



Registrar of Regulations	
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Province of Saskatchewan

Commission Order

The Financial and Consumer Affairs Authority of Saskatchewan, pursuant to section 154 of *The Securities Act, 1988*, makes *The Securities Commission (Adoption of National Instruments, Parts XXII and XXIII) Amendment Regulations, 2015* in accordance with the attached Schedule.

Dated at the City of Regina, the 1st day of October, 2015.

Acting Chairperson
Financial and Consumer Affairs Authority of
Saskatchewan

(For administrative purposes only)

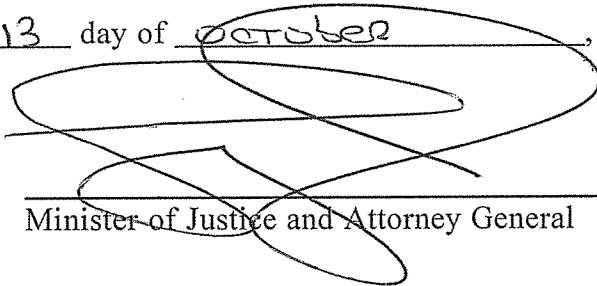


Province of Saskatchewan

Minister's Order

The Minister of Justice and Attorney General, pursuant to section 7 of *The Securities Commission (Regulation Procedures) Regulations*, approves *The Securities Commission (Adoption of National Instruments, Parts XXII and XXIII) Amendment Regulations, 2015* in accordance with the attached Schedule.

Dated at the City of Regina, the 13 day of October, 2015.



Minister of Justice and Attorney General

(For administrative purposes only)

Authority: *The Securities Commission (Regulation Procedures) Regulations - section 7*

SCHEDULE

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments, Parts XXII and XXIII) Amendment Regulations, 2015*.

R.R.S. c.S-42.2 Reg 3 amended

2 *The Securities Commission (Adoption of National Instruments) Regulations* are amended in the manner set forth in these regulations.

Part XXII of Appendix amended

3(1) Part XXII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) in paragraph (c) of the definition of “government debt security” by adding “in Canada” after “body”;

(b) in the definition of “information processor” by adding “and, in Québec, that is a recognized information processor” after “Form 21-101F5”;

(c) in subparagraph (a)(iv) of the definition of “marketplace” by striking out “;” and substituting “,”; and

(d) by adding the following definition after the definition of “order”:

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

(3) Section 1.4 is amended:


(a) in subsection (1) by striking out “Alberta and”; and

(b) in subsection (2) by striking out “Commodity Futures Act” wherever it appears and in each case substituting “*Commodity Futures Act*”.

(4) Section 3.2 is amended:

(a) in subsection (1) by striking out “manner set out in the Form” and substituting “manner set out in the applicable form”;

APPROVED
LEGISLATIVE DRAFTING SECTION


September 23, 2015 - 3:50 p.m.

(b) by adding the following subsection after subsection (1):

“(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”;

(c) in subsection (3) by striking out “Form by the earlier of” and substituting “applicable form by the earlier of”; and

(d) by adding the following subsections after subsection (3):

“(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”.

(5) Paragraph 4.1(1)(c) is amended by adding “unmodified” before “auditor’s report”.

(6) Section 5.1 is amended by striking out “;” wherever it appears and in each case substituting “,”.

(7) Section 5.2 is amended by striking out “shall” and substituting “must”.

(8) Subsection 5.3(1) is amended:

(a) in paragraph (a) by striking out “shall” and substituting “must”; and

(b) in paragraph (b) by striking out “shall” and substituting “must”.

(9) Section 5.4 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(10) Section 5.5 is amended by striking out “shall” and substituting “must”.

(11) Section 5.7 is amended by striking out “do not interfere” and substituting “do not interfere”.

(12) Section 5.10 is amended:

(a) in subsection (1) by striking out “;” wherever it appears and in each case substituting “,”; and

(b) by adding the following subsections 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

(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”.

(13) Section 5.12 is amended:

(a) in the portion preceding paragraph (a) by striking out “:” after “the marketplace must”;

(b) in paragraph (b) by striking out “key services and systems” and substituting “key services or systems”;

(c) in paragraph (c) by striking out “key services and systems” and substituting “key services or systems”; and

(d) in paragraph (e) by striking out “,” after “on behalf of the marketplace”.

(14) The following section is added after section 5.12:

“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”.

(15) Section 6.1 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(16) Section 6.3 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(17) Subsection 6.7(1) is amended:

(a) in paragraph (a) by striking out “;” and substituting “,”; and

(b) in paragraph (b) by striking out “;” and substituting “,”.

(18) Section 6.9 is amended by striking out “shall” and substituting “must”.

(19) Section 6.11 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” and substituting “must”.

(20) Section 7.1 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) by adding the following subsection after subsection (2):

“(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”.

(21) Section 7.2 is repealed and the following substituted:

“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”.

(22) Subsection 7.3(1) is amended by striking out “shall” and substituting “must”.

(23) Section 7.4 is amended by striking out “shall” and substituting “must”.

(24) Section 7.5 is amended by striking out “shall” and substituting “must”.

(25) Section 7.6 is amended by striking out “shall” and substituting “must”.

(26) Section 8.1 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (3) by striking out “shall” and substituting “must”;

(c) in subsection (4) by striking out “shall” and substituting “must”; and

(d) in subsection (5):

(i) by striking out “shall” and substituting “must”; and

(ii) by striking out “interdealer” and substituting “inter-dealer”.

(27) Section 8.2 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (3) by striking out “shall” and substituting “must”;

(c) in subsection (4) by striking out “shall” and substituting “must”; and

(d) in subsection (5) by striking out “shall” and substituting “must”.

(28) Section 8.3 is amended by striking out “shall” and substituting “must”.

(29) Section 8.4 is amended by striking out “shall” and substituting “must”.

(30) Section 10.1 is repealed and the following substituted:

“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”.

(31) Section 11.1 is amended by striking out “shall” and substituting “must”.

(32) Subsection 11.2(1) is amended:

- (a) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”; and
- (b) after subparagraph (c)(xviii) by striking out “,” and substituting “;”.

(33) Section 11.2.1 is amended:

- (a) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”;

(b) in paragraph (a):

(i) by striking out “,” after “the information required by the regulation services provider”; and

(ii) by adding “and in the manner requested by the regulation services provider,” after “in electronic form”; and

(c) in paragraph (b):

(i) by striking out “,” after “under securities legislation”; and

(ii) by adding “and in the manner requested by the securities regulatory authority” after “in electronic form”.

(34) Section 11.3 is amended:**(a) in subsection (1):**

(i) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”;

(ii) by striking out “and” after paragraph (f);

(iii) in paragraph (g) by striking out “.” and substituting “;”; and

(iv) by adding the following paragraphs after paragraph (g):

“(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)”; and

(b) in subsection (2) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(35) Section 11.5 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” and substituting “must”.

(36) Section 12.1 is amended:

(a) by striking out “,” wherever it appears and in each case substituting “;”;

(b) in the portion preceding paragraph (a):

(i) by striking out “For each of its systems that support” and substituting “For each system, operated by or on behalf of the marketplace, that supports”; and

(ii) by striking out “shall” and substituting “must”;

(c) in paragraph (c):

(i) by striking out “or delay”; and

(ii) by adding “, 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” after “malfunction”.

(37) The following section 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 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”.

(38) Section 12.2 is amended:

(a) by repealing subsection (1) and substituting the following:

“(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”; and

(b) in subsection (2):

(i) by striking out “shall” and substituting “must”; and

(ii) by repealing paragraph (b) substituting the following:

“(b) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30th day after providing the report to its board of directors or the audit committee or the 60th day after the calendar year end”.

(39) Section 12.3 is amended:

(a) in subsection (1) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”;

(b) in subsection (2) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”;

(c) by repealing subsection (3) and substituting the following:

“(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”;

(d) by adding the following subsection after subsection (3):

“(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”; **and**

(e) in subsection (4) by striking out “Paragraphs 12.3(1)(b) and 2(b) do” and substituting “Subsection (3.1) does”.

(40) The following section is added 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”.

(41) Section 12.4 is repealed and the following substituted:

“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”.

(42) Section 13.1 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (2):

(i) by striking out “shall” wherever it appears and in each case substituting “must”; and

(ii) by striking out “and settled” and substituting “to a clearing agency”; and

(c) in subsection (3):

(i) by striking out “shall” wherever it appears and in each case substituting “must”; and

(ii) by striking out “and settled” and substituting “to a clearing agency”.

(43) The following section is added 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”.

(44) Subsection 14.1(1) is amended by striking out “shall” and substituting “must”.

(45) Section 14.2 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” and substituting “must”.

(46) Section 14.3 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” and substituting “must”.

(47) Section 14.4 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (2) by striking out “shall” and substituting “must”;

(c) in subsection (3) by striking out “shall” and substituting “must”;

(d) in subsection (4):

(i) by striking out “shall” and substituting “must”; and

(ii) by adding “or changes to an electronic connection” after “in a timely manner an electronic connection”;

(e) in subsection (5) by striking out “shall” wherever it appears and in each case substituting “must”;

(f) by adding the following subsection 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**

(g) by adding the following subsection 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 of the start of the financial year of the person or company”.

(48) Section 14.5 is amended:

(a) by striking out “;” wherever it appears and in each case substituting “,”;

(b) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”; and

(c) by repealing subparagraph (d)(ii) and substituting the following:

“(ii) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30th day after providing the report to its board of directors or the audit committee or the 60th day after the calendar year end”.

(49) Section 14.6 is repealed and the following substituted:

“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”.

(50) Section 14.7 is amended:

(a) in the portion preceding paragraph (a) by striking out “with this Instrument, or other than a securities regulatory authority, unless” and substituting “with this Instrument or a securities regulatory authority, unless”; and

(b) after paragraph (a) by striking out “;” and substituting “,”.

(51) Section 14.8 is amended:

- (a) by striking out “.” after “but not limited to”; and
- (b) by striking out “;” wherever it appears and in each case substituting “,”.

(52) Form 21-101F1 is amended:

- (a) after the heading “Type of Filing” by adding “; AMENDMENT No.” after “AMENDMENT”;
- (b) in the paragraph under the heading “EXHIBITS” by striking out “shall” and substituting “must”;
- (c) under the heading *Exhibit C - Organization* in section 2 by adding “and the Board mandate” after “including their mandates”;
- (d) under the heading *Exhibit D - Affiliates*:
 - (i) in section 6 by striking out “.” wherever it appears;
 - (ii) by striking out “;” wherever it appears; and
 - (iii) by adding “,” after “private enterprises”.
- (e) under the heading *Exhibit E - Operations of the Marketplace*:
 - (i) by striking out “should” and substituting “must”;
 - (ii) by striking out “not be limited” and substituting “is not limited”;
 - (iii) by striking out “Description” wherever it appears and in each case substituting “A description”; and
 - (iv) by adding the following paragraph after the last paragraph:

“The filer must provide all material contracts related to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing”;
- (f) under the heading *Exhibit F - Outsourcing*:
 - (i) by adding “,” after “routing, trading, execution, data”; and
 - (ii) by adding the following sections after section 3:

“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*”.

(g) by repealing *Exhibit G - Systems and Contingency Planning* and substituting the following:

“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";

(h) under the heading *Exhibit I - Securities* by striking out "Filer" wherever it appears and in each case substituting "filer";

(i) under the heading *Exhibit J - Access to Services* in section 1 by striking out "Exhibit E.4" and substituting "Exhibit E item 4";

(j) under the heading *Exhibit K - Marketplace Participants*:

(i) in section 4 by adding "Please identify if the marketplace participant accesses the marketplace through co-location" after "or other access"; and

(ii) in section 5:

(A) by striking out ":" after "indicating for each"; and

(B) by striking out ";" wherever it appears and in each case substituting ",";

(k) under the heading *Exhibit M - Regulation*:

(i) in section 2 by adding "a copy of" after "and its members, provide"; and

(ii) in the text following the box under section 2 by striking out "." after "regulation services provider"; and

(l) under the heading *Exhibit N - Acknowledgement* by adding "*Marketplace Operation*" after "21-101".

(53) Form 21-101F2 is amended:

(a) in the title by striking out “INITIAL OPERATION REPORT” and substituting “INFORMATION STATEMENT”;

(b) after the heading “Type of Filing” by adding “; AMENDMENT No.” after “AMENDMENT”;

(c) in section 12 under the heading Identification by adding “name of” after “contracted with [“;

(d) in the paragraph under the heading “EXHIBITS” by striking out “shall” and substituting “must”;

(e) under the heading *Exhibit E - Operations of the Marketplace*:

(i) in the text before section 1 by striking out “not be” and substituting “is not”;

(ii) in sections 7, 8, 9 and 10 by striking out “Description” and substituting “A description”; and

(iii) by adding the following paragraph after the last paragraph:

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

(f) under the heading *Exhibit F - Outsourcing*:

(i) in the text before 1:

(A) by striking out “the” after “including any function associated with”; and

(B) by adding “data” after “clearing and settlement”; and

(ii) by adding the following sections after section 3:

“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*”;

(g) by repealing *Exhibit G - Systems and Contingency Planning* and substituting the following:

“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";

(h) under the heading *Exhibit J - Access to Services*:

(i) in section 1 by striking out "Exhibit E.4" and substituting "Exhibit E item 4"; and

(ii) in section 2 by striking out "," after "institution";

(i) under the heading *Exhibit K - Marketplace Participants*:

(i) in section 4 by adding "Please identify if the marketplace participant accesses the marketplace through co-location" after "access"; and

(ii) in section 5:

(A) by striking out ":" after "for each"; and

(B) by striking out ";" wherever it appears and in each case substituting ","; and

(j) under the heading *Exhibit N - Acknowledgement* by adding "*Marketplace Operation*" after "21-101".

(54) Form 21-101F3 is amended:

(a) by repealing sections 4, 5, 6 and 7 of Part A and substituting 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.

"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”;

(b) by repealing section 8 of Part A;

(c) in section 1 of Part B:

(i) in item 1 by striking out “should” and substituting “must”;

(ii) in Chart 2:

(A) by striking out “%” wherever it appears; and

(B) by striking out “% of exchange-traded securities that are”;

(iii) in Chart 3 by striking out “%” wherever it appears;

(iv) in item 5 by striking out “should” wherever it appears and in each case substituting “must”;

(v) in item 6 by striking out “third-party” and substituting “third party”; and

(vi) by repealing item 7;

(d) in section 2 of Part B:

(i) in item 1 by adding “during the quarter” after “regular trading hours”;

(ii) in item 2:

(A) by striking out “the 10 most traded fixed income securities” and substituting “each fixed income security traded”; and

(B) by striking out “(based on the value of the volume traded) for trades executed”; and

(iii) by repealing Chart 8 and substituting the following:

“Chart 8 - Traded fixed income securities

Category of Securities	Value Traded	Number of Trades
Domestic Unlisted Debt Securities - Government 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 - Corporate [Enter issuer, maturity, coupon]		
Domestic Unlisted Debt Securities - Other [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities - Government [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities - Corporate [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities - Other [Enter issuer, maturity, coupon]		

”;



- (e) in item 3 by striking out “should” and substituting “must”; and
- (f) in section 4 of Part B:
- (i) in item 1 by striking out “should” wherever it appears and in each case substituting “must”;
 - (ii) in item 2 by striking out “should” wherever it appears and in each case substituting “must”;
 - (iii) in Chart 15:
 - (A) by striking out “%” wherever it appears; and
 - (B) by striking out “of” before “Volume”;
 - (iv) in item 3 by striking out “should” wherever it appears and in each case substituting “must”;
 - (v) in Chart 16 by striking out “%” wherever it appears;
 - (vi) in item 4 by striking out “should” wherever it appears and in each case substituting “must”;
 - (vii) in item 5 by striking out “should” wherever it appears and in each case substituting “must”; and
 - (viii) by repealing item 6.
- (55) Form 21-101F4 is amended in the paragraph under the heading “EXHIBITS” by striking out “shall” and substituting “must”.
- (56) Form 21-101F5 is amended:
- (a) by repealing the title and substituting the following:

“INFORMATION STATEMENT
INFORMATION PROCESSOR”.
 - (b) after the heading “Type of Filing” by adding “: AMENDMENT No.” after “AMENDMENT”;
 - (c) under the heading “Exhibits”:
 - (i) by striking out “shall” and substituting “must”; and
 - (ii) by adding “,” after “National Instrument 21-101”;
 - (d) in section 1 under the heading *Exhibit C - Organization*:
 - (i) by adding “,” after “standing committees of the board”; and

- (ii) by adding “,” after “previous year”;
 - (e) under the heading *Exhibit G - Systems and Operations*:
 - (i) in section 1:
 - (A) by striking out “should” and substituting “must” in the paragraph preceding item 1;
 - (B) by striking out “system” and substituting “System” in item 3; and
 - (C) by striking out “Description” and substituting “A description” in item 5; and
 - (ii) in section 3 by striking out “should” and substituting “must”;
 - (f) in section 2 of *Exhibit J - Fees and Revenue Sharing* by adding “provide” after “National Instrument 21-101”;
 - (g) in section 3 of *Exhibit K - Reporting to the Information Processor* by striking out “who” and substituting “that”; and
 - (h) under the heading “*Exhibit M - Selection of Securities for which information Must Be Reported to the Information Processor*”:
 - (i) in the paragraph preceding item 1 by striking out “should” and substituting “must”; and
 - (ii) in item 3 by striking out “should” and substituting “must”.
- (57) Form 21-101F6 is amended in the paragraph under the heading “Exhibits” by striking out “shall” and substituting “must”.

Part XXIII of Appendix amended

- 4(1) Part XXIII of the Appendix is amended in the manner set forth in this section.
- (2) Subsection 3.1(1) is amended by striking out “shall” and substituting “must”.
- (3) Section 4.3 is amended by striking out “shall” and substituting “must”.
- (4) Section 5.1 is amended by striking out “no person or company shall execute a trade” and substituting “a person or company must not execute a trade”.
- (5) Section 6.1 is amended:
 - (a) in the portion preceding paragraph (1)(a) by striking out “shall” and substituting “must”;
 - (b) in subsection (2) by striking out “shall” wherever it appears and in each case substituting “must”; and

- (c) in subsection (3) by striking out “shall” and substituting “must”.
- (6) Section 6.3 is amended:
- (a) in the portion preceding paragraph (1)(a) by striking out “shall” and substituting “must”; and
 - (b) in subsection (2) in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.
- (7) Subsection 6.4(2) is amended by striking out “shall” wherever it appears and in each case substituting “must”.
- (8) Section 6.5 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.
- (9) Section 6.6 is amended by striking out “shall” and substituting “must”.
- (10) Section 6.7 is amended by striking out “No person or company shall send an order” and substituting “A person or company must not send an order”.
- (11) Section 6.8 is amended by adding “, except for paragraph 6.3(1)(c),” after “In Québec, this Part”.
- (12) Section 7.1 is amended:
- (a) in subsection (1) by striking out “shall” and substituting “must”;
 - (b) in subsection (2) by striking out “shall” and substituting “must”; and
 - (c) by adding the following subsection after subsection (2):
 - “(3) If a recognized exchange has entered into a written agreement under section 7.2, the recognized exchange must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized exchange and the conduct of the exchange’s members, and that enable the regulation services provider to effectively monitor trading on the exchange and across marketplaces”.
- (13) Section 7.2 is repealed and the following substituted:
- “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 must 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), and
 - (c) enforce the requirements set under subsection 7.1(1)”.

(14) The following section 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..

(15) Section 7.3 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (2) by striking out “shall” and substituting “must”; and

(c) by adding the following subsection after subsection (2):

“(3) If a recognized quotation and trade reporting system has entered into a written agreement under section 7.4, the recognized quotation and trade reporting system must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized quotation and trade reporting system and the conduct of the quotation and trade reporting system’s users, and that enable the regulation services provider to effectively monitor trading on the recognized quotation and trade reporting system and across marketplaces”.

(16) Section 7.4 is repealed and the following substituted:

“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 must 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)”.

(17) The following section 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”.

(18) Section 7.5 is amended by striking out “shall” and substituting “must”.

(19) Section 8.1 is amended by striking out “shall” and substituting “must”.

(20) Section 8.2 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” wherever it appears and in each case substituting “must”.

(21) Section 8.3 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(22) Section 8.4 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(23) Section 9.1 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” wherever it appears and in each case substituting “must”.

(24) Section 9.2 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

(25) Section 10.1 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”; and

(b) in subsection (2) by striking out “shall” wherever it appears and in each case substituting “must”.

(26) Section 10.2 is amended in the portion preceding paragraph (a):

(a) by striking out “shall” and substituting “must”; and

(b) by striking out “an agreement” and substituting “a written agreement”.

(27) Section 11.2 is amended:

(a) in subsection (1) by striking out “shall” and substituting “must”;

(b) in subsection (2) by striking out “shall” and substituting “must”;

(c) in subsection (3) by striking out “shall” and substituting “must”;

(d) in subsection (4) by striking out “shall” and substituting “must”; and

(e) in subsection (7) by striking out “shall” and substituting “must”.

(28) Section 11.3 is amended in the portion preceding paragraph (a) by striking out “shall” and substituting “must”.

Coming into force

5(1) Subject to subsection (2), these regulations come into force on October 1, 2015.

(2) If these regulations are filed with the Registrar of Regulations after October 1, 2015, these regulations come into force on the day on which they are filed with the Registrar of Regulations.