

2.3 Improper Orders and Trades

A Participant or Access Person shall not enter an order on a marketplace or execute a trade if the Participant or Access Person knows or ought reasonably to know that that the entry of the order or the execution of the trade would not comply with or would result in the violation of:

- (a) applicable securities legislation;
- (b) applicable requirements of any self-regulatory entity of which the Participant or Access Person is a member;
- (c) the Marketplace Rules of the marketplace on which the order is entered;
- (d) the Marketplace Rules of the marketplace on which the trade is executed;
and
- (e) UMIR and the Policies.

<p>Defined Terms: NI 14-101 section 1.1(3) – “securities legislation” NI 21-101 section 1.1 – “order” and “self-regulatory entity” UMIR section 1.1 – “Access Person”, “marketplace”, “Marketplace Rules”, “Participant”, “Policies” and “UMIR” UMIR section 1.2(2) – “trade”</p> <p>Related Provisions: UMIR Policy 1.2 Part 3 – interpretation of “ought reasonably to know”</p> <p>Regulatory History: Effective April 1, 2005, the applicable securities commissions approved an amendment to add Rule 2.3. In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Rule 2.3 that came into force on June 1, 2008 to replace the phrase “the Rules and” with “UMIR and the”.</p>
