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1.1 Notices

1.1.1 CSA Multilateral Staff Notice 58-307 – Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices

CSA Multilateral Staff Notice 58-307 – *Staff Review of Women on Boards and in Executive Officer Positions* – Compliance with NI 58-101 *Disclosure of Corporate Governance Practices* follows on separately numbered pages. Bulletin pagination resumes after the Staff Notice.

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Multilateral Staff Notice 58-307
Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 *Disclosure of Corporate Governance Practices*

Date: **September 28, 2015**

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Executive Summary

On December 31, 2014, the securities regulatory authorities in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec, Saskatchewan and Yukon (collectively, the **Participating Jurisdictions** or **we**) implemented amendments (the **Rule Amendments**) to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the **Rule**) that require non-venture issuers to disclose on an annual basis:

1. the number and percentage of women on the issuer's board of directors (the **board**) and in executive officer positions;

2. director term limits or other mechanisms of board renewal;

3. policies relating to the identification and nomination of women directors;

4. consideration of the representation of women in the director identification and nomination process and in executive officer appointments; and

5. targets for women on boards and in executive officer positions.

The Rule Amendments state that if a non-venture issuer has not adopted the above mechanisms, policies, or targets or does not consider the representation of women, it is required to explain its reasons for not doing so.

The Rule Amendments are intended to increase transparency for investors and other stakeholders regarding the representation of women on boards and in executive officer positions. This transparency is intended to assist investors when making investment and voting decisions. This Staff Notice reports the findings from our review of the corporate governance disclosure of non-venture issuers as it relates to the Rule Amendments and provides guidance to assist issuers in areas where the quality of their disclosure needs improvement.

As of June 2, 2015, there were 886 reporting issuers listed on the Toronto Stock Exchange (**TSX**) and subject to the Rule. Of these, 722 had a year-end between December 31, 2014, and March 31, 2015, and released disclosure on corporate governance by July 31, 2015. This Staff Notice summarizes the findings of our review of the corporate governance disclosure of these 722 issuers as it relates to the Rule Amendments.

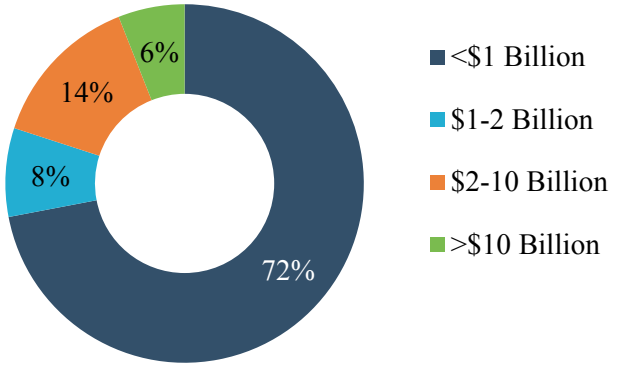
Among the issuer sample, we found that:

- 49% have at least one woman on their board
- 60% have at least one woman in an executive officer position
- 15% have added one or more women to their board this year
- Over 30% of the issuers with a market capitalization above $2 billion have adopted a written policy for identifying and nominating women directors
- Of those with written policies, 48% disclosed that they were adopted or updated this year
- 60% of the issuers with a market capitalization above $2 billion have two or more female directors
- 19% have adopted director term limits, while 56% have adopted other mechanisms of board renewal

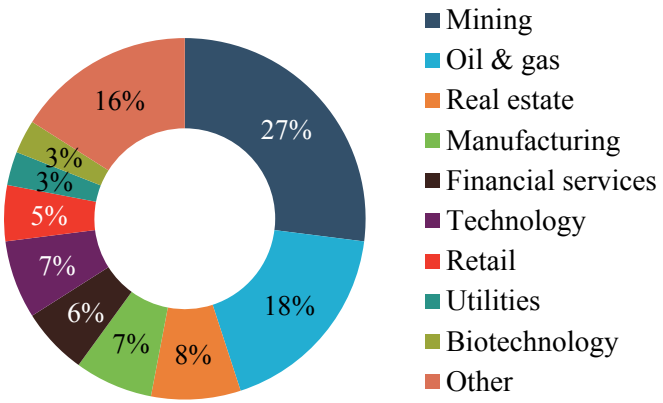
Scope of Review

The Participating Jurisdictions examined the corporate disclosure from 886 TSX-listed issuers that are subject to the Rule. Of these, 722 issuers had year-ends between December 31, 2014 and March 31, 2015, and filed information circulars or annual information forms by July 31, 2015. These 722 non-venture issuers comprise the sample for this Staff Notice. The market capitalization of most of the issuers in the sample is below $1 billion (72%). Almost half of the sampled issuers are in either the mining or oil and gas industries, with other industries fairly evenly represented. The results of our review did not vary significantly by region. Issuer size and industry were the most significant indicators of whether issuers adopted initiatives to increase the representation of women on their board or in executive officer positions.

Market Capitalization in Sample



Industries in Sample



Although they are outside the scope of this review, many non-venture issuers with year-ends outside December 31 to March 31 disclosed their policies concerning the representation of women on their board and in executive officer positions. The banking industry has generally been an early adopter of diversity initiatives and most banks have already disclosed their policies regarding the representation of women on their board and in executive officer positions. However, given the timing of the banking industry's year-ends, the results from only one bank have been included in the sample.

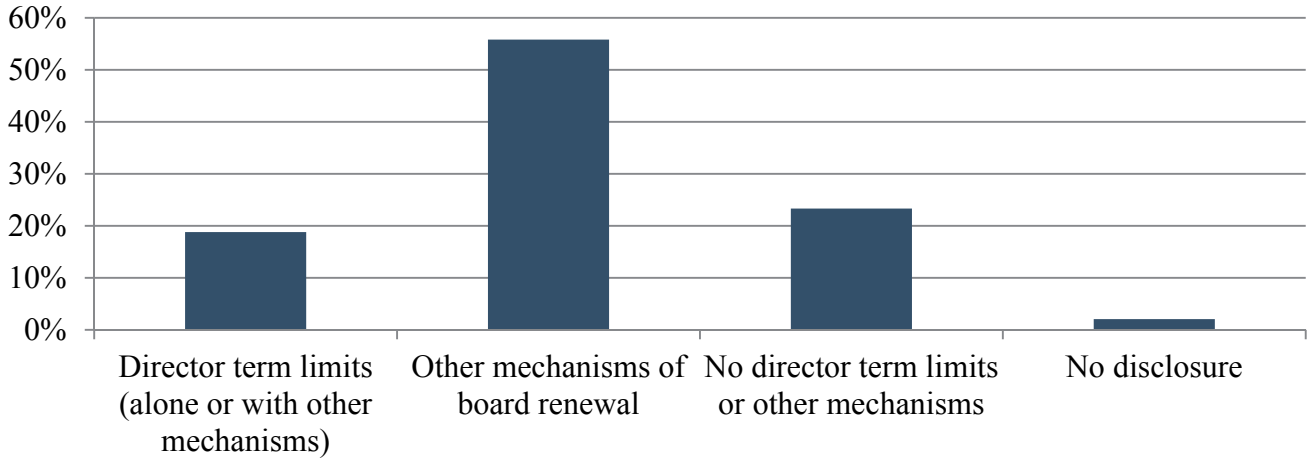
Findings of Review and Guidance

Director Term Limits and Other Mechanisms of Board Renewal

To encourage board renewal which contributes to the effectiveness of a board and provides opportunities for qualified candidates, item 10 of Form 58-101F1 *Corporate Governance Disclosure* (**Form 58-101F1** or the **Form**) requires that a non-venture issuer disclose whether it has adopted director term limits or other mechanisms of board renewal or disclose why it has not adopted a mechanism of board renewal.

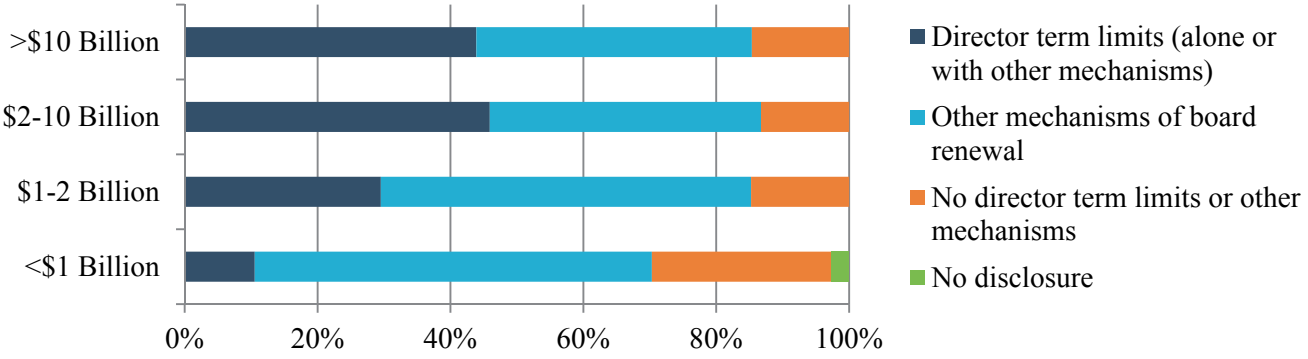
Only 19% of issuers in the sample adopted director term limits, while 56% reported that they had adopted some other mechanism of board renewal but not director term limits. The most commonly cited mechanism of board renewal was some form of annual board assessment.

Director Term Limits and Other Mechanisms of Board Renewal



Issuers with market capitalizations below $1 billion were more likely to adopt board renewal mechanisms other than director term limits. In contrast, issuers with market capitalizations above $2 billion were more likely to adopt director term limits.

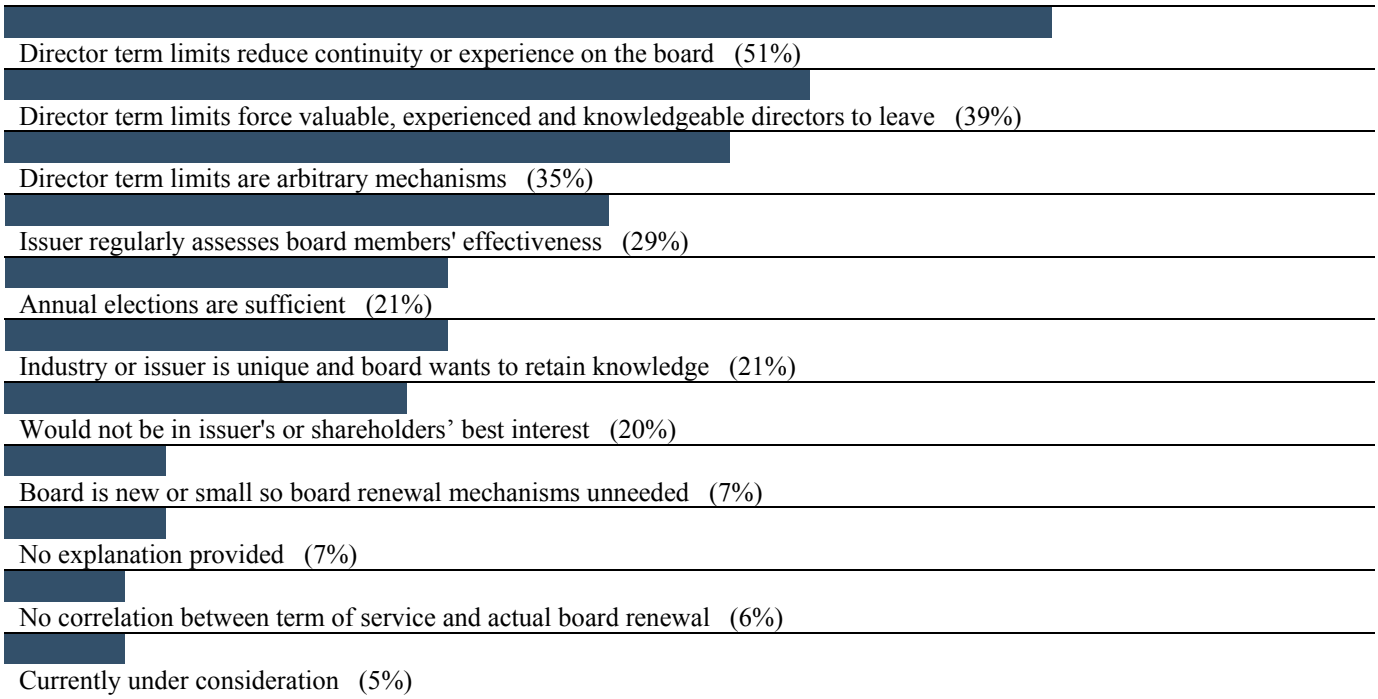
Director Term Limits and Other Mechanisms of Board Renewal, by Issuer Size



Of the 137 issuers that reported having term limits, 53% set an age limit, 24% had a tenure limit and 23% had both.

Issuers in the sample without director term limits or other mechanisms of board renewal provided several reasons for not adopting board renewal mechanisms (set out in chart below).

Reasons Cited for Not Adopting Director Term Limits or Other Mechanisms



Guidance on Disclosure of Other Mechanisms of Board Renewal

Item 10 of Form 58-101F1 requires a non-venture issuer to describe any other mechanisms of board renewal that the issuer has implemented. This description should not simply state that there is a board assessment process but should also discuss how the assessment relates to board renewal. Below is an example of how this requirement may be met.

Disclosure Example: Board Assessments as an "Other Mechanism of Board Renewal"

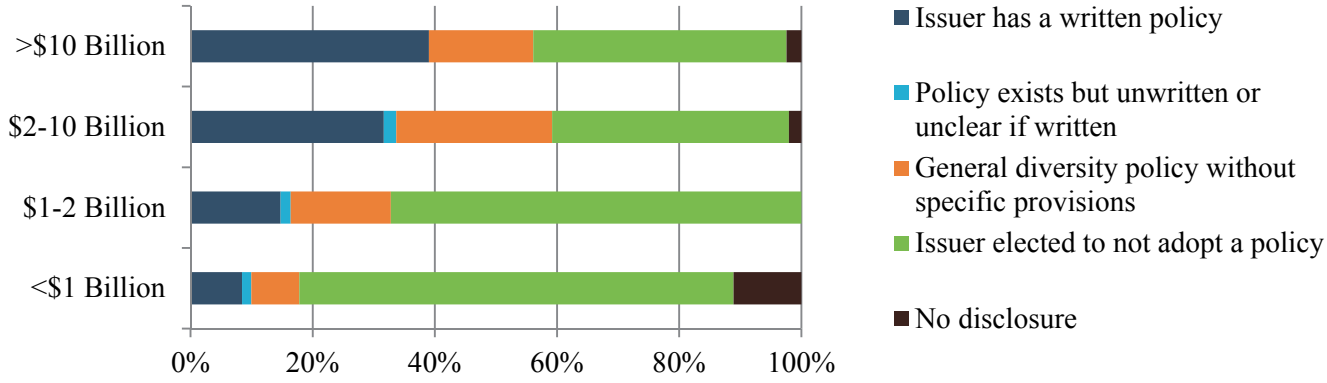
To ensure adequate board renewal, the Governance and Nominating Committee is responsible for conducting annual director, Board and committee assessments. These rigorous assessments evaluate the tenure and performance of individual directors and review the composition and effectiveness of the Board and its committees. Assessments include a skills matrix to ensure the Board possesses the requisite experience, expertise and business and operational insight for the effective stewardship of the Corporation. Assessments also consider whether there are women on the Board and its committees. The Governance and Nominating Committee conducts an annual confidential survey of each director regarding his or her views on the effectiveness of the Board, its committees and the Chair. The results of the director, Board and committee assessments and a summary of the confidential survey are reported to the Board and the Chair together with recommendations from the Governance and Nominating Committee for improving the composition of the Board. The Board has demonstrated the effectiveness of its approach as 3 new directors, or 33% of the Board have been appointed since 2012.

Adoption of a Written Policy Regarding the Representation of Women on the Board

Item 11 of Form 58-101F1 requires a non-venture issuer to disclose whether it has adopted a written policy relating to the identification and nomination of women directors, and to provide details in respect of the policy. Of the issuers in the sample, 14% clearly disclosed the adoption of a written policy, whereas 65% disclosed that they had decided not to adopt a written policy.

There were substantial differences in the adoption rate between issuers of varying sizes. Issuers with a market capitalization of $1-2 billion were almost twice as likely to adopt a written policy relating to the identification and nomination of women directors as issuers with a market capitalization of less than $1 billion. Further, issuers with a market capitalization above $2 billion were more than twice as likely to adopt a written policy as issuers with a market capitalization of $1-2 billion.

Policy Adoption, by Issuer Size



Of the 100 issuers in the sample that disclosed written policies concerning the representation of women, 98% indicated that gender was specifically considered when making board selections and 47% set specific quotas or targets for female directors. Almost half of the written and disclosed policies were reported as having been adopted or updated in the past year.

Overall, the policy adoption rate was consistent across the country, but varied considerably by industry. The insurance, utility, communications and entertainment industries had the highest policy adoption rates at roughly 30%, while the oil and gas, technology, biotech, hospitality and environmental industries had the lowest rates, at less than 10%.

Guidance on Disclosure of the Adoption of a Written Policy Regarding the Representation of Women on the Board

Of the sampled issuers, 11% disclosed a general diversity policy without specific provisions for the identification and nomination of women directors. Disclosure of general policies without specific provisions relating to the identification and nomination of women directors may not meet the requirements of the Rule. Below is an example of this type of deficient disclosure, which does not include the detail required by item 11(b) of Form 58-101F1.

Deficient Disclosure Example: General Diversity Policy

The board has adopted a diversity policy, given its commitment to the principles of diversity and its recognition of the importance of diverse backgrounds, skills, and experience and the representation of women when considering potential candidates who have the core skills and qualities for serving on our board. The board works with the corporate governance and nominating committee when assessing candidates and considers all of these characteristics.

Item 11 of Form 58-101F1 requires a non-venture issuer to disclose whether it has adopted a written policy relating to the identification and nomination of women directors and, if so, to summarize the policy's objectives and key provisions. Item 11 also requires a non-venture issuer to specifically disclose the measures taken by the issuer to effectively implement its policy, how the issuer measures the effectiveness of its policy, and the issuer's progress in achieving the objectives of its policy. Below is an example of how these requirements may be met.

Disclosure Example: Policy Regarding the Representation of Women on the Board

The board has developed and approved a written board diversity policy (the Diversity Policy). The Diversity Policy does not include a target number or percentage of women on the board because candidates for the board are selected based solely on merit. The board is, however, committed to an identification and nomination process that will identify qualified female candidates.

The company is committed to a merit based system for board composition, which requires a diverse and inclusive culture. The Diversity Policy provides that, when identifying suitable candidates for appointment to the board, the company will consider candidates on merit using objective criteria with due regard to the benefits of diversity and the needs of the board. The Diversity Policy also requires the company to engage a search firm to assist the Corporate Governance and Nominating Committee in identifying candidates for appointment to the board. In accordance with the requirements of the Diversity Policy, the search firm will be directed to include female candidates in its list of potential candidates and female candidates will be included in the board's list of potential board nominees. The Corporate Governance and Nominating Committee is responsible for annually reviewing the Diversity Policy and assessing its effectiveness in promoting a diverse board. The Corporate Governance and Nominating Committee is required to report the results of its review and assessment of the Diversity Policy to the board on an annual basis.

Of issuers with a policy concerning the representation of women on their board, 67% discussed the measures taken to ensure the policy has been effectively implemented as required by item 11(b)(ii) of Form 58-101F1. In addition, an issuer must disclose its annual and cumulative progress in achieving the objectives of its policy and whether, and if so how, it measures the effectiveness of its policy, as required by items 11(b)(iii) and (iv) of Form 58-101F1. Below is an example of how these requirements may be met.

Disclosure Example: Progress and Effectiveness of the Policy Regarding the Representation of Women on the Board

The Corporate Governance and Nominating Committee is responsible for monitoring compliance with the Diversity Policy. The committee will measure the representation of women on the Board and in executive officer positions on an annual basis and report to the Board with respect to the Company's annual and cumulative progress in achieving the key objectives of the Diversity Policy. To measure the effectiveness of this policy, the committee will review:

- the number of women considered or brought forward for both board and executive officer positions; and
- the skills, knowledge, experience and character of any such women candidates to ensure that women candidates are being fairly considered relative to other candidates.

Consideration of the Representation of Women in the Director Identification and Selection Process

In the sample, 60% of issuers disclosed that they considered the representation of women on the board as part of their director identification and nominating process, but only 42% of these issuers specifically explained how this was considered.

For issuers that disclosed that they did not specifically consider the representation of female directors on the board in their identification and nomination process, the most common reason given was that the issuer seeks the best candidates, regardless of gender (84%). Most issuers cited more than one reason. Other reasons cited include: considering the representation of women on the board would not be in the issuer's or shareholders' best interest (11%); and the issuer wanted to select candidates from the broadest possible talent pool (4%).

Guidance on Disclosure of the Representation of Women in the Director Identification and Selection Process

Item 12 of Form 58-101F1 requires an explanation of whether, and if so how, the board or nominating committee of a non-venture issuer considers the level of representation of women on the board in identifying and nominating candidates for election or re-election. The following is an example of how this requirement may be met.

Disclosure Example: Considering the Representation of Women in the Director Identification and Selection Process

In identifying suitable candidates for nomination to the Board, the Corporate Governance and Nominating Committee will consider candidates on merit using objective criteria and with due regard for the benefits of diversity on the Board. In an effort to promote the specific objective of increasing the representation of women on the Board, the Diversity Policy requires that the selection process for suitable candidates must involve the following steps:

- a list of potential candidates for the nomination must be compiled and must include at least one female candidate; and
- if a female candidate is not selected by the end of the selection process, the Board must be satisfied that there are objective reasons to support its determination.

Consideration of Representation of Women in Executive Officer Appointments

Just over half of the sampled issuers (53%) disclosed that they considered the representation of women when making executive officer appointments. Of these issuers, only 38% explained how they considered the level of representation of women.

Of those issuers that did not consider the representation of women in executive officer appointments, 88% stated that their selection was based on merit. Most issuers cited more than one reason. Other reasons cited were: considering the representation of women is not in the issuer's or shareholders' best interest (13%) and the issuer wanted to select candidates from the broadest possible talent pool (7%).

Guidance on Disclosure of Representation of Women in Executive Officer Appointments

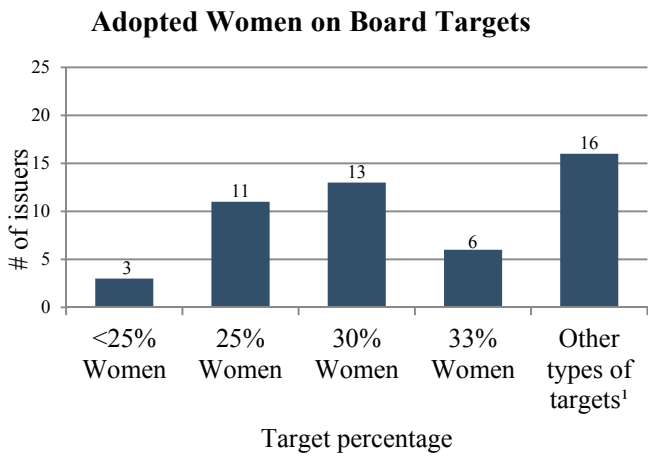
A non-venture issuer is required by item 13 of Form 58-101F1 to explain whether, and if so how, it considers the level of representation of women in executive officer positions when making executive officer appointments. The following is an example of how this requirement may be met.

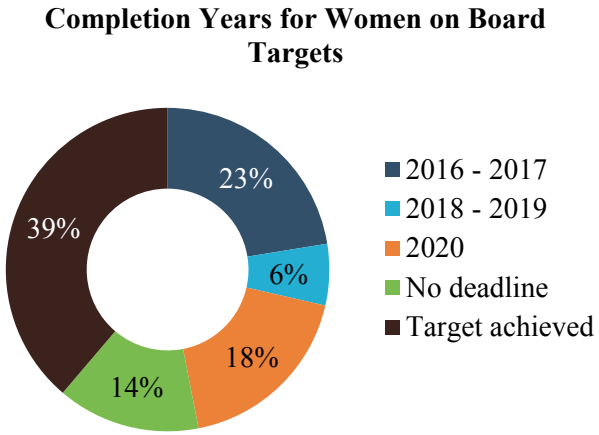
Disclosure Example: Considering the Representation of Women in Executive Officer Positions

We are committed to equality of opportunity and are taking concrete steps to increase the representation of women in management within the Corporation. These include: proactively identifying talented individuals for leadership training programs and encouraging them to apply for more senior roles; developing flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention; identifying top talent and implementing development plans for high-potential women, which include matching women that aspire to management positions with established executive mentors.

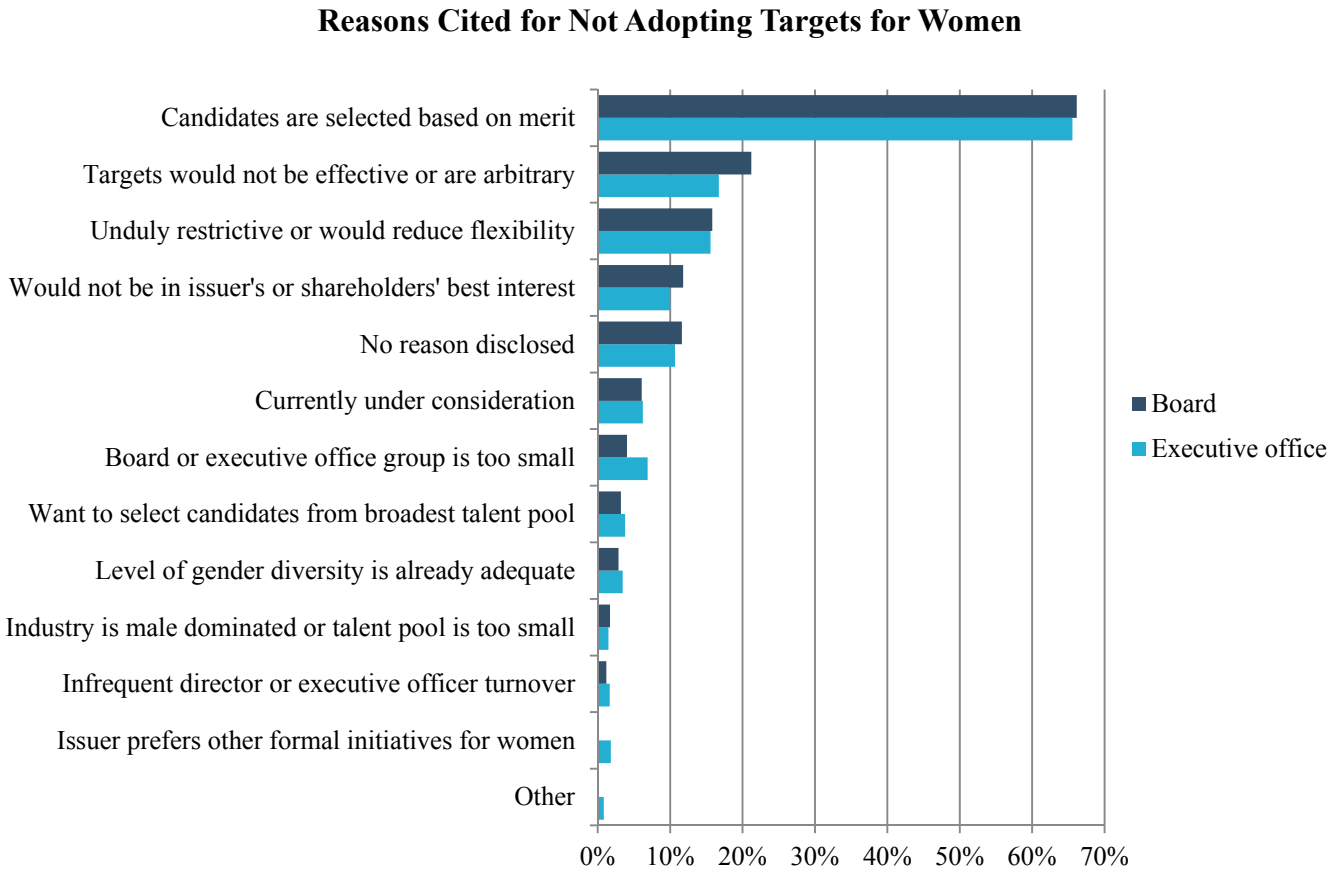
Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Few issuers in the sample disclosed that they had formal targets for the appointment of women to the board or to executive officer positions. Only 49 issuers, or 7% of the survey group, set a board target and only 11 issuers, or 2%, set an executive officer target. Of issuers with board targets, 39% had already achieved their stated target.





Of issuers without targets, 66% cited merit-based selection as their primary reason for not adopting targets. A variety of reasons were given by sample issuers for not adopting targets for the appointment of women to the board or to executive officer positions.



[1] Includes targets set for a number of board members without specifying the size of the board and targets set for only a portion of the board such as the independent directors.

Guidance on Disclosure of Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Item 14 of Form 58-101F1 requires a non-venture issuer to disclose whether it has adopted targets regarding women on their board or in executive officer positions. If targets have been adopted, the issuer must disclose its annual and cumulative progress in achieving the targets. The following are examples of how these requirements may be met.

Disclosure Example: Progress towards Board Targets

In adopting the Diversity Policy the Board has made increasing the representation of women on the Board a priority for future Board member appointments. Specifically, the Corporation has set a target of increasing the number of women on the Board to two (25%) by 2017 and a minimum of three (38%) by 2020. Management and the nominating committee will build and maintain a list of potential qualified women for consideration as future Board appointments.

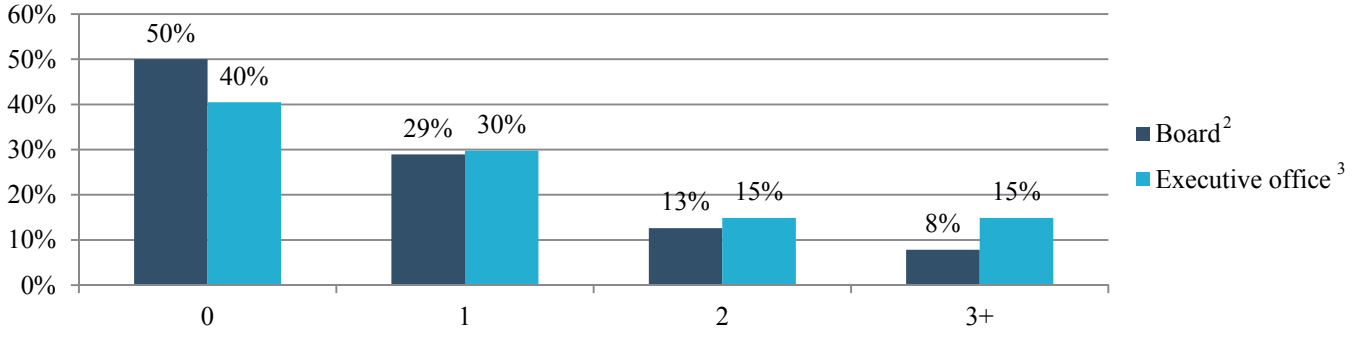
Disclosure Example: Progress towards Executive Officer Targets

As 38% of our employees are female, the Company's goal is to have a third of our executive officers be women by 2020. Currently, 16% of our executive officers are women and 35% of the senior managers in the pipeline for executive officer positions are women. To achieve our goal, the company has a plan to strengthen and support this pipeline to increase the number of women executive officers. Rather than instituting a target or quota for executive officers, we have emphasized the importance of developing our internal talent pipeline at both the management and executive level.

Number of Women on Boards and in Executive Officer Positions

Item 15 of Form 58-101F1 requires a non-venture issuer to report both the number and proportion of women on its board and in executive officer positions with the issuer and major subsidiaries. Either the number or percentage of women on the board was disclosed by 88% of issuers in the sample and 85% presented either the number or percentage of women in executive officer positions.

Number of Women on Boards and in Executive Officer Positions



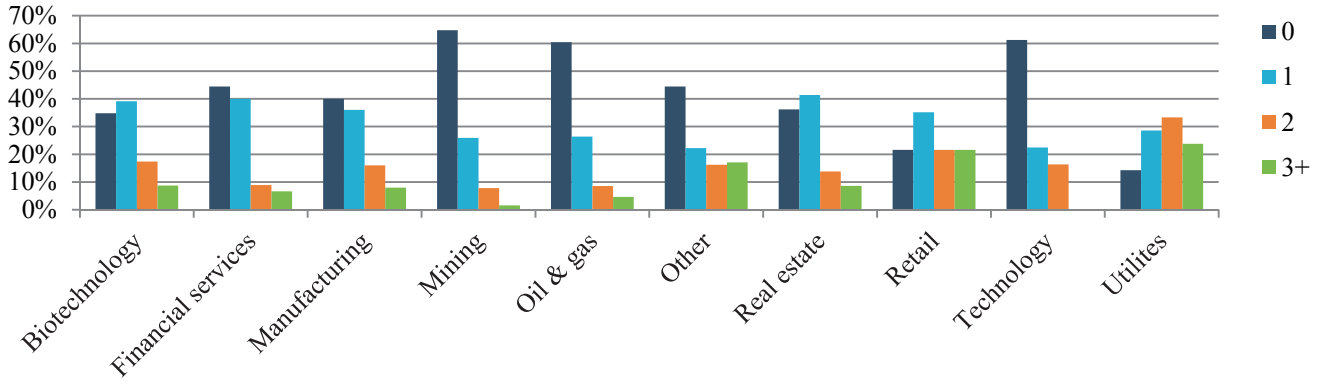
[2] Based on 722 issuers.
[3] Based on 598 issuers that provided the number of women in executive officer positions.

Of the issuers sampled, 15% added one or more women to their board in the past year.[4]

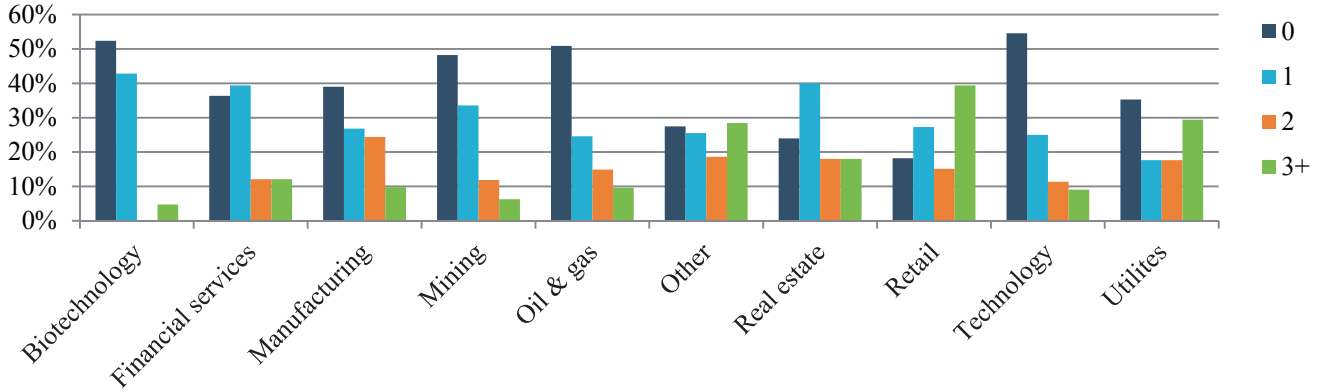
In the sample, 60% of issuers with a market capitalization over $2 billion had at least two women on their board and 59% disclosed having at least two female executive officers. In contrast, 62% of issuers with a market capitalization under $1 billion had no women on their board. Of these smaller issuers, 48% also reported having no women in executive officer positions although 21% had two or more women in executive officer positions.

The number of women on boards and in executive officer positions varied significantly by industry. The utilities and retail industries had the most women on their board, with 57% and 43% of issuers, respectively, having two or more female directors. The utilities and retail industries also had the fewest boards with no women on them at 14% and 22%, respectively. The mining, oil and gas and technology industries had the most issuers with no women on their board of directors, at 60% or more each. Approximately 50% of issuers in the biotechnology, mining, oil and gas and technology industries do not have any female executive officers.

Number of Women on Boards, by Industry



Number of Women in Executive Officer Positions, by Industry



[4] For the purposes of this Staff Notice, in order to identify any changes in overall representation of women on boards, we took the slate of nominees, where possible, as the current year's number of board members compared to the actual number in the prior year.

Guidance on Numbers Reported

Although Form 58-101F1 does not mandate the format in which non-venture issuers report the number of women on their boards and in executive officer positions, we believe that reporting current and prior year numbers together in a table may increase the clarity of disclosure for investors and other stakeholders and also simplify ongoing reporting for issuers on annual and cumulative progress towards targets, if applicable. We expect the disclosed numbers to reflect the number of women and total persons on the board and in executive officer positions as of the date of the information and the target column should reflect the target in effect for the disclosure period, or indicate that no targets have been adopted.

Below are examples of tables that can be used by non-venture issuers to report in a clear manner the number of women on their boards and in executive officer positions, targets, if any, and their annual and cumulative progress towards those targets.

	Board Positions				Executive Officer Positions			
	Target	**# of Women on Board**	**Total # of Board Members**	**%**	**Target**	**# of Women Executive Officers**	**Total # of Executive Officers**	**%**
Fiscal 2016	*%	*	*	*%	*%	*	*	*%
Fiscal 2015	*%	*	*	*%	*%	*	*	*%
Fiscal 2014	N/A	*	*	*%	N/A	*	*	*%

Issuers with major subsidiaries may include a more detailed table, as below, to report on the number and proportion of executive officers of the issuer and its major subsidiaries that are women.

	Executive Officer Positions (Parent and Subsidiary)									
	Target	**# of Women Executive Officers at Parent Issuer**	**Total # of Executive Officers at Parent Issuer**	**%**	**# of Women Executive Officers at Subsidiary**	**Total # of Executive Officers at Subsidiary**	**%**	**Combined # of Women Executive Officers**	**Combined Total # of Executive Officers**	**%**
Fiscal 2016	*%	*	*	*%	*	*	*%	*	*	*%
Fiscal 2015	*%	*	*	*%	*	*	*%	*	*	*%
Fiscal 2014	N/A	*	*	*%	*	*	*%	*	*	*%

Conclusion

The purpose of this Staff Notice is to publish the findings of our review of the corporate governance disclosure resulting from the Rule Amendments. Our review indicates that many non-venture issuers require additional guidance concerning the level and detail of disclosure that is necessary to satisfy the requirements of the Rule. This Staff Notice also provides guidance aimed at improving issuer disclosure in order to further the goal of increasing transparency for investors and other stakeholders regarding the representation of women on boards and in executive officer positions. This transparency is intended to better inform investment and voting decisions.

We will continue to evaluate the corporate governance disclosure of non-venture issuers to ensure that meaningful disclosure is provided regarding the representation of women on boards and in executive officer positions and to measure if the disclosure ultimately achieves its intended purpose of increasing transparency.

Questions

Please refer your questions to any of the following people:

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1.1.2 Notice of Ministerial Approval of Amendments to NI 21-101 Marketplace Operation and NI 23-101 Trading Rules

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO
NATIONAL INSTRUMENT 21-101 *MARKETPLACE OPERATION*
AND NATIONAL INSTRUMENT 23-101 *TRADING RULES*

On July 30, 2015, the Minister of Finance approved amendments (Amendments) to National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*. The Amendments are reproduced in Chapter 5 of this Bulletin and at www.osc.gov.on.ca.

The Amendments relate primarily to the requirements associated with the information technology systems of marketplaces and information processors and their business continuity and disaster recovery planning and the codification of a previous order of the Director permitting recognized exchanges to release, on certain terms and conditions, a marketplace participant's order and trade information for purposes of capital markets research.

The Amendments were published in the Bulletin on June 25, 2015 at (2015) 38 OSCB (Supp-2). No changes have been made to the instruments since this publication.

The Amendments will come into force on October 1, 2015.

1.1.3 Processes for the Review and Approval of Exchange Rules and of the Information Contained in Forms 21-101F1 and 21-101F2

PROCESSES FOR THE REVIEW AND APPROVAL OF EXCHANGE RULES AND OF THE INFORMATION CONTAINED IN FORMS 21-101F1 AND 21-101F2

On September 29, 2015, the Commission approved changes to the protocols governing the review and approval of exchange rules and of the information contained in Forms 21-101F1 and 21-101F2. The changes to the protocols establish requirements regarding the timing for the launch of new marketplaces and the implementation by existing marketplaces of material changes to their systems. Certain other housekeeping changes have also been made to the protocols to provide for consistency and continuity with amendments to National Instrument 21-101 *Marketplace Operation* (NI 21-101), which take effect October 1, 2015.

The process applicable to an exchange recognized in Ontario (Exchange Protocol) is set out in Appendix A to this notice, while the process applicable to an alternative trading system (ATS) registered in Ontario (ATS Protocol) is set out in Appendix B.

On September 29, 2015, the Commission also varied its orders recognizing TMX Group Limited, TMX Group Inc., TSX Inc., Alpha Trading Systems Limited Partnership, Alpha Exchange Inc., CNSX Markets Inc., Aequitas Neo Exchange Inc., and Aequitas Innovations Inc. as exchanges to incorporate the revised Exchange Protocol. The Commission also varied its orders, dated June 22, 2012, for each of Bloomberg Tradebook Canada Company, CanDeal.ca Inc., Chi-X Canada ATS Limited, EquiLend Canada Corp., Instinet Canada Cross Limited, Liquidnet Canada Inc., MarketAxess Canada Limited, Omega Securities Inc., Perimeter Markets Inc., and TriAct Canada Marketplace LP to incorporate the changes to the ATS Protocol. These orders take effect on October 1, 2015. Copies of these orders are published in Chapter 2 of this Bulletin and may be found on the Commission's website.

Staff of the Commission (Staff) has also published changes to OSC Staff Notice 21-706 – *Marketplaces' Initial Operations and Material System Changes* to reflect Staff's views on the application of those provisions of the Exchange Protocol and ATS Protocol that establish requirements for the timing for the launch of new marketplaces and the implementation by existing marketplaces of material changes to their systems. The revised staff notice is published in Chapter 1 of this Bulletin.

Lastly, on September 28, 2015, the Director's order, dated October 3, 2013, granting an exemption to each of Alpha Trading Systems Limited Partnership, Alpha Trading Systems Inc., Alpha Market Services Inc., Alpha Exchange Inc., Bloomberg Tradebook Canada Company, CanDeal.ca Inc., Chi-X Canada ATS Limited, CNSX Markets Inc., EquiLend Canada Corp., Instinet Canada Cross Limited, Liquidnet Canada Inc., MarketAxess Canada Limited, Omega Securities Inc., Perimeter Markets Inc., TMX Group Inc., TSX Inc., TMX Select Inc., and TriAct Canada Marketplace LP from subsection 5.10(1) of NI 21-101 was revoked. In light of amendments to section 5.10 of NI 21-101 that take effect October 1, 2015, the order is no longer necessary.

APPENDIX A

EXCHANGE PROTOCOL

Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Housekeeping Rule* means a new Rule or an amendment to a Rule that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(f) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.

(g) *Rule* includes a rule, policy and other similar instrument of the Exchange.

(h) *Significant Change* means an amendment to the information in Form 21-101F1 other than

(i) a Housekeeping Change,

(ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(i) *Significant Change* subject to Public Comment means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

(a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until the later of

(a) three months after the Exchange is notified that it has been recognized by the Commission, and

(b) a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change, Public Interest Rule or Significant Change;

(B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;

(E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;

(H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered; and

(K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;

(ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.

(b) The Exchange will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:

(i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;

(ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;

(iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule, and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

(d) For a Housekeeping Change, the Exchange will file with Staff the following materials:

(i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F1 showing the Change.

(e) The Exchange will file the materials set out in subsection (d) by the earlier of

(i) the Exchange's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule or Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the Exchange will forward copies of the comments promptly to Staff; and

(ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within

(i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 7 for all other Changes.

(d) The Exchange will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.

(g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;

(ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the Exchange of the decision.

(i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Rule or Change is approved;

(ii) the summary of public comments and responses prepared by the Exchange, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

(a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

(ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;

(iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and

(iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

(a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:

(i) the date that the Exchange is notified that the Change or Rule is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the Exchange.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.

13. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.

(b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

(a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

(a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of

(i) the date of the publication of the notice to be published on the OSC website in accordance with subsection (e), and

(ii) the date designated by the Exchange.

(b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.

(c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.

(d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

(e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

(a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.

(b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

APPENDIX B

ATS PROTOCOL

Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto

1. Purpose

This Protocol sets out the procedures an alternative trading system (ATS) must follow for any Change, as defined in section 2 below, and describes the procedures for its review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an ATS may begin operations following registration by the Commission.

2. Definitions

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the ATS and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F2 that

(i) does not have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Significant Change* means an amendment to the information in Form 21-101F2 other than

(i) a Housekeeping Change, or

(ii) a Fee Change,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(f) *Significant Change subject to Public Comment* means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The ATS and Staff will follow the process for review and approval set out in this Protocol for all Changes.

4. Waiving or Varying the Protocol

(a) The ATS may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the ATS within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

5. Commencement of ATS Operations

The ATS must not begin operations until the later of

(a) three months after the ATS is notified that it has been registered by the Commission, and

(b) a reasonable period of time after the ATS is notified that it has been registered by the Commission.

6. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change or Significant Change, the ATS will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change or Significant Change;

(B) the expected date of implementation of the proposed Fee Change or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change or Significant Change on the market structure, subscribers and, if applicable, on investors and the capital markets;

(E) whether a proposed Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change or Significant Change on the ATS's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change or Significant Change, including the internal governance process followed to approve the Change;

(H) if the Significant Change will require subscribers or service vendors to modify their systems after implementation of the Change, the expected impact of the Change on the systems of subscribers and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered;

(K) if applicable, whether the proposed Fee Change or Significant Change would introduce a fee model or feature that currently exists in other markets or jurisdictions; and

(L) blacklined and clean copies of Form 21-101F2 showing the proposed Change.

(ii) for a proposed Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for subscribers and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under

subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the ATS did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(b) The ATS will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Change, the ATS will file with Staff the following materials:

(i) a cover letter that indicates fully describes the Change and indicates that it was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F2 showing the Change.

(d) The ATS will file the materials set out in subsection (c) by the earlier of

(i) the ATS's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the ATS publicly announces a Housekeeping Change, if applicable.

7. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the ATS relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with paragraph 6(a)(ii), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the ATS of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the ATS will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 8.

8. Publication of a Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the ATS relating to a Significant Change subject to Public Comment in accordance with paragraph 6(a)(ii), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the ATS, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the ATS within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the ATS will forward copies of the comments promptly to Staff; and

(ii) the ATS will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

9. Review and Approval Process for Proposed Fee Changes and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change or Significant Change within

(i) 45 days from the date of filing of a proposed Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the ATS if they anticipate that their review of the proposed Fee Change or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change or Significant Change, Staff will use best efforts to provide the ATS with a comment letter promptly by the end of the public comment period for a Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 6 for all other Changes.

(d) The ATS will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the ATS fails to respond to comments from Staff within 120 days after the receipt of Staff's comment letter, the ATS will be deemed to have withdrawn the proposed Fee Change or Significant Change. If the ATS wishes to proceed with the Fee Change or Significant Change after it has been deemed withdrawn, the ATS will have to be re-submit it for review and approval, in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change or Significant Change, Staff will submit the Change to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the ATS;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS.

(g) A Fee Change or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change or Significant Change introduces a novel feature to the ATS or the capital markets;

(ii) if the proposed Fee Change or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the ATS of the decision.

(i) If a Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Change is approved;

(ii) the summary of public comments and responses prepared by the ATS, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the ATS and a blacklined copy of the revised Change highlighting the revisions made.

10. Review Criteria for a Fee Change and Significant Change

(a) Staff will review a proposed Fee Change or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Change would impact the ATS's compliance with Ontario securities law;

(ii) the ATS followed its established internal governance practices in approving the proposed Change;

(iii) the ATS followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Change; and

(iv) the ATS adequately addressed any comments received.

11. Effective Date of a Fee Change or Significant Change

(a) A Fee Change or Significant Change will be effective on the later of:

(i) the date that the ATS is notified that the Change is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the ATS.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the ATS, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the ATS is notified that the Significant Change is approved.

12. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the ATS revises a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Change, Staff will, in consultation with the ATS, determine whether or not the revised Change should be published for an additional 30-day comment period.

(b) If a Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the ATS, and an explanation of the revisions and the supporting rationale for the revisions.

13. Withdrawal of a Fee Change or Significant Change

(a) If the ATS withdraws a Fee Change or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 9(e), Staff will prepare and publish a notice informing market participants that the ATS did not proceed with the Change.

14. Effective Date of a Housekeeping Change

(a) Subject to subsections (b) and (c), a Housekeeping Change will be effective on the date designated by the ATS.

(b) Staff will review the materials filed by the ATS for a Housekeeping Change to assess the appropriateness of the categorization of the Change as housekeeping within five business days from the date that the ATS filed the documents in accordance with subsections 6(c) and 6(d). The ATS will be notified in writing if there is disagreement with respect to the categorization of the Change as housekeeping.

(c) If Staff disagree with the categorization of the Change as housekeeping, the ATS will immediately repeal the Change, file the proposed Change as a Significant Change, and follow the review and approval process described in this Protocol as applying to a Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

15. Immediate Implementation of a Significant Change

(a) The ATS may need to make a Significant Change effective immediately where the ATS determines that there is an urgent need to implement the Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the ATS, its subscribers, other market participants or investors.

(b) When the ATS determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Significant Change.

The written notice will include the expected effective date of the Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the ATS, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the ATS will file the Significant Change in accordance with the timelines in section 6.

16. Review of a Significant Change Implemented Immediately

A Significant Change that has been implemented immediately in accordance with section 15 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 9, with necessary modifications. If the Director or the Commission does not approve the Significant Change, the ATS will immediately repeal the Change and inform its subscribers of the decision.

17. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under section 21.0.1 of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Change having been approved under this Protocol.

1.1.4 OSC Staff Notice 21-706 – Marketplaces' Initial Operations and Material System Changes

OSC STAFF NOTICE 21-706 – *MARKETPLACES' INITIAL OPERATIONS AND MATERIAL SYSTEM CHANGES*

I. Background

OSC Staff (Staff) have been examining the regulatory requirements for recognized exchanges (Exchanges) and alternative trading systems (ATSs) set out in National Instrument 21-101 *Marketplace Operation* (NI 21-101) and in National Instrument 23-101 *Trading Rules* (together, the Marketplace Rules). We have also been reviewing the practices set out around those requirements in various recognition orders, rule protocols and staff practices. The purpose of our review was to update and, where appropriate, to align the regulatory requirements and processes for review of new operations and changes to the operations of Exchanges and ATSs.

As a first step, we issued OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems* (OSC Staff Notice 21-703), where we described Staff's process for reviewing the initial filings for Exchanges and ATSs and changes to certain of their operations. In that notice, we also set out our expectation that Exchanges and ATSs maintain an appropriate degree of transparency for certain aspects of their operations to ensure that investors and market participants are better informed as to how securities trade on these marketplaces. We described the types of information that marketplaces should publish in order to obtain feedback from other market participants regarding certain proposed changes to marketplace operations, and to increase transparency of marketplace features and operations. We also described the process for publication and Staff review.

Since the publication of OSC Staff Notice 21-703, the Marketplace Rules have been amended on several occasions, in part to harmonize, where appropriate, the application of the rules to Exchanges and ATSs and to increase the transparency of marketplace operations. The processes for filing, publication, review and approval of changes in marketplace operations, previously documented in OSC Staff Notice 21-703, have been set out in the Marketplace Rules and in protocols for the review and approval of rules or changes to marketplace operations, which each marketplace must adhere to (the Marketplace Protocols). The Marketplace Protocols also establish requirements regarding the timing for the launch of new marketplaces and the implementation by existing marketplaces of material changes to their systems.

II. Purpose of this notice

The purpose of this notice is to set out Staff's process for the review of initial filings by entities applying for recognition by the Commission as an Exchange or for registration by the Commission as an ATS, together with Staff's expectations regarding the type of information that will be made public in connection with those applications. This notice also sets out Staff's views on the application of certain provisions of the Marketplace Protocols regarding the timing for the launch of new marketplaces and the implementation by existing marketplaces of material changes to their systems.

This notice incorporates and updates the content of OSC Staff Notice 21-703 and replaces that notice.

III. Review of initial operations

(a) Exchanges

An applicant that seeks to carry on business as an Exchange in Ontario must file an application for recognition under section 21 of the *Securities Act* (Ontario) (Application). The Application must include a description of the operations of the Exchange and how the Exchange would meet the provisions of NI 21-101 and certain recognition criteria such as governance, fees, access, regulation of products and participants, rulemaking, clearing and settlement, and systems and technology. The rules of the Exchange also form part of the Application and often describe the order types and structure of the Exchange. As part of the process, an applicant for recognition as an Exchange must also file Form 21-101F1 *Information Statement Exchange or Quotation and Trade Reporting System* (F1).[1] The F1 contains detailed information about many of the aspects described in the Application, and is confidential as it contains proprietary financial, commercial and technical information.

The Application, along with the Exchange's rules, policies and a draft recognition order are published in the OSC Bulletin and on the OSC website, typically for a 30-day comment period. Once all the issues raised during the comment process and Staff's own review of the application materials and the F1 are resolved, the Commission may exercise its discretion to recognize the Exchange.[2] If recognized, Staff will publish a notice indicating the approval of the Exchange recognition (Notice of Approval of Exchange Recognition) and the final recognition order.

[1] The F1 contains information about the Exchange that describes, among other things, the governance of the Exchange, the manner of operation of its trading system, the means of access to the market and the Exchange's listing criteria, fees and regulation.

[2] Some of the factors that would be considered by the Commission are described in Part 4 of 21-101CP.

(b) ATSs

Pursuant to section 6.1 of NI 21-101, an ATS cannot carry on business in Ontario unless it registers as a dealer and is a member of a self-regulatory entity. Currently, the Investment Industry Regulatory Organization of Canada (IIROC) is the only applicable self-regulatory entity. An ATS must also file Form 21-101F2 *Information Statement Alternative Trading System* (F2) at least 45 days before it begins to carry on business.[3] The information in the F2 is similar to that provided in an Exchange's F1 and is also confidential for the same reasons.

An ATS is also expected to file a notice providing summary information regarding its operations, similar to that in an Exchange's Application, but modified accordingly to reflect the fact that an ATS does not perform regulation functions (Notice of Initial Operations). The information to be included in the Notice of Initial Operations is set out in the next section.

The ATS's Notice of Initial Operations, together with a Staff notice, is published in the OSC Bulletin and on the OSC website, typically for a 30-day comment period. The review process by Staff is similar to the review process for an Exchange Application. Once all of the issues associated with the ATS's filing(s) are resolved, including any issues with the associated registration application, the registration as an investment dealer is issued and staff will publish a notice indicating that Staff's review is complete (Notice of Completion of Staff Review).

Where an existing registered investment dealer is proposing to operate an ATS, the same filing, publication and review processes apply.

IV. Information regarding initial operations

As noted above, when a marketplace plans to start operations and files the applicable documents, certain information is made publicly available to ensure transparency regarding the proposed operations of the marketplace and to give market participants an opportunity to provide feedback.

This information must be sufficiently detailed to allow marketplace participants to understand and assess the marketplace's proposed operations, given that the F1 or F2 is not published. As described in the previous section, in the case of an Exchange, this information would be contained in the Application and in the rules and policies that are published along with the Application. In the case of an ATS, the information would be contained in the Notice of Initial Operations. At a minimum, the Application or Notice of Initial Operations should include a description of:

- the structure of the marketplace, including how orders are entered, displayed (if applicable), executed, how they interact, and how they are cleared and settled;
- the marketplace's fees and fee model, if known;
- the services provided by the marketplace, including the hours of operation;
- the means of access to the market or facility and its services;
- the order types it offers;
- other information disseminated by the marketplace and the recipients of that information, such as indications of interest disseminated by a marketplace that operates without pre-trade transparency;
- the types of securities listed, quoted or traded on the marketplace, as applicable; and
- the types of marketplace participants.

If applicable, the materials published may include additional information, such as a description of the marketplace's policies and procedures to manage conflicts of interest, referral, outsourcing or custody arrangements, or any other information relevant to the entity's operations.

After the commencement of operations, a marketplace is required to maintain information regarding its operations on its website, in accordance with the disclosure requirements applicable to all marketplaces set out in section 10.1 *Disclosure by Marketplaces* of NI 21-101. Information regarding changes to a marketplace's operations, as reflected in changes to its F1 or F2, as applicable, may also be published for comment. The information to be filed for changes to a marketplace's F1 or F2 and the criteria and process for publication are set out in the Marketplace Protocols.

[3] See subsection 3.1(2) of NI 21-101.

V. Start of operations and systems changes

Before a marketplace commences operations or makes any material system change (including introducing a new market or trading facility), it must make publicly available the technology requirements to interface with or access the marketplace or trading facility, and must make testing facilities available. Specifically, NI 21-101 requires that a marketplace make all technology requirements publicly available at least three months before it begins operations or before it implements a material change to its technology requirements.[4] NI 21-101 also requires a marketplace to make testing facilities available at least two months before beginning operations or before implementing a material change to its technology requirements.[5]

In addition to these requirements, the Marketplace Protocols establish requirements regarding the timeframe for when a new marketplace may begin operations or an existing marketplace may implement material systems changes, following notification by the Commission that a new marketplace has been recognized or registered or that the material changes to an existing marketplace's systems have been approved. The Marketplace Protocols provide that a new marketplace must not begin operations until the later of three months after the marketplace is notified that is has been recognized or registered by the Commission or a reasonable period of time after the marketplace is notified that is has been recognized or registered by the Commission. The Marketplace Protocols further provide that where a marketplace proposes a change to any of the systems, operated by or on behalf of the marketplace, described in section 12.1 of NI 21-101, the change will not be effective until a reasonable period of time after the marketplace is notified by the Commission that the change is approved.[6]

In determining whether it is reasonable for a marketplace to begin operations later than three months following notification of recognition or registration, Staff will be guided by the impact of the change on marketplace participants and service vendors. This will include consideration of the amount of development effort reasonably required to be carried out by marketplace participants and service vendors to complete the systems work and testing required to connect to the new marketplace. What is reasonable in the circumstances may also depend on the need to accommodate previously announced regulatory or marketplace changes and the need to ensure that marketplace participants and service vendors do not have to prepare for multiple significant technology changes simultaneously.

For the implementation of material systems changes by existing marketplaces, Staff generally considers three months following notification that the Commission has approved the change to be a reasonable period of time. However, depending on the nature of the change, Staff may consider periods longer or shorter than three months following notification to be reasonable. As with the launch of a new marketplace, what is reasonable in the circumstances of a material systems change by an existing marketplace depends on the impact of the change on marketplace participants and service vendors, including factors such as the need to accommodate previously announced regulatory or marketplace changes and the need to ensure that marketplace participants and service vendors do not have to prepare for multiple significant technology changes simultaneously. Normally, the impact on marketplace participants will be greater for markets that display details of orders (and are subject to the Order Protection Rule) than for marketplaces that do not provide pre-trade transparency of orders.

VI. Questions

Questions may be referred to any of:

Christopher Byers
Ontario Securities Commission
(416) 593-2350
cbyers@osc.gov.on.ca

Tracey Stern
Ontario Securities Commission
(416) 593-8167
tstern@osc.gov.on.ca

[4] Subsection 12.3(1) of NI 21-101.

[5] Subsection 12.3(2) of NI 21-101.

[6] Section 12.1 of NI 21-101 references each system, 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.

1.5 Notices from the Office of the Secretary

1.5.1 Terrence Bedford

FOR IMMEDIATE RELEASE
September 25, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
TERRENCE BEDFORD

TORONTO – The Commission issued an Order in the above noted matter which provides that on consent of the parties, that the hearing scheduled to be held on October 1, 2015 at 2:00 p.m. shall be held at 3:00 p.m. on the same date.

A copy of the Order dated September 24, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Dennis L. Meharchand et al.

FOR IMMEDIATE RELEASE
September 25, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED

AND

IN THE MATTER OF
DENNIS L. MEHARCHAND, KWOK YAN LEUNG
(also known as TONY LEUNG) and
VALT.X HOLDINGS INC.

TORONTO – The Commission issued an Order in the above noted matter which provides that:

1. pursuant to subsection 127(8) of the Act, the Temporary Order is extended until October 2, 2015, or until further order of the Commission; and

2. the hearing of this matter is adjourned to October 1, 2015 at 1:30 p.m. or at such other time as may be fixed by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated September 23, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.3 Garth H. Drabinsky et al.

FOR IMMEDIATE RELEASE
September 29, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB AND GORDON ECKSTEIN

TORONTO – The Commission issued an Order in the above named matter which provides that that:

1. The hearing dates scheduled for January 21 to January 22, January 25 to 29, and February 19, 2016 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on June 20, 2016 and continue on June 21, June 24 to June 28, 2016 and July 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on February 22, 2016 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

    a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

    b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

    c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

    d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

A copy of the Order dated September 29, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.4 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. et al.

FOR IMMEDIATE RELEASE
September 29, 2015

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
7997698 CANADA INC., carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE,
and MARY HUANG also known as NING-SHENG MARY HUANG

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. a confidential pre-hearing conference shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Tuesday October 6, 2015 at 2:30 p.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties, at which the Panel may, among other things, consider with the parties agreed upon facts or evidence and the resolution of any or all of the allegations in the proceeding or the issues in Staff's Witness Motion; and

2. Staff's Witness Motion, if necessary, and the continuation of the Third Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Thursday October 19, 2015 at 9:30 a.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated September 24, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Northwest & Ethical Investments L.P. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – the fundamental investment objectives of some terminating funds and corresponding continuing funds are not substantially similar, and some mergers are not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – securityholders of terminating funds are provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 19.1.

September 8, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NORTHWEST & ETHICAL INVESTMENTS L.P.
(the Manager)

AND

NEI INCOME FUND,
NEI NORTHWEST SPECIALTY HIGH YIELD BOND FUND,
NEI NORTHWEST MACRO CANADIAN EQUITY FUND,
NEI NORTHWEST MACRO CANADIAN EQUITY CORPORATE CLASS,
NEI SELECT GLOBAL BALANCED PORTFOLIO,
NEI SELECT GLOBAL GROWTH PORTFOLIO
(each, a Terminating Fund and collectively,
the Terminating Funds and together with the Manager, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction for approval pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) of the proposed mergers (the **Mergers**) of the Terminating Funds into the Continuing Funds (defined below) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator (the **Principal Regulator**) for this Application; and

(b) the Manager has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada, other than the province of Ontario (the **Other Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Continuing Funds means NEI Canadian Bond Fund, NEI Northwest Specialty Global High Yield Bond Fund, NEI Northwest Macro Canadian Asset Allocation Fund, NEI Northwest Macro Canadian Asset Allocation Corporate Class, NEI Select Balanced Portfolio and NEI Select Growth Portfolio;

Funds means the Terminating Funds and the Continuing Funds, collectively.

Representations

This decision is based on the following facts represented by the Filers:

The Manager

1. The Manager is a corporation governed by the laws of the province of Ontario with its head office in Toronto, Ontario.

2. The Manager is the investment fund manager of the Funds and is registered as an investment fund manager in Ontario, British Columbia, Newfoundland and Labrador and Quebec, and as a portfolio manager in Ontario and British Columbia.

The Funds

3. All of the Funds, other than NEI Northwest Macro Canadian Equity Corporate Class and NEI Northwest Macro Canadian Asset Allocation Corporate Class, are open-ended mutual fund trusts established under the laws of the province of Ontario. NEI Northwest Macro Canadian Equity Corporate Class and NEI Northwest Macro Canadian Asset Allocation Corporate Class are separate classes of securities of Northwest Corporate Class Inc. (the Corporation), a mutual fund corporation governed under the laws of the province of Ontario.

4. Securities of the Funds are currently qualified for sale under a simplified prospectus, annual information form and fund facts each dated June 26, 2015 (collectively, the **Offering Documents**).

5. Each of the Funds is a reporting issuer under the applicable securities legislation of the province of Ontario and the Other Jurisdictions (the **Legislation**).

6. Neither the Manager nor the Funds is in default under the Legislation.

7. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

8. The net asset value for each series of the Funds, as applicable, is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the Offering Documents.

9. Each of NEI Northwest Macro Canadian Equity Corporate Class (the **Terminating Corporate Class Fund**) and NEI Northwest Macro Canadian Asset Allocation Corporate Class (the **Continuing Corporate Class Fund**) employs a fund-of-fund structure and invests substantially all of its assets in NEI Northwest Macro Canadian Equity Fund and NEI Northwest Macro Canadian Asset Allocation Fund, respectively.

The Merger Application

10. The Manager intends to reorganize the Funds by merging each Terminating Fund set out in the table below into its respective Continuing Fund set out in the table below:

Merger #	*Terminating Fund:*	*Continuing Fund:*	*This Merger is also referred to as:*
1.	NEI Income Fund	NEI Canadian Bond Fund	**Trust Fund Merger**
2.	NEI Northwest Specialty High Yield Bond Fund	NEI Northwest Specialty Global High Yield Bond Fund	**Trust Fund Merger**
3.	NEI Northwest Macro Canadian Equity Fund	NEI Northwest Macro Canadian Asset Allocation Fund	**Trust Fund Merger**
4.	NEI Select Global Balanced Portfolio	NEI Select Balanced Portfolio	**Trust Fund Merger**
5.	NEI Select Global Growth Portfolio	NEI Select Growth Portfolio	**Trust Fund Merger**
6.	NEI Northwest Macro Canadian Equity Corporate Class	NEI Northwest Macro Canadian Asset Allocation Corporate Class	**Corporate Class Fund Merger**

11. Regulatory approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:

    (a) in respect of the merger of NEI Income Fund into NEI Canadian Bond Fund, the merger of NEI Northwest Specialty High Yield Bond Fund into NEI Northwest Specialty Global High Yield Bond Fund, the merger of NEI Northwest Macro Canadian Equity Fund into NEI Northwest Macro Canadian Asset Allocation Fund and the merger of the Terminating Corporate Class Fund into the Continuing Corporate Class Fund, the fundamental investment objectives of the Continuing Funds are not, or may be considered not to be, "substantially similar" to the investment objectives of their corresponding Terminating Funds; and

    (b) the Trust Fund Mergers will not be completed as "qualifying exchanges" or tax-deferred transactions under the *Income Tax Act* (Canada).

12. Except for the reasons noted in paragraph 11 above, the Mergers otherwise comply with all the criteria for pre-approved reorganizations and transfers as set forth in section 5.6 of NI 81-102.

13. No sales charges will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of its applicable Terminating Fund.

14. The investment portfolio and other assets of each Terminating Fund to be acquired by or included in the portfolio of the applicable Continuing Fund in order to effect the Mergers are currently, or will be, acceptable, on or prior to the effective date of the Mergers, to the portfolio manager(s) of the applicable Continuing Fund and are, or will be, consistent with the investment objectives of the applicable Continuing Fund at the time of the Merger.

15. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the effective date of the Mergers.

16. In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*, a press release announcing the proposed Mergers was issued on June 19, 2015 and subsequently filed on SEDAR. A material change report with respect to the Terminating Funds relating the proposed Mergers was filed via SEDAR on June 22, 2015, and the related prospectus disclosure in respect of the Terminating Funds that remained open for sale to the public was included in the Offering Documents.

17. A notice of meeting, a management information circular (the "**Circular**") and a proxy in connection with special meetings of securityholders were mailed to securityholders of the Terminating Funds and the Continuing Corporate Class Fund commencing on or about July 28, 2015 and concurrently filed via SEDAR. The Circular provides securityholders of the Terminating Funds with information about the differences between the Terminating Funds and the Continuing Funds, the management fees of the Continuing Funds and the tax consequences of the Mergers.

18. Fund facts relating to the relevant series of the Continuing Funds were mailed to securityholders of the corresponding Terminating Funds.

19. Securityholders of the Terminating Funds approved the Mergers at special meetings held on August 31, 2015.

20. The Mergers will not be a material change for each of the Continuing Funds.

21. In accordance with corporate law requirements, securityholders of the Continuing Corporate Class Fund approved an amendment to the articles of the Corporation in connection with the exchange of securities relating to the Corporate Class Fund Merger at a special meeting held on August 31, 2015.

22. Each Trust Fund Merger will be effected on a taxable basis. The Corporate Class Fund Merger will be effected on a tax-deferred basis.

23. The Manager will pay for the costs of the Mergers. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the effective date of the Mergers and legal, proxy solicitation, translation, printing, mailing and regulatory fees.

24. If the required approvals are obtained, each Terminating Fund will merge into the applicable Continuing Fund at the close of business on or about September 14, 2015 and the Continuing Funds will continue as publicly offered open-ended mutual funds.

25. Securities of the Continuing Funds received by securityholders in the Terminating Funds as a result of the Mergers will have the same sales charge option and, for securities purchased under low load, low load 2, low load 3 or deferred sales charge options, the same remaining deferred sales charge schedule as their securities in the Terminating Funds.

26. Each Trust Fund Merger will be structured as follows:

    (a) prior to the effective date of the merger, if there are any securities held by the Terminating Fund that do not meet the investment objectives and investment strategies of the Continuing Fund (as determined by the portfolio manager of the Continuing Fund), such securities will be sold and converted to cash or cash equivalents. In this limited circumstance, the Terminating Fund may hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a period of time prior to the effective date of the Merger;

    (b) the balance of the Terminating Fund's investment portfolio and other assets will be valued and determined at the close of business on the effective date of the merger in accordance with the constating documents of the Terminating Fund;

    (c) the Continuing Fund will acquire the investment portfolio and cash and/or cash equivalents referred to above in exchange for units of the Continuing Fund;

    (d) the Continuing Fund will not assume the liabilities of the Terminating Fund, and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the merger;

    (e) the units of the Continuing Fund received by the Terminating Fund under the merger will have an aggregate net asset value equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring from the Terminating Fund and will be issued at the applicable series net asset value per unit as of the close of business on the effective date of the merger;

    (f) the Terminating Fund will distribute to its securityholders a sufficient amount of its net income and net realized capital gains so that it will not be subject to tax under Part I of the Income Tax Act (Canada) for its current taxation year;

    (g) immediately thereafter, the units of the Continuing Fund received by the Terminating Fund under the merger will be distributed to securityholders of the Terminating Fund on a dollar-for-dollar and series-by-series basis in exchange for their units in the Terminating Fund such that the holders of Series A units, Series F units, Series I units and Series T units of a Terminating Fund, as applicable, will receive corresponding Series A units, Series F units, Series I units and Series T units of the applicable Continuing Fund; and

    (h) following the effective date of the merger, the Terminating Fund will be wound up.

27. The Corporate Class Fund Merger will be structured as follows:

    (a) prior to the effective date of the merger, if there are any securities held by the Terminating Corporate Class Fund that do not meet the investment objectives and investment strategies of the Continuing Corporate Class Fund (as determined by the investment adviser of the Continuing Corporate Class Fund), such securities will be sold and converted to cash or cash equivalents. In this limited circumstance, the Terminating Corporate

Class Fund may hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a period of time prior to the effective date of the Merger;

(b) the Corporation may elect to declare dividends payable to the securityholders of the Terminating Corporate Class Fund, including with respect to capital gains realized on the merger of NEI Northwest Macro Canadian Equity Fund and NEI Northwest Macro Canadian Asset Allocation Fund;

(c) the articles of incorporation of the Corporation, as amended, will be further amended such that all of the issued and outstanding shares of the Terminating Corporate Class Fund will be exchanged for shares of the Continuing Corporate Class Fund on a dollar-for-dollar basis and distributed to securityholders of the Terminating Corporate Class Fund. The holders of Series A shares and Series F shares of the Terminating Corporate Class Fund, as applicable, will receive corresponding Series A shares and Series F shares of the Continuing Corporate Class Fund. The shares of the Terminating Corporate Class Fund will be cancelled; and

(d) the cash and securities in the portfolio of assets attributable to the Terminating Corporate Class Fund will be included in the portfolio of assets attributable to the Continuing Corporate Class Fund.

28. Each Terminating Fund will be wound up following the applicable Merger.

29. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**), the Manager presented the potential conflict of interest matters related to the proposed Mergers to the Independent Review Committee (the IRC) for a recommendation. On June 17, 2015, the IRC reviewed the potential conflict of interest matters related to the proposed Mergers and provided its positive recommendation for each of the Mergers, after determining that each proposed Merger, if implemented, would achieve a fair and reasonable result for each Fund.

30. The investment objectives of each of the terminating funds compared to the continuing funds for which merger approval per representation 11(a) is being sought is as follows:

Terminating Fund	Investment Objectives	Continuing Fund	Investment Objectives
NEI Income Fund	The investment objective of NEI Income Fund is to provide income and the potential for capital gains by investing mostly in fixed income securities and income trusts.	NEI Canadian Bond Fund	The investment objective of NEI Canadian Bond Fund is to provide high current income while protecting your original investment. The Fund invests mostly in bonds, debentures and securities that are issued or guaranteed by the Government of Canada, a province or Canadian companies, and money market securities.
NEI Northwest Specialty High Yield Bond Fund	The investment objective of NEI Northwest Specialty High Yield Bond Fund is to provide a high level of current income while maintaining security of capital. The Fund invests primarily in a diversified portfolio of high-yield, higher risk, lower quality Canadian corporate bonds and notes and may also invest in other fixed income investments with similar characteristics. Most of the investments will be rated BBB and below by the Canadian Bond Rating Service (or its equivalent by another recognized bond rating service). The Fund	NEI Northwest Specialty Global High Yield Bond Fund	The investment objective of NEI Northwest Specialty Global High Yield Bond Fund is to provide a high level of current income while maintaining security of capital. The Fund invests primarily in a diversified portfolio of high-yield, higher risk, global corporate bonds and notes and may also invest in other fixed income investments with similar characteristics. Most of the investments will be rated “BBB-” and below by Standard and Poor’s or Fitch, and “Baa3” or below

Terminating Fund	Investment Objectives	Continuing Fund	Investment Objectives
	may also invest in investments that are not rated, investments that are in default at the time of purchase, and may invest in investments denominated in foreign currencies. It is expected that, except for temporary defensive purposes, the Fund will invest at least 80% of its net assets in high-yielding, income-producing corporate bonds.		by Moody's or an equivalent rating by another recognized bond rating service. The Fund may also invest in investments that are not rated, investments that are in default at the time of purchase, and may invest in investments denominated in emerging market countries' currencies. It is expected that, except for temporary defensive purposes, the Fund will invest at least 80% of its net assets in high-yielding, income-producing corporate bonds.
NEI Northwest Macro Canadian Equity Fund	The investment objective of NEI Northwest Macro Canadian Equity Fund is to achieve long-term capital appreciation by investing its assets, excluding the cash and cash equivalent portion, primarily in equity securities of Canadian companies and to a lesser extent, foreign companies. The Fund will be able to invest in any sector and in both large and small capitalization companies.	NEI Northwest Macro Canadian Asset Allocation Fund	The investment objective of NEI Northwest Macro Canadian Asset Allocation Fund is to provide investment returns and protection of capital through an active asset allocation process. It invests primarily in a mix of Canadian and foreign equity and fixed income securities including money market instruments.
NEI Northwest Macro Canadian Equity Corporate Class	The investment objective of NEI Northwest Macro Canadian Equity Corporate Class is to achieve long-term capital appreciation by investing its assets, excluding the cash and cash equivalent portion, primarily in equity securities of Canadian companies and to a lesser extent, foreign companies. The Fund will be able to invest in any sector and in both large and small capitalization companies.	NEI Northwest Macro Canadian Asset Allocation Corporate Class	The investment objective of NEI Northwest Macro Canadian Asset Allocation Corporate Class is to provide investment returns and protection of capital through an active asset allocation process. The Fund invests primarily in a mix of Canadian and foreign equity and fixed income securities including money market instruments.

31. For each Trust Fund Merger, the Manager has elected not to effect the merger on a tax-deferred basis, for the following reasons:

Merger #	Terminating Fund:	Continuing Fund:	Reason Not Effected on a Tax-Deferred Basis
1.	NEI Income Fund	NEI Canadian Bond Fund	There are unrealized capital gains in the Terminating Fund that the Manager does not consider appropriate to transfer to the Continuing Fund.
2.	NEI Northwest Specialty High Yield Bond Fund	NEI Northwest Specialty Global High Yield Bond Fund	There are capital losses in the Continuing Fund that would expire if the Merger were effected on a tax-deferred basis.
3.	NEI Northwest Macro Canadian Equity Fund	NEI Northwest Macro Canadian Asset Allocation Fund	There are non-capital losses in the Continuing Fund that would expire if the Merger were effected on a tax-deferred basis.
4.	NEI Select Global Balanced Portfolio	NEI Select Balanced Portfolio	There are unrealized capital gains in the Terminating Fund that the Manager does not consider appropriate to transfer to the Continuing Fund.
5.	NEI Select Global Growth Portfolio	NEI Select Growth Portfolio	There are non-capital losses in the Continuing Fund that would expire if the Merger were effected on a tax-deferred basis. In addition, there are unrealized capital gains in the Terminating Fund that the Manager does not consider appropriate to transfer to the Continuing Fund.

32. For each Trust Fund Merger, below are the approximate amounts of the tax loss carry-forwards of each of the Terminating Funds and their corresponding Continuing Fund in the Trust Fund Mergers. The impact of the Trust Fund Mergers being carried out on a taxable basis on these tax losses is that the losses of the Continuing Fund will not expire.

		Carried forward losses	
	Fund (Continuing Funds are shaded)	**Non-Capital Losses**	**Capital Losses**
1.	NEI Income Fund	0	5,258,985
	NEI Canadian Bond Fund	0	0
2.	NEI Northwest Specialty High Yield Bond Fund	0	21,087,340
	NEI Northwest Specialty Global High Yield Bond Fund	0	28,155,452
3.	NEI Northwest Macro Canadian Equity Fund	9,112,141	18,923,503
	NEI Northwest Macro Canadian Asset Allocation Fund	3,497,470	0
4.	NEI Select Global Balanced Portfolio	0	0
	NEI Select Balanced Portfolio	0	0
5.	NEI Select Global Growth Portfolio	0	0
	NEI Select Growth Portfolio	75,152	0

33. The Manager believes that the Mergers will be beneficial to the securityholders of the Terminating Funds for the following reasons:

- Series A securityholders of NEI Select Global Balanced Portfolio, NEI Select Global Growth Portfolio, NEI Northwest Macro Canadian Equity Fund and the Terminating Corporate Class Fund will enjoy increased economies of scale and lower operating expenses as part of a larger combined Continuing Fund as the fixed administration fee of the Series A securities of these Funds will be reduced from 0.40% to 0.35%;

- Series F securityholders of NEI Select Global Balanced Portfolio and NEI Select Global Growth Portfolio will enjoy increased economies of scale and lower operating expenses as part of a larger combined Continuing Fund as the fixed administration fee of the Series F securities of these Funds will be reduced from 0.35% to 0.30%;

- each Continuing Fund will have a portfolio of greater value allowing for increased portfolio diversification opportunities than within the applicable Terminating Fund; and

- each Continuing Fund, as a result of its increased size, will benefit from a more significant profile in the marketplace.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Approval Sought is granted.

“Darren McKall”
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.2 Manulife Asset Management Limited and the Standard Life Mutual Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of custodian.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(c), 5.7(1)(c) and Part 6.

September 21, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MANULIFE ASSET MANAGEMENT LIMITED
(the Filer)

AND

IN THE MATTER OF
THE STANDARD LIFE MUTUAL FUNDS
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of the change of custodian of certain mutual funds managed by the Filer and listed in Schedule A (the **Standard Life Mutual Funds**) from Standard Life Trust Company to RBC Investor Services Trust under section 5.5(1)(c) of National Instrument 81-102 – *Investment Funds* (**NI 81-102**) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, and Northwest Territories.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Filer and the Standard Life Mutual Funds

1. The Filer, an indirect wholly owned subsidiary of The Manufacturers Life Insurance Company (**Manulife**), is a corporation amalgamated under the laws of Canada with its head office located at 200 Bloor Street East, North Tower, Toronto, Ontario M4W 1E5.

2. The Filer is duly registered as a portfolio manager in all Canadian Provinces and Territories; as an investment fund manager in Québec, Ontario and Newfoundland and Labrador; as a commodity trading manager in Ontario; and as a derivatives portfolio manager in Québec.

3. As previously announced, following the indirect acquisition of control of Standard Life Mutual Funds Ltd. by Manulife on January 30, 2015 and in furtherance of the amalgamation of Standard Life Mutual Funds Ltd. and Manulife Asset Management Accord (2015) Inc. (previously Standard Life Investments Inc.) into the Filer effective as of July 1, 2015 (the **Change of Manager**), the Filer now serves as the investment fund manager and primary portfolio manager of the Standard Life Mutual Funds with the exception of those funds managed by Beutel, Goodman & Company Ltd. and Guardian Capital LP.

4. The Standard Life Mutual Funds are comprised of 34 trust funds (the **Standard Life Trust Funds**) and 23 corporate class funds (the **Standard Life Corporate Class Funds**) as listed in Schedule A.

5. The Standard Life Trust Funds are open-ended funds established under an amended and restated master declaration of trust dated July 1, 2015. Since July 1, 2015 the Filer has been the trustee of the Standard Life Trust Funds.

6. The Standard Life Corporate Class Funds are share classes of Standard Life Corporate Class Inc., a mutual fund corporation incorporated under the laws of Canada.

7. The Standard Life Mutual Funds are reporting issuers in the Jurisdiction and in all other provinces and territories of Canada, other than Nunavut.

8. The securities of each of the Standard Life Mutual Funds are qualified for distribution in the Jurisdiction and in all other provinces and territories of Canada, other than Nunavut, under a simplified prospectus, annual information form and fund facts documents pursuant to National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*.

9. The Standard Life Mutual Funds are subject to the provisions of NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

10. The Filer is also the investment fund manager and portfolio manager for a group of mutual funds domiciled in Canada that are subject to NI 81-102 (the **Manulife Mutual Funds**), a group of mutual funds domiciled in Canada that are not subject to NI 81-102 and most Manulife closed-end funds.

11. None of the Filer, the Standard Life Mutual Funds nor the Manulife Mutual Funds are in default of applicable securities legislation in the Jurisdiction or in any other provinces and territories of Canada in which they are reporting issuers.

The Change of Custodian

12. The Filer intends to change the custodian of the Standard Life Mutual Funds (the Change of Custodian). The Change of Custodian may be considered to be implemented in connection with the Change of Manager and therefore approval of the Regulators under section 5.5(1)(c) is required.

13. Manulife believes the Change of Custodian will be beneficial to the Standard Life Mutual Funds and their securityholders as it will reduce the custody fees for each of the Standard Life Mutual Funds and create administrative efficiencies by having custody of all the mutual funds managed by the Filer with the same custodian.

14. The current custodian of the Standard Life Mutual Funds is the Standard Life Trust Company. The sub-custodians of the Standard Life Mutual Funds are RBC Investor Services Trust (**RBC IS**) and Citibank N.A., London Branch.

15. The custodian of each Standard Life Mutual Fund will be changed to RBC IS. RBC IS may engage sub-custodians in connection with the assets of the Standard Life Mutual Funds. The Filer is not an affiliate of RBC IS.

16. RBC IS is the custodian of the Manulife Mutual Funds and meets the requirements of Part 6 of NI 81-102.

17. The Standard Life Trust Company last filed a custodian report in relation to the Standard Life Mutual Funds on April 28, 2015, RBC IS last filed a custodian report in relation to the Manulife Mutual Funds on March 31, 2015 for the Manulife trust funds and August 10, 2015 for the Manulife corporate class funds and these custodian reports were provided to the Filer.

18. The Change of Custodian and the custodial agreements and arrangements between the Standard Life Mutual Funds and RBC IS will be implemented in compliance with Part 6 of NI 81-102.

19. The Filer believes that adding the Standard Life Mutual Funds to the existing custodial arrangements between the Manulife Mutual Funds and RBC IS will have no adverse impact on continued compliance with Part 6 of NI 81-102.

20. The Filer believes that the Change of Custodian will have no adverse impact on continued compliance with Part 6 of NI 81-102.

21. The Filer does not regard the Change of Custodian as either a "material change" as defined in Section 1.1 of NI 81-106 – *Investment Fund Continuous Disclosure*, or as a "conflict of interest matter" as defined in Section 1.2 of NI 81-107 – *Independent Review Committee for Investment Funds*.

22. Details of the Change of Custodian will be set out in the final renewal simplified prospectus and annual information form of the Standard Life Mutual Funds which the Filer is expecting to file on or about November 9, 2015.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Approval Sought is granted.

"Stephen Paglia"
Acting Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

SCHEDULE A

STANDARD LIFE MUTUAL FUNDS

1. Standard Life Trust Funds

Standard Life Fixed Income Funds
Standard Life Money Market Fund
Standard Life Short Term Bond Fund
Standard Life Canadian Bond Fund
Standard Life Tactical Bond Fund
Standard Life Corporate Bond Fund
Standard Life Global Bond Fund
Standard Life High Yield Bond Fund
Standard Life Emerging Markets Debt Fund

Standard Life Monthly Income and Balanced Funds
Standard Life Diversified Income Fund
Standard Life Monthly Income Fund
Standard Life Dividend Income Fund
Standard Life Tactical Income Fund
Standard Life Balanced Fund
Standard Life U.S. Monthly Income Fund

Standard Life Canadian Equity Funds
Standard Life Canadian Dividend Growth Fund
Standard Life Canadian Equity Value Fund
Standard Life Canadian Equity Fund
Standard Life Canadian Equity Growth Fund
Standard Life Canadian Small Cap Fund

Standard Life U.S. Equity Funds
Standard Life U.S. Dividend Growth Fund
Standard Life U.S. Equity Value Fund

Standard Life Global Equity Funds
Standard Life Global Dividend Growth Fund
Standard Life International Equity Fund
Standard Life Global Equity Value Fund
Standard Life Global Equity Fund
Standard Life Global Real Estate Fund
Standard Life European Equity Fund
Standard Life Emerging Markets Dividend Fund

Standard Life Portrait Portfolio Funds
Standard Life Conservative Portfolio
Standard Life Moderate Portfolio
Standard Life Growth Portfolio
Standard Life Dividend Growth & Income Portfolio
Standard Life Aggressive Portfolio
*Standard Life Global Portfolio

2. Standard Life Corporate Class Funds

Standard Life Fixed Income/Specialty Funds
Standard Life Short Term Yield Class
Standard Life Canadian Bond Class
Standard Life Corporate Bond Class

Standard Life Monthly Income Funds
Standard Life Monthly Income Class
Standard Life Dividend Income Class

Standard Life Canadian Equity Funds
Standard Life Canadian Dividend Growth Class
*Standard Life Canadian Equity Value Class
*Standard Life Canadian Equity Class
*Standard Life Canadian Equity Growth Class
*Standard Life Canadian Small Cap Class

Standard Life U.S. Equity Funds
*Standard Life U.S. Dividend Growth Class
Standard Life U.S. Equity Value Class

Standard Life Global Equity Funds
Standard Life Global Dividend Growth Class
*Standard Life International Equity Class
*Standard Life Global Equity Value Class
Standard Life Global Equity Class
Standard Life Emerging Markets Dividend Class

Standard Life Portrait Portfolio Funds
Standard Life Conservative Portfolio Class
Standard Life Moderate Portfolio Class
Standard Life Growth Portfolio Class
Standard Life Dividend Growth & Income Portfolio Class
*Standard Life Aggressive Portfolio Class
*Standard Life Global Portfolio Class

*** These funds will be closed effective on or about September 25, 2015.**

2.1.3 Bedrocan Cannabis Corp. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

September 22, 2015

Bedrocan Cannabis Corp.
77 King Street West
Suite 400, Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Dear Sirs/Mesdames:

Re: Bedrocan Cannabis Corp. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Shannon O'Hearn"
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 CI Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the investment fund self-dealing restrictions in the Securities Act (Ontario) and National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to allow pooled funds to invest in securities of underlying funds under common management – relief subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(3), 111(4), 113.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a), 15.1.

September 22, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Filer)

AND

CI LIFECYCLE 2015 PORTFOLIO, CI LIFECYCLE 2020 PORTFOLIO,
CI LIFECYCLE 2025 PORTFOLIO, CI LIFECYCLE 2030 PORTFOLIO,
CI LIFECYCLE 2035 PORTFOLIO, CI LIFECYCLE 2040 PORTFOLIO,
CI LIFECYCLE 2045 PORTFOLIO, CI LIFECYCLE 2050 PORTFOLIO,
CI LIFECYCLE INCOME PORTFOLIO
(the LifeCycle Portfolios)

AND

TRANSAMERICA CI CONSERVATIVE PORTFOLIO,
TRANSAMERICA CI CANADIAN BALANCED PORTFOLIO,
TRANSAMERICA CI BALANCED PORTFOLIO,
TRANSAMERICA CI GROWTH PORTFOLIO,
TRANSAMERICA CI MAXIMUM GROWTH PORTFOLIO
(the CI Portfolios and, together with the LifeCycle Portfolios, the Portfolio Pools)

AND

CI SIGNATURE CANADIAN BALANCED FUND, CI SIGNATURE CANADIAN CORE BOND FUND,
CI SIGNATURE CANADIAN EQUITY PLUS FUND, CI CAMBRIDGE ALL CANADIAN EQUITY FUND,
CI CAMBRIDGE US EQUITY FUND, CI CAMBRIDGE INTERNATIONAL EQUITY FUND,
CI CAMBRIDGE GLOBAL EQUITY FUND, CI SIGNATURE CORE BOND PLUS FUND,
CI SIGNATURE MONEY MARKET FUND, KBSH EAFE EQUITY FUND
(the Non-Portfolio Pools)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a decision:

(a) pursuant to section 113 of the Securities Act (Ontario) (the **OSA**) exempting each Portfolio Pool and Non-Portfolio Pool (together, the **Current Pooled Funds**) and each Future Pooled Fund (as defined below and, together with the Current Pooled Funds, the **Pooled Funds**), from section 111(2)(b), subsection 111(3) and subsection 111(4) of the OSA (the **Related Party Relief**); and

(b) pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) exempting the Filer from paragraph 13.5(2)(a) of NI 31-103 (the **Consent Requirement Relief**),

in each case with respect to investments by the Pooled Funds in securities of the Underlying Mutual Funds (as defined below) (collectively, the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(a) the Ontario Securities Commission is the principal regulator for the application; and

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer:

(i) in the case of the Related Party Relief, in Alberta; and

(ii) in the case of the Consent Requirement Relief, in each of the other provinces of Canada (together with Ontario, the **Applicable Jurisdictions**).

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a corporation subsisting under the laws of the Province of Ontario with its head office located in Toronto, Ontario. The Filer is registered:

(a) under the securities legislation of each Applicable Jurisdiction as a portfolio manager;

(b) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;

(c) under the securities legislation of Ontario as an exempt market dealer; and

(d) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.

The Top Funds

2. Each Current Pooled Fund is a trust formed under the laws of the Province of Ontario. Each Pooled Fund is:

(a) a “mutual fund” (as such term is defined in the OSA); and

(b) not a reporting issuer under the securities legislation of any province or territory of Canada.

3. The Filer is the trustee and manager of each Current Pooled Fund.

4. The Filer may, in the future, become the trustee and manager of one or more trusts formed under the laws of the Province of Ontario each of which is:

   (a) a "mutual fund" (as such term is defined in the OSA); and

   (b) not a reporting issuer under the securities legislation of any province or territory of Canada,

   (each a **Future Pooled Fund**).

5. To achieve its objective, each Pooled Fund invests some or all of its assets in securities of mutual funds (the **Underlying Mutual Funds**) managed by the Filer (**Fund-on-Fund Investing**).

6. Except as described below, each Pooled Fund is not in default of securities legislation in any Applicable Jurisdiction.

7. Each LifeCycle Portfolio is sold exclusively to accredited investors (as defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**)) other than individuals (**Institutional Investors**). Each Institutional Investor uses the units it owns of the LifeCycle Portfolios as the reference assets for investment products and services it offers to its clients. Each LifeCycle Portfolio provides a risk/return profile suitable for a specific investment horizon. To accomplish this goal, the LifeCycle Portfolio obtains exposure to a combination of fixed income and equity investments. Over time, the LifeCycle Portfolio adjusts its risk/return profile by increasing its exposure to fixed income investments (and decreases its exposure to equity investments) as the LifeCycle Portfolio approaches a pre-determined future date. This simplifies the investment process for Institutional Investors because they only need to own units of a single LifeCycle Portfolio as the reference asset for their corresponding investment product or service with an equivalent investment horizon, rather than investing directly in multiple mutual funds and periodically rebalancing such holdings to achieve the same profile.

8. Each LifeCycle Portfolio intends to become a reporting issuer under the securities legislation of each province and territory of Canada later this year by filing a simplified prospectus, annual information form and fund facts in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and commence offering its securities thereunder, whereupon each LifeCycle Portfolio also will become subject to the requirements of National Instrument 81-102 *Investment Funds* (**NI 81-102**) and National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107** and, together with NI 81-101 and NI 81-102, the **Mutual Fund Instruments**).

9. Each CI Portfolio is sold exclusively to Institutional Investors. Each Institutional Investor uses the units it owns of the CI Portfolios as the reference assets for investment products and services it offers to its clients. Each CI Portfolio provides a pre-determined risk/return profile. To accomplish this goal, the CI Portfolio obtains exposure to a combination of fixed income and equity investments consistent with its risk/return profile. This simplifies the investment process for Institutional Investors because they only need to own units of a single CI Portfolio as the reference asset for their corresponding investment product or service with an equivalent risk/return profile, rather than investing directly in multiple mutual funds to achieve the same profile.

10. Units of each Non Portfolio Pool may be purchased by any investor who qualifies to purchase such units on a prospectus-exempt basis. Each Non-Portfolio Pool has its own investment objective and strategies. To achieve its investment objective, each Non-Portfolio Pool invests is assets in a combination of fixed income and equity securities, as well as securities of Underlying Mutual Funds.

The Underlying Funds

11. Each Underlying Mutual Fund is either:

   (a) a trust formed under the laws of the Province of Ontario; or

   (b) one or more classes of shares (in such case, an **Underlying Corporate Mutual Fund**) of CI Corporate Class Limited, a corporation subsisting under the laws of the Province of Ontario. The name of an Underlying Corporate Mutual Fund typically ends with the word "Class".

12. Each Underlying Mutual Fund is:

   (a) a "mutual fund" (as such term is defined in the OSA); and

   (b) a reporting issuer under the securities legislation of each province and territory of Canada.

   Accordingly, the Mutual Fund Instruments apply to each Underlying Mutual Fund.

13. The Filer is the manager of each Underlying Mutual Fund.

14. Each Underlying Mutual Fund is not in default of securities legislation in any province or territory of Canada.

The Fund-on-Fund Structure

15. Each investment by a Pooled Fund in securities of an Underlying Mutual Fund is compatible with the investment objective and investment strategies of the Pooled Fund and, in the case of a Portfolio Pool, is aligned with the risk/return profile of the Portfolio Pool.

16. Each Underlying Mutual Fund typically holds investments in at least 30 different issuers and, in some cases, holds more than 100 positions. Different Underlying Mutual Funds use different portfolio advisers, each of which as its own investment approach. Fund-on-Fund Investing thereby provides each Pooled Fund with immediate diversification through exposure to the investment portfolios of all the Underlying Mutual Funds in which the Pooled Fund invests its assets. Each Portfolio Pool typically invests in 11 to 18 Underlying Mutual Funds which also provides the Portfolio Pool with diversification regarding portfolio advisers of the Underlying Mutual Funds.

17. When a Pooled Fund engages in Fund-on-Fund Investing:

    (a) there is no duplication of management fees or incentive fees in respect of the investment by the Pooled Fund in the Underlying Mutual Funds; and

    (b) there are no sales fees or redemption fees payable by the Pooled Fund in respect of the acquisition, disposition or redemption of securities of the Underlying Mutual Funds.

18. Each current investor in a Pooled Fund has received disclosure in writing of:

    (a) the intention of the Pooled Fund to invest in securities of Underlying Mutual Funds; and

    (b) the relationships and potential conflicts of interest between the Pooled Fund and the Underlying Mutual Funds, including that the Underlying Mutual Funds are managed by the Filer,

    the **Previous Fund-on-Fund Disclosure**.

19. Each future investor in a Pooled Fund will receive prior to their first purchase of securities of a Pooled Fund an offering memorandum or other written document containing the New Fund-on-Fund Information (as defined below).

20. Each Pooled Fund and Underlying Mutual Fund prepares annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) and complies with the other requirements of NI 81-106 applicable to it.

21. Unitholders of each Pooled Fund receive, on request, a copy of such Pooled Fund's audited annual financial statements and interim unaudited financial statements. The financial statements of each Pooled Fund disclose its holdings of securities of Underlying Mutual Funds.

22. The Filer will not cause the securities of an Underlying Mutual Fund held by a Pooled Fund to be voted at any meeting of the securityholders of the Underlying Mutual Fund; provided that the Filer may arrange for the securities of the Underlying Mutual Fund held by a Pooled Fund to be voted by the unitholders of the Pooled Fund.

23. The custodian of the assets of each Pooled Fund and each Underlying Mutual Fund is a financial institution that meets the qualifications for an investment fund custodian set out in subsection 6.2 of NI 81-102 or, for assets held outside of Canada, subsection 6.3 of NI 81-102.

24. Each Pooled Fund and its Underlying Mutual Funds have matching valuation dates. Accordingly, each Underlying Mutual Fund is valued no less frequently than the Pooled Funds which invest in the Underlying Mutual Fund.

25. Each Underlying Mutual Fund's securities are redeemable no less frequently than the units of the Pooled Funds which invest in the Underlying Mutual Fund.

26. No Pooled Fund purchases or hold securities of an Underlying Mutual Fund unless, at the time of the purchase, the Underlying Mutual Fund holds no more than 10% of its net assets in securities of other investment funds unless:

    (a) the other investment fund is a "money market fund" (as defined in NI 81-102);

(b) the securities of the other investment fund are “index participation units” (as defined in NI 81-102); or

(c) the Underlying Mutual Fund is a “clone fund” (as defined in NI 81-102).

27. Each Pooled Fund currently invests some or all of its assets in securities of Underlying Mutual Funds. Such current investments comply with the requirements of securities legislation applicable to the Pooled Funds except where a Pooled Fund is a substantial securityholder of the Underlying Mutual Fund contrary to subsection 111(2)(b) of the OSA. Such current investments also comply with the requirements of securities legislation applicable to the Filer except for the circumstances where the Underlying Mutual Fund is an Underlying Corporate Mutual Fund and to which paragraph 13.5(2)(a) of NI 31-103 applies. The non-compliance described above resulted from an incorrect assumption that the Pooled Funds were permitted to engage in Fund-on-Fund Investing in a manner similar to the exception contained in section 2.5(7) of NI 81-102 for public mutual funds.

28. The aggregate amount invested from time to time in an Underlying Mutual Fund by a Pooled Fund and other related investment funds exceeds 20% of the outstanding voting securities of the Underlying Mutual Fund. As a result, each Pooled Fund, either alone or together with other related investment funds, is a substantial security holder of an Underlying Mutual Fund. Absent the Related Party Relief:

(a) paragraph 111(2)(b) of the OSA prohibits each Pooled Fund from using Fund-on-Fund Investing where it is a substantial security holder of the Underlying Mutual Fund; and

(b) subsections 111(3) and 111(4) of the OSA requires each Pooled Fund to dispose of such investments.

29. Certain directors and/or officers of CI Corporate Class Limited are responsible persons (as such term is defined in NI 31-103) of a Pooled Fund. Absent the Consent Requirement Relief, paragraph 13.5(2)(a) of NI 31-103 prohibits the Filer from causing a Pooled Fund to invest in securities of an Underlying Corporate Mutual Fund in such circumstances.

30. By using Fund-on-Fund Investing, each Pooled Fund can obtain immediate, diversified exposure to the investment portfolios of all the Underlying Mutual Funds in which the Pooled Fund invests a portion of its assets. A single investment using Fund-on-Fund Investing provides a Pooled Fund with exposure to at least 30 investments and potentially more than 100 investments held by its Underlying Mutual Fund. In the case of a Portfolio Pool, Fund-on-Fund Investing provides the Portfolio Pool with exposure to at least 300 investments and potentially over 1,000 investments held by its Underlying Mutual Funds. The resulting diversification of investment exposure could not be replicated by a Pooled Fund investing directly in securities rather than using Fund-on-Fund Investing. Further, the Pooled Funds may use Fund-on-Fund Investing to obtain diversification regarding portfolio advisers of the Underlying Mutual Funds, which diversification could not be replicated by the Pooled Fund investing directly in securities rather than using Fund-on-Fund Investing.

31. Fund-on-Fund Investing by the Pooled Funds complies with all the requirements of section 2.5 of NI 81-102 and therefore addresses all the potential issues associated with these investments. The Requested Relief is required only because the Pooled Funds are not currently subject to the requirements of NI 81-102 and therefore cannot rely upon the exemptions contained in subsection 2.5(7) of NI 81-102.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief sought is granted provided that:

(a) securities of the Pooled Funds are distributed in Canada solely pursuant to exemptions from the prospectus requirements in NI 45-106;

(b) each Underlying Mutual Fund is a “mutual fund” (as such term is defined in the OSA) to which the Mutual Fund Instruments apply;

(c) the investment by a Pooled Fund in an Underlying Mutual Fund is compatible with the fundamental investment objectives of the Pooled Fund;

(d) no Pooled Fund will purchase or hold securities of an Underlying Mutual Fund unless, at the time of the purchase of securities of the Underlying Mutual Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other investment funds unless the Underlying Mutual Fund:

(i) purchases or holds securities of a "money market fund" (as defined in NI 81-102);

(ii) purchases or holds securities that are "index participation units" (as defined in NI 81-102) issued by an investment fund; or

(iii) is a "clone fund" (as defined in NI 81-102);

(e) no management fees or incentive fees are payable by a Pooled Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Mutual Fund for the same service;

(f) no sales fees or redemption fees are payable by a Pooled Fund in relation to its purchases or redemptions of securities of an Underlying Mutual Fund;

(g) the Filer, or its affiliate, does not cause the securities of the Underlying Mutual Fund held by a Pooled Fund to be voted at any meeting of holders of such securities, except that the Filer, or its affiliate, may arrange for the securities the Pooled Fund holds of the Underlying Mutual Fund to be voted by the beneficial holders of securities of the Pooled Fund;

(h) prior to making their first investment in a Pooled Fund, each new investor will be provided with an offering memorandum or, if no offering memorandum is prepared, another written document that discloses the following (the New Fund-on-Fund Information):

(i) that the Pool Fund may purchase securities of the Underlying Mutual Funds;

(ii) the fact that the Filer is the investment fund manager of both the Pooled Fund and the Underlying Mutual Funds;

(iii) the approximate or maximum percentage of net assets of the Pooled Fund that the Pooled Fund intends to invest in securities of the Underlying Mutual Funds;

(iv) the process or criteria used to select the Underlying Mutual Funds;

(v) where the Pooled Fund indirectly bears any fees (including performance-based fees) or expenses incurred by an Underlying Mutual Fund, a description of such fees and expenses; and

(vi) that they are entitled to receive from the Filer, or its affiliates, on request and free of charge, a copy of:

(A) the fund facts, if available;

(B) the annual or semi-annual financial statements;

(C) the management report of fund performance (MRFP); and

(D) any other continuous disclosure documents that the Underlying Mutual Funds may make available to its investors;

relating to all Underlying Mutual Funds in which the Pooled Fund may invest its assets; and

(i) each existing unitholder of a Pooled Fund receives, on or before October 31, 2015, in writing the New Fund-on-Fund Information to the extent different from the Previous Fund-on-Fund Information.

The Related Party Relief:

"Judith Robertson"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

The Consent Requirement Relief:

"Vera Nunes"
Acting Director, Investment Funds and Structured Products
Ontario Securities Commission

2.1.5 CI Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from section 12.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Registered firm exempted from including the full amount of parent debt guaranteed by it on Line 11 of Form 31-103F1 Calculation of Excess Working Capital

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 15.1.

Decisions Cited

In the Matter of CI Investments Inc., (2010) 33 OSCB 8214.
In the Matter of CI Investments Inc., (2015) 38 OSCB 6725.

September 28, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer and CI Financial Corp (collectively, the **Applicants**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption under section 15.1 of NI 31-103 (as defined below) from the requirement in section 12.1 of NI 31-103 that would otherwise require the Filer, in calculating its excess working capital using Form 31-103F1 (as defined below) to deduct Specified Guaranteed Amounts (as defined below) under Line 11 of Form 31-103F1 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the OSC is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) intended to be relied upon in each province and territory of Canada other than the Jurisdiction.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

The following terms shall have the following meanings:

(a) **"2010 Decision"** means the decision of the Director of the OSC dated September 10, 2010, *In the Matter of CI Investments Inc.*, which provided the Filer with a conditional exemption from the requirement in section

12.1 of NI 31-103 to include, in calculating its excess working capital using Form 31-103 F1, the full amount of certain debt of CIX that it had guaranteed, for a limited time period;

(b) **"2015 Extension Decision"** means the decision of the Director of the OSC dated July 23, 2015, *In the Matter of CI Investments Inc.*, which had the effect of restating for a temporary period, ending on September 30, 2015, the conditional exemption provided for in the 2010 Decision;

(c) **"CII Debentures"** means an aggregate of $300 million principal amount of debentures issued by the Filer due December 14, 2016;

(d) **"CIX"** means CI Financial Corp.;

(e) **"CIX Undertaking"** means the undertaking from CIX dated September 24, 2015 in favor of the Director of the OSC to deliver to the Director the following:

(i) a copy of each compliance certificate that it provides to its lenders under any Specified CIX Debt, and

(ii) notice, as soon as commercially practicable, if CIX should fail to meet any of its financial covenants under any Specified CIX Debt or if an event occurs that could reasonably expected to give rise to an event of default under any of its financial arrangements related to any Specified CIX Debt;

(f) **"Form 31-103F1"** means Form 31-103F1 *Calculation of Excess Working Capital* in NI 31-103;

(g) **"NI 31-103"** means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

(h) **"OSC"** means the Ontario Securities Commission;

(i) **"Specified CIX Debt"** means the liability of CIX in respect of amounts borrowed by CIX that have been guaranteed by the Filer, where, at the relevant time:

(i) the liability of CIX in respect of any of that borrowed amount is not recorded as a liability in the financial statements of the Filer, and is not required to be recorded as a liability in the financial statements of the Filer in accordance with International Financial Reporting Standards; and

(ii) the borrowed amount has either been lent by CIX to the Filer under an inter-company loan agreement, which loan to the Filer by CIX is subject to a Subordination Agreement, or transferred by CIX to the Filer in exchange for equity capital of the Filer and, in each such case, the proceeds from the borrowed amount are recorded as an asset on the balance sheet of the Filer in accordance with International Financial Reporting Standards;

(j) **"Subordination Agreement"** means a subordination agreement in the form set out in Appendix B of NI 31-103 that has been delivered to the regulator in Ontario;

(k) **"Specified Guaranteed Amount"** means, for any Specified CIX Debt, the portion of the Specified CIX Debt that would, at the relevant time, not be required to be recorded as a current liability on the balance sheet of CIX in accordance with International Financial Reporting Standards.

Representations

This decision is based on the following facts represented by the Applicants:

1. The Filer is a corporation established under the laws of Ontario with its head office located in Toronto, Ontario.

2. The Filer is registered under the securities legislation of Ontario as a portfolio manager, investment fund manager, and exempt market dealer. The Filer is registered as a portfolio manager in each of the other provinces of Canada, and as an investment fund manager in Quebec and Newfoundland and Labrador. The Filer is also registered under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and commodity trading manager.

3. The Filer is not in default of securities legislation in any jurisdiction of Canada.

4. The Filer is one of Canada's leading investment fund managers. In its capacity as investment fund manager, as of June 30, 2015, the Filer manages approximately 200 publicly distributed mutual funds and 11 closed-end investment funds, as well as approximately 440 segregated funds. The Filer's managed funds are known collectively as the "CI Funds." The Filer's assets under management as of June 30, 2015 were approximately $109 billion. All of the Filer's assets under management are held by third-party custodians as required by applicable securities legislation.

5. The Filer is a wholly owned subsidiary of CIX. CIX is a reporting issuer in each province of Canada, and its common shares are listed on the Toronto Stock Exchange. CIX is the third-largest investment fund company in Canada and has a market share of approximately 9 per cent. CIX's market capitalization is close to $10 billion. CIX is a financially robust public company, with relatively little indebtedness. CIX is not in breach of any of its financial covenants.

6. The Filer is the major operating subsidiary of CIX: 95 per cent of CIX revenues are derived from the operations of the Filer and the market capitalization of CIX is directly related to the value of the Filer.

7. CIX and the Filer have common management and the Board of Directors of the Filer is presently comprised of independent directors, who are also independent directors on the Board of Directors of CIX. There is a commonality of purpose between CIX and the Filer and their management have a fiduciary responsibility to ensure that both entities are operated in the best interests of all stakeholders.

8. CIX has, historically, financed the operations of its operating subsidiaries through guaranteed long-term debt financing, which, in the case of the Filer, has been used to finance:

   (a) the payment by the Filer of deferred sales commissions; and

   (b) capital expenditures by the Filer, including acquisitions.

9. As the major operating subsidiary of CIX, the Filer is the guarantor of CIX's long-term debt. Historically, the long-term debt incurred by CIX has been borrowed to build the business of the Filer, except for acquisitions where the acquired business was not amalgamated into the business of the Filer.

10. In order to finance an acquisition which arose in 2010 after the date of the 2010 Decision, the Filer issued the CII Debentures, which are fully and unconditionally guaranteed by CIX. The CII Debenture offering resulted in the Filer becoming a reporting issuer in each province and territory of Canada, with all of the attendant regulatory requirements associated with this status, including the requirement to have a board of directors with independent directors.

11. CIX has determined that it is not practical or economical to continue to use CII as its financing subsidiary. The approach taken in 2010 in respect of the CII Debentures was adopted to permit CII to comply with required working capital requirements that were then anticipated to be applicable after the expiry of the 2010 Decision. However, CIX does not consider it to be in the best interests of CIX and its shareholders or that of the CIX group of companies including the Filer, to use the Filer as the CIX financing subsidiary. CIX continues to consider that CIX should be the entity borrowing money needed to finance its operations, including those of its subsidiaries. CIX does not wish for the Filer to continue to be a reporting issuer once the CII Debentures are paid out.

12. CIX has determined that it is not commercially practical for CIX to obtain debt financing without a guarantee of such debt by the Filer, given the Filer's status as CIX's major operating subsidiary. CIX's bankers have advised CIX that if CIX had issued debentures equivalent to the CII Debentures without the benefit of a guarantee from the Filer, the interest rates would have been at least 10 basis points higher. CIX considers that the additional cost is not reasonable in the circumstances and is not in the best interests of its shareholders. CIX's bankers have also advised CIX that there would be a substantially similar impact on the cost of any credit facility which did not have the benefit of an operating company guarantee.

13. In the absence of the Exemption Sought, the Applicants submit that it would not be commercially practical for the Filer to maintain the excess working capital otherwise required by Form 31-103F1. Nor, the Applicants submit, would it be commercially practical for the Filer to cease to be a guarantor of the indebtedness of CIX.

14. The Applicants submit that there is no reasonable indication that CIX will not be able to meet its financial obligations as they become due in the foreseeable future. Nevertheless, CIX has agreed with the Filer to use all commercially reasonable efforts to refinance any debt of CIX that is guaranteed by the Filer if it becomes necessary to do so in order to avoid any lender calling upon the Filer to pay any amount of such debt pursuant to the Filer's guarantee. Accordingly, the Applicants submit that it is very unlikely that the Filer will be called to perform under the guarantees.

15. CIX is confident that even in the event that financial markets were to suffer a significant downturn, the operations of the Filer, when combined with CIX's other operations, will generate more than sufficient cash to service any debt of CIX that is then guaranteed by the Filer and repay this debt as it comes due.

16. The Applicants consider their relationship to be unique in the marketplace. The Applicants are not aware of any of their competitors operating through a similar parent-holding-company/subsidiary-operating-company structure, where the parent holding company is a reporting issuer.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, but only if and so long as:

A. CIX continues to be a reporting issuer in each of the provinces of Canada;

B. CII continues to be a wholly owned subsidiary of CIX;

C. CIX continues to file the financial statements that it is required to file as a reporting issuer, in accordance with the applicable time limits;

D. CIX complies with the CIX Undertaking; and

E. Assets under management by the Filer continue to be held by third-party custodians.

This decision will terminate on the first business day after January 1, 2021.

"Marrianne Bridge"
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.6 Automotive Properties Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – issuer holds all of its properties through limited partnership – entity holds units in limited partnership which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – issuer may include entity's indirect interest in issuer when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions – relief granted subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(1)(a), 9.1.

September 29, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE "JURISDICTION")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
AUTOMOTIVE PROPERTIES REAL ESTATE INVESTMENT TRUST
(THE "FILER")

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the "**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") that the Filer be granted an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") from the minority approval and formal valuation requirements under Part 5 of MI 61-101 relating to any related party transaction of the Filer entered into indirectly through Automotive Properties Limited Partnership (the "**Partnership**") or any subsidiary entity (as such term is defined in MI 61-101) of the Partnership, if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101 if the indirect equity interests in the Filer, all of which are currently held by 893353 Alberta Inc. and its subsidiaries ("**Dilawri**"), in the form of exchangeable Class B limited partnership units of the Partnership, were included in the calculation of the Filer's market capitalization (the "**Requested Relief**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(a) the Ontario Securities Commission is the principal regulator (the "**Principal Regulator**") for this Application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Québec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The Filer was established pursuant to a declaration of trust dated June 1, 2015 as amended and restated on July 22, 2015 (the "**Declaration of Trust**").

2. The Filer's head office is located at 133 King Street East, Suite 300, Toronto, Ontario, M5C 1G6.

3. The Filer's portfolio of 26 income-producing commercial properties represents approximately 958,000 square feet of gross leasable area in Ontario, Saskatchewan, Alberta and British Columbia leased exclusively to affiliates of, or entities related to, Dilawri.

4. The Filer is a reporting issuer (or the equivalent thereof) under the securities legislation of each of the provinces of Canada and is currently not in default of any applicable requirements of the securities legislation thereunder.

5. The Filer completed its IPO of trust units on July 22, 2015, pursuant to a long form prospectus in respect thereof dated July 10, 2015.

6. The Filer is authorized to issue an unlimited number of trust units ("**Units**") and an unlimited number of special voting units ("**Special Voting Units**"). As at the date hereof, the Filer has 8,120,000 Units and 9,933,253 Special Voting Units issued and outstanding. The number of Special Voting Units outstanding at any point in time is equivalent to and accompanies the number of Exchangeable LP Units (as defined below) outstanding.

7. The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "APR.UN".

8. The Partnership is a limited partnership formed under the laws of the Province of Ontario and is governed by an amended and restated limited partnership agreement dated as of July 22, 2015 (the "**Partnership Agreement**"). The Partnership's head office is located at 133 King Street East, Suite 300, Toronto, Ontario, M5C 1G6.

9. Automotive Properties REIT GP Inc. (the "**General Partner**"), a corporation incorporated under the laws of the Province of Ontario on June 10, 2015, is the general partner of the Partnership and is wholly-owned by the Filer.

10. The Partnership is not a reporting issuer (or the equivalent thereof) in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.

11. The Partnership is authorized to issue: (i) an unlimited number of Class A limited partnership units ("**Class A LP Units**"), of which 8,120,000 Class A LP Units are issued and outstanding as at the date hereof and are held by the Filer, (ii) an unlimited number of exchangeable Class B limited partnership units ("**Exchangeable LP Units**"), of which 9,933,253 Exchangeable LP Units are issued and outstanding as at the date hereof and are held by Dilawri, and (iii) an unlimited number of general partnership units designated as "**General Partner Units**", of which one General Partner Unit was issued and outstanding as of the date hereof and the interest in the General Partner Unit is held by the General Partner as of the date hereof (such interest is not evidenced by a unit certificate).

12. The Exchangeable LP Units that are currently outstanding were issued to Dilawri as partial consideration in connection with the Filer's acquisition from Dilawri of a portfolio of 26 automotive dealership properties located in Canada on July 22, 2015 in conjunction with the closing of the IPO (the "**Transaction**").

13. The Exchangeable LP Units are, in all material respects, the economic equivalent of the Units on a per unit basis. Holders of the Exchangeable LP Units are entitled to receive distributions equal, on a per unit basis, to those paid by the Filer to holders of Units. The Exchangeable LP Units are exchangeable into Units on a one-for-one basis subject to customary anti-dilution adjustments and each is accompanied by a Special Voting Unit that entitles the holder to receive notice of, attend and to vote together with the holders of Units at all meetings of voting unitholders of the Filer. The Exchangeable LP Units are generally not transferable, except in the limited circumstances set forth in the Partnership Agreement. The Exchangeable LP Units may neither be exchanged for any securities other than Units, nor for cash.

14. The operating business of the Filer is carried on by the Partnership. The principal activity of the Partnership is to own income-producing real estate assets.

15. The Filer currently holds 100% of the Class A LP Units of the Partnership, whereas Dilawri currently holds 100% of the Exchangeable LP Units of the Partnership. As at the date hereof, Dilawri holds an approximate 55% effective interest in the Filer on a fully-diluted basis through ownership of 9,933,253 Exchangeable LP Units.

16. Pursuant to the terms of an Administration Agreement dated July 22, 2015 between 893353 Alberta Inc., a Dilawri entity, another Dilawri entity and the Filer, such Dilawri entities will provide, or cause to be provided, certain administrative services to the Filer including, currently, the services of the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary of the Filer.

17. It is anticipated that the Filer may from time to time enter into transactions with certain related parties, including Dilawri, indirectly through the Partnership or its subsidiaries.

18. The proceeds of the IPO were used by the Filer as partial consideration for the Transaction.

19. Certain rights affecting holders of Exchangeable LP Units, as such rights are set out in the Limited Partnership Agreement and the Exchange Agreement, including customary tag rights and drag rights, are exclusive to the holders of Exchangeable LP Units and are not available to holders of Units. Furthermore, certain rights are set out in the Exchange Agreement, including pre-emptive rights and registration rights, that were granted by the Filer in conjunction with the Transaction to Dilawri so long as it holds a stated effective interest in the Filer, directly or indirectly. Such rights are generally not transferrable to a transferee of Exchangeable LP Units that is not a Dilawri entity or an affiliate thereof.

20. The Filer and 893353 Alberta Inc., a Dilawri entity, are parties to a Strategic Alliance Agreement dated July 22, 2015 which gives the Filer a preferential opportunity to acquire any interest of Dilawri in certain investment properties that it owns prior to disposition of any such interest to third parties.

21. If Part 5 of MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:

    (a) the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 by an independent valuator; and

    (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (requirements (a) and (b) are collectively referred to as the "**Minority Protections**").

22. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if, at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the "**Transaction Size Exemption**").

23. The Filer may not be entitled to rely on the Transaction Size Exemption available under the Legislation from the requirements relating to related party transactions in the Legislation because the definition of "market capitalization" in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.

24. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with economic rights which are, in all material respects, equivalent to the Units. The effect of the exchange right is that holders of Exchangeable LP Units will receive Units upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are identical to those underlying the Units; namely, the assets held directly or indirectly by the Partnership.

25. If the Exchangeable LP Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of the Class B limited partnership interest in the Partnership (currently, approximately 55%). As a result, related party transactions entered into by the Filer, indirectly through the Partnership or its subsidiaries, may be subject to the Minority Protections in circumstances where the fair market value of the transactions is effectively less than 25% of the fully-diluted market capitalization of the Filer.

26. Section 1.4 of MI 61-101 treats an operating entity of an "income trust", as such term is defined in National Policy 41-201 *Income Trusts and Other Indirect Offerings* ("**NP 41-201**") on a consolidated basis with its parent trust entity for the purpose of determining which entities are related parties of the issuer and to which transactions MI 61-101 should apply. Section 1.2 of NP 41-102 provides that references to an "income trust" refer to a trust or other entity (including corporate and non-corporate entities) that issues securities which provide for participation by the holder in net cash flows generated by an underlying business owned by the trust or other entity. Therefore, it is consistent with MI 61-101 that securities of the operating entity, such as the Exchangeable LP Units, be treated on a consolidated basis for the purposes of the Transaction Size Exemption.

27. The inclusion of the Exchangeable LP Units, when determining the Filer's market capitalization pursuant to MI 61-101, is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities

of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which or for which they are convertible or exchangeable.

Decision

The Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Maker under the Legislation is that the Requested Relief be granted to the Filer, provided that:

(a) the applicable transaction would qualify for the Transaction Size Exemption contained in MI 61-101 if the Exchangeable LP Units were considered an outstanding class of equity securities of the Filer that were convertible into Units;

(b) there be no material change to the terms of the Exchangeable LP Units and Special Voting Units, including the exchange rights associated therewith, as described above and in the Declaration of Trust, the Partnership Agreement and Exchange Agreement, filed in connection with the Transaction, whether by amendments to such documents, contractual agreement or otherwise; and

(c) the applicable transaction is made in compliance with the rules and policies of the TSX or such other exchange upon which the Filer's securities trade.

(d) any annual information form or equivalent of the Filer that is required to be filed in accordance with applicable Canadian Securities law contain the following disclosure, with any immaterial modifications as the context may require;

> "Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. Automotive Properties Real Estate Investment Trust has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of Automotive Properties Real Estate Investment Trust's market capitalization, if exchangeable Class B limited partnership units of equity interest in Automotive Properties Limited Partnership are included in the calculation of Automotive Properties Real Estate Investment Trust's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 55% indirect exchangeable equity interest in Automotive Properties Real Estate Investment Trust held in the form of exchangeable Class B limited partnership units of Automotive Properties Limited Partnership."

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2 Orders

2.2.1 Terrence Bedford – Rule 9 of the OSC Rules of Procedure

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
TERRENCE BEDFORD

ORDER
(Rule 9 of the Commission's
Rules of Procedure (2014), 37 O.S.C.B. 4168)

WHEREAS:

1. on March 8, 2013, Terrence Bedford ("Bedford" or the "Respondent") pleaded guilty in the Ontario Court of Justice to one count of engaging or participating in an act, practice or course of conduct relating to securities that he knew or reasonably ought to have known perpetrated a fraud on persons or companies to whom he traded securities, contrary to subsection 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), and he thereby did commit an offence contrary to subsection 122(1)(c) of the Act;

2. Bedford's guilty plea was accepted by the Ontario Court of Justice, and he was convicted and sentenced to two years' imprisonment;

3. on June 30, 2015, Staff of the Commission ("Staff") filed a Statement of Allegations in this matter, seeking an inter-jurisdictional enforcement order pursuant to subsection 127(1) of the Act, in reliance upon paragraph 1 of subsection 127(10) of the Act;

4. on July 2, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the Act in respect of Bedford;

5. on July 22, 2015, Staff appeared before the Commission and brought an application to continue this proceeding by way of a written hearing, and made submissions;

6. on July 22, 2015, Staff filed an affidavit of service sworn on July 16, 2015 by Lee Crann, a Law Clerk with the Commission, which documented service on Bedford of the Notice of Hearing, Statement of Allegations, Staff's disclosure materials, and information concerning the Litigation Assistance Program;

7. on July 22, 2015, Bedford appeared before the Commission and advised that he had not yet retained counsel, and that he wished to seek legal advice regarding Staff's request to continue the proceeding by way of a written hearing;

8. on July 22, 2015, the Commission ordered that:

   (a) Staff's application to proceed by way of written hearing is denied, without prejudice to Staff's right to reapply to continue this proceeding by way of a written hearing;

   (b) this proceeding is adjourned to an oral hearing to be held on September 9, 2015 at 2:00 p.m. or as soon thereafter as the hearing can be held;

   (c) any requests by the Respondent for disclosure of additional documents shall be set out in a Notice of Motion to be served and filed no later than August 27, 2015; and

   (d) Staff shall make disclosure of their witness list and summaries and indicate any intent to call an expert witness, and provide the Respondent the name of the expert and state the issue on which the expert will be giving evidence, by September 2, 2015; and

9. on September 1, 2015, newly retained counsel for Bedford advised the Commission that he would not be able to attend the hearing scheduled for September 9, 2015, and requested an adjournment, to which Staff consented;

10. on July 22, 2015, the Commission ordered that:

    (a) the hearing date of September 9, 2015 be vacated; and

    (b) this proceeding is adjourned to an oral hearing to be held on October 1, 2015 at 2:00 p.m. or as soon thereafter as the hearing can be held;

IT IS ORDERED, on consent of the parties, that the hearing scheduled to be held on October 1, 2015 at 2:00 p.m. shall be held at 3:00 p.m. on the same date.

DATED at Toronto this 24th day of September, 2015.

"Timothy Moseley"

2.2.2 Dennis L. Meharchand et al. – s. 127(8)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DENNIS L. MEHARCHAND, KWOK YAN LEUNG
(also known as TONY LEUNG) and
VALT.X HOLDINGS INC.

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS:

1. on September 11, 2015, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to subsection 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following:

   a. pursuant to paragraph 2 of subsection 127(1), trading in any securities by Dennis L. Meharchand ("Meharchand"), Kwok Yan Leung (also known as Tony Leung) ("Leung") and Valt.X Holdings Inc. ("Valt.X") (together, the "Respondents") shall cease;

   b. pursuant to paragraph 2 of subsection 127(1), all trading in securities of Valt.X shall cease; and

   c. pursuant to paragraph 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Meharchand, Leung and Valt.X;

2. on September 11, 2015, the Commission ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

3. on September 15, 2015, the Commission issued a Notice of Hearing (the "Notice of Hearing") to consider the extension of the Temporary Order, to be held on September 23, 2015 at 10:00 a.m.;

4. Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, and Staff's Written Submissions, as evidenced by the Affidavits of Service sworn by Dale Victoria Grybauskas on September 21, 2015, and filed with the Commission;

5. the Commission held a hearing on September 23, 2015, at which counsel for Staff attended, as did Meharchand, on his own behalf of and on behalf of Valt.X, and at which Leung did not attend, although properly served; and

6. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. pursuant to subsection 127(8) of the Act, the Temporary Order is extended until October 2, 2015, or until further order of the Commission; and

2. the hearing of this matter is adjourned to October 1, 2015 at 1:30 p.m. or at such other time as may be fixed by the Office of the Secretary and agreed to by the parties.

DATED at Toronto, this 23rd day of September, 2015.

"Timothy Moseley"

2.2.3 TMX Group Inc. et al. – s. 144

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(Act)

AND

IN THE MATTER OF
TMX GROUP LIMITED

AND

TMX GROUP INC.

AND

TSX INC.

AND

ALPHA TRADING SYSTEMS LIMITED PARTNERSHIP

AND

ALPHA EXCHANGE INC.

ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (Commission) issued an order dated April 24, 2015, recognizing each of TMX Group Limited, TMX Group Inc., TSX Inc. (TSX), Alpha Trading Systems Limited Partnership, and Alpha Exchange Inc. (Alpha Exchange) as exchanges pursuant to section 21 of the Act (Exchange Recognition Order);

AND WHEREAS subsection 34(a) of Schedule 5 to the Exchange Recognition Order requires TSX to comply with the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10 to the Exchange Recognition Order;

AND WHEREAS subsection 52(a) of Schedule 7 to the Exchange Recognition Order requires Alpha Exchange to comply with the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10 to the Exchange Recognition Order;

AND WHEREAS the Commission has received an application pursuant to section 144 of the Act to vary the Exchange Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10 to the Exchange Recognition Order (Application);

AND WHEREAS in the Commission's opinion, it would not be prejudicial to the public interest to issue an order varying the Exchange Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10 to the Exchange Recognition Order;

IT IS ORDERED that, pursuant to section 144 of the Act, the Exchange Recognition Order is varied as follows:

1. Schedule 10 to the Exchange Recognition Order is replaced with the revised form of Schedule 10 appended to this order at Appendix A.

DATED this 29th day of September 2015, to take effect October 1, 2015.

"Janet Leiper"

"Deborah Leckman"

APPENDIX A

SCHEDULE 10

PROCESS FOR THE REVIEW AND APPROVAL OF RULES AND THE INFORMATION CONTAINED IN FORM 21-101F1 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Housekeeping Rule* means a new Rule or an amendment to a Rule that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(f) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.

(g) *Rule* includes a rule, policy and other similar instrument of the Exchange.

(h) *Significant Change* means an amendment to the information in Form 21-101F1 other than

(i) a Housekeeping Change,

(ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(i) Significant Change subject to Public Comment means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

(a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until the later of

(a) three months after the Exchange is notified that it has been recognized by the Commission, and

(b) a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change, Public Interest Rule or Significant Change;

(B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;

(E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;

(H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered; and

(K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;

(ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.

(b) The Exchange will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:

(i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;

(ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;

(iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule, and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

(d) For a Housekeeping Change, the Exchange will file with Staff the following materials:

(i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F1 showing the Change.

(e) The Exchange will file the materials set out in subsection (d) by the earlier of

(i) the Exchange's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule or Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the Exchange will forward copies of the comments promptly to Staff; and

(ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within

(i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 7 for all other Changes.

(d) The Exchange will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.

(g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;

(ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the Exchange of the decision.

(i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Rule or Change is approved;

(ii) the summary of public comments and responses prepared by the Exchange, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

(a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

(ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;

(iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and

(iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

(a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:

(i) the date that the Exchange is notified that the Change or Rule is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the Exchange.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.

13. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.

(b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

(a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

(a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of

(i) the date of the publication of the notice to be published on the OSC website in accordance with subsection (e), and

(ii) the date designated by the Exchange.

(b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.

(c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.

(d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

(e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

(a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.

(b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

2.2.4 CNSX Markets Inc. – s. 144

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (Act)

AND

IN THE MATTER OF
CNSX MARKETS INC.

ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (Commission) issued an order dated November 5, 2013 recognizing CNSX Markets Inc. (CNSX) as an exchange pursuant to section 21 of the Act (Recognition Order);

AND WHEREAS section 11.1 of Schedule A to the Recognition Order requires CNSX to comply with the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Appendix C to the Recognition Order;

AND WHEREAS the Commission has received an application pursuant to section 144 of the Act to vary the Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Appendix C to the Recognition Order (Application);

AND WHEREAS in the Commission's opinion, it would not be prejudicial to the public interest to issue an order varying the Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Appendix C to the Recognition Order;

IT IS ORDERED that, pursuant to section 144 of the Act, the Recognition Order is varied as follows:

1. Appendix C to the Recognition Order is replaced with the revised form of Appendix C appended to this order at Appendix A.

DATED this 29th day of September 2015, to take effect October 1, 2015.

"Janet Leiper"

"Deborah Leckman"

APPENDIX A

APPENDIX C

PROCESS FOR THE REVIEW AND APPROVAL OF RULES AND THE INFORMATION CONTAINED IN FORM 21-101F1 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Housekeeping Rule* means a new Rule or an amendment to a Rule that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(f) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.

(g) *Rule* includes a rule, policy and other similar instrument of the Exchange.

(h) *Significant Change* means an amendment to the information in Form 21-101F1 other than

(i) a Housekeeping Change,

(ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(i) Significant Change subject to Public Comment means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

(a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until the later of

(a) three months after the Exchange is notified that it has been recognized by the Commission, and

(b) a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change, Public Interest Rule or Significant Change;

(B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;

(E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;

(H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered; and

(K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;

(ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.

(b) The Exchange will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:

(i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;

(ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;

(iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule, and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

(d) For a Housekeeping Change, the Exchange will file with Staff the following materials:

(i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F1 showing the Change.

(e) The Exchange will file the materials set out in subsection (d) by the earlier of

(i) the Exchange's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule or Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the Exchange will forward copies of the comments promptly to Staff; and

(ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within

(i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 7 for all other Changes.

(d) The Exchange will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.

(g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;

(ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the Exchange of the decision.

(i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Rule or Change is approved;

(ii) the summary of public comments and responses prepared by the Exchange, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

(a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

(ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;

(iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and

(iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

(a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:

(i) the date that the Exchange is notified that the Change or Rule is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the Exchange.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.

13. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.

(b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

(a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

(a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of

(i) the date of the publication of the notice to be published on the OSC website in accordance with subsection (e), and

(ii) the date designated by the Exchange.

(b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.

(c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.

(d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

(e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

(a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.

(b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

2.2.5 Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. – s. 144

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(Act)

AND

IN THE MATTER OF
AEQUITAS INNOVATIONS INC.

AND

AEQUITAS NEO EXCHANGE INC.

ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (Commission) issued an order dated November 13, 2014, and varied on February 27, 2015, recognizing Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. (Aequitas Neo Exchange) as exchanges pursuant to section 21 of the Act (Recognition Order);

AND WHEREAS section 12 of Schedule 2 to the Recognition Order requires Aequitas Neo Exchange to comply with the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 5 to the Recognition Order;

AND WHEREAS the Commission has received an application pursuant to section 144 of the Act to vary the Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 5 to the Recognition Order (Application);

AND WHEREAS in the Commission's opinion, it would not be prejudicial to the public interest to issue an order varying the Recognition Order to reflect changes to the process for review and approval of rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 5 to the Recognition Order;

IT IS ORDERED that, pursuant to section 144 of the Act, the Recognition Order is varied as follows:

1. Schedule 5 to the Recognition Order is replaced with the revised form of Schedule 5 appended to this order at Appendix A.

DATED this 29th day of September 2015, to take effect October 1, 2015.

"Janet Leiper"

"Deborah Leckman"

APPENDIX A

SCHEDULE 5

PROCESS FOR THE REVIEW AND APPROVAL OF RULES AND THE INFORMATION CONTAINED IN FORM 21-101F1 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Housekeeping Rule* means a new Rule or an amendment to a Rule that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(f) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.

(g) *Rule* includes a rule, policy and other similar instrument of the Exchange.

(h) *Significant Change* means an amendment to the information in Form 21-101F1 other than

(i) a Housekeeping Change,

(ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(i) *Significant Change subject to Public Comment* means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

(a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until the later of

(a) three months after the Exchange is notified that it has been recognized by the Commission, and

(b) a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change, Public Interest Rule or Significant Change;

(B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;

(E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;

(H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered; and

(K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;

(ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.

(b) The Exchange will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:

(i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;

(ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;

(iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule, and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

(d) For a Housekeeping Change, the Exchange will file with Staff the following materials:

(i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F1 showing the Change.

(e) The Exchange will file the materials set out in subsection (d) by the earlier of

(i) the Exchange's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule or Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the Exchange will forward copies of the comments promptly to Staff; and

(ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within

(i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 7 for all other Changes.

(d) The Exchange will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.

(g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;

(ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the Exchange of the decision.

(i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Rule or Change is approved;

(ii) the summary of public comments and responses prepared by the Exchange, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

(a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

(ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;

(iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and

(iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

(a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:

(i) the date that the Exchange is notified that the Change or Rule is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the Exchange.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.

13. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.

(b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

(a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

(a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of

(i) the date of the publication of the notice to be published on the OSC website in accordance with subsection (e), and

(ii) the date designated by the Exchange.

(b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.

(c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.

(d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

(e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

(a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.

(b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

2.2.6 Bloomberg Tradebook Canada Company et al. – s. 144

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(Act)

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK CANADA COMPANY,
CANDEAL.CA INC.,
CHI-X CANADA ATS LIMITED,
EQUILEND CANADA CORP.,
INSTINET CANADA CROSS LIMITED,
LIQUIDNET CANADA INC.,
MARKETAXESS CANADA LIMITED,
OMEGA SECURITIES INC.,
PERIMETER MARKETS INC. AND
TRIACT CANADA MARKETPLACE LP

ORDER
(Section 144 of the Act)

WHEREAS each of Bloomberg Tradebook Canada Company, CanDeal.ca Inc., Chi-X Canada ATS Limited, EquiLend Canada Corp., Instinet Canada Cross Limited, Liquidnet Canada Inc., MarketAxess Canada Limited, Omega Securities Inc., Perimeter Markets Inc., and TriAct Canada Marketplace LP (together, Marketplaces) is an alternative trading system carrying on business in Ontario;

AND WHEREAS the Ontario Securities Commission (Commission) issued orders dated June 22, 2012, requiring each of the Marketplaces to follow the process for review and approval of changes to the information in Form 21-101F2 and the exhibits thereto appended to those orders as Appendix A (Orders);

AND WHEREAS the Commission has received an application pursuant to section 144 of the Act to vary the Orders to reflect changes to the process for review and approval of changes to the information in Form 21-101F2 and the exhibits thereto (ATS Protocol) appended to the Orders as Appendix A;

AND WHEREAS in the Commission's opinion, it would not be prejudicial to the public interest to issue an order varying the Orders to reflect changes to the ATS Protocol appended to the Orders as Appendix A;

IT IS ORDERED that, pursuant to section 144 of the Act, the Orders are varied as follows:

1. Appendix A to the Orders is replaced with the revised form of Appendix A appended to this order.

DATED this 29th day of September 2015, to take effect October 1, 2015.

"Janet Leiper"

"Deborah Leckman"

APPENDIX A

PROCESS FOR THE REVIEW AND APPROVAL OF THE INFORMATION CONTAINED IN FORM 21-101F2 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures an alternative trading system (ATS) must follow for any Change, as defined in section 2 below, and describes the procedures for its review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an ATS may begin operations following registration by the Commission.

2. Definitions

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).

(c) *Fee Change* means any new fee or fee model of the ATS and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F2 that

(i) does not have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Significant Change* means an amendment to the information in Form 21-101F2 other than

(i) a Housekeeping Change, or

(ii) a Fee Change,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(f) *Significant Change* subject to Public Comment means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The ATS and Staff will follow the process for review and approval set out in this Protocol for all Changes.

4. Waiving or Varying the Protocol

(a) The ATS may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the ATS within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

5. Commencement of ATS Operations

The ATS must not begin operations until the later of

(a) three months after the ATS is notified that it has been registered by the Commission, and

(b) a reasonable period of time after the ATS is notified that it has been registered by the Commission.

6. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change or Significant Change, the ATS will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change or Significant Change;

(B) the expected date of implementation of the proposed Fee Change or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change or Significant Change on the market structure, subscribers and, if applicable, on investors and the capital markets;

(E) whether a proposed Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change or Significant Change on the ATS's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change or Significant Change, including the internal governance process followed to approve the Change;

(H) if the Significant Change will require subscribers or service vendors to modify their systems after implementation of the Change, the expected impact of the Change on the systems of subscribers and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered;

(K) if applicable, whether the proposed Fee Change or Significant Change would introduce a fee model or feature that currently exists in other markets or jurisdictions; and

(L) blacklined and clean copies of Form 21-101F2 showing the proposed Change.

(ii) for a proposed Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for subscribers and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under

subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the ATS did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(b) The ATS will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Change, the ATS will file with Staff the following materials:

(i) a cover letter that indicates fully describes the Change and indicates that it was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F2 showing the Change.

(d) The ATS will file the materials set out in subsection (c) by the earlier of

(i) the ATS's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the ATS publicly announces a Housekeeping Change, if applicable.

7. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the ATS relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with paragraph 6(a)(ii), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the ATS of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the ATS will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 8.

8. Publication of a Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the ATS relating to a Significant Change subject to Public Comment in accordance with paragraph 6(a)(ii), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the ATS, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the ATS within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the ATS will forward copies of the comments promptly to Staff; and

(ii) the ATS will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

9. Review and Approval Process for Proposed Fee Changes and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change or Significant Change within

(i) 45 days from the date of filing of a proposed Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the ATS if they anticipate that their review of the proposed Fee Change or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change or Significant Change, Staff will use best efforts to provide the ATS with a comment letter promptly by the end of the public comment period for a Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 6 for all other Changes.

(d) The ATS will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the ATS fails to respond to comments from Staff within 120 days after the receipt of Staff's comment letter, the ATS will be deemed to have withdrawn the proposed Fee Change or Significant Change. If the ATS wishes to proceed with the Fee Change or Significant Change after it has been deemed withdrawn, the ATS will have to be re-submit it for review and approval, in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change or Significant Change, Staff will submit the Change to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the ATS;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS.

(g) A Fee Change or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change or Significant Change introduces a novel feature to the ATS or the capital markets;

(ii) if the proposed Fee Change or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the ATS of the decision.

(i) If a Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Change is approved;

(ii) the summary of public comments and responses prepared by the ATS, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the ATS and a blacklined copy of the revised Change highlighting the revisions made.

10. Review Criteria for a Fee Change and Significant Change

(a) Staff will review a proposed Fee Change or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Change would impact the ATS's compliance with Ontario securities law;

(ii) the ATS followed its established internal governance practices in approving the proposed Change;

(iii) the ATS followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Change; and

(iv) the ATS adequately addressed any comments received.

11. Effective Date of a Fee Change or Significant Change

(a) A Fee Change or Significant Change will be effective on the later of:

(i) the date that the ATS is notified that the Change is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the ATS.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the ATS, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the ATS is notified that the Significant Change is approved.

12. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the ATS revises a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Change, Staff will, in consultation with the ATS, determine whether or not the revised Change should be published for an additional 30-day comment period.

(b) If a Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the ATS, and an explanation of the revisions and the supporting rationale for the revisions.

13. Withdrawal of a Fee Change or Significant Change

(a) If the ATS withdraws a Fee Change or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 9(e), Staff will prepare and publish a notice informing market participants that the ATS did not proceed with the Change.

14. Effective Date of a Housekeeping Change

(a) Subject to subsections (b) and (c), a Housekeeping Change will be effective on the date designated by the ATS.

(b) Staff will review the materials filed by the ATS for a Housekeeping Change to assess the appropriateness of the categorization of the Change as housekeeping within five business days from the date that the ATS filed the documents in accordance with subsections 6(c) and 6(d). The ATS will be notified in writing if there is disagreement with respect to the categorization of the Change as housekeeping.

(c) If Staff disagree with the categorization of the Change as housekeeping, the ATS will immediately repeal the Change, file the proposed Change as a Significant Change, and follow the review and approval process described in this Protocol as applying to a Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

15. Immediate Implementation of a Significant Change

(a) The ATS may need to make a Significant Change effective immediately where the ATS determines that there is an urgent need to implement the Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the ATS, its subscribers, other market participants or investors.

(b) When the ATS determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Significant Change.

The written notice will include the expected effective date of the Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the ATS, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the ATS will file the Significant Change in accordance with the timelines in section 6.

16. Review of a Significant Change Implemented Immediately

A Significant Change that has been implemented immediately in accordance with section 15 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 9, with necessary modifications. If the Director or the Commission does not approve the Significant Change, the ATS will immediately repeal the Change and inform its subscribers of the decision.

17. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under section 21.0.1 of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Change having been approved under this Protocol.

2.2.7 Garth H. Drabinsky et al. – ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB AND GORDON ECKSTEIN

ORDER
(Sections 127 and 127.1)

WHEREAS on February 20, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in relation to an Amended Statement of Allegations issued by Staff of the Commission ("Staff") regarding Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing stated that an initial hearing before the Commission would be held on March 19, 2013;

AND WHEREAS on March 19, 2013, the Commission convened a hearing and ordered that the matter be adjourned to a confidential pre-hearing conference on May 23, 2013;

AND WHEREAS on May 23, 2013, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS counsel for Drabinsky requested that a motion be scheduled respecting certain portions of Staff's Statement of Allegations (the "Motion") and a date for the motion was scheduled for July 10, 2013;

AND WHEREAS on July 2, 2013, counsel for Drabinsky communicated to the Commission that he would no longer be proceeding with the Motion;

AND WHEREAS on July 3, 2013, the Commission ordered that the July 10, 2013 Motion date be vacated;

AND WHEREAS on September 8, 2014, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS on September 8, 2014, the Commission ordered that:

1. A further confidential pre-hearing conference shall take place on December 2, 2014 at 3:00 p.m., or on such other date as may be ordered by the Commission;

2. A hearing shall commence on June 22, 2015 and continue on the following dates in June 2015: 23-26, 29-30, or on such other dates as may be ordered by the Commission;

3. Parties shall disclose any expert evidence according to the following schedule:

    a. Respondents shall identify any expert witness that they intend call and the subject of their testimony by March 9, 2015;

    b. Respondents shall serve any expert report(s) on Staff by April 8, 2015;

    c. Staff shall serve any expert response report(s) on the Respondents by May 8, 2015; and

    d. Respondents shall serve any expert reply report(s) on Staff by May 25, 2015;

4. Parties shall disclose witness lists and witness summaries by May 4, 2015; and

5. Parties shall serve and file hearing briefs by June 1, 2015;

AND WHEREAS on September 9, 2014, the Commission approved the settlement agreement reached between Staff and Gottlieb;

AND WHEREAS on December 2, 2014, a confidential pre-hearing conference was held, at which counsel for Staff, counsel for Drabinsky and counsel for Eckstein attended;

AND WHEREAS all parties agreed to adjourn the matter to a further confidential pre-hearing conference to be held at a later-scheduled date;

AND WHEREAS on April 7, 2015, a confidential pre-hearing conference was commenced, at which counsel for each of Staff, Drabinsky and Eckstein attended;

AND WHEREAS the confidential pre-hearing conference was continued on April 23 and May 6, 2015, and counsel for each of Staff and Drabinsky attended;

AND WHEREAS Drabinsky requested that the hearing scheduled in this matter be adjourned;

AND WHEREAS by Order dated May 22, 2015, the Commission approved the Settlement Agreement between Staff and Eckstein dated April 20, 2015;

AND WHEREAS on May 25, 2015, the Commission ordered that:

1. The hearing dates scheduled for June 22 to June 26, 2015 and June 29 to June 30, 2015 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on January 21, 2016 and continue on January 22, January 25 to 29, 2016 and on February 19, 2016, or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 2:00 p.m. on September 24, 2015 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

    a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

    b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

    c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

    d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing;

AND WHEREAS on September 24, 2015, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for Drabinsky attended;

AND WHEREAS Drabinsky has requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS Drabinsky continues to be subject to an interim undertaking made to the Director of Enforcement of the Commission (the "Director") providing that, pending the conclusion of the Commission proceeding, he will not apply to become a registrant or an employee of a registrant or an officer or director of a reporting issuer without the express written consent of the Director or an order of the Commission releasing him from the undertaking;

AND WHEREAS Drabinsky continues to be subject to parole terms that are in effect until September 2016 which prohibit him from owning or operating a business or being in a position of responsibility for the management of finances or investments of any other individual, charity, business or institution, among other things;

AND WHEREAS Staff do not oppose Drabinsky's request;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. The hearing dates scheduled for January 21 to January 22, January 25 to 29, and February 19, 2016 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on June 20, 2016 and continue on June 21, June 24 to June 28, 2016 and July 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on February 22, 2016 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

    a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

    b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

    c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

    d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

DATED at Toronto this 29th day of September, 2015.

"Christopher Portner"

2.2.8 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. et al.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

ORDER

WHEREAS:

1. on November 21, 2014, the Ontario Securities Commission issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act,* R.S.O., c. S.5., as amended, ordering the following:

   a. that all trading in any securities by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON) ("7997698"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") shall cease; and

   b. that the exemptions contained in Ontario securities law do not apply to any of 7997698, Lee, and Huang (the "Temporary Order");

2. on November 21, 2014, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

3. on November 24, 2014, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on Wednesday December 3, 2014 at 10:00 a.m.;

4. the Notice of Hearing set out that the hearing was to consider, among other things, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the proceeding or until such further time as considered necessary by the Commission;

5. Staff of the Commission served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, the Supplementary Hearing Brief, and Staff's Written Submissions and Brief of Authorities as evidenced by the Affidavits of Service sworn by Steve Carpenter on December 1, 2014 and December 2, 2014, and filed these materials with the Commission;

6. on December 3, 2014, the Commission held a hearing, which Lee attended but Huang did not attend although properly served, and at which the Commission heard submissions from counsel for Staff and from Lee on his own behalf and on behalf of 7997698 and Huang and the Commission ordered that the Temporary Order was extended to June 3, 2015 and that the proceeding was adjourned until Wednesday, May 27, 2015, at 10:00 a.m.;

7. on March 11, 2015 the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended, in connection with a Statement of Allegations filed by Staff of the Commission on March 11, 2015 with respect to 7997698, Lee, and Huang (collectively, the "Respondents");

8. the Notice of Hearing set a First Appearance for Friday April 10, 2015;

9. on April 2, 2015, counsel for Staff and counsel for 7997698 and Lee requested an adjournment of the First Appearance;

10. on April 9, 2015, the Commission ordered that the First Appearance would be held at 2:00 p.m. on Thursday April 23, 2015;

11. on April 23, 2015, counsel for Staff and counsel for the Respondents 7997698 and Lee appeared before the Commission for a First Appearance and the Commission ordered that:

a. Staff shall provide to the Respondents disclosure of documents and things in the possession or control of Staff that are relevant to the hearing on or before May 22, 2015,

b. the First Appearance shall continue at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Wednesday May 27, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held for the purpose of providing a status update with respect to service on Huang,

c. the Second Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Wednesday July 22, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held,

d. any requests by any of the Respondents for disclosure of additional documents should be set out in a Notice of Motion to be filed no later than 5 days before the Second Appearance,

e. at the Second Appearance, any motions by any of the Respondents with respect to disclosure provided by Staff will be heard or scheduled for a subsequent date, and

f. in the event of the failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

12. on May 15, 2015, with respect to the Temporary Order, Staff served the Respondents with copies of a Further Supplementary Hearing Brief (two volumes), Supplemental Staff Written Submissions, and a Supplemental Brief of Authorities;

13. on May 27, 2015, the Commission held a hearing at which counsel for Staff attended but no one attended for the Respondents, and the Commission heard submissions from counsel for Staff and the Commission was advised that (i) Huang had retained counsel, and (ii) the Respondents sought an adjournment of the proceeding and counsel for Staff filed a consent of the Respondents, signed on their behalf by their counsel, to an order extending the Temporary Order until one week after the Second Appearance and the Commission ordered that the Temporary Order was extended until July 29, 2015; and specifically:

a. that all trading in any securities by the Respondents shall cease,

b. that the exemptions contained in Ontario securities law do not apply to any of the Respondents,

c. any person or company affected by this Order may apply to the Commission for an order revoking or varying this Order pursuant to s. 144 of the Act upon seven days written notice to Staff of the Commission, and

d. the proceeding was adjourned until Wednesday July 22, 2015 at 10:00 a.m.;

14. on July 22, 2015, counsel for Staff and counsel for the Respondents appeared before the Commission for a Second Appearance and advised that the Respondents consented to an order that the Temporary Order be extended to the conclusion of the merits hearing and the Commission ordered that the Temporary Order was extended until April 29, 2016; and specifically:

a. that all trading in any securities by the Respondents shall cease;

b. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;

c. the Respondents shall make disclosure to Staff of their witness list and summaries and indicate any intent to call an expert witness, and provide Staff the name of the expert and state the issue on which the expert will be giving evidence on or before September 9, 2015;

d. the proceeding "IN THE MATTER OF 7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG," commenced by Notice of Hearing on November 25, 2014, shall be combined with the proceeding "IN THE MATTER OF 7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG," commenced by Notice of Hearing on March 11, 2015, and any further notices or orders shall be made under a single style of cause of that title of proceeding; and

e. the Third Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Thursday September 24, 2015 at 2:00 p.m. or as soon thereafter as the hearing can be held;

15. on September 14, 2015, Staff made a motion with respect to the witness list and witness summaries provided by Lee and 7997698 returnable at the Third Appearance or a date to be set at the Third Appearance ("Staff's Witness Motion");

16. on September 24, 2015, counsel for Staff, counsel for Huang, and Lee appeared before the Commission for the Third Appearance, and Lee advised that he represented 7997698, and although the Respondents were properly served, the Commission made no finding regarding Lee's capacity to represent 7997698;

17. on September 24, 2015, counsel for Staff and Lee made submissions, and Lee requested an adjournment so that he could properly respond to Staff's Witness Motion; and

18. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

1. a confidential pre-hearing conference shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Tuesday October 6, 2015 at 2:30 p.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties, at which the Panel may, among other things, consider with the parties agreed upon facts or evidence and the resolution of any or all of the allegations in the proceeding or the issues in Staff's Witness Motion; and

2. Staff's Witness Motion, if necessary, and the continuation of the Third Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Thursday October 19, 2015 at 9:30 a.m., or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 24th day of September, 2015.

"Timothy Moseley"

"Janet Leiper"

2.2.9 Nexus Group International Inc. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, C. S.5, AS AMENDED
(THE "ACT")

AND

IN THE MATTER OF
NEXUS GROUP INTERNATIONAL INC.

ORDER
(Section 144(1) of the Act)

WHEREAS the securities of Nexus Group International Inc. (the "**Issuer**") are subject to a temporary cease trade order issued by the Director on June 9, 2005 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on June 21, 2005 pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**"), directing that trading in securities of the Issuer cease until further order by the Director;

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the Alberta Securities Commission on October 21, 2005 and the Autorité des marchés financiers on June 23, 2005;

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS as of September 21, 2015, the Issuer's securities trade on the OTC Marketplace (**OTC**);

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares on the OTC; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

> Despite this order, a beneficial shareholder of Nexus Group International Inc., who is not, and was not at the date of this order, an insider or control person of Nexus Group International Inc., may sell securities of Nexus Group International Inc. acquired before June 9, 2005, if:
>
> 1. the sale is made through a market outside of Canada; and
>
> 2. the sale is made through an investment dealer registered in Ontario.

DATED this 24th day of September, 2015.

"Kathryn Daniels"
Deputy Director
Corporate Finance Branch
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.2 Director's Decisions

3.2.1 John Kodric – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR
THE REFUSAL OF REACTIVATION OF REGISTRATION OF
JOHN KODRIC

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
UNDER SECTION 31 OF THE SECURITIES ACT

Decision

1. For the reasons outlined below, my decision is to refuse the reactivation of registration of John Olojz Kodric (**Kodric**).

Overview

2. On May 4, 2015, staff of the Compliance and Registrant Regulation Branch (**CRR**) of the Ontario Securities Commission (**OSC**) (**Staff**) recommended to the Director that the application for reactivation of registration under the *Securities Act* (Ontario) (**Act**) by Kodric in the category of mutual fund dealing representative be denied. Under section 31 of the Act, Kodric is entitled to an opportunity to be heard (**OTBH**) before a decision is made by me, as Director.

3. My decision is based on:

   a. the verbal and written arguments of Staff, Victoria Paris (Legal Counsel, CRR), on behalf of the OSC,

   b. the verbal and written arguments of Janice Wright and Greg Temelini of Wright Temelini LLP on behalf of Kodric, and

   c. the evidence of Jennie Alley of Wright Temelini LLP, Kodric, Lisa Pielbags (Accountant, CRR), "AB" (client of Kodric), and "CD" (client of Kodric).

Suitability for registration generally

4. Subsection 25(1) of the Act requires any person that trades in securities to be registered in accordance with Ontario securities law as a dealing representative of a registered dealer and to only act on behalf of the registered dealer. As set out in numerous prior decisions, a registrant is in a position to perform valuable services to the public, both in the form of direct services to individual investors and as part of the larger system that provides the public benefits of fair and efficient capital markets. A registrant also has a corresponding capacity to do material harm to individual investors and to the public at large. Determining whether an applicant should be registered (or whether registration should be reactivated) is thus an important component of the work undertaken by the OSC.

5. Subsection 27(1) of the Act provides that, on receipt of an application, the Director shall register the person unless it appears to the Director that the person is not suitable for registration or that the proposed registration is otherwise objectionable. In the recent case of Re Ittihad Securities Inc.(2010), 33 OSCB 10458, I, as Director, stated that:

> The OSC has, over time, articulated three fundamental criteria for determining suitability for registration – integrity (which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law), proficiency, and solvency. These three fundamental criteria have been codified in subsection 27(2) of the Act … The determination of whether an applicant's registration may be otherwise objectionable goes beyond the three suitability criteria above. Prior OSC decisions have held that registration is "otherwise objectionable" if it is determined … that it is not in the public interest for the person or company to be registered.

The issues at hand are Kodric's integrity and proficiency. Staff also argued that Kodric's reactivation of registration was otherwise objectionable.

Background information

6. Kodric was registered as a mutual fund dealing representative with Manulife Securities Investment Services Inc. (**Manulife**) or other related entities from 1998 to 2014. His employment was terminated in September 2014. The notice of termination indicates that Kodric was dismissed in good standing from Manulife and that Kodric was subject to an open investigation by the Mutual Fund Dealers Association (**MFDA**) and client complaints.

Issues discussed during the OTBH

7. Although there were many important issues raised during the OTBH, this decision focuses on what in my view were the three primary issues – trading outside category of registration, failure to meet the suitability obligation by recommending a leveraging strategy, and pre-signed forms in client files.

Trading outside category of registration

8. Staff argued that Kodric acted outside of his registration with respect to various activities related to Sakha Enterprises Corp. (**Sakha**), a company involved in gold and timber production in Russia. Staff also argued that because Kodric's brother in law worked for Sakha and because he had a personal investment in Sakha, that Kodric was in a conflict position with his clients with respect to Sakha.

9. The activities carried on by Kodric with respect to Sakha or Sakha securities (which in my view were all proven) included:

   a. Putting clients (including AB and CD) in contact with representatives of Sakha for the purpose of investing in Sakha (after calling his brother in law to see if they could purchase securities of Sakha),

   b. Advising clients of his personal investment in Sakha

   c. Informing clients of the ability to sell their securities back to Sakha,

   d. Delivering client cheques to Sakha for the purpose of purchasing securities of Sakha,

   e. Delivering Sakha share certificates to clients,

   f. Providing client names and phone numbers to Sakha,

   g. Informing clients of a presentation by Sakha and attending that presentation with them,

   h. Providing periodic updates to clients as to the status of their Sakha investment, and

   i. Asking clients if they wanted to purchase additional securities of Sakha or if they knew of anyone that would be interested in buying securities of Sakha.

10. Staff argued that the activities listed in the previous paragraph were outside Kodric's category of registration and that therefore his conduct was contrary to subsection 25(1) of the Act. Staff also argued that his acts in furtherance of a trade in the Sakha securities constituted "trading" under subsection 1(1) of the Act.

11. Kodric's counsel argued that:

   a. only a small number of Kodric's clients learned about Sakha through him,

   b. Kodric was clear in his testimony that he neither promoted nor recommended Sakha,

   c. Kodric told his clients that he was not licensed to talk about Sakha nor was he recommending an investment in Sakha,

   d. Kodric's clients were well aware that his brother in law worked for Sakha, and

   e. Kodric himself had made a personal investment in Sakha.

12. In my view, Kodric's acts as set out above constituted trading under subsection 1(1) of the Act. Kodric was, at the time, registered as a mutual fund dealing representative which permitted him to trade defined categories of securities only. Since the Sakha securities were not any of these types of permitted securities, my conclusion is that, by trading in

Sakha securities, Kodric acted outside of his category of registration contrary to subsection 25(1) of the Act. This finding is consistent with the finding in *Re Burdo* (2014), 37 OSCB 7829.

13. AB and CD testified that Kodric told them that the Sakha securities would be listed and communicated specific values and time frames for which the values would be met. Staff argued, and I concur, that these representations were contrary to section 38 of the Act.

14. Staff further argued that Kodric did not deal fairly with his clients by facilitating client investments in Sakha at a time when Kodric was personally invested in Sakha and his brother in law was an employee of Sakha. Staff argued that this conduct demonstrated a failure by Kodric to deal fairly, honestly and in good faith with his clients, contrary to subsection 2.1(2) of OSC Rule 31-505 *Conditions of Registration* (**OSC Rule 31-505**), and that Kodric lacked the integrity required for registration under the Act. I agree.

15. Both counsel argued about whether Kodric's activities with respect to the Sakha securities were "outside business activities" which were required to be disclosed to Manulife, under its policies and procedures, and to the MFDA. I was referred to precedent decisions by Staff and Kodric's counsel. Since my decision is that the activities described above were outside of Kodric's category of registration (and that Kodric therefore violated subsection 25(1) of the Act), my conclusion is that these activities were outside business activities and that they were required to be disclosed.

Failure to meet the suitability obligation by recommending a leveraging strategy

16. Staff submitted that Kodric recommended a leveraging strategy to many of his clients (including AB and CD) which involved borrowing against their home equity in order to invest in mutual funds. In AB's case, the leveraging strategy involved borrowing $100,000 from his Manulife One account, using those borrowed funds to obtain what is sometimes called a two-for-one loan from a bank (both loans are interest only loans), and then investing the resulting $300,000 in mutual funds. The mutual fund distributions are used to pay the interest on the loans and any excess distributions (or tax refunds from the strategy) are invested in additional mutual funds.

17. Staff argued that there was insufficient documented evidence to support that the strategy was suitable for AB and CD in light of their net worth and household income, or that the risks of the leveraging strategy (including what would happen in a declining market or what would happen if the client needed to withdraw from the strategy earlier than predicted) were adequately explained to clients. In addition, the leveraged amounts for these two clients far exceeded the suitability guidelines set out by the MFDA and Manulife's policies and procedures.

18. Staff argued that Kodric failed to meet the suitability obligation in subsection 13.3(1) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Staff also argued that Kodric lacked knowledge and proficiency with respect to Manulife's policies and procedures and relevant MFDA rules and guidelines with respect to suitability.

19. Kodric's counsel argued that Kodric did, in fact, understand the risks of leveraged investing, that he explained the risks of leveraging to his clients, that he had a number of meetings with all clients proposing to use the leveraging strategy, that he employed the leveraging strategy discriminately with his clients, and that Staff inappropriately relied on the evidence of two of Kodric's 225 clients to support its position.

20. I agree with Staff's position on this issue and believe it is supported by the evidence. For example, it is clear to me that the leveraging strategy was not suitable for AB if, according to a previous voluntary interview provided by Kodric, AB would use his line of credit to make payments in the event that the distributions from the investment were insufficient to fund the loan. In my view, for at least two of Kodric's clients (AB and CD), the leveraging strategy was not appropriate, despite any discussions Kodric may or may not have had with these clients regarding the risks of the strategy or the number of meetings Kodric may or may not have had with these clients. In addition, I do not think that the number of clients Kodric may have put in the leveraging strategy is an important consideration for me to take into account. The high risk leveraging strategy (as it was described by Kodric) was either appropriate for the clients that were put into it or it was not. In my view, at least for AB and CD, the leveraging strategy was not appropriate for them based on their net worth, income level, investment experience, investment knowledge, or the ability (or willingness) to lose 100% of the money invested in the strategy.

21. Staff further argued that Kodric asked clients to sign an indemnity letter with respect to the leveraging strategy in an attempt to shift the responsibility for assessing suitability from Kodric to his clients. Kodric's counsel argued that the indemnification language was included to ensure that clients understood the risks of leveraging and that it was not an attempt by Kodric to shirk his responsibilities as a registrant. With respect, I disagree. In my view, the indemnification language is clear on its face and Kodric cannot now claim that he was not intending to shirk his responsibilities as a registrant.

Pre-signed forms in client files

22. Staff argued that there were six pre-signed signed forms in Kodric's client files including order entry authorizations, a KYC form and client information change forms. Staff argued that this was a further example of Kodric's failure to deal fairly, honestly and in good faith with his clients contrary to subsection 2.1(2) of OSC Rule 31-505 and that this also meant that Kodric lacked the integrity required for registration under the Act.

23. Kodric's counsel accepted that "those documents were found in his files" and did not take issue with the fact that "the use of blank forms is prohibited" or with the fact that "blank forms create serious issues for the integrity of the regulatory system". Kodric's counsel argued that Kodric never intended to use pre-signed forms and that it was not his practice to obtain them. She also argued that when a pre-signed form was inadvertently signed, it was Kodric's practice to shred the document or to mark it "void". Lastly, Kodric's counsel indicated that the limited instances of pre-signed signed forms does not suggest a pattern of conduct, that Kodric's testimony demonstrated a clear understanding of the importance of not using pre-signed forms, and that the limited instances of pre-signed forms is not sufficient to justify a permanent refusal of reactivation of registration.

24. Both counsel acknowledged that pre-signed forms were found in Kodric's files and that the use of pre-signed forms is problematic. What was at issue with respect to the pre-signed forms (and the other two issues discussed above) was whether this misconduct justified a permanent refusal of reactivation of registration. My views on this point are set out below.

Reasons

25. For the reasons set out elsewhere in this decision, my decision is to refuse the reactivation of registration of Kodric. It is my view that, at this time, Kodric lacks the necessary proficiency and integrity to be registered and his registration is otherwise objectionable.

26. Kodric's counsel argued that Staff bears the onus of demonstrating that Kodric is not suitable for registration. I agree. In my view, Staff clearly demonstrated that Kodric is unsuitable for registration because he lacks the necessary proficiency and integrity, because he did not act fairly, honestly and in good faith with his clients, and because he did not comply with various provisions of Ontario securities law.

27. Kodric's counsel also argued that Staff did not provide sufficient evidence to support a finding by me that Kodric's application for reactivation of registration should be permanently refused. With respect, that was not the question that was before me. The question before me was whether Kodric's application for reactivation of registration should be refused at this time. My decision is that it should be refused at this time for the reasons set out elsewhere in this decision. The next question is if Kodric again applies for reactivation of registration whether, in my view, that application might be approved by Staff. My view is that should Kodric decide to apply for reactivation of registration after a period of at least twelve months from the date of this decision, Kodric may be suitable for registration subject to:

    a. terms and conditions (including strict supervision by his sponsoring firm and prohibiting the use of leverage),

    b. Kodric demonstrating remorse for the misconduct set out in this decision, and

    c. Kodric demonstrating that he has taken courses to better understand his obligations as a registrant.

28. For clarity, my view is that if Staff is asked to consider a subsequent reactivation of registration application from Kodric (after the twelve month period mentioned above), and the enumerated conditions in the previous paragraph are complied with, Staff should only consider matters or issues that arise subsequent to the date of this OTBH in assessing Kodric's application.

"Marrianne Bridge", FCPA, FCA
Deputy Director, Compliance Strategy and Risk
Compliance and Registrant Regulation
Ontario Securities Commission

September 22, 2015

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Asia Now Resources Corp.	11-September-2015	23-September-2015	23-September-2015	
Canadian Quantum Energy Corporation	11-September-2015	23-September- 2015	23-September-2015	
European Ferro Metals Ltd.	16-September-2015	28-September- 2015	28-September-2015	
Fort St. James Nickel Corp.	18-September- 2015	30-September- 2015		2-October-2015
Groundstar Resources Limited	11-September-2015	23-September-2015	23-September-2015	
Mirabela Nickel Limited	25-September-2015	7-October-2015		
MountainsStar Gold Inc.	16-September-2015	28-September-2015	28-September-2015	
Strateco Resources Inc.	11-September-2015	23-September-2015	23-September-2015	
Veris Gold Corp.	11-September-2015	23-September-2015	23-September-2015	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS TO REPORT THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
AndeanGold Ltd.	27-August-15	9-September-15	9-September-15		

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Chapter 5

Rules and Policies

5.1.1 Notice of Amendment to OSC Rule 13-502 Fees

ONTARIO SECURITIES COMMISSION

NOTICE OF AMENDMENT TO ONTARIO SECURITIES COMMISSION RULE 13-502 *FEES*

October 1, 2015

On September 22, 2015, the Ontario Securities Commission (the **Commission** or **we**) made an amendment (the **Amendment**) to Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) to remove the requirement for an applicant to pay an activity fee in respect of certain applications for the revocation of cease trade orders.

On June 4, 2015, section 127 of the *Securities Act* (Ontario) (the **Act**) was amended to allow a cease trade order to be made, without providing a person or company that is subject to the order an opportunity to be heard, if the person or company fails to file a record as required under the Act. The Act was further amended to allow the Commission to treat the filing of the record referred to in a cease trade order that has been in effect for 90 days or less as an application for the revocation of the cease trade order.

Prior to these Act amendments, a person or company that was subject to a failure to file cease trade order was required to formally apply to have the cease trade order revoked. A fee of $4,800 was payable for this application under Rule 13-502. In light of and consistent with the Act amendments, the Commission has amended Rule 13-502 to remove the application fee for the revocation of a cease trade order in the circumstances described.

The authority for the Amendment is paragraph 143(1)43 of the Act. Under subsection 143.2(5) of the Act, the Amendment was not required to be published for comment.

Under section 143.3 of the Act, the Amendment was delivered to the Minister of Finance on September 30, 2015. If the Minister approves the Amendment on or before November 29, 2015, it will come into force on December 15, 2015. If the Minister does not take an action under subsection 143.3(3) of the Act, it will come into force on December 15, 2015.

The Amendment has been published in this Bulletin.

Questions

Please refer any questions to the following Commission staff:

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Amendment to Ontario Securities Commission Rule 13-502 *Fees*

1. Ontario Securities Commission Rule 13-502 *Fees* is amended by this Instrument.

2. Row E5 in Column A of Appendix C is amended by

(a) replacing "; and***" with "***,***",* and**

(b) adding ", and***" at the end of paragraph (b) and by adding the following paragraph:***

"(c) under subsections 144(1) and 127(4.3) of the Act to revoke a cease trade order made under subsection 127(4.1) of the Act that has been in effect for 90 days or less.**".**

3. This Instrument comes into force on December 15, 2015.

5.1.2 Amendments to NI 21-101 Marketplace Operation

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. 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 replacing ";***" with "***,***",***

(d) in the definition of private enterprise by replacing "Accouting***" with "***Accounting***", and***

(e) by adding the following definition:

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

4. Section 1.4 is amended

(a) in subsection (1) by deleting "Alberta and***", and***

(b) by replacing "Commodity Futures Act***" with "****Commodity Futures Act****" wherever it occurs.***

5. Section 3.2 is amended

(a) in subsection (1) by replacing "Form***" with "***applicable form***" after "***in the manner set out in the***",***

(b) by adding the following subsection:

(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 replacing "Form***" with "***applicable form***" after "***amendment to the information provided in the***", and***

(d) by adding the following subsections:

(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.***.***

6. Paragraph 4.1(1)(c) is amended by adding "unmodified***" before "***auditor's report***".***

7. Section 5.1 is amended by replacing ";***" with "***,***" wherever it occurs.***

8. Section 5.7 is amended by deleting an additional space after "not***".***

9. Section 5.10 is amended

(a) in subsection (1) by replacing ";" with "," wherever it occurs, and

(b) by adding the following subsections:

(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.**.**

10. Section 5.12 is amended by deleting ":***" after "***the marketplace must***".***

11. In the following provisions "key services and systems***" is replaced with "***key services or systems***":***

(a) Paragraph 5.12(b);

(b) Paragraph 5.12(c).

12. Paragraph 5.12(e) is amended by deleting ",***" after "***on behalf of the marketplace***".***

13. National Instrument 21-101 Marketplace Operation is amended by adding the following section:

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.**.**

14. In the following provisions ";***" is replaced with "***,***":***

(a) Paragraph 6.7(1)(a);

(b) Paragraph 6.7(1)(b).

15. Section 7.1 is amended by adding the following subsection:

(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.**.**

16. Section 7.2 is amended by renumbering it as subsection 7.2(1) and by adding the following subsection:

(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.*.*

17. Subsection 8.1(5) is amended by replacing "interdealer***" with "***inter-dealer***".***

18. Section 8.4 is amended by replacing "interdealer***" with "***inter-dealer***".***

19. Section 10.1 is amended

(a) by adding ",***" after "***disclose***",***

(b) by adding ",***" after "***website***",***

(c) by adding ",***" after "***including***",***

(d) by adding ",***" after "***but not limited to***", and***

(e) by deleting ":***" after "***information related to***".***

20. In the following provisions ";***" is replaced with "***,***":***

(a) Paragraph 10.1(a);

(b) Paragraph 10.1(b);

(c) Paragraph 10.1(c);

(d) Paragraph 10.1(d);

(e) Paragraph 10.1(e);

(f) Paragraph 10.1(f).

21. Paragraph 10.1(g) is amended by replacing "; and***" with "***,***".***

22. Paragraph 10.1(h) is amended by replacing ".***" with "***,***".***

23. Section 10.1 is amended by adding the following paragraphs:

(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.*.*

24. Subparagraph 11.2(1)(c)(xviii) is amended by replacing ";***" with "***,***".***

25. Section 11.2.1 is amended

(a) in paragraph (a) by deleting ",***" following "***the information required by the regulation services provider***",***

(b) in paragraph (a) by adding "and in the manner requested by the regulation services provider,***" after "***in electronic form***",***

(c) in paragraph (b) by deleting ",***" following "***under securities legislation***", and***

(d) in paragraph (b) by adding "and in the manner requested by the securities regulatory authority" ***after*** "in electronic form***".***

26. Subsection 11.3(1) is amended

(a) in paragraph (f) by deleting "and***",***

(b) in paragraph (g) by replacing "." with ";***" after "***subsections 13.1(2) and 13.1(3)***", and***

(c) by adding the following paragraphs:

(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)**.**.

27. Section 12.1 is amended

(a) by replacing "For each of its systems that support" ***with "***For each system, operated by or on behalf of the marketplace, that supports***",***

(b) by replacing ";***" with "***,***" wherever it occurs,***

(c) in paragraph (c) by deleting "or delay***", and***

(d) in paragraph (c) 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***".***

28. National Instrument 21-101 Marketplace Operation is amended by adding the following section:

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**.**.

29. 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..

30. Paragraph 12.2(2)(b) is replaced with 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**.**.

31. Section 12.3 is amended

(a) by replacing subsection (3) with 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.***,***

(b) by adding the following subsection:

(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***

(c) in subsection (4) by replacing "Paragraphs 12.3(1)(b) and 2(b) do***" with "***Subsection (3.1) does***".***

32. National Instrument 21-101 Marketplace Operation is amended by adding the following section:

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.***.***

33. Section 12.4 is replaced with the following:

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.***.***

34. National Instrument 21-101 Marketplace Operation is amended by adding the following section:

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.*.*

35. In the following provisions "and settled***" is replaced with "***to a clearing agency***":***

(a) Subsection 13.1(2);

(b) Subsection 13.1(3).

36. National Instrument 21-101 Marketplace Operation is amended by adding the following section:

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.*.*

37. Section 14.4 is amended

(a) in subsection (4) by adding "or changes to an electronic connection***" after "***in a timely manner an electronic connection***", and***

(b) by adding the following subsections:

(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.

(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.*.*

38. Section 14.5 is amended

(a) by replacing ";" with "," *wherever it occurs, and*

(b) by replacing subparagraph (d)(ii) with 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, and*.*

39. Section 14.6 is replaced by the following:

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.

40. Section 14.7 is amended

(a) by replacing "with this Instrument, or other than a securities regulatory authority, unless:***" with "***with this Instrument or a securities regulatory authority, unless***", and***

(b) in subsection (a) by replacing ";" with ",".

41. Section 14.8 is amended

(a) by deleting ":" after "but not limited to***", and***

(b) by replacing ";"with ",". wherever it occurs.

42. Form 21-101F1 is amended

(a) by replacing "shall***" wherever it occurs with "***must***",***

(b) by replacing "should***" wherever it occurs with "***must***", and***

(c) under "Type of Filing" by adding "; AMENDMENT No.***" after "***AMENDMENT***".***

43. Exhibit C of Form 21-101F1 is amended by adding "and the Board mandate***" after "***including their mandates***".***

44. Exhibit D of Form 21-101F1 is amended

(a) in paragraph 6 by deleting ":" wherever it occurs,

(b) by deleting ";" wherever it occurs, and

(c) by adding "," after "private enterprises***".***

45. Exhibit E of Form 21-101F1 is amended

(a) by replacing "not be limited***" with "***is not limited***",***

(b) by replacing "Description***" wherever it occurs with "***A description***", and***

(c) by adding the following to the end of the exhibit:

The filer must provide all material contracts related to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing**.**.

46. Exhibit F of Form 21-101F1 is amended

(a) by adding "," after "routing, trading, execution, data***", and***

(b) by adding the following sections:

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*.**.**

47. Exhibit G of Form 21-101F1 is replaced 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 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.**.**

48. Exhibit I of Form 21-101F1 is amended by replacing "Filer***" wherever it occurs with "***filer***".***

49. Exhibit J of Form 21-101F1 is amended by replacing "Exhibit E.4***" with "***Exhibit E item 4***".***

50. Exhibit K of Form 21-101F1 is amended

(a) in section 4 by adding "Please identify if the marketplace participant accesses the marketplace through co-location.***" after "***or other access.***",***

(b) in section 5 by deleting ":" after "indicating for each***", and***

(c) in section 5 by replacing ";" wherever it occurs with ",".

51. Exhibit M of Form 21-101F1 is amended

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

(b) by deleting "." after "regulation services provider***" after the box following section 2.***

52. Exhibit N of Form 21-101F1 is amended by adding "*Marketplace Operation***" after "***21-101***".***

53. Form 21-101F2 is amended

(a) in the title by replacing "INITIAL OPERATION REPORT***" with "***INFORMATION STATEMENT***",***

(b) by replacing "should***" wherever it occurs with "***must***",***

(c) by replacing "shall***" wherever it occurs with "***must***",***

(d) under "Type of Filing" by adding "; AMENDMENT No.***" after "***AMENDMENT***", and***

(e) in subsection 12 of the Instructions by adding "name of***" after "***contracted with [***".***

54. Exhibit E of Form 21-101F2 is amended

(a) by replacing "not be***" with "***is not***",***

(b) by replacing "Description***" wherever it occurs with "***A description***", and***

(c) by 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.**.**

55. Exhibit F of Form 21-101F2 is amended

(a) by deleting "the***" after "***including any function associated with***",***

(b) by adding "data***" after "***clearing and settlement,***", and***

(c) by adding the following sections:

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*.**.**

56. Exhibit G of Form 21-101F2 is replaced 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 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.*.*

57. Exhibit I of Form 21-101F2 is amended by adding "list***" after "***If this is an initial filing,***".***

58. Exhibit J of Form 21-101F2 is amended

(a) in section 1 by replacing "Exhibit E.4***" with "***Exhibit E item 4***", and***

(b) in section 2 by deleting ",***" after "***institution***".***

59. Exhibit K of Form 21-101F2 is amended

(a) in section 4 by adding "Please identify if the marketplace participant accesses the marketplace through co-location.***" after "***access.***",***

(b) in section 5 by deleting ":***" after "***for each***", and***

(c) in section 5 by replacing ";***" wherever it occurs with "***,***".***

60. Exhibit N of Form 21-101F2 is amended by adding "*Marketplace Operation****" after "***21-*101*".***

61. Form 21-101F3 is amended by replacing "should***" wherever it occurs with "***must***".***

62. Section 4 of Part A of Form 21-101F3 is replaced 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.*.*

63. Section 5 of Part A of Form 21-101F3 is replaced 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.*.*

64. Section 6 of Part A of Form 21-101F3 is replaced with the following:

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.*.*

65. Section 7 of Part A of Form 21-101F3 is replaced with the following:

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.*.*

66. Section 8 of Part A of Form 21-101F3 is repealed.

67. Section 1 of Part B in Chart 2 of Form 21-101F3 is amended

(a) by deleting "%***" wherever it occurs, and***

(b) by deleting "% Number of exchange traded securities that are***".***

68. Section 1 of Part B in Chart 3 of Form 21-101F3 is amended by deleting "%***" wherever it occurs.***

69. Section 1 of Part B of Form 21-101F3 is amended by replacing "third-party***" with "***third party***" in item 6 beneath Chart 5.***

70. Section 1 of Part B of Form 21-101F3 is amended by deleting item 7 beneath Chart 6.

71. Section 2 of Part B of Form 21-101F3 is amended

(a) by adding "during the quarter***" after "***regular trading hours***" in item 1,***

(b) by replacing "the 10 most traded fixed income securities***" with "***each fixed income security traded***" in item 2, and***

(c) by deleting "(based on the value of the volume traded) for trades executed***" in item 2.***

72. Section 2 of Part B in Chart 8 of Form 21-101F3 is replaced with 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]		

73. Section 4 of Part B in Chart 15 of Form 21-101F3 is amended

(a) by deleting "%***" wherever it occurs, and***

(b) by deleting "of***" before "***Volume***".***

74. Section 4 of Part B in Chart 16 of Form 21-101F3 is amended by deleting "%***" wherever it occurs.***

75. Section 4 of Part B of Form 21-101F3 is amended by deleting item 6 beneath Chart 18.

76. Form 21-101F4 is amended by replacing "shall***" with "***must***" wherever it occurs.***

77. Form 21-101F5 is amended

(a) by replacing "INITIAL OPERATION REPORT FOR***" with "***INFORMATION STATEMENT***" in the title,***

(b) in "Type of Filing" by adding ": AMENDMENT No.***" after "***AMENDMENT***",***

(c) by replacing "should***" wherever it occurs with "***must***",***

(d) by replacing "shall***" wherever it occurs with "***must***", and***

(e) by adding ",***" after "***National Instrument 21-101***" under the heading "Exhibits".***

78. Section 1 of Exhibit C of Form 21-101F5 is amended

(a) by adding ",***" after "***standing committees of the board***", and***

(b) by adding ",***" after "***previous year***".***

79. Section 1 of Exhibit G of Form 21-101F5 is amended

(a) by replacing "system***" with "***System***" in paragraph 3,***

(b) by replacing "Description***" with "***A description***" in paragraph 5.***

80. Section 2 of Exhibit J of Form 21-101F5 is amended

(a) by replacing "exists***" with "***exist***", and***

(b) by adding "provide***" after "***National Instrument 21-101,***".***

81. Section 3 of Exhibit K of Form 21-101F5 is amended by replacing "who***" with "***that***".***

82. Form 21-101F6 is amended by replacing "shall***" with "***must***" wherever it occurs.***

83. The Instrument comes into force on October 1, 2015.

5.1.3 Changes to Companion Policy 21-101CP Marketplace Operation

CHANGES TO
COMPANION POLICY 21-101CP *MARKETPLACE OPERATION*

1. The changes to Companion Policy 21-101CP are set out in this Schedule.

2. Section 1.1 is changed by replacing "Instruments,***" with "***Instrument and N1 23-101,***" immediately before "***which were adopted at a time when***".***

3. Subsection 2.1(1) is changed

(a) by replacing "Paragraphs (c) and (d)***" with "***Subparagraphs (a)(iii) and (a)(iv)***" immediately before "***of the definition of "marketplace"***", and***

(b) by replacing "of***" with "***for***" immediately after "***that internalizes its orders***".***

4. Subsection 2.1(8) is changed by replacing "paragraph (c)***" with "***subparagraph (a)(iii)***" immediately after "***to be operating a marketplace under***".***

5. Subsection 3.3(1) is changed by adding "Canadian***" immediately after "***exempted from this requirement by the***".***

6. Section 6.1 is changed by replacing subsection (4) with the following:

(4) Under subsection 3.2(1) of the Instrument, a marketplace is required to file an amendment to the information provided in Form 21-101F1 or Form 21-101F2, as applicable, at least 45 days prior to implementing a significant change. The Canadian securities regulatory authorities consider a significant change to be a change that could significantly impact a marketplace, its systems, its market structure, its marketplace participants or their systems, investors, issuers or the Canadian capital markets

A change would be considered to significantly impact the marketplace if it is likely to give rise to potential conflicts of interest, to limit access to the services of a marketplace, introduce changes to the structure of the marketplace or result in costs, such as implementation costs, to marketplace participants, investors or, if applicable, the regulation services provider.

The following types of changes are considered to be significant changes as they would always have a significant impact:

(a) changes in the structure of the marketplace, including procedures governing how orders are entered, displayed (if applicable), executed, how they interact, are cleared and settled;

(b) new or changes to order types, and

(c) changes in the fees and the fee model of the marketplace.

The following may be considered by the Canadian securities regulatory authorities as significant changes, depending on whether they have a significant impact:

(d) new or changes to the services provided by the marketplace, including the hours of operation;

(e) new or changes to the means of access to the market or facility and its services;

(f) new or changes to types of securities traded on the marketplace;

(g) new or changes to types of securities listed on exchanges or quoted on quotation and trade reporting systems;

(h) new or changes to types of marketplace participants;

(i) 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, including those affecting capacity;

(j) changes to the corporate governance of the marketplace, including changes to the composition requirements for the board of directors or any board committees and changes to the mandates of the board of directors or any board committees;

(k) changes in control over marketplaces;

(l) changes in affiliates that provide services to or on behalf of the marketplace;

(m) new or changes in outsourcing arrangements for key marketplace services or systems; and

(n) new or changes in custody arrangements..

7. Section 6.1 is changed by replacing subsection (5) with the following:

(5) Changes to information in Form 21-101F1 or Form 21-101F2 that

(a) do not have a significant impact on the marketplace, its market structure, marketplace participants, investors, issuers or the Canadian capital markets, or

(b) are housekeeping or administrative changes such as

(i) changes in the routine processes, policies, practices, or administration of the marketplace,

(ii) changes due to standardization of terminology,

(iii) corrections of spelling or typographical errors,

(iv) necessary changes to conform to applicable regulatory or other legal requirements,

(v) minor system or technology changes that would not significantly impact the system or its capacity, and

(vi) changes to the list of marketplace participants and the list of all persons or entities denied or limited access to the marketplace,

would be filed in accordance with the requirements outlined in subsection 3.2(3) of the Instrument..

8. Subsection 6.1(6) is changed

(a) by replacing "The***" with "***As indicated in subsection (4) above, the***" at the beginning of the subsection,***

(b) by removing "generally***" immediately after "***Canadian securities regulatory authorities***", and***

(c) by replacing "fee structure***" wherever it occurs with "***fee model***".***

9. Section 6.1 is changed by adding the following subsections:

(8.1) In order to ensure records regarding the information in a marketplace's Form 21-101F1 or Form 21-101F2 are kept up to date, subsection 3.2(4) of the Instrument requires the chief executive officer of a marketplace to certify, within 30 days after the end of each calendar year, that the information contained in the marketplace's Form 21-101F1 or Form 21-101F2 as applicable, is true, correct and complete and the marketplace is operating as described in the applicable form. This certification is required at the same time as the updated and consolidated Form 21-101F1 or Form 21-101F2, as applicable, is required to be filed pursuant to subsection 3.2(5) of the Instrument. The certification under subsection 3.2(4) is also separate and apart from the form of certification in Form 21-101F1 and Form 21-101F2.

(8.2) The Canadian securities regulatory authorities expect that the certifications provided pursuant to subsection 3.2(4) of the Instrument will be preserved by the marketplace as part of its books and records obligation under Part 11 of the Instrument..

10. Subsection 6.1(9) is changed by adding "calendar***" before "***quarter***" wherever it occurs.***

11. Section 7.7 is changed by adding the following subsections:

(0.1) The Canadian securities regulatory authorities are of the view that it is in the public interest for capital markets research to be conducted. Since marketplace participants' order and trade information may be needed to conduct this research, subsection 5.10(1.1) of the Instrument allows a marketplace to release a marketplace participant's order or trade information without obtaining its written consent, provided this information is used solely for capital markets research and only if certain terms and conditions are met. Subsection 5.10(1.1) is not intended to impose any obligation on a marketplace to disclose information if requested by a researcher and the marketplace may choose to maintain its marketplace participants' order and trade information in confidence. However, if the marketplace decides to disclose this information, it must ensure that certain terms and conditions are met to ensure that the marketplace participant's information is not misused.

(0.2) In order for a marketplace to disclose a marketplace participant's order or trade information, subparagraphs 5.10(1.1)(a)-(b) of the Instrument require a marketplace to reasonably believe that the information will be used by the recipient solely for the purposes of capital markets research and to reasonably believe that if information identifying, directly or indirectly, a marketplace participant, or a client of the marketplace participant is released, the information is necessary for the research and that the purpose of the research is not intended to identify the marketplace participant or client or to identify a trading strategy, transactions, or market positions of the marketplace participant or client. The Canadian securities regulatory authorities expect that a marketplace will make sufficient inquiries of the recipient of the information in order for the marketplace to sustain a reasonable belief that the information will be used by the recipient only for capital markets research. Where the information to be released to the recipient could identify a marketplace participant or a client of a marketplace participant, the Canadian securities regulatory authorities also expect the marketplace to make sufficient inquiries of the recipient in order for the marketplace to sustain a reasonable belief that the information identifying, directly or indirectly, a marketplace participant or its client is required for purposes of the research and that the purpose of the research is not to identify a particular marketplace participant or a client of the marketplace participant or to identify a trading strategy, transactions, or market positions of a particular marketplace participant or a client of the marketplace participant.

(0.3) In considering releasing order or trade information, the Canadian securities regulatory authorities expect a marketplace to exercise caution regarding information that could disclose the identity of a marketplace participant or client of the marketplace participant. In particular, a marketplace may only release information in any order entry field that would identify the marketplace participant or client, using a broker number, trader ID, or DEA client identifier, if it reasonably believes that this information is required for the research.

(0.4) Subparagraph 5.10(1.1)(c) of the Instrument requires a marketplace that intends to provide its marketplace participants' order and trade information to a researcher to enter into a written agreement with each person or company that will receive such information. Subparagraph 5.10(1.1)(c)(i) of the Instrument requires the agreement to provide that the person or company agrees to use the order and trade information only for capital markets research purposes. In the view of the Canadian securities regulatory authorities, commercialization of the information by the recipient, for example by using the information for the purposes of trading, advising others to trade or for reverse engineering a trading strategy, would not constitute use of the information for capital markets research purposes.

(0.5) Subparagraph 5.10(1.1)(c)(i) of the Instrument provides that the agreement must also prohibit the recipient from sharing the marketplace participants' order and trade data with any other person or company, such as a research assistant, without the marketplace's consent. The marketplace will be responsible for determining what steps are necessary to ensure the other person or company receiving the marketplace participants' data is not misusing this data. For example, the marketplace may enter into a similar agreement with each individual or company that has access to the data.

(0.6) To protect the identity of particular marketplace participants or their customers, subparagraph 5.10(1.1)(c)(i) of the Instrument requires the agreement to provide that recipients will not publish or disseminate data or information that discloses, directly or indirectly, a trading strategy, transactions, or market positions of a marketplace participant or its clients. Also, to protect the confidentiality of the data, the agreement must require that the order and trade information is securely stored at all times and that the data is kept for no longer than a reasonable period of time following the completion of the research and publication process.

(0.7) The agreement must also require that the marketplace be notified of any breach or possible breach of the confidentiality of the information. Marketplaces are required to notify the appropriate securities regulatory authorities of the breach or possible breach and have the right to take all reasonable steps necessary to prevent or address a breach or possible breach of the agreement or of the confidentiality of the information provided. In the view of the Canadian securities regulatory authorities, reasonable steps in the event of an

actual or apparent breach of the agreement or of the confidentiality of the information may include the marketplace seeking an injunction preventing any unauthorized use or disclosure of the information by a recipient.

(0.8) Subparagraph 5.10(1.1)(c)(ii) of the Instrument provides for a limited carve-out from the restraints on the use and disclosure of the information by a recipient for purposes of allowing those conducting peer reviews of the research to have access to the data to verify the research prior to the publication of the results of the research. In particular, clause 5.10(1.1)(c)(ii)(C) requires a marketplace to enter into a written agreement with a person or company receiving order or trade information from the marketplace that provides that the person or company may disclose information used in connection with research submitted to a publication so long as the person or company obtains a written agreement from the publisher and anyone involved in the verification of the research that provides for certain restrictions on the use and disclosure of the information by the publisher or the other person or company. A marketplace may consider requiring a person or company that proposes to disclose order or trade information pursuant to subparagraph 5.10(1.1)(c)(ii) to acknowledge that it has obtained the agreement required by clause 5.10(1.1)(c)(ii)(C) at the time that it notifies the marketplace prior to disclosing the information for verification purposes, as required by clause 5.10(1.1)(c)(ii)(B)..

12. Subsection 7.7(1) is changed by replacing "shall***" with "***must***".***

13. Companion Policy 21-101CP is changed by adding the following section:

7.10 Access Arrangements with a Service Provider – If a third party service provider provides a means of access to a marketplace, section 5.13 of the Instrument requires the marketplace to ensure the third party service provider complies with the written standards for access the marketplace has established pursuant to paragraph 5.1(2)(a) of the Instrument when providing access services. A marketplace must establish written standards for granting access to each of its services under paragraph 5.1(2)(a) and the Canadian securities regulatory authorities are of the view that it is the responsibility of the marketplace to ensure that these written standards are complied with when access to its platform is provided by a third party..

14. Section 9.1 is changed by replacing subsection (2) with the following:

(2) In complying with sections 7.1 and 7.2 of the Instrument, any information provided by a marketplace to an information processor or information vendor must include identification of the marketplace and should contain all relevant information including details as to volume, symbol, price and time of the order or trade..

15. Section 9.1 is changed by adding the following subsection:

(2.1) Subsections 7.1(3) and 7.2(2) prohibit a marketplace from making available order and trade information to any person or company before it makes the information available to the information processor or, if there is no information processor, to an information vendor. The Canadian securities regulatory authorities acknowledge that there may be differences between the time at which a marketplace participant that takes in market data directly from a marketplace receives the order and trade information and the time at which a marketplace participant that takes in market data from the information processor receives the information. However, in complying with subsections 7.1(3) and 7.2(2) of the Instrument, the Canadian securities regulatory authorities expect that marketplaces will release order and trade information simultaneously to both the information processor and to persons or companies that may receive order and trade information directly from the marketplace..

16. Section 14.1 is changed by adding "whether operating in-house or outsourced.***" immediately after "***section 12.1 of the Instrument***".***

17. Subsection 14.1(1) is changed

(a) by adding "® *5 Management Guidelines,****" immediately after "***COBIT***", and***

(b) by adding ", © 2012 ISACA*, IT Infrastructure Library (ITIL) – Service Delivery best practices, ISO/IEC27002:2005 – Information technology – Code of practice for information security management.****" Immediately after "***IT Governance Institute***".***

18. Section 14.1 is changed by adding the following subsection:

(2.1) Paragraph 12.1(c) of the Instrument refers to a material security breach. A material security breach or systems intrusion is any unauthorized entry into any of the systems that support the functions listed in section 12.1 of

the Instrument or any system that shares network resources with one or more of these systems. Virtually any security breach would be considered material and thus reportable to the regulator. The onus would be on the marketplace to document the reasons for any security breach it did not consider material. Marketplaces should also have documented criteria to guide the decision on when to publicly disclose a security breach. The criteria for public disclosure of a security breach should include, but not be limited to, any instance in which client data could be compromised. Public disclosure should include information on the types and number of participants affected..

19. Section 14.1 is changed by replacing subsection (3) with the following:

(3) Subsection 12.2(1) of the Instrument requires a marketplace to engage a qualified party to conduct an annual independent assessment to ensure that the marketplace is in compliance with paragraph 12.1(a), section 12.1.1 and section 12.4 of the Instrument. The focus of the assessment of any systems that share network resources with trading-related systems required under subsection 12.2(1)(b) would be to address potential threats from a security breach that could negatively impact a trading-related system. A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. Before engaging a qualified party, a marketplace should discuss its choice with the regulator or, in Québec, the securities regulatory authority..

20. Section 14.1 is changed by adding the following subsection:

(3.1) The Canadian securities regulatory authorities also note the critical importance of an appropriate system of cyber-security controls over the systems described in section 12.1 of the Instrument. We further note that, as a matter of best practices, marketplaces may also conduct a vulnerability assessment of these controls in addition to the independent systems review required by subsection 12.2(1) of the Instrument. To the extent that a marketplace carries out, or engages an independent party to carry out on its behalf, a vulnerability assessment and prepares a report of that assessment as part of the development and maintenance of the controls required by section 12.1 of the Instrument, we expect a marketplace to provide that report to the regulator or, in Québec, the securities regulatory authority in addition to the report required to be provided by subsection 12.2(2) of the Instrument..

21. Subsection 14.2(1) is changed by adding the following paragraph:

The Canadian securities regulatory authorities consider a material change to a marketplace's technology requirements to include a change that would require a person or company interfacing with or accessing the marketplace to incur a significant amount of systems-related development work or costs in order to accommodate the change or to fully interact with the marketplace as a result of the change. Such material changes could include changes to technology requirements that would significantly impact a marketplace participant's trading activities, such as the introduction of an order type, or significant changes to a regulatory feed that a regulation services provider takes in from the marketplace..

22. Section 14.2 is changed by adding the following subsections:

(2.1) Paragraph 12.3(3)(c) of the Instrument prohibits a marketplace from beginning operations before the chief information officer of the marketplace, or an individual performing a similar function, has certified in writing that all information technology systems used by the marketplace have been tested according to prudent business practices and are operating as designed. This certification may be based on information provided to the chief information officer from marketplace staff knowledgeable about the information technology systems of the marketplace and the testing that was conducted.

(2.2) In order to help ensure that appropriate testing procedures for material changes to technology requirements are being followed by the marketplace, subsection 12.3(3.1) of the Instrument requires the chief information officer of the marketplace, or an individual performing a similar function, to certify to the regulator or securities regulatory authority, as applicable, that a material change has been tested according to prudent business practices and is operating as designed. This certification may be based on information provided to the chief information officer from marketplace staff knowledgeable about the information technology systems of the marketplace and the testing that was conducted..

23. Companion Policy 21-101CP is changed by adding the section:

14.2.1 Uniform Test Symbols

(1) Section 12.3.1 of the Instrument requires a marketplace to use uniform test symbols for the purpose of performing testing in its production environment. In the view of the Canadian securities regulatory authorities, the use of uniform test symbols is in furtherance to a marketplace's obligations at section 5.7 of the Instrument to take all reasonable steps to ensure that its operations do not interfere with fair and orderly markets.

(2) The use of uniform test symbols is intended to facilitate the testing of functionality in a marketplace's production environment; it is not intended to enable stress testing by marketplace participants. The Canadian securities regulatory authorities are of the view that a marketplace may suspend access to a test symbol where its use in a particular circumstance reasonably represents undue risk to the operation or performance of the marketplace's production environment. The Canadian securities regulatory authorities also note that misuse of the test symbols by marketplace participants could amount to a breach of the fair and orderly markets provisions of National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces.***.***

24. Companion Policy 21-101CP is changed by replacing section 14.3 with the following:

14.3 Business Continuity Planning

(1) Section 12.4 of the Instrument requires that marketplaces develop and maintain reasonable business continuity plans, including disaster recovery plans. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption. In fulfilling the requirement to develop and maintain reasonable business continuity plans, the Canadian securities regulatory authorities expect that marketplaces are to remain current with best practices for business continuity planning and to adopt them to the extent that they address their critical business needs.

(2) Paragraph 12.4(1)(b) of the Instrument also requires a marketplace to 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.

(3) Section 12.4 of the Instrument also establishes requirements for marketplaces meeting a minimum threshold of total dollar value of trading volume, recognized exchanges or quotation and trade reporting systems that directly monitor the conduct of their members, and regulation services providers that have entered into a written agreement with a marketplace to conduct market surveillance to establish, implement, and maintain policies and procedures reasonably designed to ensure that critical systems can resume operation within certain time limits following the declaration of a disaster. In fulfilling the requirement to establish, implement and maintain the policies and procedures prescribed by section 12.4, the Canadian securities regulatory authorities expect that these policies and procedures will form part of the entity's business continuity and disaster recovery plans and that the entities subject to the requirements at subsections 12.4(2) to (4) of the Instrument will be guided by their own business continuity plans in terms of what constitutes a disaster for purposes of the requirements.***.***

25. Companion Policy 21-101CP is changed by adding the following section:

14.4 Industry-Wide Business Continuity Tests – Section 12.4.1 of the Instrument requires a marketplace, recognized clearing agency, information processor, and participant dealer to participate in all industry-wide business continuity tests, as determined by a regulation services provider, regulator, or in Québec, the securities regulatory authority. The Canadian securities regulatory authorities expect that marketplaces will make their production environments available for purposes of all industry-wide business continuity tests.***.***

26. Section 15.1 is changed

(a) by deleting "that***" immediately after "***Subsection 13.1(1) of the Instrument requires***",***

(b) by replacing "shall***" with "***to***" immediately after "***trades executed through a marketplace***", and***

(c) by removing "either***" immediately after "***registered as a dealer under securities legislation***".***

27. Companion Policy 21-101CP is changed by adding the following section:

15.2 Access to Clearing Agency of Choice – As a general proposition, marketplace participants should have a choice as to the clearing agency that they would like to use for the clearing and settlement of their trades, provided that such clearing agency is appropriately regulated in Canada. Subsection 13.2(1) of the Instrument thus requires a marketplace to report a trade in a security to a clearing agency designated by a marketplace participant.

The Canadian securities regulatory authorities are of the view that where a clearing agency performs only clearing services (and not settlement or depository services) for equity or other cash-product marketplaces in Canada, it would need to have access to the existing securities settlement and depository infrastructure on non-discriminatory and reasonable commercial terms.

Subsection 13.2(2) of the Instrument provides that subsection 13.2(1) does not apply to trades in standardized derivatives or exchange-traded securities that are options**.**.

28. Subsection 16.2 is changed by inserting "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.***" after "***to act as an information processor.***".***

29. Section 16.3 is changed in the heading of the section by replacing "to***" with "***in***".***

30. Companion Policy 21-101CP is changed by adding the following section:

16.3.1 Filing of Financial Statements – Subsection 14.4(6) of the Instrument requires an information processor to file annual audited financial statements within 90 days after the end of its financial year. However, where an information processor is operated as a division or unit of a person or company, which may be a marketplace, clearing agency, issuer or any other person or company, the person or company must file an income statement, a statement of cash flow and any other information necessary to demonstrate the financial condition of the information processor. In this case, the income statement, statement of cash flow and other necessary financial information pertaining to the operation of the information processor may be unaudited**.**.

31. These changes become effective on October 1, 2015.

5.1.4 Amendments to NI 23-101 Trading Rules

AMENDMENTS TO
NATIONAL INSTRUMENT 23-101 *TRADING RULES*

1. National Instrument 23-101 Trading Rules is amended by this Instrument.

2. National Instrument 23-101 Trading Rules is amended by replacing "*shall****" wherever it occurs with "****must****".***

3. Section 5.1 is amended by

(a) replacing "no person or company***" with "***a person or company***", and***

(b) adding "not***" before "***execute a trade***".***

4. Section 6.7 is amended by

(a) replacing "no person or company***" with "***a person or company***", and***

(b) adding "not***" before "***send an order to an exchange***".***

5. Section 6.8 is amended by adding ", except for paragraph 6.3(1)(c)," ***after*** *"In Québec,* this Part"***.***

6. Section 7.1 is amended by adding the following subsection:

(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**.**.

7. National Instrument 23-101 Trading Rules is amended by replacing section 7.2 with the following:

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)**.**.

8. National Instrument 23-101 Trading Rules is amended by adding the following section:

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**.**.

9. Section 7.3 is amended by adding the following subsection:

(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.*.*

10. National Instrument 23-101 Trading Rules is amended by replacing section 7.4 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 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).*.*

11. National Instrument 23-101 Trading Rules is amended by adding the following section:

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*.*.

12. Section 10.2 is amended by replacing "an agreement***" with "***a written agreement***" before "***with a regulation services provider that provides***".***

13. This Instrument comes into force on October 1, 2015.

5.1.5 Changes to Companion Policy 23-101CP Trading Rules

CHANGES TO
COMPANION POLICY 23-101CP *TRADING RULES*

1. The changes to Companion Policy 21-101CP are set out in this Schedule.

2. Subparagraph 6.3(c)(ii) is changed by replacing "disaplayed***" with "***displayed***".***

3. Subsection 6.4(1) is changed by replacing "shall***" with "***must***".***

4. Companion Policy 23-101CP is changed by replacing section 7.1 with:

7.1 Monitoring and Enforcement of Requirements Set By a Recognized Exchange or Recognized Quotation and Trade Reporting System – Under section 7.1 of the Instrument, a recognized exchange will set its own requirements governing the conduct of its members. Under section 7.3 of the Instrument, a recognized quotation and trade reporting system will set its own requirements governing the conduct of its users. The recognized exchange or recognized quotation and trade reporting system can monitor and enforce these requirements either directly or indirectly through a regulation services provider. A regulation services provider is a person or company that provides regulation services and is either a recognized exchange, recognized quotation and trade reporting system or a recognized self-regulatory entity.

If a recognized exchange or recognized quotation and trade reporting system has entered into a written agreement with a regulation services provider, it is expected that the requirements adopted by the recognized exchange or recognized quotation and trade reporting system under Part 7 of the Instrument will consist of all of the rules of the regulation services provider that relate to trading. For example, if a recognized exchange or recognized quotation and trade reporting system has entered into a written agreement with IIROC, the rules adopted by the recognized exchange or recognized quotation and trade reporting system are all of IIROC's Universal Market Integrity Rules. Clock synchronization, trade markers and trading halt requirements would be examples of these adopted rules that relate to the regulation services provider's monitoring of trading on the recognized exchange or recognized quotation and trade reporting system and across marketplaces.

We are of the view that all of the rules of the regulation services provider related to trading must be adopted by a recognized exchange or recognized quotation and trade reporting system that has entered into a written agreement with the regulation services provider given the importance of these rules in the context of effectively monitoring trading on and across marketplaces. We note that the regulation services provider is required to monitor the compliance of, and enforce, the adopted rules as against the members of the recognized exchange or users of the recognized quotation and trade reporting system. The regulation services provider is also required to monitor the compliance of the recognized exchange or recognized quotation and trade reporting system with the adopted rules but it is the applicable securities regulatory authority that will enforce these rules against the recognized exchange or recognized quotation and trade reporting system.

Sections 7.2 and 7.4 of the Instrument require the recognized exchange or recognized quotation and trade reporting system that chooses to have the monitoring and enforcement performed by the regulation services provider to enter into an agreement with the regulation services provider in which the regulation services provider agrees to enforce the requirements of the recognized exchange or recognized quotation and trade reporting system adopted under subsection 7.1(1) and 7.3(1).

Specifically, sections 7.2 and 7.4 require the written agreement between a recognized exchange or recognized quotation and trade reporting system and its regulation services provider to provide that the regulation services provider will monitor and enforce the requirements set under subsection 7.1(1) or 7.3(1) and monitor the requirements adopted under subsection 7.1(3) or 7.3(3).

Paragraph 7.2.1(a)(i) mandates that a recognized exchange must transmit information reasonably required by the regulation services provider to effectively monitor the conduct of and trading by marketplace participants on and across marketplaces. The reference to monitoring trading "across marketplaces" refers to the instance where particular securities are traded on multiple marketplaces. Where particular securities are only traded on one marketplace, the reference to "across marketplaces" may not apply in all circumstances.

Paragraph 7.2.1(a)(ii) requires that a recognized exchange must transmit information reasonably required by the regulation services provider to effectively monitor the compliance of the recognized exchange with the requirements adopted under subsection 7.1(3). As well, subsection 7.2.1(b) requires a recognized exchange to comply with all orders or directions of its regulation services provider that are in connection with the conduct and trading by the recognized

exchange's members on the recognized exchange and with the regulation services provider's oversight of the compliance of the recognized exchange with the requirements adopted under 7.1(3)..

5. These changes become effective on October 1, 2015.

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 24, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
$250,264,000.00 - 8,720,000 Units
Price: $28.70 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #2399514

Issuer Name:
Choice Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated September 25, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
$2,000,000,000.00
Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2400587

Issuer Name:
CPI Card Group Inc.
Principal Regulator - British Columbia
Type and Date:
Third Amended and Restated Preliminary Long Form PREP Prospectus dated September 22, 2015
NP 11-202 Receipt dated September 22, 2015
Offering Price and Description:
US$ * - *Common Stock
Price: US$ * per Common Stock
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Scotia Capital Inc.
GMP Securities L.P.
Promoter(s):
-
Project #2382367

Issuer Name:
Global Aging Opportunities Growth & Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 28, 2015
NP 11-202 Receipt dated September 28, 2015
Offering Price and Description:
Maximum Offering: $ * - * Units
Minimum Offering: $20,000,000 - 2,000,000 Units
Price: $10.00 per Unit
Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Industrial Alliance Securities Inc.
PI Financial Corp.
Desjardins Securities Inc.
Dundee Securities Ltd.
Global Securities Corporation
Mackie Research Capital Corporation
Promoter(s):
Harvest Portfolios Group Inc.
Project #2401073

Issuer Name:
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Canadian Income Balanced Pool
Mackenzie Private Canadian Income Balanced Pool Class
Mackenzie Private Canadian Money Market Pool
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private Global Fixed Income Pool
Mackenzie Private Global Income Balanced Pool
Mackenzie Private US Equity Pool
Mackenzie Private US Equity Pool Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated September 22, 2015
NP 11-202 Receipt dated September 22, 2015
Offering Price and Description:
Series PW, PWF, PWX, PWT5, PWF5 and PWX5 Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #2399699

Issuer Name:
Manulife Global Healthcare Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 25, 2015
NP 11-202 Receipt dated September 28, 2015
Offering Price and Description:
Maximum Offering: $ * - * Units
Minimum Offering: $20,000,000.00 - 2,000,000 Class A Units
Price: $10.00 per Class A Unit and U.S. $10.00 per Class U Unit
Minimum Subscription: $1,000.00 for Class A Units and U.S. $1,000.00 for Class U Uniits
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2400880

Issuer Name:
Marquest 2015 Mining Super Flow-Through Limited Partnership - National Class
Marquest 2015 Mining Super Flow-Through Limited Partnership - Québec Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 22, 2015
NP 11-202 Receipt dated September 24, 2015
Offering Price and Description:
Maximum Offering: $20,000,000 - 2,000,000 Marquest 2015 National Class Units
Minimum Offering: $2,500,000 - 250,000 Marquest 2015 National Class Units (subject to a minimum of 250,000 National Class Units being sold)
Price: $10.00 per Marquest 2015 National Class Units
Minimum Subscription: $2,500 - 250 National Class Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Desjardins Securities Ltd.
Raymond James Ltd.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
Marquest Asset Management Inc.
Project #2400014;2400013

Issuer Name:
NorthWest Healthcare Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 25, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
$50,000,000.00 - 5.50% Convertible Unsecured Subordinated Debentures
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
TD Securities Inc.
Dundee Securities Ltd.
Raymond James Ltd.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2399503

Issuer Name:
Veresen Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated September 24, 2015
NP 11-202 Receipt dated September 24, 2015
Offering Price and Description:
$4,000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2400452

Issuer Name:
Ag Growth International Inc.
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated September 22, 2015
NP 11-202 Receipt dated September 22, 2015
Offering Price and Description:
$75,000,000.00 - 5.00% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
AltaCorp Capital Inc.
Cormark Securities Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2396955

Issuer Name:
BlackRock All Bond Portfolio
BlackRock Balanced Portfolio
BlackRock Conservative Portfolio
BlackRock Defensive Portfolio
BlackRock Diversified Monthly Income Portfolio
BlackRock Growth Portfolio
BlackRock MaxGrowth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated September 23, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
Series A, Series D, Series F and Series I units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2384445

Issuer Name:
RBC Private Canadian Bond Pool
RBC Private U.S. Equity Pool
RBC Private International Equity Pool
(Series F and Series O units)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated September 24, 2015 to the Simplified Prospectuses and Annual Information Form dated June 24, 2015
NP 11-202 Receipt dated September 28, 2015
Offering Price and Description:
Series F and O units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Royal Mutual Funds Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.
RBC Global Asset Management Inc.
RBC Dominion Securities Inc.
Royal Mutual Funds Inc.
Royal Mutual Funds Inc./RBD Direct Investing Inc.
The Royal Trust Company
Promoter(s):
RBC Global Asset Management Inc.
Project #2350116

Issuer Name:
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North U.S. Growth Fund
(Series C, Advisor Series, Series D, Series F and Series O units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 17, 2015 to the Simplified Prospectuses and Annual Information Form dated June 26, 2015
NP 11-202 Receipt dated September 22, 2015
Offering Price and Description:
Series C, Advisor Series, Series D, Series F and Series O units
Underwriter(s) or Distributor(s):
Phillips, Hager & North Investment Funds Ltd.
RBC Global Asset Management Inc.
Phillips, Hager & North Investment Funds Ltd.
Promoter(s):
RBC Global Asset Management Inc.
Project #2352048

Issuer Name:
Franklin Mutual European Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated September 22, 2015
NP 11-202 Receipt dated September 24, 2015
Offering Price and Description:
Series A, F, I, M and O units
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
FTC Investor Services Inc.
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2378931

Issuer Name:
Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated September 24, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
Common shares at net asset value per share
Underwriter(s) or Distributor(s):
-
Promoter(s):
W.A. Robinson Asset Management Ltd.
Project #2388616

Issuer Name:
Gibraltar Growth Corporation
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated September 25, 2015
NP 11-202 Receipt dated September 25, 2015
Offering Price and Description:
$100,000,000.00 - 10,000,000 Class A Restricted Voting Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
Cantor Fitzgerald Canada Corporation
National Bank Financial Inc.
Promoter(s):
Gibraltar Opportunity, Inc.
Project #2378229

Issuer Name:
Goldbelt Empires Limited
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated September 22, 2015
NP 11-202 Receipt dated September 23, 2015
Offering Price and Description:
Minimum Offer: 3,750,000 Units / $750,000.00 (the "Minimum Offering")
Maximum Offer: 10,000,000 Units / $2,000,000.00 (the "Maximum Offering")
Price: $0.20 per Unit
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
James Varanese
Project #2375292

Issuer Name:
NEI Select Conservative Corporate Class Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 16, 2015 to the Simplified Prospectus and Annual Information Form dated June 26, 2015
NP 11-202 Receipt dated September 22, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management
Promoter(s):
Northwest & Ethical Investments L.P.,
Project #2347872

Issuer Name:
Series A, Series F, Series I, Series M and Series O units of
PIMCO Canadian Short Term Bond Fund
PIMCO Canadian Total Return Bond Fund
PIMCO Canadian Real Return Bond Fund
PIMCO Monthly Income Fund (Canada) (also offers Series A(US$), Series F(US$), Series I(US$),
Series M(US$) and Series O(US$) units)
PIMCO Global Advantage Strategy Bond Fund (Canada) (also offers Series A(US$), Series
F(US$), Series I(US$), Series M(US$) and Series O(US$) units)
PIMCO Unconstrained Bond Fund (Canada) (also offers Series A(US$), Series F(US$), Series
I(US$), Series M(US$) and Series O(US$) units)
PIMCO Investment Grade Credit Fund (Canada) (also offers Series A(US$), Series F(US$),
Series I(US$), Series M(US$) and Series O(US$) units)
PIMCO Balanced Income Fund (Canada) (also offers Series A(US$), Series F(US$), Series
I(US$), Series M(US$) and Series O(US$) units)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Form dated September 1, 2015 (the amended prospectus)
amending and restating the Simplified Prospectuses and Annual Information Form dated July 20, 2015
NP 11-202 Receipt dated September 23, 2015
Offering Price and Description:
Series A, Series F, Series I, Series M, Series O , Series A(US$), Series F(US$), Series I(US$), Series M(US$) and Series O(US$) units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
PIMCO Canada Corp.
Project #2363543

Issuer Name:
Timbercreek Global Real Estate Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated September 23, 2015
NP 11-202 Receipt dated September 23, 2015
Offering Price and Description:
Class A Units @ Net Asset Value
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Raymond James Ltd.
GMP Securities L.P.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuitiy Corp,
Manulife Securities Incorporated
Desjardins Securities Inc.
Dundee Securities Ltd.
Burgeonvest Bick Securities Ltd.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
-
Project #2398100

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Ballast Healthcare Partners Inc. To: Scale Capital Management Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	September 16, 2015
New Registration	GF Securities (Canada) Company Limited	Investment Dealer	September 25, 2015
Suspension pursuant to Section 29(1) of the Securities Act	yourCFO Advisory Group Inc.	Investment Dealer	June 26, 2015
Suspension pursuant to Section 29(1) of the Securities Act	Edgecrest Capital Corporation	Investment Dealer	September 10, 2015
Suspension pursuant to Section 29(1) of the Securities Act	TMX Select Inc.	Investment Dealer	September 21, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendments to the Universal Market Integrity Rules (UMIR) Respecting Unprotected Transparent Marketplaces and the Order Protection Rule and Exemption under UMIR 11.1 – OSC Staff Notice of Commission Approval

OSC STAFF NOTICE OF COMMISSION APPROVAL

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO THE UNIVERSAL MARKET INTEGRITY RULES (UMIR) RESPECTING UNPROTECTED TRANSPARENT MARKETPLACES AND THE ORDER PROTECTION RULE

AND

EXEMPTION UNDER UMIR 11.1

The Ontario Securities Commission approved amendments to the Universal Market Integrity Rules (UMIR). The amendments align to proposed amendments by the Canadian Securities Administrators regarding the interpretation of “protected order” and accommodate the terms and conditions under which the Ontario Securities Commission has approved amendments to Alpha Exchange Inc.'s trading policies to include a systematic order processing delay. Among other things, the UMIR amendments revise the definition of “protected marketplace” and allow a Participant or Access Person to take account only of displayed orders on protected marketplaces when determining compliance with UMIR requirements that make reference to “best ask price”, “best bid price” or “better price”. The amendments were published for comment on June 12, 2015 for a 30 day comment period. Two comment letters were received.

The amendments are effective immediately. A copy of IIROC's Notice of Approval can be found at http://www.osc.gov.on.ca.

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 Newfoundland and Labrador Office of the Superintendent of Securities Services, the Nova Scotia Securities Commission, and the Prince Edward Island Office of the Superintendent of Securities did not object to or approved the amendments.

In addition, IIROC has sought and received approval to grant an exemption under UMIR 11.1(2) to exempt a class of transactions from all applicable provisions of UMIR. Specifically, all transactions resulting from all orders by Participants required to be sent to Alpha to satisfy their order protection obligations under National Instrument 23-101, are exempted from all applicable provisions of UMIR related to a “protected marketplace”. This exemption was approved by the relevant Recognizing Regulators on September 17, 2015.

13.2 Marketplaces

13.2.1 Instinet Canada Cross Limited – Notice of Proposed Change

INSTINET CANADA CROSS

NOTICE OF PROPOSED CHANGE

Instinet Canada Cross Limited ("ICX") has announced its plans to implement the change described below in the first quarter of 2016. We are publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems*. Pursuant to OSC Staff Notice 21-703 Market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by October 30, 2015 to:

Market Regulations Branch
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: marketregulation@osc.gov.on.ca

And to:

Leo Drori
Chief Compliance Officer
Instinet Canada Cross Limited
Suite 2200, TD Tower West
100 Wellington St. West
Toronto, Ontario M5K 1H1

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Continuous Block Crossing

A. Description of Proposed Changes

ICX is proposing to introduce a continuous matching order type in addition to the two existing order types it currently offers (BLX and VWAP crosses). ICX's continuous matching offering (which will be known as CBX – Continuous Block Crossing) is a low latency continuous limit order book that will have the following features:

- Dark pool with no displayed orders
- Broker-time priority. There is no preferencing of orders by any other criteria
- All matches will occur at the mid-point of the National Best Bid Offer
- ICX supports all advance order types, including limit, minimum fill and time-in-force
- Only board lots will be traded
- Matches will only occur during the primary market hours of operations once the stock has been deemed open in the primary market
- No matches will occur if the NBBO is locked or crossed

Orders are sent into CBX. Market and limit orders designated IOC or FOK are, if not matched in the CBX, cancelled back to the subscriber. When at least one board lot can be matched, the CBX price is set by calculating the NBBO midpoint at the time of the match. Once the price is set, the match executes based on broker-time priority. Prints are sent to subscribers, the IP and IIROC. CBX trades will set the national last sale price.

Order Fill Scenarios

NBBO for Symbol 'AAA" is bid at 10 and offered at 10.05

	Order Type	Order Entry			TIF conditions	Result
Scenario 1	Market	Broker A	11:15	Buy 5,000	None	Order rests in ICX
						Order cancelled at end of day
			-	Sell – No orders		
Scenario 2	Market	Broker A	11:15	Buy 5,000	FOK	Order cancelled back to Broker A
			-	Sell – No orders		
Scenario 3	Limit	Broker A	11:15	Buy 5,000 @ 10.04	None	5,000 filled at 10.025
	Market	Broker B	11:20	Sell 5,000	None	5,000 filled at 10.025
Scenario 4	Limit	Broker A	11:15	Buy 5,000 @ 10.04	None	5,000 filled at 10.025
		Broker B	11:20	Buy 5,000 @ 10.05		2,000 filled at 10.025
						3,000 cancelled back at end of day
	Market	Broker A	11:25	Sell 7,000	None	7,000 filled at 10.025

B. Expected Implementation Date

Subject to regulatory approval, ICX currently expects to launch CBX in the first quarter of 2016.

C. Rationale for proposed Change:

The rationale for the proposed change is to offer Canadian market participants additional opportunities to obtain price improvement and to trade anonymously.

D. Impact of the Change on Market Structure for Subscribers, Investors and capital markets;

Since continuous block crossing for dark orders is currently offered by several Canadian marketplaces, there is no likely impact on current market structure nor should any new regulatory issues be raised. Since ICX is not a protected market, participation in CBX is voluntary and no additional technological or regulatory burden is placed on any Subscribers, investors or the capital markets in general.

E. Consultations

ICX has consulted with several industry participants who support the introduction of CBX.

F. Expected impact of the Significant Change on ICX's compliance with Ontario securities law and the requirements of fair access and the maintenance of a fair and orderly market.

We foresee no negative impact to fair access.

ICX did not estimate the time needed to for subscribers or service vendors to modify their systems after implementation of the change because we do not believe material time would be needed, as continuous block crossing is currently offered by several Canadian marketplaces and ICX is not a protected market.

If you have any questions concerning the information below please contact Leo Drori CCO for Instinet Canada Cross Limited at 416-304-6368.

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