

B.11

CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 CIRO

B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Amendments to UMIR Respecting the Reasonable Expectation to Settle a Short Sale – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

AMENDMENTS TO UMIR RESPECTING THE REASONABLE EXPECTATION TO SETTLE A SHORT SALE

The Ontario Securities Commission has approved CIRO's proposed amendments to the Universal Market Integrity Rules (**UMIR**) that support and clarify the short selling framework (**Amendments**). The main objectives of the Amendments are to:

- Add a new positive requirement in UMIR 3.3 to have, prior to order entry, a reasonable expectation to settle on settlement date any order that upon execution would be a short sale;
- Add supervisory and gatekeeper requirements pertaining to the requirement in UMIR 3.3; and
- Consolidate other current provisions related to short selling to a common location within UMIR.

CIRO published the Amendments for comment on January 11, 2024. Seventeen comment letters were received. No changes were made to the Amendments in response to the comments received. A summary of the public comments and CIRO's responses to those comments, as well as the CIRO Implementation Bulletin, including text of the Amendments, can be found at www.osc.ca. The Amendments will be effective on April 4, 2025.

Concurrently, CIRO is publishing final guidance on short selling and failed trades to provide further clarity.

In addition, the Alberta Securities Commission; the Autorité des marchés financiers; the British Columbia Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Northwest Territories Office of the Superintendent of Securities; the Nova Scotia Securities Commission; the Nunavut Office of the Superintendent of Securities; the Office of the Superintendent of Securities, Digital Government and Services, Newfoundland and Labrador; the Office of the Yukon Superintendent of Securities; and the Prince Edward Island Office of the Superintendent of Securities have either not objected to or have approved the Amendments.