

PART 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

In UMIR, unless the subject matter or context otherwise requires:

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| Defined Terms: | <i>UMIR section 1.1 – “UMIR”</i> |
| Regulatory History: | <i>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</i> |

“**Access Person**” means a person other than a Participant who is:

- (a) a subscriber; or
- (b) a user.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “subscriber” and “user”</i> <i>UMIR section 1.1 – “Participant”</i> <i>UMIR section 1.2(2) – “person”</i> |
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“**arbitrage account**” means an account in which the holder makes a usual practice of buying and selling:

- (a) securities in different markets to take advantage of differences in prices available in each market; or
- (b) securities which are or may become convertible or exchangeable by the terms of the securities or operation of law into other securities in order to take advantage of differences in prices between the securities.

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| Defined Terms: | <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> |
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“**Basis Order**” means an order for the purchase or sale of:

- (a) listed securities or quoted securities that comprise at least 80% of the component securities weighting of the underlying interest of:
 - (i) a derivative instrument that is listed on an Exchange or quoted on a QTRS; or
 - (ii) an Exempt Exchange-traded Fund,
 which will be executed at prices determined in a manner acceptable to a Market Regulator that are based on the price achieved through the execution on that trading day of one or more transactions in the derivative instrument or Exempt Exchange-traded Fund; or
- (b) a derivative instrument that is a listed or quoted security or an Exempt Exchange-traded Fund, which will be executed at a price determined in a manner acceptable to a Market Regulator that is based on the prices achieved through the execution on that trading day of transactions in the securities that comprise at least 80% of the component security weighting of the underlying interest of the derivative instrument or Exempt Exchange-traded Fund,

provided that prior to the entry of the order the Participant or Access Person reports to a Market Regulator its intention to enter the order and the details of the related transactions, in the form and manner required by the Market Regulator.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>UMIR section 1.1 – “Access Person”, “Exchange”, “listed security”, “Market Regulator”, “Participant”, “QTRS”, “quoted security” and “trading day”</i> |
| Regulatory History: | <i>Effective April 8, 2005, the applicable securities commissions approved amendments to section 1.1 to add the definition of “Basis Order”. See Market Integrity Notice 2005-010 – “Provisions Respecting a “Basis Order”” (April 8, 2005).</i> <i>Effective April 30, 2015, the applicable securities commissions approved amendments to section 1.1 to amend the definition of “Basis Order”. See Market Integrity Notice 15-0098 – “Amendments to the Definition of Basis Order” (April 30, 2015).</i> |

“**basket trade**” means a simultaneous purchase of at least 10 listed securities or quoted securities, provided that any restricted security comprises not more than 20% of the total value of the transaction.

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| Defined Terms: | <i>UMIR section 1.1 – “listed security”, “quoted security” and “restricted security”</i> |
| Regulatory History: | <i>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “basket trade”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</i> |

“**best ask price**” means the lowest price of an order on any protected marketplace as displayed in a consolidated market display to sell a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Closing Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “Basis Order”, “Call Market Order”, “Closing Price Order”, “consolidated market display”, “Market-on-Close Order”, “marketplace”, “Opening Order”, “Special Terms Order” and “Volume-Weighted Average Price Order”</i> |
| Related Provision: | <i>UMIR 1.2(8)</i> |
| Regulatory History: | <i>Effective March 9, 2007, the applicable securities commissions approved an amendment to the definition of “best ask price”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</i> <i>Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of “best ask price”. See IIROC Notice 15-0211 - Notice of Approval – “Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule” (September 18, 2015).</i> |

“**best bid price**” means the highest price of an order on any protected marketplace as displayed in a consolidated market display to buy a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Closing Price

Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Basis Order”, “Call Market Order”, “Closing Price Order”, “consolidated market display”, “Market-on-Close Order”, “marketplace”, “Opening Order”, “Special Terms Order” and “Volume-Weighted Average Price Order”</p> |
| Related Provision: | UMIR 1.2(8) |
| Regulatory History: | <p>Effective March 9, 2007, the applicable securities commissions approved an amendment to the definition of “best ask price”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</p> <p>Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of “best price”. See IIROC Notice 15-0211 - Notice of Approval – “Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule” (September 18, 2015).</p> |

“**best independent bid price**” means the best bid price, other than for an order that a dealer-restricted person knows or ought reasonably to know has been entered by or on behalf of a person that is a dealer-restricted person or an issuer-restricted person.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>UMIR section 1.1 – “best bid price”, “dealer-restricted person” and “issuer-restricted person”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Regulatory History: | <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to add the definition of “best independent bid price”. See IIROC Notice 10-0006 – “Provisions Respecting Trading During Certain Securities Transactions” (January 8, 2010).</p> |

“**better price**” means, in respect of each trade resulting from an order for a particular security:

- (a) in the case of a purchase, a price that is at least one trading increment lower than the best ask price at the time of the entry of the order to a marketplace provided that, if the best bid price is one trading increment lower than the best ask price, the price shall be at least one-half of one trading increment lower; and
- (b) in the case of a sale, a price that is at least one trading increment higher than the best bid price at the time of the entry of the order to a marketplace provided that, if the best ask price is one trading increment higher than the best bid price, the price shall be at least one-half of one trading increment higher.

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| Defined Terms: | <p>NI 21-101 section 1.1 - “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “best ask price”, “best bid price”, “marketplace” and “trading increment”</p> <p>UMIR section 1.2(2) – “trade”</p> |
| Regulatory History: | <p>On April 13, 2012, the applicable securities commissions approved an amendment to section 1.1, effective October 15, 2012, to delete and substitute the definition of “better price”. See IIROC Notice 12-0130 – “Provisions Respecting Dark Liquidity” (April 13, 2012).</p> |

“Board” means the board of directors or other governing body of a Market Regulator.

Defined Terms: UMIR section 1.1 – “Market Regulator”

“bundled order” means an order that includes a client order as well as a non-client order or principal order, or both.

Defined Terms: NI 21-101 section 1.1 – “order”
UMIR section 1.1 – “client order”, “non-client order” and “principal order”

Regulatory History: Effective September 14, 2017, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “bundled order”. See IIROC Notice [17-0039](#) – Notice of Approval – “**Amendments Respecting Designations and Identifiers**” (February 16, 2017).

“bypass order” means an order that is:

- (a) part of a designated trade; or
- (b) to satisfy an obligation to fill an order imposed on a Participant or Access Person by any provision of UMIR or a Policy

and that is entered on:

- (c) a protected marketplace to execute as against the disclosed volume on that marketplace prior to the execution or cancellation of the balance of the order; or
- (d) a marketplace that is not a protected marketplace but that displays orders in a consolidated market display, to execute as against the displayed orders on that marketplace that would have been included in the disclosed volume if that marketplace had been a protected marketplace.

Defined Terms: NI 21-101 section 1.1 – “order”
UMIR section 1.1 – “Access Person”, “designated trade”, “disclosed volume”, “marketplace”, “Participant”, “Policy”, “protected marketplace” and “UMIR”

Regulatory History: Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “bypass order”.
In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in [Status of Amendments](#).
Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of “bypass order”. See IIROC Notice [15-0211](#) - Notice of Approval – “**Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule**” (September 18, 2015).

“Canadian account” means an account other than a non-Canadian account.

Defined Terms: UMIR section 1.1 – “non-Canadian account”

Regulatory History: Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “Canadian account”. See Market Integrity Notice [2008-008](#) – “**Provisions Respecting “Off-Marketplace” Trades**” (May 16, 2008).

“Call Market Order” means an order for the purchase or sale of one or more particular securities that is entered on a marketplace on a trading day to trade at a particular time

or times established by the marketplace during that trading day at a price established by the trading system of the marketplace.

Defined Terms: NI 21-101 section 1.1 – “order”
NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “marketplace” and “trading day”

“client order” means an order for the purchase or sale of a security received or originated by a Participant for the account of a client of the Participant or a client of an affiliated entity of the Participant, but does not include a principal order or a non-client order.

Defined Terms: NI 21-101 section 1.1 – “order”
NI 21-101 section 1.3(1) – “affiliated entity”
NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “Participant”, “principal order” and “non-client order”

“Closing Price Order” means an order for the purchase or sale of a listed security or a quoted security entered on a marketplace and subject to the conditions that the order trade at the closing sale price of that security on that marketplace for that trading day and that the trade is executed subsequent to the establishment of the closing price.

Defined Terms: NI 21-101 section 1.1 – “order”
NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “listed security”, “marketplace”, “quoted security” and “trading day”
UMIR section 1.2(2) – “trade”

Regulatory History: Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “Closing Price Order”. See Market Integrity Notice [2007-002](#) – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).

“connected security” means, in respect of an offered security:

- (a) a listed security or quoted security into which the offered security is immediately convertible, exchangeable or exercisable unless the price at which the offered security is convertible, exchangeable or exercisable is greater than 110% of the best ask price of the listed security or quoted security at the commencement of the restricted period;
- (b) a listed security or quoted security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may significantly determine the value of the offered security;
- (c) if the offered security is a special warrant, a listed security or quoted security which would be issued on the exercise of the special warrant; or
- (d) if the offered security is an equity security, any other equity security of the issuer that is a listed security or quoted security.

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| Defined Terms: | <i>UMIR section 1.1 – “best ask price”, “equity security”, “listed security”, “offered security”, “quoted security” and “restricted period”</i> |
| Regulatory History: | <i>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “connected security”. See Market Integrity Notice 2005-007 – “Amendments Respecting trading During Certain Securities Transactions” (March 4, 2005). Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to amend the definition of “connected security”. See IIROC Notice 10-0006 – “Provisions Respecting Trading During Certain Securities Transactions” (January 8, 2010).</i> |

“**consolidated market display**” means, in respect of a particular security, information on orders or trades from each marketplace on which such particular security trades that has been:

- (a) produced by an information processor in a timely manner in accordance with Part 14 of the Marketplace Operation Instrument; or
- (b) if there is no information processor, produced by an information vendor in accordance with Part 7 of the Marketplace Operation Instrument.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “information processor” and “order” NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.1 – “marketplace” and “Market Operation Instrument” UMIR section 1.2(2) – “trade”</i> |
| Regulatory History: | <i>Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to replace the definition of “consolidated market display”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</i> |

“**Dark Order**” means:

- (a) an order no portion of which is displayed on entry on a marketplace in a consolidated market display; or
- (b) that portion of an order which on entry to a marketplace is not displayed in a consolidated market display if that portion may trade at a price other than the price displayed by that portion of the order included in the consolidated market display

but does not include an order entered on a marketplace as:

- (c) part of an intentional cross;
- (d) a market order that is immediately executed in full on one or more marketplaces at the time of entry;
- (e) a limit order that is immediately executed in full on one or more marketplaces at the time of entry;
- (f) a Basis Order;

- (g) a Call Market Order if that Call Market Order may only trade with other Call Market Orders and the matching of Call Market Orders occurs less frequently than once every minute;
- (h) a Closing Price Order;
- (i) a Market-on-Close Order;
- (j) an Opening Order; or
- (k) a Volume-Weighted Average Price Order.

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| Defined Terms: | <p>NI 21-101 section 1.1 - "order"</p> <p>UMIR section 1.1 – "Basis Order", "Call Market Order", "Closing Price Order", "consolidated market display", "intentional cross", "limit order", "Market-on-Close Order", "market order", "marketplace", "Opening Order" and "Volume-Weighted Average Price Order"</p> |
| Regulatory History: | <p>On April 12, 2012, the applicable securities commissions approved an amendment to section 1.1, effective October 15, 2012, to add the definition of "Dark Order". See IIROC Notice 12-0130 – "Provisions Respecting Dark Liquidity" (April 13, 2012).</p> |

"dealer-restricted person" means, in respect of a particular offered security:

- (a) a Participant that:
 - (i) is an underwriter, as defined in applicable securities legislation, in a prospectus distribution or a restricted private placement,
 - (ii) is participating, as agent but not as an underwriter, in a restricted private placement of securities and the Participant has been allotted or is otherwise entitled to sell more than 25% of the securities to be issued under the restricted private placement,
 - (iii) has been appointed by an offeror to be the dealer-manager, manager or soliciting dealer or adviser in respect of a securities exchange take-over bid or issuer bid, or
 - (iv) has been appointed by an issuer to be the soliciting dealer or adviser in respect of obtaining security holder approval for an amalgamation, arrangement, capital reorganization or similar transaction that would result in the issuance of securities that would be a distribution exempt from prospectus requirements in accordance with applicable securities law,

where, in each case, adviser means an adviser whose compensation depends on the outcome of the transaction;
- (b) a related entity of the Participant referred to in clause (a) but does not include such related entity, or any separate and distinct department or division of the Participant if:
 - (i) the Participant maintains and enforces written policies and procedures in accordance with Rule 7.1 that are reasonably designed to prevent the flow of information from the Participant regarding the offered security and the related transaction,

- (ii) the Participant has no officers or employees that solicit client orders or recommend transactions in securities in common with the related entity, department or division, and
- (iii) the related entity, department or division does not during the restricted period in connection with the restricted security:
 - (A) act as a market maker (other than pursuant to Marketplace Trading Obligations),
 - (B) solicit client orders, or
 - (C) enter principal orders or otherwise engage in proprietary trading;
- (c) a partner, director, officer, employee or a person holding a similar position or acting in a similar capacity, of the Participant referred to in clause (a) or for a related entity of the Participant referred to in clause (b); or
- (d) any person acting jointly or in concert with a person described in clause (a), (b) or (c) for a particular transaction.

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| Defined Terms: | <p>NI 14-101 section 1.1(3) – “issuer bid” and “securities legislation”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “client order”, “employee”, “Marketplace Trading Obligations”, “offered security”, “Participant”, “principal order”, “related entity”, “restricted period”, “restricted private placement” and “securities exchange take-over bid”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Related Provision: | <p>UMIR Policy 1.2 Part 1 – “acting jointly or in concert”</p> |
| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “dealer-restricted person”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to amend the definition of “dealer-restricted person” to replace sub-clause (a)(ii) of the definition. See IIROC Notice 10-0006 – “Provisions Respecting Trading During Certain Securities Transactions” (January 8, 2010).</p> <p>Effective August 26, 2011, the applicable securities commissions approved amendments to section 1.1 to replace the reference in the definition of “dealer-restricted person” to “Market Maker Obligations” with “Marketplace Trading Obligations”. See IIROC Notice 11-0251 – “Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations” (August 26, 2011).</p> |

“derivatives market maker” means a person who performs the function ordinarily associated with a market maker or specialist on an Exchange or QTRS in connection with a derivative instrument.

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| Defined Terms: | <p>UMIR section 1.1 – “Exchange” and “QTRS”</p> <p>UMIR section 1.2(2) – “person”</p> |
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“derivative-related cross” means a pre-arranged trade resulting from an order entered on a marketplace by a Participant or Access Person for a particular security that is fully offset by a trade in a related security that is a derivative instrument.

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| Defined Terms: | NI 21-101 section 1.1 – “marketplace”, “order” UMIR section 1.1 – “Access Person”, “marketplace”, “Participant”, “pre-arranged trade” and “related security” |
| Regulatory History: | Effective September 14, 2017, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “derivative-related cross”. See IIROC Notice 17-0039 – Notice of Approval – “ Amendments Respecting Designations and Identifiers ” (February 16, 2017). |

“**designated trade**” means an intentional cross or a pre-arranged trade of a security that would be made at a price that:

- (a) would not be less than the lesser of:
 - (i) 95% of the best bid price, and
 - (ii) 10 trading increments less than the best bid price; and
- (b) would not be more than the greater of:
 - (i) 105% of the best ask price, and
 - (ii) 10 trading increments more than the best ask price.

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| Defined Terms: | NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.1 – “best ask price”, “best bid price”, “intentional cross”, “pre-arranged trade” and “trading increment” |
| Regulatory History: | Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “designated trade”. See Market Integrity Notice 2008-008 – “ Provisions Respecting “Off-Marketplace” Trades ” (May 16, 2008). |

“**direct electronic access**” means an arrangement between a Participant that is a member, user or subscriber and a client that permits the client to electronically transmit an order relating to a security containing the identifier of the Participant:

- (a) through the systems of the Participant for automatic onward transmission to a marketplace; or
- (b) directly to a marketplace without being electronically transmitted through the systems of the Participant.

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| Defined Terms: | NI 21-101 section 1.1 – “member”, “subscriber” and “user” NI 21-101 section 1.4 – Interpretation – “security” UMIR section 1.1 – “marketplace” and “Participant” |
| Regulatory History: | On July 4, 2013, the applicable securities commissions approved an amendment to section 1.1, effective March 1, 2014, to add the definition of “direct electronic access”. See IIROC Notice 13-0184 – “ Provisions Respecting Third-Party Electronic Access to Marketplaces ” (July 4, 2013). |

“**disclosed volume**” means the aggregate of the number of units of a security relating to each order for that security entered on a protected marketplace and displayed in a consolidated market display that is offered at a price below the intended price of a trade in the case of a purchase or that is bid at a price above the intended price of a trade in the case of a sale, but does not include the volume of:

- (a) a Basis Order;
- (b) a Call Market Order;
- (c) a Market-on-Close Order;
- (d) an Opening Order;
- (e) a Special Terms Order; or
- (f) a Volume-Weighted Average Price Order.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Basis Order”, “Call Market Order”, “consolidated market display”, “Market-on-Close Order”, “Opening Order”, “protected marketplace”, “Special Terms Order” and “Volume-Weighted Average Price Order”</p> <p>UMIR section 1.2 – “trade”</p> |
| Regulatory History: | <p>Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “disclosed volume”. See Market Integrity Notice 2008-008 – “Provisions Respecting “Off-Marketplace” Trades” (May 16, 2008).</p> |

“**document**” includes a sound recording, videotape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device.

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| Regulatory History: | <p>Effective March 11, 2005, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “document”. See Market Integrity Notice 2005-008 – “Provision Respecting Impeding or Obstructing a Market Regulator” (March 11, 2005).</p> <p>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</p> |
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“**Electronic Trading Rules**” means National Instrument 23-103 *Electronic Trading* as amended, supplemented, and in effect from time to time.

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| Regulatory History: | <p>Effective March 1, 2013 the applicable securities commissions approved an amendment to section 1.1 to add the definition of “Electronic Trading Rules”. See IIROC Notice 12-0363 – “Provisions Respecting Electronic Trading” (December 7, 2012).</p> |
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“**employee**” includes any person who has entered into principal/agent relationship with a Participant in accordance with the terms and conditions established for such a relationship by any self-regulatory entity of which the Participant is a member.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “self-regulatory entity”</p> <p>UMIR section 1.1 – “Participant”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Regulatory History: | <p>Effective May 16, 2003, the applicable securities commissions approved the amendment to add the definition of “employee”. See Market Integrity Notice 2003-012 – “Definition of “Employee”” (June 11, 2003).</p> |

“equity security” means any security of an issuer that carries a residual right to participate in the earnings of the issuer and, upon liquidation or winding-up of the issuer, in its assets.

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| Defined Terms: | NI 21-101 section 1.4 – Interpretation -- “security” |
| Regulatory History: | Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “equity security”. See Market Integrity Notice 2005-007 – “ Amendments Respecting Trading During Certain Securities Transactions ” (March 4, 2005). |

“Exchange” means a person recognized by the applicable securities regulatory authority under securities legislation to carry on business as an exchange.

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| Defined Terms: | NI 14-101 section 1.1(3) – “securities legislation” and “securities regulatory authority” UMIR section 1.2(2) – “person” |
| Regulatory History: | Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “ Amendments to the French version of UMIR ” (December 9, 2013). |

“Exchange-traded Fund” – repealed

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| Regulatory History: | Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to repeal the definition of “Exchange-traded Fund”. See IIROC Notice 10-0006 – “ Provisions Respecting Trading During Certain Securities Transactions ” (January 8, 2010). |
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“Exempt Exchange-traded Fund” means a mutual fund for the purposes the purposes of applicable securities legislation, the units of which:

- (a) are a listed security or a quoted security; and
- (b) are in continuous distribution in accordance with applicable securities legislation but does not include a mutual fund that has been designated by the Market Regulator to be excluded from this definition.

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| Defined Terms: | NI 14-101 section 1.1(3) – “securities legislation” UMIR section 1.1 – “listed security”, “Market Regulator” and “quoted security” |
| Related Provision: | UMIR Policy 1.1, Part 2 – Definition of “Exempt Exchange-traded Fund” |
| Regulatory History: | Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to add the definition of “Exempt Exchange-traded Fund”. See IIROC Notice 10-0006 – “ Provisions Respecting Trading During Certain Securities Transactions ” (January 8, 2010). Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “ Amendments to the French version of UMIR ” (December 9, 2013). |
| General Commentary: | A current list of the securities which have been designated as being excluded from the definition of an “Exempt Exchange-traded Fund” is available on the website of the Investment Industry Regulatory Organization of Canada (at http://www.iroc.ca). |

“failed trade” means a trade resulting from the execution of an order entered by a

Participant or Access Person on a marketplace on behalf of an account and

- (a) in the case of a sale, other than a short sale, the account failed to make available securities in such number and form;
- (b) in the case of a short sale, the account 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, the account 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 provided a trade shall be considered a “failed trade” irrespective of whether the trade has been settled in accordance with the rules or requirements of the clearing agency.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order” NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.1 – “Access Person”, “marketplace”, “Participant” and “short sale” UMIR section 1.2 – “trade”</i> |
| Regulatory History: | <i>On October 15, 2008, the applicable securities commissions approved amendments to section 1.1 that came into force on October 14, 2008 to add the definition of “failed trade”. See IIROC Notice 08-0143 – “Provisions Respecting Short Selling and Failed trades” (October 15, 2008).</i> |

“foreign dealer equivalent” means a person in the business of trading securities in a foreign jurisdiction in a manner analogous to an investment dealer and that is subject to the regulatory jurisdiction of a signatory to the International Organization of Securities Commissions’ Multilateral Memorandum of Understanding in that foreign jurisdiction.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “jurisdiction” NI 21-101 section 1.4 – Interpretation – “security” NI 31-103 section 1.1 – “investment dealer” UMIR section 1.2(2) – “person”</i> |
| Regulatory History: | <i>On July 4, 2013, the applicable securities commissions approved amendments to section 1.1 to add the definition “foreign dealer equivalent”, effective March 1, 2014. See Notice 13-0184 – Provisions Respecting Third-Party Electronic Access to Marketplaces (July 4, 2013).</i> |

“foreign organized regulated market” means a market outside of Canada:

- (a) that is an exchange, quotation or trade reporting system, alternative trading system or similar facility recognized by or registered with a securities regulatory authority that is an ordinary member of the International Organization of Securities Commissions;
- (b) on which the entry of orders and the execution or reporting of trades is monitored for compliance with regulatory requirements at the time of entry and execution or reporting by a self-regulatory organization recognized by the securities regulatory

authority or by the market if the market has been empowered by the securities regulatory authority to monitor the entry of orders and the execution or reporting of trades on that market for compliance with regulatory requirements; and

- (c) that displays and provides timely information to information vendors, information processors or persons providing similar functions respecting the dissemination of data to market participants for that market of at least the price, volume and security identifier of each trade at the time of execution or reporting of the trade on that market,

but, for greater certainty, does not include a facility of a market to which trades executed over-the-counter are reported unless:

- (d) the trade is required to be reported and is reported to the market forthwith following execution;
- (e) at the time of the report, the trade is monitored for compliance with securities regulatory requirements; and
- (f) at the time of the report, timely information respecting the trade is provided to information vendors, information processors or persons providing similar functions respecting the dissemination of data to market participants for that market.

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| Defined Terms: | NI 14-101 section 1.1(3) – “securities regulatory authority” NI 21-101 section 1.1 – “alternative trading system”, “information processor” and “order” UMIR section 1.2 – “person” and “trade” |
| Regulatory History: | Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “foreign organized regulated market”. See Market Integrity Notice 2008-008 – “Provisions Respecting “Off-Marketplace” Trades” (May 16, 2008). |
| Guidance: | See IIROC Notice 14-0293 – “Guidance on the Definition of “Foreign Organized Regulated Market”” (December 15, 2014). |

“hearing” – repealed

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| Defined Terms: | UMIR section 1.1 – “Market Regulator” and “Requirements” UMIR section 1.2(2) – “person” |
| Regulatory History: | Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal the definition of “hearing”. See IIROC Notice 16-0122 – “Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules” (June 9, 2016). |

“Hearing Committee” – repealed

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| Defined Terms: | UMIR section 1.1 – “Market Regulator” |
| Regulatory History: | In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to the definition of Hearing Committee that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments . Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal the definition of “Hearing Committee”. See IIROC Notice 16-0122 – “Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules” (June 9, 2016). |

Related Provisions: Schedule C.1 to Transition Rule 1 of the Investment Industry Regulatory Organization of Canada

“Hearing Panel” – repealed

Defined Terms: UMIR section 1.1 – “Hearing Committee”

Regulatory History: In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to the definition of Hearing Panel that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in [Status of Amendments](#).
Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal the definition of “Hearing Panel”. See IIROC Notice [16-0122](#) – “Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules” (June 9, 2016).

Related Provisions: Schedule C.1 to Transition Rule 1 of the Investment Industry Regulatory Organization of Canada

“**hedge**” means the purchase or sale of a security by a person to offset, in whole or in part, the risk assumed on a prior purchase or sale or to be assumed on a subsequent purchase or sale of that security or a related security.

Defined Terms: NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “related security”
UMIR section 1.2(2) – “person”

“**highly-liquid security**” means a listed security or quoted security that:

- (a) has traded, in total, on one or more marketplaces as reported on a consolidated market display during a 60-day period ending not earlier than 10 days prior to the commencement of the restricted period:
 - (i) an average of at least 100 times per trading day, and
 - (ii) with an average trading value of at least \$1,000,000 per trading day; or
- (b) is subject to Regulation M under the 1934 Act and is considered to be an “actively-traded security” under that regulation.

Defined Terms: NI 14-101 section 1.1 – “1934 Act”
UMIR section 1.1 – “consolidated market display”, “listed security”, “marketplace”, “quoted security”, “restricted period” and “trading day”

Regulatory History: Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “highly-liquid security”. See Market Integrity Notice [2005-007](#) – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).

General Commentary: A list of the securities which on any particular trading day qualify as a “highly-liquid security” is available on the website of the Investment Industry Regulatory Organization of Canada (at <http://www.iiroc.ca>).

“**insider**” means a person who is an insider of an issuer for the purpose of applicable securities legislation.

Defined Terms: NI 14-101 section 1.1(3) – “securities legislation”

Regulatory History: *UMIR section 1.2(2) – “person”*
Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice [13-0294](#) – “**Amendments to the French version of UMIR**” (December 9, 2013).

“**intentional cross**” means a trade resulting from the entry by a Participant or Access Person of both the order to purchase and the order to sell a security, but does not include a trade in which the Participant has entered one of the orders as a jitney order.

Defined Terms: *NI 21-101 section 1.1 – “order”*
NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “Access Person”, “Participant” and “jitney order”
UMIR section 1.2(2) – “trade”

Regulatory History: *Effective March 9, 2007, the applicable securities commissions approved an amendment to the definition of “intentional cross” in section 1.1 to insert the phrase “or Access Person” after the first occurrence of the word “Participant”. See Market Integrity Notice [2007-002](#) – “**Provisions Respecting Competitive Marketplaces**” (February 26, 2007).*

“**internal cross**” means an intentional cross between two accounts which are managed by a single firm acting as a portfolio manager with discretionary authority to manage the investment portfolio granted by each of the holders of the accounts and includes a trade in respect of which the Participant or Access Person is acting as a portfolio manager in authorizing the trade between the two accounts.

Defined Terms: *UMIR section 1.1 – “Access Person”, “intentional cross” and “Participant”*
UMIR section 1.2(2) – “trade”

Regulatory History: *Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to replace the definition of “internal cross”. See Market Integrity Notice [2007-002](#) – “**Provisions Respecting Competitive Marketplaces**” (February 26, 2007).*

“**issuer-restricted person**” means, in respect of a particular offered security:

- (a) the issuer of the offered security;
- (b) a selling security holder of the offered security in connection with a prospectus distribution or restricted private placement;
- (c) an affiliated entity, an associated entity or insider of the issuer or selling security holder of the offered security as determined in accordance with the provisions of applicable securities legislation but does not include a person who is an insider of an issuer by virtue of clause (c) of the definition of “insider” under the *Securities Act* (Ontario) and similar provisions of applicable securities legislation if that person:
 - (i) does not have, and has not had in the previous 12 months, any board or management representation in respect of the issuer or selling security holder; and
 - (ii) does not have knowledge of any material information concerning the issuer or its securities that has not been generally disclosed; or

- (d) any person acting jointly or in concert with a person described in clause (a), (b) or (c) for a particular transaction.

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| Defined Terms: | <p>NI 14-101 section 1.1(3) – “securities legislation”</p> <p>NI 21-101 section 1.3(1) – “affiliated entity”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “insider”, “offered security” and “restricted private placement”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Related Provisions: | <p>UMIR section 1.2(7) – interpretation of “associated entity”</p> <p>UMIR Policy 1.2 Part 1 – interpretation of “acting jointly or in concert”</p> |
| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “issuer-restricted person”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> |

“jitney order” means an order entered on a marketplace by a Participant acting for or on behalf of another Participant.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>UMIR section 1.1 – “marketplace” and “Participant”</p> |
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“last independent sale price” – repealed

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| Regulatory History: | <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to repeal the definition of “last independent sale price”. See IIROC Notice 10-0006 – “Provisions Respecting Trading During Certain Securities Transactions” (January 8, 2010).</p> |
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“last sale price” means the price of the last sale of at least one standard trading unit of a particular security displayed in a consolidated market display but does not include the price of a sale resulting from an order that is:

- a Basis Order;
- a Call Market Order;
- a Closing Price Order;
- a Special Terms Order unless the Special Terms Order has executed with an order or orders other than a Special Terms Order; or
- a Volume-Weighted Average Price Order.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Basis Order”, “Call Market Order”, “Closing Price Order”, “consolidated market display”, “Special Terms Order”, “standard trading unit” and “Volume-Weighted Average Price Order”</p> |
| Related Provision: | <p>UMIR section 1.2(4)</p> |
| Regulatory History: | <p>Effective April 8, 2005, the applicable securities commissions approved an amendment to the definition of “last sale price” in section 1.1 to delete the phrase “Call Market Order” and substitute “Basis Order, Call Market Order or Volume-Weighted Average Price Order”. See</p> |

Market Integrity Notice [2005-010](#) – “Provisions Respecting a “Basis Order”” (April 8, 2005).

Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to replace the definition of “last sale price”. See Market Integrity Notice [2007-002](#) – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).

“**limit order**” means an order to:

- (a) buy a security to be executed at a specified maximum price; or
- (b) sell a security to be executed at a specified minimum price.

Defined Terms: NI 21-101 section 1.1 – “order”
NI 21-101 section 1.4 – Interpretation -- “security”

Related Provisions: UMIR section 1.2(3)

“**listed security**” means a security listed on an Exchange.

Defined Terms: UMIR section 1.1 – “Exchange”
NI 21-101 section 1.4 – Interpretation -- “security”

“**Market Integrity Official**” means an employee of a Market Regulator designated by the Market Regulator to exercise the powers of the Market Regulator under UMIR.

Defined Terms: UMIR section 1.1 – “Market Regulator” and “UMIR”

Regulatory History: In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in [Status of Amendments](#) .

“**Market Maker Obligations**” – repealed

Regulatory History: Effective August 26, 2011, the applicable securities commissions approved amendments to section 1.1 to replace the definition of “Market Maker Obligations” with the definition of “Marketplace Trading Obligations”. See IIROC Notice [11-0251](#) – “Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations” (August 26, 2011).

“**Market-on-Close Order**” means an order for the purchase or sale of a security entered on a marketplace on a trading day for the purpose of calculating and executing at the closing price of the security on that marketplace on that trading day.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “marketplace” and “trading day”</i> |
| Regulatory History: | <i>Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to amend the definition of “Market-on-Close Order” to add the phrase “calculating and” prior to “executing”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</i> |

“Market Operation Instrument” means National Instrument 21-101 – Marketplace Operation as amended, supplemented and in effect from time to time.

“market order” means an order to:

- (a) buy a security to be executed upon entry to a marketplace at the best ask price; or
- (b) sell a security to be executed upon entry to a marketplace at the best bid price.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “best ask price”, “best bid price” and “marketplace”</i> |
| Related Provision: | <i>UMIR section 1.2(3)</i> |

“Market Regulator” means:

- (a) an Exchange, unless such Exchange monitors the conduct of its members indirectly through a regulation services provider in which case, the regulation services provider;
- (b) a QTRS, unless such QTRS monitors the conduct of its users indirectly through a regulation services provider in which case, the regulation services provider; and
- (c) in respect of any other marketplace, the regulation services provider with whom that marketplace has entered an agreement in accordance with the requirements of the Trading Rules.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “member”, “regulation services provider” and “user”</i> <i>UMIR section 1.1 – “Exchange”, “marketplace”, “QTRS” and “Trading Rules”</i> |
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“marketplace” means:

- (a) an Exchange;
- (b) a QTRS; and
- (c) an ATS.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “ATS”</i> <i>UMIR section 1.1 – “Exchange” and “QTRS”</i> |
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“Marketplace Rules” means the rules, policies and other similar instruments adopted by an Exchange or a QTRS as approved by the applicable securities regulatory authority but not including any rules, policies or other similar instruments related solely to the listing of securities on an Exchange or to the quoting of securities on a QTRS.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “securities regulatory authority”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “Exchange” and “QTRS”</i> |
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“Marketplace Trading Obligations” means obligations imposed by:

- (a) Marketplace Rules on a member or user or a person employed by a member or user to guarantee:
 - (i) a two-sided market for a particular security on a continuous or reasonably continuous basis, or
 - (ii) the execution of orders for the purchase or sale of a particular security which are less than a minimum number of units of the security as designated by the marketplace; or
- (b) contract between a marketplace and a member, user or subscriber to guarantee the execution of orders for the purchase or sale of a particular security which are less than a minimum number of units of the security as stipulated by the terms of the contract provided such number is less than one standard trading unit and the orders for the member, user or subscriber are automatically generated by the trading system of the marketplace.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “member”, “order”, “subscriber” and “user”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “marketplace”, “Marketplace Rules” and “standard trading unit”</i> <i>UMIR section 1.2(2) – “person”</i> |
| Regulatory History: | <i>Effective August 26, 2011, the applicable securities commissions approved amendments to section 1.1 to introduce the definition of “Marketplace Trading Obligations” to replace the definition of “Market Maker Obligations”. See IIROC Notice 11-0251 – “Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations” (August 26, 2011).</i> |

“net cost” means the amount by which the sum of the total cost of the trade on the purchase of securities based on the purchase price on the marketplace and any commission charged to the client by the Participant exceeds the amount of any allowance, discount, rebate and any other benefit with a monetary value that is allowed to the client on the trade by the Participant or any other person.

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| Defined Terms: | <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “marketplace” and “Participant”</i> <i>UMIR section 1.2(2) – “person” and “trade”</i> |
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“net proceeds” means the amount by which the sum of the total proceeds of the trade on the sale of securities based on the sale price on the marketplace and the amount of any allowance, discount, rebate and other benefit with a monetary value that is allowed to the client on the trade by the Participant or any other person exceeds any commission charged to the client by the Participant.

Defined Terms: NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “marketplace” and “Participant”
UMIR section 1.2(2) – “person” and “trade”

“non-Canadian account” means an account of a client of the Participant or a client of an affiliated entity of the Participant held by a Participant or an affiliated entity of a Participant and the client is considered to be a non-resident for the purposes of the *Income Tax Act* (Canada).

Defined Terms: NI 21-101 section 1.3(1) – “affiliated entity”
UMIR section 1.1 – “Participant”

Regulatory History: Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “non-Canadian account”. See Market Integrity Notice [2008-008](#) – “Provisions Respecting “Off-Marketplace” Trades” (May 16, 2008).

“non-client order” means an order for the purchase or sale of a security received or originated by a Participant for an account:

- (a) for a partner, director, officer or a person holding a similar position or acting in a similar capacity of the Participant or of a related entity of the Participant;
- (b) for an employee of the Participant or of a related entity of the Participant who holds approval from an Exchange or a self-regulatory entity; or
- (c) which is considered to be an employee account or a non-client account by a self-regulatory entity, but does not include a principal account.

Defined Terms: NI 21-101 section 1.1 – “order” and “self-regulatory entity”
NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “employee”, “Exchange”, “Participant”, “principal account” and “related entity”
UMIR section 1.2(2) – “person”

“offered security” means all securities of the class of security that is, or will be upon issuance, a listed security or a quoted security and:

- (a) is offered pursuant to a prospectus distribution or a restricted private placement;
- (b) is offered by an offeror in a securities exchange take-over bid in respect of which a take-over bid circular or similar document is required to be filed under securities legislation;
- (c) is offered by an issuer in an issuer bid in respect of which an issuer bid circular or similar document is required to be filed under securities legislation; or

- (d) would be issuable to a security holder pursuant to an amalgamation, arrangement, capital reorganization or similar transaction in relation to which proxies are being solicited from security holders that will receive the offered security in such circumstances that the issuance would be a distribution exempt from prospectus requirements in accordance with applicable securities legislation, provided that, if the security described in clauses (a) to (d) is a unit comprised of more than one type or class, each security comprising the unit shall be considered to be an “offered security”.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “issuer bid” and “securities legislation”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “listed security”, “quoted security”, “restricted private placement” and “securities exchange take-over bid”</i> |
| Regulatory History: | <i>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to repeal and replace the definition of “offered security”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</i> |

“**Opening Order**” means an order for the purchase or sale of a security entered on a marketplace prior to the opening of trading on that marketplace on a trading day for the purpose of calculating and executing at the opening price of the security on that marketplace on that trading day provided an order shall cease to be an Opening Order if the order does not trade at the opening of trading of that security on that marketplace on that trading day.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “marketplace” and “trading day”</i> |
| Regulatory History: | <i>Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to replace the definition of “Opening Order”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</i> |

“**order execution service**” means a service that meets the requirements, from time to time, under Dealer Member Rule 3200 – *Minimum Requirements for Dealer Members Seeking Approval under Rule 1300.1(t) to offer an Order-Execution Only Service*.

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| Regulatory History: | <i>On July 4, 2013, the applicable securities commissions approved an amendment to section 1.1 to add the definition “order execution service”, effective March 1, 2014. See IIROC Notice 13-0184 – <i>Provisions Respecting Third-Party Electronic Access to Marketplaces</i> (July 4, 2013).</i> |
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“**Participant**” means:

- (a) a dealer registered in accordance with securities legislation of any jurisdiction and who is:
- (i) a member of an Exchange,
 - (ii) a user of a QTRS, or

- (iii) a subscriber of an ATS; or
- (b) a person who has been granted trading access to a marketplace and who performs the functions of a derivatives market maker.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “jurisdiction” and “securities legislation”</i> <i>NI 21-101 section 1.1 – “ATS”, “member”, “subscriber” and “user”</i> <i>UMIR section 1.1 – “derivatives market maker”, “Exchange”, “marketplace” and “QTRS”</i> <i>UMIR section 1.2(2) – “person”</i> |
| Regulatory History: | <i>Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 - “Amendments to the French version of UMIR” (December 9, 2013).</i> |

“Policy” means a policy statement adopted by a Market Regulator in connection with the administration or application of UMIR as such policy statement is amended, supplemented and in effect from time to time.

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| Defined Terms: | <i>UMIR section 1.1 – “Market Regulator” and “UMIR”</i> |
| Regulatory History: | <i>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</i> |

“pre-arranged trade” means a trade in respect of which the terms of the trade were agreed upon, prior to the entry of either the order to purchase or to sell on a marketplace, by the persons entering the orders or by the persons on whose behalf the orders are entered.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>UMIR section 1.1 – “marketplace”</i> <i>UMIR section 1.2 – “person” and “trade”</i> |
| Regulatory History: | <i>Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “pre-arranged trade”. See IIROC Notice 2008-008 – “Provisions Respecting “Off-Marketplace” Trades” (May 16, 2008).</i> |

“Pre-Borrow Security” means a security that has been designated by a Market Regulator to be a security in respect of which an order, that on execution would be a short sale, may not be entered on a marketplace unless the Participant or Access Person has made arrangements to borrow the securities that would be necessary to settle the trade prior to the entry of the order.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Access Person”, “Market Regulator”, “marketplace”, “Participant” and “short sale”</p> <p>UMIR section 1.2 – “trade”</p> |
| Regulatory History: | <p>On March 2, 2012, the applicable securities commissions approved an amendment to section 1.1, effective October 15, 2012, to add the definition of “Pre-Borrow Security”. See IIROC Notice 12-0078 – “Provisions Respecting Regulation of Short Sales and Failed Trades” (March 2, 2012).</p> |

“**principal account**” means an account in which a Participant or a related entity of the Participant holds a direct or indirect interest other than an interest in the commission charged on a transaction.

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| Defined Terms: | UMIR section 1.1 – “Participant” and “related entity” |
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“**principal order**” means an order for the purchase or sale of a security received or originated by a Participant for a principal account.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Participant” and “principal account”</p> |
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“**Program Trade**” means a trade resulting from a series of market orders for the purchase or sale of particular securities underlying an index that has been designated by a Market Regulator where such trade is undertaken in conjunction with a trade in a derivative the underlying interest of which is the index.

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| Defined Terms: | <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “market order” and “Market Regulator”</p> <p>UMIR section 1.2(2) – “trade”</p> |
| General Commentary: | <p>A current list of the indices which have been designated as an “index” is available on the website of the Investment Industry Regulatory Organization of Canada (at http://www.iiroc.ca).</p> |

“**protected marketplace**” means a marketplace that displays “protected orders” as defined under the Trading Rules.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “information processor” and “order”</p> <p>UMIR section 1.1 – “marketplace” and “Market Operation Instrument”</p> <p>UMIR section 1.2 – “trade”</p> |
| Regulatory History: | <p>Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “protected marketplace”. See Market Integrity Notice 2008-008 – “Provisions Respecting “Off-Marketplace” Trades” (May 16, 2008).</p> <p>Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of “protected marketplace”. See IIROC Notice 15-0211 - Notice of</p> |

Approval – “Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule” (September 18, 2015).

“Protected Party” means in respect of a Market Regulator:

- (a) the Market Regulator;
- (b) a director, officer or employee of the Market Regulator;
- (c) a member of the Hearing Committee or of a committee appointed by the Board; or
- (d) an independent contractor retained by the Market Regulator to provide services to the Market Regulator.

Defined Terms: UMIR section 1.1 – “Board”, “employee”, “Hearing Committee” and “Market Regulator”

“QTRS” means a recognized quotation and trade reporting system.

Defined Terms: NI 21-101 section 1.1 – “recognized quotation and trade reporting system”

“quoted security” means a security quoted on a QTRS.

Defined Terms: NI 21-101 section 1.4 – Interpretation -- “security”
UMIR section 1.1 – “QTRS”

“Regular Session” means the time period during a trading day when a marketplace is ordinarily open for trading, but does not include any extended or special trading facility of the marketplace.

Defined Terms: UMIR section 1.1 – “marketplace” and “trading day”

“Regulated Person” - repealed

Defined Terms: NI 21-101 section 1.1 – “regulation services provider”
UMIR section 1.1 – “Access Person”, “Market Regulator”, “marketplace”, “Marketplace Rules”, “Participant” and “UMIR”
UMIR section 1.2(2) – “person”

Related Provisions: UMIR sections 10.3 and 10.4

Regulatory History: Effective February 6, 2004, the applicable securities regulators approved the addition of clause (e) of the definition of “Regulated Person”. See Market Integrity Notice [2004-006](#) – “**Definition of Regulated Person**” (February 6, 2004).
In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in [Status of Amendments](#).
Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal the definition of “Regulated Person” and replace with the definition of “Subject Person”. See IIROC Notice [16-0122](#) – “**Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules**” (June 9, 2016).

“related entity” means, in respect of a particular person:

- (a) an affiliated entity of the particular person which carries on business in Canada and is registered as a dealer or adviser in accordance with applicable securities legislation; and
- (b) a person who has been designated by a Market Regulator in accordance with subsection (3) of Rule 10.4 as a person who acts in conjunction with the particular person.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “securities legislation”</i> <i>NI 21-101 section 1.3(1) – “affiliated entity”</i> <i>UMIR section 1.1 – “Market Regulator”</i> <i>UMIR section 1.2(2) – “person”</i> |
| Related Provision: | <i>UMIR section 10.4(3)</i> |
| Regulatory History: | <i>Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “Amendments to the French version of UMIR” (December 9, 2013).</i> |

“**related security**” means, in respect of a particular security:

- (a) a security which is convertible or exchangeable into the particular security;
- (b) a security into which the particular security is convertible or exchangeable;
- (c) a derivative instrument for which the particular security is the underlying interest;
- (d) a derivative instrument for which the market price varies materially with the market price of the particular security; and
- (e) if the particular security is a derivative instrument, a security which is the underlying interest of the derivative instrument or a significant component of an index which is the underlying interest of the derivative instrument.

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| Defined Terms: | <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> |
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“**Requirements**” means, collectively:

- (a) UMIR;
 - (b) the Policies;
 - (c) the Trading Rules;
 - (d) the Marketplace Rules;
 - (e) any direction, order or decision of the Market Regulator or a Market Integrity Official; and
 - (f) securities legislation,
- as amended, supplemented and in effect from time to time.

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| Defined Terms: | <p>NI 14-101 section 1.1(3) – “securities legislation”</p> <p>UMIR section 1.1 – “Market Integrity Official”, “Market Regulator”, “Marketplace Rules”, “Policy”, “Trading Rules” and “UMIR”</p> |
| Regulatory History: | <p>Effective April 1, 2005, the applicable securities commissions approved amendments to section 1.1 to amend the definition of “Requirements” by adding clause (f). See Market Integrity Notice 2005-011 – “Provisions Respecting Manipulative and Deceptive Activities” (April 1, 2005).</p> <p>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</p> |

“**restricted period**” means, for a dealer-restricted person or an issuer-restricted person, the period:

- (a) in connection with a prospectus distribution or a restricted private placement of any offered security, commencing two trading days prior to:
 - (i) the day the offering price of the offered security is determined, if the securities are to be issued at a fixed price as part of a non-continuous distribution, or
 - (ii) the issuance of the offered security, if the securities are issued as part of:
 - (A) a continuous distribution,
 - (B) a distribution at a non-fixed price permitted by National Instrument 44-101 – *Short Form Prospectus Distributions*, or
 - (C) an at-the-market distribution for the purposes of National Instrument 44-102 – *Shelf Distributions*,
 and ending on the date the selling process has ended and all stabilization arrangements relating to the offered security are terminated provided that, if the person is a dealer-restricted person, the period shall commence on the date the Participant enters into an agreement or reaches an understanding to participate in the prospectus distribution or restricted private placement of securities, whether or not the terms and conditions of such participation have been agreed upon if that date is later than that determined for the purposes of clause (i) or (ii);
- (b) in connection with a securities exchange take-over bid or issuer bid, commencing on the date of dissemination of the securities exchange take-over bid circular or issuer bid circular or similar document and ending with the termination of the period during which securities may be deposited under such bid, including any extension thereof, or the withdrawal of the bid; and
- (c) in connection with an amalgamation, arrangement, capital reorganization or similar transaction, commencing on the date of dissemination of the information circular for such transaction and ending on the date for approval of the transaction by the security holders that will receive the offered security or the termination of the transaction by the issuer or issuers.

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| Defined Terms: | NI 14-101 section 1.1(3) – “issuer bid” |
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| | <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “dealer-restricted person”, “issuer-restricted person”, “offered security”, “Participant”, “restricted private placement”, “securities exchange takeover-bid” and “trading day”</p> <p>UMIR section 1.2(2) – “person”</p> |
| Related Provisions: | <p>UMIR section 1.2(6) – interpretation of “restricted period”</p> <p>UMIR Policy 1.2 Part 2 – interpretation of “selling process has ended”</p> |
| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “restricted period”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to amend the definition of “restricted period”. See IIROC Notice 10-0006 – “Provision Respecting trading During Certain Securities Transactions” (January 8, 2010).</p> |

“restricted person” - repealed

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| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to repeal the definition of “restricted person”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> |
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“restricted private placement” means a distribution of securities made pursuant to:

- (a) section 2.3, 2.9 or 2.10 of National Instrument 45-106 – *Prospectus and Registration Exemptions*; or
- (b) section 2.1 of Ontario Securities Commission Rule 45-501 – *Ontario Prospectus and Registration Exemptions* or similar provisions of applicable securities legislation, and the number of securities to be distributed constitutes more than 10% of the issued and outstanding securities of the class subject to the distribution.

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| Defined Terms: | <p>NI 14-101 section 1.1(3) – “securities legislation”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> |
| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “restricted private placement”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to repeal and replace the definition of “restricted private placement”. See IIROC Notice 10-0006 – “Provision Respecting trading During Certain Securities Transactions” (January 8, 2010).</p> |

“restricted security” means:

- (a) the offered security; or
- (b) any connected security.

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| Defined Terms: | <i>UMIR section 1.1 – “connected security” and “offered security”</i> |
| Regulatory History: | <i>Effective February 25, 2005, the applicable securities commissions approved amendments to section 1.1 that came into force on May 9, 2005 to add the definition of “restricted security”. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</i> |

“**routing arrangement**” means an arrangement under which a Participant that is a member, user or subscriber permits an investment dealer or a foreign dealer equivalent to electronically transmit an order relating to a security containing the identifier of the Participant:

- (a) through the systems of the Participant for automatic onward transmission to a marketplace; or
- (b) directly to a marketplace without being electronically transmitted through the systems of the Participant.

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| Defined Terms: | <i>NI 21-101 section 1.1 - “member”, “subscriber” and “user” NI 21-101 section 1.4 – Interpretation – “security” NI 31-103 section 1.1 – “investment dealer” UMIR section 1.1 – “foreign dealer equivalent”, “marketplace” and “Participant”</i> |
| Regulatory History: | <i>On July 4, 2013, the applicable securities commissions approved an amendment to section 1.1 to add the definition “routing arrangement”, effective March 1, 2014. See IIROC Notice 13-0184 – “Provisions Respecting Third-Party Electronic Access to Marketplaces” (July 4, 2013).</i> |

“Rules” - repealed.

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| Regulatory History: | <i>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to repeal the definition of “Rules”. See Footnote 1 in Status of Amendments.</i> |
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“**securities exchange take-over bid**” means a take-over bid where the consideration for the securities of the offeree is to be, in whole or in part, securities traded on a marketplace.

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| Defined Terms: | <i>NI 14-101 section 1.1(3)- “take-over bid” NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.1 – “marketplace”</i> |
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“**short-marking exempt order**” means an order for the purchase or sale of a security from an account that is:

- (a) an arbitrage account;
- (b) the account of a person with Marketplace Trading Obligations in respect of a security for which that person has obligations;
- (c) a client, non-client or principal account:

- (i) for which order generation and entry is fully-automated, and
- (ii) which, in the ordinary course, does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security;
- (d) a principal account that has acquired during a trading day a position in a particular security in a transaction with a client that is unwound during the balance of the trading day such that, in the ordinary course, the account does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security; or
- (e) a principal account for a Participant that has:
 - (i) Marketplace Trading Obligations in respect of an exempt Exchange-traded Fund, or
 - (ii) entered into an agreement for the continuous distribution of an Exempt Exchange-traded Fund;

If the order is for the Exempt Exchange-traded Fund security or one of its underlying securities to hedge a pre-existing position in the Exempt Exchange-traded Fund security or one of its underlying securities and in the normal course, the account does not have, at the end of each trading day, more than a minimal exposed risk.

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| Defined Terms: | <p><i>NI 21-101 section 1.1 – “order”</i></p> <p><i>NI 21-101 section 1.4 – Interpretation -- “security”</i></p> <p><i>UMIR section 1.1 – “arbitrage account”, “Marketplace Trading Obligations”, “principal account” and “trading day”</i></p> <p><i>UMIR section 1.2 – “person”</i></p> |
| Regulatory History: | <p><i>On March 2, 2012, the applicable securities commissions approved an amendment to section 1.1, effective October 15, 2012, to add the definition of “short-marking exempt order”. See IIROC Notice 12-0078 – “Provision Respecting Regulation of Short Sales and Failed Trades” (March 2, 2012).</i></p> <p><i>On February 11, 2016, the applicable securities commissions approved an amendment to section 1.1, effective April 11, 2016, to amend the definition of “short-marking exempt order”. See IIROC Notice 16-0028 – “Amendment to the Short-marking Exempt Order Definition” (February 11, 2016).</i></p> |
| Guidance: | <p><i>See IIROC Notice 16-0029 – “Updated Guidance on “Short Sale” and “Short-Marking Exempt” Order Designations” (February 11, 2016).</i></p> |

“short sale” means a sale of a security, other than a derivative instrument, which the seller does not own either directly or through an agent or trustee and, for this purpose, a seller shall be considered to own a security if the seller, directly or through an agent or trustee:

- (a) has purchased or has entered into an unconditional contract to purchase the security, but has not yet received delivery of the security;

- (b) owns another security that is convertible or exchangeable into that security and has tendered such other security for conversion or exchange or has issued irrevocable instructions to convert or exchange such other security;
- (c) has an option to purchase the security and has exercised the option;
- (d) has a right or warrant to subscribe for the security and has exercised the right or warrant; or
- (e) has entered into a contract to purchase a security that trades on a when issued basis and such contract is binding on both parties and subject only to the condition of issuance or distribution of the security,

but a seller shall be considered not to own a security if:

- (f) the seller has borrowed the security to be delivered on the settlement of the trade and the seller is not otherwise considered to own the security in accordance with this definition;
- (g) the security held by the seller is subject to any restriction on sale imposed by applicable securities legislation or by an Exchange or QTRS as a condition of the listing or quoting of the security; or
- (h) the settlement date or issuance date pursuant to:
 - (i) an unconditional contract to purchase,
 - (ii) a tender of a security for conversion or exchange,
 - (iii) an exercise of an option, or
 - (iv) an exercise of a right or warrant

would, in the ordinary course, be after the date for settlement of the sale.

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| Defined Terms: | <i>NI 14-101 section 1.1(3) – “securities legislation” NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.1 – “Exchange”, “QTRS” and “trades on a when issued basis”</i> |
| Related Provision: | <i>UMIR Policy 1.1, Part 3 – Definition of “Short Sale”</i> |
| Regulatory History: | <i>Effective August 27, 2004, the applicable securities commissions approved the amendment to add clause (h) to the definition of “short sale”. See Market Integrity Notice 2004-023 – “Provisions Respecting Short Sales” (August 27, 2004). On October 15, 2008, the applicable securities commissions approved amendments to section 1.1 that came into force on October 14, 2008 to amend the definition of “short sale”. See IIROC Notice 08-0143 – “Provisions Respecting Short Sales and Failed Trades” (October 15, 2008). Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “Amendments to the French version of UMIR” (December 9, 2013).</i> |

“Short Sale Ineligible Security” means a security or a class of securities that has been designated by a Market Regulator to be a security in respect of which an order that on execution would be a short sale may not be entered on a marketplace for a particular trading day or trading days.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Market Regulator”, “marketplace”, “short sale” and “trading day”</p> |
| Related Provision: | UMIR Policy 1.1, Part 4 – Definition of “Short Sale Ineligible Security” |
| Regulatory History: | <p>On October 15, 2008, the applicable securities commissions approved amendments to section 1.1 that came into force on October 14, 2008 to add the definition of “short sale ineligible security”. See IIROC Notice 08-0143 – “Provisions Respecting Short Sales and Failed Trades” (October 15, 2008).</p> <p>Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “Amendments to the French version of UMIR” (December 9, 2013).</p> |

“**significant shareholder**” means any person holding separately, or in combination with other persons, more than 20 per cent of the outstanding voting securities of an issuer.

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| Defined Terms: | <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.2(2) – “person”</p> |
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“**Special Terms Order**” means an order for the purchase or sale of a security:

- (a) for less than a standard trading unit;
- (b) the execution of which is subject to a condition other than as:
 - (i) to price,
 - (ii) to the date of settlement; or
 - (iii) imposed by the marketplace on which the order is entered as a condition for the entry or execution of the order; or
- (c) that on execution would be settled on a date other than:
 - (i) the second business day following the date of the trade, or
 - (ii) any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS,

but does not include an order that is a Basis Order, Call Market Order, Closing Price Order, Market-on-Close Order, Opening Order or Volume-Weighted Average Price Order.

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| Defined Terms: | <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 - “Basis Order”, “Call Market Order”, “Closing Price Order”, “Exchange”, “Market-on-Close Order”, “marketplace”, “Opening Order”, “QTRS”, “standard trading unit” and “Volume-Weighted Average Price Order”</p> <p>UMIR section 1.2(2) – “trade”</p> |
| Related Provision: | UMIR section 6.1 |
| Regulatory History: | <p>Effective March 9, 2007, the applicable securities commissions approved an amendment to section 1.1 to replace the definition of “Special Terms Order”. See Market Integrity Notice 2007-002 – “Provisions Respecting Competitive Marketplaces” (February 26, 2007).</p> <p>Effective September 5, 2017, the applicable securities commissions approved an amendment to the definition of “Special Terms Order”. See IIROC Notice 17-0133 – “Amendments to</p> |

facilitate the industry's move to T+2 settlement" (June 29, 2017).

"standard trading unit" means, in respect of:

- (a) a derivative instrument, 1 contract;
- (b) a debt security that is a listed security or a quoted security, \$1,000 in principal amount; or
- (c) any equity or similar security:
 - (i) 1,000 units of a security trading at less than \$0.10 per unit,
 - (ii) 500 units of a security trading at \$0.10 or more per unit and less than \$1.00 per unit, and
 - (iii) 100 units of a security trading at \$1.00 or more per unit.

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| Defined Terms: | <i>NI 21-101 section 1.4 – Interpretation -- "security" UMIR section 1.1 – "equity security", "listed security" and "quoted security"</i> |
| Related Provision: | <i>UMIR section 1.2(5)</i> |

"Subject Person" means, in respect of the jurisdiction of a Market Regulator in connection with the conduct of a person:

- (a) any marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct;
- (b) any Participant or Access Person of a marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct;
- (c) any person to whom responsibility for compliance with UMIR by other persons are extended in accordance with Consolidated Rule 1400 or to whom responsibility had been extended at the time of the conduct;
- (d) any person to whom the application of UMIR are extended in accordance with Rule 10.4 or to whom UMIR had been extended at the time of the conduct; and
- (e) any person subject to a Marketplace Rule of a marketplace for which the Market Regulator is the regulation services provider or was the regulation services provider at the time of the conduct.

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| Defined Terms: | <i>NI 21-01 section 1.1 – "regulation services provider" UMIR section 1.1 – "Access Person", "Market Regulator", "marketplace", "Marketplace Rules", "Participant", and "UMIR" UMIR section 1.2(2) – "person"</i> |
| Related Provisions: | <i>UMIR sections 10.3 and 10.4 Consolidated Rule 1400</i> |
| Regulatory History: | <i>Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal the definition "Regulated Person" and replace with the definition of "Subject Person". See IIROC Notice 16-0122 – "Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules" (June 9, 2016).</i> |

“trades on a when issued basis” means purchases or sales of a security to be issued pursuant to:

- (a) a prospectus offering where a receipt for the final prospectus for the offering has been issued by the applicable securities regulatory authority but the offering has not closed and settled;
- (b) a proposed plan of arrangement, an amalgamation or a take-over bid prior to the effective date of the amalgamation or the arrangement or the expiry date of the take-over bid; or
- (c) any other transaction that is subject to the satisfaction of certain conditions, and the trade is to be settled only if the security is issued and the trade in the security prior to the issuance would not contravene the applicable securities legislation.

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| Defined Terms: | NI 14-101 section 1.1(3) – “securities legislation”, “securities regulatory authority” and “take-over bid” NI 21-101 section 1.4 – Interpretation -- “security” UMIR section 1.2 – “trade” |
| Regulatory History: | Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “ Amendments to the French version of UMIR ” (December 9, 2013). |

“trading day” means a calendar day during which trades are executed on a marketplace.

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| Defined Terms: | UMIR section 1.1 – “marketplace” UMIR section 1.2 – “trade” |
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“trading increment” means the minimum difference in price at which orders may be entered in accordance with Rule 6.1.

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| Defined Terms: | NI 21-101 section 1.1 – “order” |
| Related Provision: | UMIR section 6.1 |
| Regulatory History: | Effective May 16, 2008, the applicable securities commissions approved an amendment to section 1.1 to add the definition of “trading increment”. See Market Integrity Notice 2008-008 – “ Provisions Respecting “Off-Marketplace” Trades ” (May 16, 2008). |

“Trading Rules” means National Instrument 23-101 as amended, supplemented and in effect from time to time.

“UMIR” means those Rules adopted by the Investment Industry Regulatory Organization of Canada and designated by the Investment Industry Regulatory Organization of Canada as the Universal Market Integrity Rules as amended, supplemented and in effect from time to time.

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| Regulatory History: | In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to |
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make editorial changes. See Footnote 1 in [Status of Amendments](#).

“Volume-Weighted Average Price Order” means an order for the purchase or sale of a security entered on a marketplace on a trading day for the purpose of executing trades at an average price of the security traded on that trading day on that marketplace or on any combination of marketplaces known at the time of the entry of the order.

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| Defined Terms: | <i>NI 21-101 section 1.1 – “order”</i> <i>NI 21-101 section 1.4 – Interpretation -- “security”</i> <i>UMIR section 1.1 – “marketplace” and “trading day”</i> <i>UMIR section 1.2 – “trade”</i> |
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POLICY 1.1 - DEFINITIONS

Part 1 – Definition of “connected security”

The definition of a “connected security” includes, among other things, a security of the issuer of the offered security or another issuer that, according to the terms of the offered security, may “significantly determine” the value of the offered security. The Market Regulator takes the view that, absent other mitigating factors, a connected security “significantly determines” the value of the offered security, if, in whole or in part, it accounts for more than 25% of the value of the offered security.

Part 2 – Definition of “Exempt Exchange-traded Fund”

An “Exempt Exchange-traded Fund” is defined, in part, as a mutual fund for the purposes of applicable securities legislation, the units of which are a listed security or a quoted security and are in continuous distribution in accordance with applicable securities legislation. The definition excludes a mutual fund that has been designated by the Market Regulator to be excluded from the definition.

As guidance, a mutual fund may be designated by the Market Regulator if it is determined that the trading price of units of the fund may be susceptible to manipulation due to a particular feature of the mutual fund. Factors which the Market Regulator would take into account in making a designation to exclude a particular mutual fund would be:

- the lack of liquidity or public float of the security (or the underlying securities which comprise the portfolio of the mutual fund);*
- the absence of the ability to redeem units at any time for a “basket” of the underlying securities in addition to cash;*
- the absence of the ability to exchange a “basket” of the underlying securities at any time for units of the fund;*
- the fact that the fund does not frequently make a net asset value calculation publicly available; and*

- *the fact that there are no derivatives based on units of the fund, the underlying index or the underlying securities are listed on a marketplace.*

None of these additional five factors is determinative in and of itself and each security will be evaluated on its own merits.

Part 2.1 – Definition of “Pre-Borrow Security”

Under the definition of a “Pre-Borrow Security”, the Market Regulator may designate a security in respect of which an order that on execution would be a short sale may not be entered on a marketplace unless the Participant or Access Person entering the order has made arrangements to borrow the securities that would be required to settle the trade prior to the entry of the order. In determining whether to make such a designation, the Market Regulator shall consider whether:

- *based on information known to the Market Regulator, there is an increase in the number, value or volume of failed trades in the particular security by more than one Participant or Access Person;*
- *the number or pattern of failed trades is related to short selling; and*
- *the designation would be in the interest of maintaining a fair and orderly market.*

Part 3 – Definition of “Short Sale”

Under the definition of “short sale”, a seller shall be considered to own a security under various circumstances including if the seller, directly or through an agent or trustee:

- *owns another security that is convertible or exchangeable into that security and has tendered such other security for conversion or exchange or has issued irrevocable instructions to convert or exchange such other security;*
- *has an option to purchase the security and has exercised the option; or*
- *has a right or warrant to subscribe for the security and has exercised the right or warrant.*

In each of these circumstances, the seller must have taken all steps necessary to become legally entitled to the security, including having:

- *made any payment required;*
- *submitted to the appropriate person any required forms or notices; and*
- *submitted, if applicable, to the appropriate person any certificates for securities to be converted, exchanged or exercised.*

Part 4 – Definition of “Short Sale Ineligible Security”

Under the definition of a “short sale ineligible security”, the Market Regulator may designate a security or class of securities in respect of which an order that on execution would be a short sale may not be entered on a marketplace for a particular trading day

or trading days. In determining whether to make such a designation, the Market Regulator shall consider whether:

- based on reports of failed trades submitted to the Market Regulator in accordance with Rule 7.10 or other information known to the Market Regulator, there is in a particular security or class of securities an unusual number or pattern of failed trades by more than one Participant or Access Person;
- the number or pattern of failed trades is related to short selling; and
- the designation would be in the interest of maintaining a fair and orderly market.

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| Defined Terms: | <p>NI 14-101 section 1.1(3) – “securities legislation” and “securities regulatory authority”</p> <p>NI 21-101 section 1.1 – “order”</p> <p>NI 21-101 section 1.4 – Interpretation -- “security”</p> <p>UMIR section 1.1 – “Access Person”, “connected security”, “Exempt Exchange-traded Fund”, “failed trade”, “listed security”, “Market Regulator”, “marketplace”, “offered security”, “Participant”, “Pre-Borrow Security”, “quoted security”, “short sale”, “Short Sale Ineligible Security” and “trading day”</p> <p>UMIR section 1.2 – “trade”</p> |
| Related Provision: | <p>UMIR section 7.10</p> |
| Regulatory History: | <p>Effective February 25, 2005, the applicable securities commissions approved amendments to the Policies under Rule 1.1 that came into force on May 9, 2005 to add Parts 1 and 2. See Market Integrity Notice 2005-007 – “Amendments Respecting Trading During Certain Securities Transactions” (March 4, 2005).</p> <p>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.</p> <p>On October 15, 2008, the applicable securities commissions approved amendments to the Policies under Rule 1.1 that came into force on October 14, 2008 to add Parts 3 and 4. See IIROC Notice 08-0143 – “Provisions Respecting Short Selling and Failed Trades” (October 15, 2008).</p> <p>Effective January 8, 2010, the applicable securities commissions approved amendments to section 1.1 to repeal and replace Part 2 of Policy 1.1. See IIROC Notice 10-0006 – “Provisions Respecting Trading During Certain Securities Transactions” (January 8, 2010).</p> <p>On March 2, 2012, the applicable securities commissions approved an amendment to Policy 1.1, effective October 15, 2012, to add Part 2.1.</p> <p>Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – “Amendments to the French version of UMIR” (December 9, 2013).</p> |