

## 7.11 Failed Trades - proposed

**Proposed Amendments:**

*For information on the current proposed amendment to add Rule 7.11 to UMIR, refer to Market Integrity Notice 2007-017 – Request for Comments - Provisions Respecting Short Sales and Failed Trades (September 7, 2007) which includes the following proposed amendment:*

4. Adding the following as Rule 7.11

**7.11 Failed Trades**

- (1) *If within ten trading days following the date for settlement contemplated on the execution of a failed trade, the account:*
  - (a) *in the case of a sale, other than a short sale, that failed to make available securities in such number and form;*
  - (b) *in the case of a short sale, that failed to make:*
    - (i) *available securities in such number and form, or*
    - (ii) *arrangements with the Participant or Access Person to borrow securities in such number and form; and*
  - (c) *in the case of a purchase, that failed to make available monies in such amount,*

*as to permit the settlement of the trade at the time on the date contemplated on the execution of the trade has not made available such securities or monies or has not made arrangements for the borrowing of the securities, as the case may be, the Participant or Access Person that entered the order on a marketplace shall give notice to the Market Regulator at such time and in such form and manner and containing such information as may be required by the Market Regulator.*
- (2) *If a Participant or Access Person is required to provide notice of a failed trade to the Market Regulator in accordance with subsection (1), the Participant or Access Person shall, upon the account making available the applicable securities or monies or making arrangement for the borrowing of the applicable securities, give notice to the Market Regulator at such time and in such form and manner and containing such information as may be required by the Market Regulator.*