

## **CSA Notice and Request for Comment**

### **Proposed Amendments to National Instrument 23-101**

#### ***Trading Rules***

**April 7, 2016**

#### **Introduction**

The Canadian Securities Administrators (the CSA or we) are publishing for comment proposed amendments to National Instrument 23-101 *Trading Rules* (NI 23-101) (the Proposed Amendments).

We are publishing the text of the Proposed Amendments in Annex B to this notice, together with certain other relevant information at Annexes C through D. The text of the Amendments will also be available on the websites of the CSA jurisdictions, including:

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)  
[www.albertasecurities.com](http://www.albertasecurities.com)  
[www.bcsc.bc.ca](http://www.bcsc.bc.ca)  
[www.gov.ns.ca/nssc](http://www.gov.ns.ca/nssc)  
[www.fcnb.ca](http://www.fcnb.ca)  
[www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)  
[www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)

#### **Substance and Purpose**

The substance and purpose of the Proposed Amendments is to amend NI 23-101 to lower the active trading fee cap<sup>1</sup> applicable to trading in certain securities. In setting out the maximum fee that can be applied to the execution of an order entered to execute against displayed volume, the Proposed Amendments would distinguish between securities that are listed on both a Canadian and a U.S. exchange (Inter-listed Securities) and securities that are listed on a Canadian exchange, but not listed on a U.S. exchange (Non-Inter-listed Securities).

#### **Summary of the Proposed Amendments**

The Proposed Amendments would amend section 6.6.1 of NI 23-101 to cap active trading fees for Non-Inter-listed Securities at \$0.0017 per security traded for an equity security or per unit traded for an exchange-traded fund, if the execution price of the security or unit traded is greater than or equal to \$1.00.

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<sup>1</sup> An active trading fee refers to the fee applied for executing an order that was entered to execute against a displayed order on a particular marketplace.

## **Local Matters**

Certain jurisdictions are publishing other information required by local securities legislation. In Ontario, this information is contained in Annex D of this notice.

## **Annexes**

- A. Background and description of the Proposed Amendments;
- B. Proposed Amendments to National Instrument 23-101 *Trading Rules*;
- C. National Instrument 23-101 *Trading Rules*, blacklined to show the proposed changes to NI 23-101; and
- D. Local Matters.

## **Authority of the Proposed Amendments**

In those jurisdictions in which the Proposed Amendments are to be adopted, the securities legislation provides the securities regulatory authority with rule-making or regulatory authority in respect of the subject matter of the amendments.

In Saskatchewan, the proposed amendments to NI 23-101 are being made under the following provisions of the *Securities Act* (Saskatchewan Act):

- Paragraph 154(1)(h) authorizes the Authority to make regulations prescribing requirements in respect of the books, records and other documents to be kept by market participants, including the form in which and the period for which the books, records and other documents are to be kept.
- Paragraph 154(1) (k) and (ee.11) authorizes the Authority to make regulations regulating recognized or designated entities.
- Paragraph 154(1)(l) authorizes the Authority to make regulations regulating trading or advising in securities and exchange contracts to prevent trading or advising that it is fraudulent, manipulative, deceptive or unfairly detrimental to investors.

## **Deadline for Comments**

Please submit your comments to the Proposed Amendments, in writing, on or before July 6, 2016. If you are not sending your comments by email, please send a CD containing the submissions (in Microsoft Word format).

## **Where to Send Your Comments**

Address your submission to all of the CSA as follows:

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission (New Brunswick)  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

Deliver your comments only to the addresses listed below. Your comments will be distributed to the other participating CSA jurisdictions.

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario M5H 3S8  
Fax: 416-593-2318  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Madame Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
800, rue du square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3  
Fax: 514-864-6381  
[Consultation-en-cours@lautorite.qc.ca](mailto:Consultation-en-cours@lautorite.qc.ca)

## **Comments Received will be Publicly Available**

Please note that we cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of written comments received during the comment period. In this context, you should be aware that some information which is personal to you, such as your email and address, may appear on certain CSA web sites. It is important that you state on whose behalf you are making the submission.

All comments will be posted on the Ontario Securities Commission web site at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) and on the Autorité des marchés financiers web site at [www.lautorite.qc.ca](http://www.lautorite.qc.ca).

## **X. Questions**

Please refer your questions to any of the following:

Tracey Stern Manager, Market Regulation Ontario Securities Commission <a href="mailto:tstern@osc.gov.on.ca">tstern@osc.gov.on.ca</a>	Alina Bazavan Senior Analyst, Market Regulation Ontario Securities Commission <a href="mailto:abazavan@osc.gov.on.ca">abazavan@osc.gov.on.ca</a>
Timothy Baikie Senior Legal Counsel, Market Regulation Ontario Securities Commission <a href="mailto:tbaikie@osc.gov.on.ca">tbaikie@osc.gov.on.ca</a>	Louis-Philippe Pellegrini Legal Counsel, Market Regulation Ontario Securities Commission <a href="mailto:lpellegrini@osc.gov.on.ca">lpellegrini@osc.gov.on.ca</a>
Paul Redman Principal Economist, Strategy & Operations Ontario Securities Commission <a href="mailto:predman@osc.gov.on.ca">predman@osc.gov.on.ca</a>	Serge Boisvert Senior Policy Advisor Direction des bourses et des OAR Autorité des marchés financiers <a href="mailto:serge.boisvert@lautorite.qc.ca">serge.boisvert@lautorite.qc.ca</a>
Roland Geiling Derivatives Product Analyst Direction des bourses et des OAR Autorité des marchés financiers <a href="mailto:roland.geiling@lautorite.qc.ca">roland.geiling@lautorite.qc.ca</a>	Kathleen Blevins Senior Legal Counsel Alberta Securities Commission <a href="mailto:kathleen.blevins@asc.ca">kathleen.blevins@asc.ca</a>
Sasha Cekerevac Regulatory Analyst, Market Regulation Alberta Securities Commission <a href="mailto:sasha.cekerevac@asc.ca">sasha.cekerevac@asc.ca</a>	Bruce Sinclair Securities Market Specialist British Columbia Securities Commission <a href="mailto:bsinclair@bcsc.bc.ca">bsinclair@bcsc.bc.ca</a>