

PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 21-101

MARKETPLACE OPERATION

1. **National Instrument 21-101 Marketplace Operation is amended by this Instrument.**
2. **Section 1.1 is amended by**
 - (a) **replacing the definition of “information processor” with the following:**

"information processor" means any person or company that receives and provides information under this Instrument and has filed Form 21-101F5 and,

 - (a) in Ontario and Saskatchewan, that is a designated information processor, and
 - (b) in Québec, that is a recognized information processor;.
3. **The title to Part 8 is replaced with “Information Transparency Requirements for Persons and Companies Dealing in Unlisted Debt Securities”.**
4. **Subsection 8.1(3) is repealed.**
5. **Subsection 8.1(5) is replaced with the following:**
 - (5) A person or company must provide to an information processor accurate and timely information regarding details of each trade of government debt securities traded by or through the person or company as required by the information processor..
6. **Subsection 8.2(1) is replaced with the following:**
 - (1) A marketplace that displays orders of corporate debt securities to a person or company must provide to an information processor accurate and timely information regarding orders for corporate debt securities displayed by the marketplace as required by the information processor.”.
7. **Subsection 8.2(3) is replaced with the following:**
 - (3) A person or company must provide to an information processor accurate and timely information regarding details of each trade of corporate debt securities executed by or through the person or company as required by the information processor..
8. **Subsections 8.2(4) and 8.2(5) are repealed.**
9. **Section 8.3 is amended by replacing “an accurate consolidated feed in real-time” with “accurate consolidated information”.**
10. **Section 8.4 is amended by replacing “marketplace, inter-dealer bond broker or dealer” with “person or company”.**
11. **Section 8.6 is repealed.**
12. **Subsection 14.4(1) is replaced with the following:**
 - (1) An information processor for exchange-traded securities must enter into an agreement with each marketplace that is required to provide information to the information processor that the marketplace will
 - (a) provide information to the information processor in accordance with Part 7; and

(b) comply with any other reasonable requirements set by the information processor..

13. **Subsection 14.4 (4) is amended by replacing** “marketplace, inter-dealer bond broker or dealer” **with** “person or company”.
14. **Subsection 14.4(8) is repealed.**
15. **Subsection 14.4(9) is repealed.**
16. **Subparagraph 14.5(d)(ii) is amended by replacing the word** “calendar” **with** “information processor’s fiscal”.
17. **Subsection 14.7 is amended by replacing** “marketplace, inter-dealer bond broker or dealer” **with** “person or company”.
18. **Paragraph 14.8(b) is replaced with the following:**
 - (b) in the case of an information processor for government debt securities or corporate debt securities,
 - (i) the marketplaces that are required to report details of orders for government debt securities or corporate debt securities to the information processor, as applicable,
 - (ii) the inter-dealer bond brokers that are required to report details of orders for government debt securities to the information processor,
 - (iii) the classes of persons and companies that are required to report details of trades in government debt securities or corporate debt securities to the information processor, as applicable,
 - (iv) when details of trades in each government debt security or corporate debt security, as applicable, must be reported to the information processor by a person or company,
 - (v) when the information provided to the information processor will be publicly disseminated by the information processor, and
 - (vi) the cap on the displayed volume of trades for each government debt security or corporate debt security, as applicable,.

Coming into force

19. This Instrument comes into force on •.

SCHEDULE 1

Proposed Changes to Companion Policy 21-101CP *Marketplace Operation*

1. The changes to Companion Policy 21-101CP are set out in this Schedule.
2. **Subsection 10.1(1) is replaced with:**
 - (1) The requirements for pre-trade and post-trade transparency for unlisted debt securities are set out in sections 8.1 and 8.2 of the Instrument. The detailed reporting requirements, such as who must report information, deadlines for reporting, delays in publication of information and caps on displayed volume are determined by the information processor, subject to approval by the Canadian securities regulatory authorities as described below, and may be different for different government debt securities and corporate debt securities. The information processor is also required to make the reporting requirements, deadlines, dissemination delays and volume caps publicly available..
3. **Subsections 10.1(2), 10.1(3), 10.1(4), 10.1(5), 10.1(6), 10.1(7) and 10.1(8) are deleted.**
4. **Subsection 10.1(9) is replaced with:**
 - (9) The information processor may propose changes to its transparency requirements by filing an amendment to Form 21-101F5 with the Canadian securities regulatory authorities pursuant to subsection 14.2(1) of the Instrument. The Canadian securities regulatory authorities will review the amendment to Form 21-101F5 to determine whether the proposed changes are contrary to the public interest, to ensure fairness and to ensure that there is an appropriate balance between the standards of transparency and market quality (defined in terms of market liquidity and efficiency) in each area of the market. Both the initial transparency requirements and any proposed changes will be subject to consultation with market participants through a notice and comment process, prior to approval by the Canadian securities regulatory authorities..
5. **Sections 10.2 and 10.3 are deleted.**
6. **Subsection 16.1(2) is changed by replacing** “marketplaces, inter-dealer bond brokers and dealers” **with** “persons and companies” **and** “marketplace, inter-dealer bond broker or dealer” **with** “person or company”.
7. **Subsection 16.2 (1) is changed by adding** “and in Ontario and Saskatchewan, only if it is designated by the securities regulatory authority” **after** “In Québec, a person or company may carry on the activity of an information processor only if it is recognized by the securities regulatory authority”.
8. **Paragraph 16.3(c) is changed by replacing** “marketplaces, inter-dealer bond brokers and dealers” **with** “persons and companies”.
9. **Paragraph 16.3(k) is replaced with:**
 - (k) in the case of an information processor for government debt securities or corporate debt securities, changes to the information transparency requirements referred to in paragraph 14.8(b) of the Instrument..
10. These changes become effective on •.