,” in paragraph (c)(xviii).**
19. **Section 11.2.1 is amended by**
  - (a) **adding “, in the manner requested by the regulation services provider” after “the information required by the regulation services provider” in subsection (a), and**
  - (b) **adding “, in the manner requested by the securities regulatory authority” after “under securities legislation” in subsection (b).**
20. **Section 11.3(1) is amended by**
  - (a) **deleting “and” in subsection (f),**
  - (b) **replacing “.” with “; and” after “subsections 13.1(2) and 13.1(3)” in subsection (g), and**
  - (c) **adding the following items:**
    - (h) a copy of any agreement referred to in section 5.10; and
    - (i) a copy of any agreement referred to in subsection 5.12(c)..
21. **Section 12.1 is amended by**

- (a) **replacing** “For each of its systems that support” **with** “For each system, operated by or on behalf of the marketplace, that supports”,
- (b) **replacing** “;” **with** “,” **in paragraphs (a)(i), (a)(ii), (b)(i) and (b)(ii),**
- (c) **replacing** “malfunction or delay” **with** “malfunction, delay” **in subsection (c), and**
- (d) **adding the following after “delay” in subsection (c):**  
  - 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..

**22. The following item is added after section 12.1:**

**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 aforementioned 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..

**23. Subsection 12.2(1) is replaced with:**

(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.

**24. Subsection 12.2(2) is amended by**

- (a) **adding** “the earlier of” **before** “30 days” **in subsection (b), and**
- (b) **adding** “or 60 days after the calendar year end” **after** “committee” **in subsection (b).**

**25. Section 12.3 is amended by**

- (a) **replacing** “Availability of” **with** “Marketplace” **in the title of the section,**
- (b) **replacing subsection (3) with:**

(3) A marketplace must not begin operations or implement a material change to its technology requirements until the later of

- (a) three months after notification of the completion of the review of the

marketplace's initial filing or change in information by the regulator, or in Québec, the securities regulatory authority, is provided to the marketplace, and

- (b) a reasonable period of time after the regulator, or in Québec, the securities regulatory authority, has completed its review of the marketplace's initial filing or change in information and notified the marketplace of the completion of the review.,

**(c) deleting “12.3” in subsection (4), and**

**(d) adding the following items after subsection (4):**

- (5) 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 person 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.
- (6) A marketplace must not implement a material change to its technology requirements before,
  - (a) it has complied with paragraphs (1)(b) and (2)(b), and
  - (b) the chief information officer of the marketplace, or 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.
- (7) Subsection (6) 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 the marketplace immediately notifies the regulator, or in Québec, the securities regulatory authority, of its intention to make the change..

**26. Part 12 is amended by adding the following item after section 12.3:**

**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..

**27. Section 12.4 is replaced with the following item:**

**12.4 Business Continuity Planning**

- (1) A marketplace 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
- (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 operations must 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 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 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..

**28. Part 12 is amended by adding the following item after section 12.4:**  
**12.4.1 Industry-Wide Business Continuity Tests**

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

**29. Part 13 is amended by:**

**(a) replacing “and settled” with “to a clearing agency” in subsections (2) and (3) in section 13.1, and**

**(b) adding the following item after section 13.1:**

**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..

**30. Section 14.4 is amended by**

**(a) adding “or changes to an electronic connection” after “in a timely manner an electronic connection” in subsection (4),**

**(b) adding the following item after subsection (6):**

- (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., **and**

**(c) adding the following item after subsection (7):**

- (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 after the start of the financial year of the person or company..

**30. Section 14.5 is amended by**

**(a) replacing “;” wherever it occurs with “,”, and**

**(b) adding “the earlier of” before “30 days” and adding “or 60 days after the calendar year end,” after “audit committee” in paragraph (d)(ii).**

**31. Section 14.6 is replaced by the following item:**

**14.6 Business Continuity Planning**

An information processor must

- (1) develop and maintain reasonable business continuity plans, including disaster recovery plans,
- (2) 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

- (3) ensure that its critical systems can resume operations within one hour following the declaration of a disaster by the information processor..

**32. Section 14.7 is amended by**

- (a) **replacing** “with this Instrument, or other than a securities regulatory authority, unless:” **with** “with this Instrument or a securities regulatory authority, unless” **and**
- (b) **replacing** “;” **with** “,” **in subsection (a).**

**33. Section 14.8 is amended by**

- (a) **deleting** “:” **after** “but not limited to”, **and**
- (b) **replacing** “;” **wherever it occurs with** “,”.

**34. FORM 21-101F1 INFORMATION STATEMENT EXCHANGE OR QUOTATION AND TRADE REPORTING SYSTEM is amended by**

- (a) **replacing** “shall” **wherever it occurs with** “must”,
- (b) **replacing** “should” **wherever it occurs with** “must”,
- (c) **adding** “; AMENDMENT No.” **after** “AMENDMENT” **in Type of Filing,**
- (d) **replacing** “percent” **with** “%” **in Exhibit B,**
- (e) **adding** “and the Board mandate” **after** “including their mandates” **in Exhibit C,**
- (f) **deleting** “:” **wherever it occurs in Exhibit D,**
- (g) **deleting** “;” **wherever it occurs in Exhibit D,**
- (h) **adding** “,” **after** “private enterprises” **in Exhibit D,**
- (i) **replacing** “not be limited” **with** “is not limited” **in Exhibit E,**
- (j) **replacing** “Description” **wherever it occurs in Exhibit E with** “A description”,
- (k) **adding the following to the end of Exhibit E:**  
The filer must provide all material contracts related to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.,
- (l) **adding** “,” **after** “execution, data” **in Exhibit F,**
- (m) **adding the following item at the end of Exhibit F:**

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 subsection 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 subsection 5.12(b) of National Instrument 21-101 *Marketplace Operation*.
6. A description of the measures the marketplace has taken pursuant to subsection 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 subsection 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 subsection 5.12(h) of National Instrument 21-101 *Marketplace Operation*.,

**(n) replacing Exhibit G with the following:**  
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.

*Business Continuity Planning*

Please describe:

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. If there is an uninterruptible power source (UPS) at the primary site,
4. How frequently market data is stored off-site,
5. Whether the marketplace has a secondary processing site and, if so, the location of the secondary processing site,
6. The filer's business continuity plan, including the disaster recovery plan. Please provide any relevant documentation,
7. How frequently the business continuity and disaster recovery plans are tested,
8. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace,
9. Any single points of failure faced by the marketplace.

*Systems Capacity*

Please describe:

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 describe:

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 the network diagram used in-house that covers order entry, real-time market data and transmission,
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, and
4. The development of management's action plan to implement a risk response to a risk that has not been accepted,

**(o) replacing "Filer" wherever it occurs with "filer" in Exhibit I,**

**(p) replacing "Exhibit E.4" with "Exhibit E item 4" in Exhibit J,**



- (q) *adding* “Please identify if the marketplace participant accesses the marketplace through co-location.” *after* “or other access.” *in item 4 of Exhibit K,*
  - (r) *deleting* “:” *after* “indicating for each” *in item 5 of Exhibit K,*
  - (s) *replacing* “;” *wherever it occurs with* “,” *in item 5 of Exhibit K,*
  - (t) *adding* “a copy of” *after* “and its members, provide” *in item 2 of Exhibit M,*
  - (u) *deleting* “.” *after* “regulation services provider” *in the second box of Exhibit M, and*
  - (v) *adding* “Marketplace Operation” *after* “21-101” *in Exhibit N.*
- 35. Form 21-101F2 INITIAL OPERATION REPORT ALTERNATIVE TRADING SYSTEM is amended by**
- (a) *replacing* “INITIAL OPERATION REPORT” *with* “INFORMATION STATEMENT” *in the title,*
  - (b) *replacing* “should” *wherever it occurs with* “must” *in the Form,*
  - (c) *replacing* “shall” *wherever it occurs with* “must” *in the Form,*
  - (d) *adding* “; AMENDMENT No.” *after* “AMENDMENT” *in Type of Filing,*
  - (e) *adding* “name of” *after* “[“ *in item 12 of Type of Filing,*
  - (f) *replacing* “percent” *with* “%” *in Exhibit B,*
  - (g) *replacing* “not be” *with* “is not” *in Exhibit E,*
  - (h) *replacing* “Description” *wherever it occurs with* “A description” *in Exhibit E,*
  - (i) *adding the following to the end of Exhibit E:*  
The filer must provide all material contracts relating to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.,
  - (j) *deleting* “the” *after* “including any function associated with” *in Exhibit F,*
  - (k) *adding* “data” *after* “clearing and settlement,” *in Exhibit F,*
  - (l) *adding the following items after item (3) in Exhibit F:*
    - 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 subsection 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 subsection 5.12(b) of National Instrument 21-101 *Marketplace Operation.*
    - 6. A description of the measures the marketplace has taken pursuant to subsection 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 subsection 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 subsection 5.12(h) of National Instrument 21-101 *Marketplace Operation.,*
  - (m) *replacing Exhibit G with the following:*

### 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.

### *Business Continuity Planning*

Describe:

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. If there is an uninterruptible power source (UPS) at the primary site,
4. How frequently market data is stored off-site,
5. Whether the marketplace has a secondary processing site and, if so, the location of the secondary processing site,
6. The filer's business continuity plan, including the disaster recovery plan. Please provide any relevant documentation,
7. How frequently the business continuity and disaster recovery plans are tested,
8. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace,
9. Any single points of failure faced by the marketplace.

### *Systems Capacity*

Describe:

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*

Describe:

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 the network diagram used in-house that covers order entry, real-time market data and transmission,
4. The message protocols supported by the marketplace's systems,
5. The transmission protocols used by the marketplace's systems.

### *IT Risk Assessment*

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, and
4. The development of management's action plan to implement a risk response to a risk that has not been accepted.,  
*(n) adding "list" after "If this is an initial filing," in Exhibit I,*  
*(o) replacing "Exhibit E.4" with "Exhibit E item 4" in item 1 of Exhibit J,*  
*(p) deleting "," after "institution" in item 2 of Exhibit J,*  
*(q) adding "Identify if the marketplace participant accesses the marketplace through co-location." after "access." in item 4 of Exhibit K,*

- (r) *deleting “:” after “for each” in item 5 of Exhibit K, and*
  - (s) *replacing “;” wherever it occurs with “,” in item 5 of Exhibit K,*
  - (t) *adding “Marketplace Operation” after “21-101” in Exhibit N, and*
- 36. Form 21-101F3 Quarterly Report of Marketplace Activities is amended by**
- (a) *replacing “should” wherever it occurs with “must” in the Form,*
  - (b) *replacing item 4 with the following:*
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.,
- (c) *replacing item 5 with the following:*
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.,
- (d) *adding the following items after item 5:*
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.,
- (e) *deleting “%” wherever it occurs in Chart 2 of Section 1 of Part B,*
  - (f) *deleting “% Number of exchange traded securities that are” in Chart 2 of Section 1 of Part B,*
  - (g) *deleting “%” wherever it occurs in Chart 3 of Section 1 of Part B,*
  - (h) *replacing “third-party” with “third party” in item 6 of Section 1 of Part B,*
  - (i) *deleting item 7 of Section 1 of Part B,*
  - (j) *adding “during the quarter” after “regular trading hours” in item 1 of Section 2 of Part B,*
  - (k) *replacing “the 10 most traded fixed income securities” with “each fixed income security traded” in item 2 of Section 2 of Part B,*
  - (l) *deleting “(based on the value of the volume traded) for trades executed” in item 2 of Section 2 of Part B,*
  - (m) *replacing Chart 8 of Section 2 of Part B with the following chart:*

**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>		

Category of Securities	Value Traded	Number of Trades
[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]		

- (n) deleting “%” wherever it occurs in Charts 15 and 16 of Section 4 of Part B,
- (o) deleting “of” in Chart 15 of Section 4 of Part B, and
- (p) deleting item 6 of Section 4 of Part B.
37. Form 21-101F4 CESSATION OF OPERATIONS REPORT FOR ALTERNATIVE TRADING SYSTEM is amended by replacing “shall” with “must”.
38. Form 21-101F5 INITIAL OPERATION REPORT FOR INFORMATION PROCESSOR is amended by
- (a) replacing “INITIAL OPERATION REPORT FOR” with “INFORMATION STATEMENT” in the title,
- (b) adding “: AMENDMENT No.” after “AMENDMENT” in Type of Filing,
- (c) replacing “should” wherever it occurs with “must” in the Form,
- (d) replacing “shall” wherever it occurs with “must” in the Form,
- (e) adding “,” after “National Instrument 21-101” under the heading “Exhibits”,
- (f) adding “,” after “standing committees of the board” and after “previous year” in item 1 of Exhibit C,
- (g) replacing “system” with “System” in item 3 of section 1 of Exhibit G,
- (h) replacing “Description” with “A description” in item 5 of section 1 of Exhibit G,
- (i) replacing “exists” with “exist” in item 2 of Exhibit J,
- (j) adding “provide” after “National Instrument 21-101” in item 2 of Exhibit J,
- (k) replacing “who” with “that” in item 3 of Exhibit K.
39. FORM 21-101F6 CESSATION OF OPERATIONS REPORT FOR INFORMATION PROCESSOR is amended by replacing “shall” with “must”.
40. This Instrument comes into force on •.

**AMENDMENTS TO NATIONAL INSTRUMENT 23-101  
TRADING RULES**

1. National Instrument 23-101 Trading Rules is amended by this Instrument.
2. Section 6.8 is amended by adding “, except for paragraph 6.3(1)(c),” after “In Québec, this Part”.
3. The following item is added after subsection 7.1(2):

(3) If a recognized exchange has entered into a written agreement with a regulation services provider, the recognized exchange must set requirements that are necessary for the regulation services provider to be able to effectively monitor trading on the recognized exchange and across marketplaces as required by the regulation services provider..

**4. *Section 7.2 is replaced with the following item:***

**7.2 Agreement between a Recognized Exchange and a Regulation Services Provider** - A recognized exchange that monitors the conduct of its members indirectly through a regulation services provider shall enter into a written agreement with the regulation services provider which provides that the regulation services provider will:

- (a) monitor the conduct of the members of the recognized exchange,
- (b) monitor the compliance of the recognized exchange with the requirements set under subsection 7.1(3)
- (c) enforce the requirements set under subsection 7.1(1)..

**5. *The following item is added after section 7.2:***

**7.2.1 Obligations of a Recognized Exchange to a Regulation Services Provider** – A recognized exchange that has entered into a written agreement with a regulation services provider must

(a) transmit to the regulation services provider the information required under Part 11 of NI 21-101 and any information reasonably required by the regulation services provider in the form and manner requested by the regulation services provider to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.1(1), and

(ii) the conduct of the recognized exchange, including the compliance of the recognized exchange with the requirements set under subsection 7.1(3) ; and

(b) comply with all orders or directions made by the regulation services provider..

**6. *The following item is added after subsection 7.3(2):***

(3) If a recognized quotation and trade reporting system has entered into a written agreement with a regulation services provider, the recognized quotation and trade reporting system must set requirements that are necessary for the regulation services provider to be able to effectively monitor trading on the recognized quotation and trade reporting system and across marketplaces as required by the regulation services provider..

**7. *Section 7.4 is replaced with the following:***

**7.4 Agreement between a Recognized Quotation and Trade Reporting System and a Regulation Services Provider** - A recognized quotation and trade reporting system that monitors the conduct of its users indirectly through a regulation services provider shall enter into a written agreement with the regulation services provider which provides that the regulation services provider will

- (a) monitor the conduct of the users of the recognized quotation and trade reporting system,
- (b) monitor the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3), and
- (c) enforce the requirements set under subsection 7.3(1)..

**8. *The following item is added after section 7.4:***

**7.4.1 Obligations of a Quotation and Trade Reporting System to a Regulation Services Provider** – A recognized quotation and trade reporting system that has entered into a written agreement with a regulation services provider must

- (a) transmit to the regulation services provider the information required under Part 11 of NI 21-101 and any information reasonably required by the regulation services provider in the form and manner requested by the regulation services provider to effectively monitor:
  - (i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.3(1), and
  - (ii) the conduct of the recognized quotation and trade reporting system, including the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3); and
- (b) comply with all orders or directions made by the regulation services provider..

9. This Instrument comes into force on •.