

## 10.11 Audit Trail Requirements

- (1) **Order and Trade Record** - In addition to any information required to be recorded by a Participant in accordance with Part 11 of the Trading Rules, a Participant shall:
  - (a) immediately following the receipt or origination of an order, record:
    - (i) all order designations required by clause (b) of subsection (1) of Rule 6.2,
    - (ii) the identifier of any investment adviser or registered representative receiving the order, and
    - (iii) any information respecting the special terms attaching to the order required by subsection (2) of Rule 6.2, if applicable;
  - (b) immediately following the entry of an order to trade on a marketplace, add to the record:
    - (i) the identifier of the Participant through which any trade would be cleared and settled,
    - (ii) the identifier assigned to the marketplace on which the order is entered; and
  - (c) immediately following the variation or correction of an order, add to the record any information required by clause (a) which has been changed.
  
- (2) **Transmittal of Order Information to a Market Regulator** - The Participant shall transmit the record of the order required to be maintained by the Participant by this section to:
  - (a) the Market Regulator for the marketplace on which the trade was executed; or
  - (b) if the order was not executed on a marketplace in accordance with Rule 6.4,
    - (i) a Market Regulator if the security is not listed on an Exchange or traded on a QTRS, and
    - (ii) the Market Regulator for the Exchange or the QTRS on which the security is listed or quoted,at the time and in such manner and form as may be required by the Market Regulator.
  
- (3) **Provision of Additional Information** – In addition to any information provided by a Participant to a Market Regulator in accordance with subsection (2), the Participant shall provide to the Market Regulator forthwith upon request in such form and manner as may be reasonably required by the Market Regulator:

- (a) any additional information respecting the order or trade reasonably requested; and
  - (b) information respecting any prior or subsequent order or trade in the security or a related security undertaken by the Participant on any marketplace.
- (4) **Provision of Information by a Access Person** – Where an order has been entered on a marketplace by an Access Person, the Access Person shall provide to the Market Regulator of the marketplace on which the order was entered or the Market Regulator of the marketplace on which the order was executed forthwith upon request in such form and manner as may be reasonably required by the Market Regulator:
- (a) any information respecting the order or trade reasonably requested; and
  - (b) information respecting any prior or subsequent order or trade in the security or a related security undertaken by the Access Person on any marketplace.

<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”, “Exchange”, “listed security”, “Market Regulator”, “marketplace”, “Participant”, “QTRS”, “quoted security”, “related security” and “Trading Rules”</p> <p>UMIR section 1.2(2) – “trade”</p>
<b>Regulatory History:</b>	<p>In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Rule 10.11(4) to refer to “an” Access Person rather than “a”. See Footnote 1 in <a href="#">Status of Amendments</a>.</p>
<b>Guidance:</b>	<p>Market Integrity Notice <a href="#">2003-006</a> - “<b>Electronic Audit Trails</b>” (March 28, 2003) was a joint notice of the Staff of the Canadian Securities Administrators, Market Regulation Services Inc., the Bourse de Montréal, and the Investment Dealers Association.</p>
<b>Repealed Guidance:</b>	<p>Market Integrity Notice <a href="#">2005-031</a> - “<b>Guidance – Disclosure of Marketplaces on Trade Tickets and Confirmations</b>” (September 16, 2005) provided guidance relating to the proper identification on a trade ticket and confirmation of the marketplace on which the order is entered and the trade is executed. This Notice was repealed and replaced by IIROC Notice <a href="#">12-0236</a> - “<b>Guidance on Marketplace Disclosure for Trade Confirmations</b>” (July 27, 2012).</p>
<b>Guidance:</b>	<p>IIROC Notice <a href="#">12-0236</a> - “<b>Guidance on Marketplace Disclosure for Trade Confirmations</b>” (July 27, 2012) provides guidance related to marketplace disclosure on trade confirmations.</p>
<b>General Commentary:</b>	<p>Joint CSA/SRO Notice <a href="#">23-304</a> – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS) was issued on March 17, 2006 and pertains to an electronic audit initiative to investigate, design and implement a solution to facilitate compliance with Canadian securities audit trail requirements introduced in National Instrument 23-101 Trading Rules.</p>
<b>General Commentary:</b>	<p>Joint CSA/SRO Notice <a href="#">23-305</a> – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS) was issued on October 20, 2006 to update Joint CSA/SRO Notice 23-304 – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS).</p>
<b>Disciplinary Proceedings:</b>	<p><b><u>In the Matter of Research Capital Corporation (“Research”) (June 24, 2002) OOS 2002-001</u></b></p> <p><i>Facts</i> – In September 1998, Research identified a problem with one of its traders not properly completing trade tickets. Research sent a memorandum to the trader reminding him of the need to ensure that complete records are maintained. Although Research was aware that the trader was not properly completing trade tickets, Research allowed the conduct to continue in the period November 23, 1998 – March 4, 1999.</p> <p><i>Disposition</i> – Between November 23, 1998 and March 4, 1999, Research failed to keep proper records.</p> <p><i>Requirements Considered</i> – TSX General By-law 16.03. Comparable UMIR Provision – Rule 10.11</p> <p><i>Sanction</i> - \$15,000 fine and costs of \$2,500</p>
<b>Disciplinary Proceedings:</b>	<p>Rule 10.11(3) was considered <b><u>In the Matter of UBS Securities Canada Inc. (“UBS Canada”) (October 8, 2004) SA 2004-006</u></b>. See Disciplinary Proceedings under Rule 2.2.</p>

<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Credit Suisse First Boston Canada Inc. ("CSFB") (December 3, 2004) SA 2004-007.</b></u> See Disciplinary Proceedings under Rule 6.4.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.</b></u> See Disciplinary Proceedings under Rule 3.1.
<b>Disciplinary Proceedings:</b>	Rule 10.11 was considered <u><b>In the Matter of Desjardins Securities Inc. ("Desjardins"), Jean-Pierre De Montigny (De Montigny") and Jean-Luc Brunet ("Brunet") (March 16, 2005) SA 2005-002.</b></u> See Disciplinary Proceedings under 5.3.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Zoltan Horcsok ("Horcsok") (July 18, 2005) SA 2005-003.</b></u> See Disciplinary Proceedings under 7.1.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Glen Grossmith ("Grossmith") (July 18, 2005) SA 2005-004.</b></u> See Disciplinary Proceedings under Rule 2.1.
<b>Disciplinary Proceedings:</b>	Rule 10.11 was considered <u><b>In the Matter of Union Securities Ltd. ("Union") (April 18, 2006) DN 2006-004.</b></u> See Disciplinary Proceedings under Rule 6.2.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Raymond James Ltd. ("Raymond James") and Marc Deslongchamps ("Deslongchamps") (June 30, 2006) DN 2006-006.</b></u> See Disciplinary Proceedings under Rule 5.3.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of TD Securities Inc. ("TDSI") (July 5, 2006) DN 2006-007.</b></u> See Disciplinary Proceedings under Rule 5.1.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of Golden Capital Securities Ltd. ("Golden"), Jack Finkelstein ("Finkelstein") and Jeff Rutledge ("Rutledge") (November 23, 2007) DN 2007-004.</b></u> See Disciplinary Proceedings under Rule 6.2.
<b>Disciplinary Proceedings:</b>	Rule 10.11(1) was considered <u><b>In the Matter of National Bank Financial ("NBF"), Paul Clarke ("Clarke") and Todd O'Reilly ("O'Reilly") (January 21, 2011) DN 11-0029 and DN 11-0030.</b></u> See Disciplinary Proceedings under Rule 2.1.
<b>Disciplinary Proceedings:</b>	Rule 10.11 was considered <u><b>In the Matter of M Partners Inc. ("M Partners") (February 27, 2015) DN 15-0054.</b></u> See Disciplinary Proceedings under Rule 7.1.