



Appendix A – Text of the Proposed Amendments

If the Proposed Amendments are approved, the Universal Market Integrity Rules would be amended as follows:

1. The definition of “arbitrage account” in section 1.1 is amended by:
 - a. adding “or derivatives” after “securities” in paragraph (a)
 - b. adding “or derivatives” after “securities” in paragraph (b).
2. The definition of “Basis Order” in section 1.1 is amended by:
 - a. adding “listed derivative” after “a” in subparagraph (a)(i)
 - b. deleting “derivative instrument that is listed on an Exchange or quoted on an QTRS” in subparagraph (a)(i)
 - c. deleting “instrument” before “or Exempt Exchange-traded Fund” in subparagraph (a)(ii).
 - d. adding “listed” before “derivative instrument or an Exempt Exchange-traded Fund” in paragraph (b)
 - e. deleting “instrument” after “listed derivative” in paragraph (b)
 - f. deleting “instrument” after “underlying interest of the derivative” in paragraph (b).
3. The definition of “best ask price” in section 1.1 is amended by:
 - a. adding “:” after “lowest price of an order on”
 - b. moving “any protected marketplace as displayed in a consolidated market display to sell a particular security” as a new paragraph (a)
 - c. adding “or” at the end of paragraph (a)
 - d. creating a new paragraph (b) as follows:

“(b) an Exchange as displayed to sell a listed derivative,”.
4. The definition of “best bid price” in section 1.1 is amended by:
 - a. adding “:” after “highest price of an order on”
 - b. moving “any protected marketplace as displayed in a consolidated market display to buy a particular security” as a new paragraph (a)
 - c. adding “or” at the end of paragraph (a)



- d. creating a new paragraph (b) as follows:
“(b) an Exchange as displayed to buy a listed derivative,”.
5. The definition of “bypass order” in section 1.1 is amended by adding a “in a listed security” after “means an order”.
6. The definition of “client order” in section 1.1 is amended by:
 - a. adding “or a derivative” after “a security”
 - b. adding “:” after “for the account of”
 - c. moving “a client of the Participant or” to a new paragraph (a)
 - d. moving “a client of an affiliated entity of the Participant,” to a new paragraph (b).
6. Adding a new definition of “derivative” in section 1.1 as follows:
“**“derivative”** means as an option, swap, futures contract, forward contract, contract for difference or any other financial or commodity contract or instrument whose market price, value, delivery obligations, payment obligations or settlement obligations are derived from, referenced to or based on an underlying interest, including a value, price, rate, variable, index, event, probability or thing.”
7. The definition of “derivatives market maker” in section 1.1 is amended by:
 - a. adding “Marketplace Trading Obligations or other”
 - b. removing “the” before “function”
 - c. adding “s” after “function”
 - d. replacing “derivative instrument” with “listed derivative”.
8. The definition of “derivative-related cross” in section 1.1 is amended by:
 - a. replacing “security that is a derivative instrument” with “derivative”.
9. The definition of “direct electronic access” in section 1.1 is amended by:
 - a. adding “or a derivative” after “relating to a security”.
10. The definition of “foreign dealer equivalent” in section 1.1 is amended by:
 - a. adding “or derivatives” after “trading securities”.
11. The definition of an “identified order execution only client” in section 1.1 is amended by:
 - a. adding “or derivatives” after “trading securities” in paragraph (c).



12. The definition of an “internal cross” in section 1.1 is amended by:

- a. adding “in a security” after “intentional cross”.

13. The definition of “last sale price” in section 1.1 is amended by:

- a. adding “:” after “one standard trading unit”
- b. creating a new paragraph (a) for “a particular security displayed in a consolidated market display but does not include the price of a sale resulting from an order that is:”
- c. moving “a Basis Order;” from paragraph (a) to subparagraph (a)(i)
- d. moving “a Call Market Order;” from paragraph (b) to subparagraph (a)(ii)
- e. moving “a Closing Price Order;” from paragraph (c) to subparagraph (a)(iii)
- f. moving “a Special Terms Order unless the Special Terms Order has executed with an order;” from paragraph (d) to subparagraph (a)(iv)
- g. moving “a Volume-Weighted Average Price Order” from paragraph (e) to subparagraph (a)(v)
- h. replacing “.” at the end of “a Volume-Weighted Average Price Order” with “;”
- i. adding a new paragraph (b) as follows:
 - i. “a particular option traded on an Exchange.”

14. The definition of “limit order” in section 1.1 is amended by:

- a. adding “or derivative” after “buy a security” in paragraph (a)
- b. adding “or derivative” after “sell a security” in paragraph (b).

15. Adding a definition of “listed derivative” in section 1.1 as follows:

“**listed derivative**” means a derivative that is traded on a marketplace pursuant to standardized terms and conditions set out by that marketplace and whose trades are cleared and settled by a clearing agency.”

16. The definition of “market order” in section 1.1 is amended by:

- a. adding “or a derivative” after “buy a security” in paragraph (a)
- b. adding “or a derivative” after “sell a security” in paragraph (b).

17. The definition of “Marketplace Rules” in section 1.1 is amended by adding “or derivatives” after “listing of securities”.



18. Subparagraph (a)(i) of the definition of “Marketplace Trading Obligations” in section 1.1 is amended by:
- adding “listed” before “security”
 - adding “or a listed derivative” after “listed security”.
19. The definition of “multiple client order” is amended by adding “in a listed security or a listed derivative” before “from more than one client”.
20. The definition of “non-client order” is amended by adding “or a derivative” after “sale of a security”.
21. The definition of “principal order” is amended by adding “or a derivative” after “sale of a security”.
22. Adding a new definition of “related derivative” in section 1.1 as follows:
- “**related derivative**” means, in respect of a particular security or derivative,
- a derivative that is related to the security or derivative because the derivative’s market price, value, delivery obligations, payment obligations or settlement obligations are, in a material way, derived from, referenced to or based on the market price, value, delivery obligations, payment obligations or settlement obligations of the security or derivative.”
23. The definition of a “related security” in section 1.1 is amended by:
- adding “or derivative” after “particular security”
 - replacing “;” at the end of paragraph (a) with “, or”
 - replacing “;” at the end of paragraph (b) with “.”
 - deleting paragraphs (c) to (e).
24. The definition of a “routing arrangement” in section 1.1 is amended by adding “or a derivative” before “containing the identifier”.
25. Paragraph (a) in the definition of “standard trading unit” in section 1.1 is amended by:
- adding “listed” before “derivative”
 - deleting “instrument” after “derivative”.
26. Subsection (2) of UMIR 1.2 is amended by:
- adding “or a derivative” after “**trade**” includes a purchase or acquisition of a security”
 - adding “or a derivative” after “any sale or disposition of a security”
 - adding a new paragraph after “any sale or disposition of a security or a derivative for valuable consideration.” as follows:



“**security**” does not include a derivative.”

27. Subsection (8) of UMIR 1.2 is amended by:

- a. adding “:” after “time reference is made to orders”
- b. moving “contained in a consolidated market display for a protected marketplace that is then open for trading and in respect of which trading in the particular security” to a new paragraph (a)
- c. adding “or” at the end of paragraph (a)
- d. adding a new paragraph (b) as follows:

“(b) displayed on an Exchange that is then open for trading and in respect of which trading in the particular derivative”
- e. moving “halted, suspended or delayed for regulatory purposes in accordance with Rule 9.1; or” from paragraph (a) to a new paragraph (i)
- f. moving “halted, suspended or delayed in accordance with a Marketplace Rule or a requirement of the marketplace.” from paragraph (b) to a new paragraph (ii).

28. Subsection (2) of UMIR 2.2 is amended by:

- a. adding “, the derivative, the related security or related derivative” after “sale of the security” in paragraph (a)
- b. adding “, the derivative,” after “for the security” and removing “or” in paragraph (b)
- c. adding “or a related derivative” after “a related security” in paragraph (b).

29. Part 1 of Policy 2.2 is amended by:

- a. adding “of” after “generality”
- b. adding “or a derivative” after “effecting a trade in a security” in paragraph (b)
- c. adding “or a derivative” after “supply of a security” in paragraph (c)
- d. adding “or a derivative” after “trading activity or interest in the purchase or sale of a security”
- e. adding “, a derivative” after “or an artificial ask price, bid price or sale price for a security”
- f. adding “or a related derivative” after “or a related security”.

30. Part 2 of Policy 2.2 is amended by:



- a. adding “or a derivative” after “misleading appearance of trading activity or interest in the purchase or sale of a security”
- b. adding “or a derivative” after “entering an order or orders for the purchase of a security” in paragraph (a)
- c. adding “or that derivative” after “substantially the same time and at substantially the same price for the sale of that security” in paragraph (a)
- d. adding “or a derivative” after “entering an order or orders for the sale of a security”
- e. adding “or a derivative” after “the same price for the purchase of that security” in paragraph (b)
- f. adding a new paragraph (b.1) as follows:

“the prohibition in paragraphs (a) and (b) of Part 2 of Policy 2.2 does not apply to certain prearranged trades as determined by IIROC from time to time”
- g. adding “or a derivative” after “a security” in paragraph (c)
- h. adding “or a derivative” after “a security” in paragraph (d)
- i. adding “or a derivative” after “sale of a security” in paragraph (e)
- j. adding “or a derivative” after “a security” in paragraph (f)
- k. adding “or a derivative” after “a security” in paragraph (g)
- l. adding “or a derivative” after “a security” in paragraph (h)
- m. adding “or a derivative” after “a security” in paragraph (i)
- n. adding “in a listed security” after “internal cross” in paragraph (i)
- o. adding “or a derivative” after “false or misleading appearance of trading activity or interest in the purchase or sale of a security”
- p. adding “or a derivative” after “or an artificial ask price, bid price or sale price for a security”
- q. adding “or a related derivative” after “or a related security”.

31. Part 3 of Policy 2.2 is amended by:

- a. adding “or a derivative” after “justified by real demand or supply in a security”
- b. adding “.” after “the change in the” in paragraph (b)
- c. moving “last sale price” in paragraph (b) to a new subparagraph (b)(i)
- d. adding a new subparagraph (b)(ii) as follows:



“(ii) the price that would be used in the determination of the settlement price for a listed derivative,”

- e. moving “best ask price” in paragraph (b) to a new subparagraph (b)(iii)
- f. moving “best bid price” in paragraph (b) to a new subparagraph (b)(iv).
- g. replacing “an” with “the” before “order on a marketplace;” in paragraph (b)
- h. adding “or derivative” after “security” in paragraph (c)
- i. adding “or derivative” after “the security” in subparagraph (e)(ii).

32. Subsection (1) of UMIR 4.1 is amended by:

- a. adding “or derivative” after “the market price of a security”
- b. adding “, derivative” after “any over-the-counter market, for the purchase or sale of the security” in paragraph (a)
- c. adding “or related derivative” after “any related security” in paragraph (a)
- d. adding “, the derivative,” after “solicit an order from any other person for the purchase or sale of the security” in paragraph (b)
- e. adding “or related derivative” after “any related security” in paragraph (b).

33. Part 1 of Policy 4.1 is amended by:

- a. adding “or derivatives” after “no Participant shall trade in equities”
- b. replacing “market place” with “marketplace”
- c. replacing “options or futures contracts” with “derivatives”.

34. Part 2 of Policy 4.1 is amended by:

- a. adding “or derivative” after “the market price of a security”
- b. adding “, derivative” after “enter a principal order or non-client order for the security” in the first bulleted paragraph
- c. deleting “or” before “any related security” in the first bulleted paragraph
- d. adding “or any related derivative” after “enter a principal order or non-client order for the security, derivative, any related security” in the first bulleted paragraph
- e. adding “, derivative,” after “solicit an order for the security” in the second bulleted paragraph
- f. deleting “or” before “any related security” in the second bulleted paragraph



- g. adding “or any related derivative” after “any related security” in the second bulleted paragraph.

35. UMIR 6.2 is amended by:

- a. adding “in a listed security” after “Each order” in subsection (1)
- b. moving subsection (2) to a new subsection (3)
- c. adding a new subsection (2) as follows:

“(2) Each order in a listed derivative entered on an Exchange shall contain:

(a) the identifier of:

- (i) the Participant or Access Person entering the order as assigned to the Participant or Access Person in accordance with Rule 10.15,
- (ii) the Exchange on which the order is entered as assigned to the Exchange in accordance with Rule 10.15,
- (iii) the Participant for or on behalf of whom the order is entered, if the order is a jitney order,
- (iv) the client for or on behalf of whom the order is entered under direct electronic access, and
- (v) the investment dealer or foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement; and

(b) a designation acceptable to the Market Regulator for the Exchange on which the order is entered, if the order is:

- (i) a non-client order,
- (ii) a principal order,
- (iii) for the account of a derivatives market maker,
- (iv) for the account of a person who is an insider of the issuer of the underlying security which is the subject of the order,
- (v) for the account of a person who is a significant shareholder of the issuer of the underlying security which is the subject of the order,
- (vi) one that includes an opening or closing transaction indicator
- (vii) of a type for which the Market Regulator may from time to time require a specific or particular designation.”



- d. moving subsection (3) to a new subsection (4)
- e. moving subsection (4) to a new subsection (5)
- f. adding “and (2)” after “subsection (1)” in subsection (5)
- g. moving subsection (5) to a new subsection (6)
- h. adding “:” after “shall be displayed” in subsection (6)
- i. moving “in a consolidated market display” in subsection (6) to a new paragraph (6)(a)
- j. adding “for a security, or” after “in a consolidated market display” in paragraph (a) of subsection (6)
- k. adding a new paragraph (b) to subsection (6) as follows:
“(b) in a marketplace for a derivative.”
- l. moving subsection (6) to a new subsection (7)
- m. adding “:” after “that is required by” in paragraph (b) of subsection (7)
- n. moving “sub-clause (viii) to (xvii) inclusive of clause (1)(b)” in paragraph (b) of subsection (7) to a new subparagraph (b)(i)
- o. deleting “.” at the end of clause (1)(b) of subparagraph (b)(i)
- p. adding a new subparagraph (b)(ii) as follows:
“(ii) sub-clause (i) to (vii) inclusive of clause (2)(b).”

36. UMIR 7.1 is amended by:

- a. adding “as applicable” after “each Policy” in subsection (1)
- b. adding “applicable” after “all” in paragraph (c) of subsection (2).

37. Part 1 of Policy 7.1 is amended by:

- a. adding “or derivatives” after “to ensure that trading in securities”
- b. adding “or derivatives” after “restricts trading activities in affected securities”.

38. Part 2 of Policy 7.1 is amended by:

- a. adding “or derivatives” after “Ensure that employees responsible for trading in securities” in paragraph 3.

39. Part 3 of Policy 7.1 is amended by:



- a. adding “or derivatives” after “Each Participant must develop, implement and maintain supervision and compliance procedures for trading in securities”.

40. Part 5 of Policy 7.1 is amended by:

- a. adding “or a derivative” after “false or misleading appearance of trading activity or interest in the purchase or sale of a security”
- b. adding “or derivatives” before “with limited liquidity.”.

41. Part 7 of Policy 7.1 is amended by:

- a. adding “or derivative” after “exceeding pre-determined limits on the value or volume of unexecuted orders for a particular security”
- b. adding “or derivatives” after “or class of securities”.

42. Part 10 of Policy 7.1 is amended by:

- a. deleting “security” before “name or symbol”
- b. adding “of security or derivative” after “name or symbol”.

43. UMIR 7.2 is amended by:

- a. adding “or a derivative” after “No order to purchase or sell a security” in subsection (1).

44. UMIR 7.3 is amended by:

- a. adding “or derivatives” after “All bids and offers for securities” in subsection (1).

45. UMIR 7.4 is amended by:

- a. adding “or a derivative” after “The electronic record of an order or a trade in a security” in subsection (1)
- b. adding “or a derivative” after “Despite subsection (1), the electronic record of a trade in a security” in subsection (2).

46. UMIR 7.9 is amended by:

- a. adding “or Derivatives” after “Trading in Listed or Quoted Securities” in the title of UMIR 7.9
- b. adding “or listed derivatives” after “listed securities” in paragraph (a).

47. Adding a new UMIR 7.14 as follows:

“7.14 Position limits for listed derivatives

(1) No Participant, acting as principal or agent, shall enter an order to transact in a listed derivative if the Participant has reason to believe that as a result of the transaction the Participant or its client



would, acting alone or in concert with others, directly or indirectly, hold or control a position in excess of the position limits established by an Exchange.

(2) Notwithstanding subsection (1), the Market Regulator may modify the position limits established by an Exchange if it believes that it is necessary to maintain a fair and orderly market.”

48. Subsection (1) of UMIR 9.1 is amended by:

- a. adding “or a derivative” after “No order for the purchase or sale of a security”
- b. adding “, derivative, related security or related derivative” before “remains in effect” in paragraph (a)
- c. adding “or a listed derivative” after “in the case of a listed security” in paragraph (b)
- d. adding “or derivative” after “on which the security” in paragraph (b)
- e. adding “or derivative” after “halted or suspended trading in the security” in paragraph (b).

49. Subsection (2) of UMIR 9.1 is amended by:

- a. adding “or derivative” after “No order for the purchase or sale of a security”
- b. adding “or a listed derivative” after “in the case of a listed security” in paragraph (a)
- c. adding “or derivative” after “on which the security” in paragraph (a)
- d. adding “or derivative” after “delayed trading in the security” in paragraph (a)

50. Subsection (3) of UMIR 9.1 is amended by:

- a. adding “or derivative” after “suspended trading in the security” in paragraph (a)
- b. adding “or underlying security” after “issuer of the security” in paragraph (a)
- c. adding “or underlying securities of a derivative” after “listing or quotation of securities of the issuer” in subparagraph (a)(ii)
- d. adding “or the derivative” after “delayed or halted trading in the security” in paragraph (b).

51. Subsection (1) of UMIR 10.9 is amended by:

- a. adding “or derivatives” after “trading in securities”
- b. adding “or a derivative” after “delay, halt or suspend trading in a security” in paragraph (a)
- c. adding “or derivatives” after “trading in securities” in paragraph (c)
- d. moving paragraph (i) to a new paragraph (l)
- e. moving paragraph (j) to a new paragraph (m)



f. adding a new paragraph (i) as follows:

“(i) limit trading to liquidation of a position in a listed derivative only;”

g. adding a new paragraph (j) as follows:

“(j) order liquidation of a position in a listed derivative in all or a portion of an account;”

h. adding a new paragraph (k) as follows:

“(k) restrict trading in a listed derivative to a specific price range;”.

52. Subsection (2) of UMIR 10.9 is amended by:

a. adding “:” after “last sale price of” in paragraph (b)

b. moving “the security as displayed in a consolidated market display” to a new subparagraph (b)(i)

c. replacing “;” after “market display” with “, or” in subparagraph (b)(i)

d. adding a new subparagraph (b)(ii) as follows:

“(ii) the derivative as displayed on a marketplace;”

e. adding “or derivative” after “the security” in paragraph (c)

f. adding “or underlying security of a derivative” after “the security” in paragraph (d)

g. adding “or derivative” after “for the security” in paragraph (e).

53. UMIR 10.11 is amended by:

a. adding “or the derivative” after “in the security” in paragraph (b) of subsection (3)

b. adding “or a related derivative” after “a related security” in paragraph (b) of subsection (3).

54. Subsection (3) of UMIR 10.15 is amended by:

a. adding “or a derivative” after “listing of a security”.

55. Paragraph (a) of subsection (4) of UMIR 10.15 is amended by:

a. adding “,” after “assigned to the marketplace, Participant”

b. deleting “or” after “assigned to the marketplace, Participant,”

c. adding “or derivative” before “if such previously assigned identifier”

d. adding “,” after “in respect of that marketplace, Participant”

e. deleting “or” after “in respect of that marketplace, Participant,”



- f. adding “or derivative” after “in respect of that marketplace, Participant, security”.

56. Paragraph (b) of subsection (4) of UMIR 10.15 is amended by:

- a. adding “,” after “the same as an identifier or symbol assigned to another marketplace, Participant”
- b. deleting “or” after “the same as an identifier or symbol assigned to another marketplace, Participant,”
- c. adding “or derivative” before “if such previously assigned identifier”
- d. adding “,” after “in respect of that other marketplace, Participant”
- e. deleting “or” after “in respect of that other marketplace, Participant,”
- f. adding “, or derivative” after “in respect of that other marketplace, Participant, security”.

57. Adding a new UMIR 10.19 as follows:

“10.19 Reporting limits for listed derivatives

- (1) Each Participant shall file with the Market Regulator a daily listed derivatives position report of all positions required to be reported as established by an Exchange.
- (2) Notwithstanding subsection (1), the Market Regulator may modify the reporting limits established by an Exchange and prescribe the information and form that is required to be reported if it believes that it is necessary to maintain fair and orderly market.”

If the Proposed Amendments are implemented before the adoption of the IIROC Rules, the Dealer Member Rules would be amended as follows:

- 1. Section 5 of Part A of DMR 3200 would be amended by:
 - a. adding “or derivatives” after “trading securities” in subparagraph (a)(iii).
- 2. Section 6 of Part B of DMR 3200 would be amended by:
 - a. adding “or derivatives” after “trading securities” in subparagraph (a)(iii).
- 3. Appendix A to DMR 3200 would be amended by:
 - a. adding “or derivative” after “in the same security” in paragraph (a) of section 2
 - b. adding “or derivative” after “trading of the stock” in paragraph (a) of section 2
 - c. adding “or derivatives” after “Percentages of trades in particular securities” in paragraph (b) of section 3



- d. adding “or derivatives” after “High percentages of trades in some securities” in paragraph (b) of section 3
 - e. adding “or derivatives” after “in one security” in paragraph (b) of section 3.
4. DMR 3600 is amended by:
- a. adding “or a listed derivative” after “a listed security” in section (2)
 - b. adding “or a listed derivative” after “or a listed security” in section (3).

If the Proposed Amendments are implemented after the adoption of the IIROC Rules, the IIROC Rules would be amended as follows:

- 1. Section (1) of IIROC Rule 3140 is amended by:
 - a. adding “or a *listed derivative*” after a “*listed security*”.
- 2. IIROC Rule 3241 is amended by:
 - a. adding “or *derivatives*” before “in a foreign jurisdiction” in subsection (4)(iii)
 - b. adding “or a *listed derivative*” after “*listed security*” in section (8)
 - c. adding “or a *listed derivative*” after “*listed security*” in section (9).