

## 7.10 Extended Failed Trades

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

as to permit the settlement of the trade at the time on the date contemplated on the execution of the trade has not made available such securities or monies or has not made arrangements for the borrowing of the securities, as the case may be, the Participant or Access Person that entered the order on a marketplace shall give notice to the Market Regulator at such time and in such form and manner and containing such information as may be required by the Market Regulator.

- (2) If a Participant or Access Person is required to provide notice of a failed trade to the Market Regulator in accordance with subsection (1), the Participant or Access Person shall, upon the account making available the applicable securities or monies or making arrangement for the borrowing of the applicable securities, give notice to the Market Regulator at such time and in such form and manner and containing such information as may be required by the Market Regulator.

<b>Defined Terms:</b>	<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”, “failed trade”, “Market Regulator”, “marketplace”, “Participant”, “short sale” and “trading day”</p> <p>UMIR section 1.2(2) – “trade”</p>
<b>Regulatory History:</b>	<p>On October 14, 2008, the applicable securities commissions approved amendments to UMIR related to short sales and failed trades. See IIROC Notice <a href="#">08-0143</a> – “Provisions Respecting Short Sales and Failed Trades” (October 15, 2008). The initial implementation date of March 1, 2009, was deferred indefinitely by IIROC. See IIROC Notice <a href="#">09-0062</a> – “Deferral of Implementation Date of the Reporting of Extended Failed Trades and Trade Variations and Cancellations” (February 26, 2009). The reporting requirement for certain Extended Failed Trades became effective on June 1, 2011 by IIROC Notice <a href="#">11-0080</a> – “Implementation Date for the Reporting of Extended Failed Trades” (February 25, 2011). The reporting requirement was expanded to include “trade-for-trade” failed trades and became effective April 15, 2013 by IIROC Notice <a href="#">13-0014</a> – “Implementation Date for Reporting “Trade-for-Trade” Extended Failed Trades” (January 14, 2013).</p>
<b>Guidance:</b>	<p>See IIROC Notice <a href="#">11-0161</a> – “Reminder Regarding the Reporting of Extended Failed Trades” (May 19, 2011).</p>
<b>Guidance:</b>	<p>See IIROC Notice <a href="#">13-0100</a> – “Implementation Date for Reporting “Trade-for-Trade” Extended Failed Trades” (April 9, 2013).</p>
<b>Guidance:</b>	<p>See IIROC Notice <a href="#">13-0014</a> – “Update Respecting the Implementation of the “Trade-for-Trade” Extended Failed Trades Reporting” (January 14, 2013).</p>