



## Appendix A – Text of DMR Amendments

The Dealer Member Rules are hereby amended as follows:

1. Dealer Member Rule 1 is amended by:
  - (a) inserting the following definition:

**“Manipulative and Deceptive Activities”** means the entry of an order or the execution of a trade that would create or could reasonably be expected to create:

    - a) a false or misleading appearance of trading activity in or interest in the purchase or sale of a security; or
    - b) an artificial ask price, bid price or sale price for the security or a related security.
2. Dealer Member Rule 2500 is amended by:
  - (a) In section IV subsection A., replacing “...deceptive trading” with “...Deceptive Activities”.
3. Dealer Member Rule 2700 is amended by:
  - (a) In section IV subsection B., replacing “... deceptive methods of trading” with “... Deceptive Activities”.
4. Dealer Member Rule 3200 is amended by:
  - (a) Adding a new subsection (c) to section A. 4 as follows:

“(c) The Dealer Member or separate business unit of the Dealer Member must ensure that its written policies and procedures and systems of supervision and control to review client trading takes into account the risks associated with the method of order entry and the absence of intermediation by staff of the Dealer Member.”
  - (b) In section A.4, renumbering subsections (c) and (d) respectively, as (d) and (e).



(c) Adding a new section A.5 as follows:

“A. 5 Identification of Certain Clients

- (a) The Dealer Member must ensure that a client identifier is assigned to each client that trades on a Marketplace for which the Corporation is the regulation services provider:
  - (a) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,
  - (b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or
  - (c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.
- (b) The Dealer Member must provide each client identifier assigned pursuant to Rule A.5(a) and the name of the corresponding client to the Corporation.
- (c) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider by or on behalf of a client for whom a client identifier must be assigned pursuant to Rule A.5(a) contain the client identifier assigned to that client.”

(d) Renumbering section A.5 as A.6

(e) Adding a new subsection (c) to section B.5 as follows:

- “(c) The Dealer Member must ensure that its written policies and procedures and systems of supervision and control to review trading by order-execution only service clients takes into account the risks associated with the method of order entry and the absence of intermediation by staff of the Dealer Member.”



(f) In section B.5, renumbering subsections (c) and (d) respectively, as (d) and (e).

(g) Adding a new section B.6 as follows:

“B.6 Identification of Certain Clients

(a) The Dealer Member must ensure that a client identifier is assigned to each order-execution only service client that trades on a Marketplace for which the Corporation is the regulation services provider:

- (a) whose trading activity on Marketplaces for which the Corporation is the regulation services provider exceeds a daily average of 500 orders per trading day in any calendar month,
- (b) that is not an individual and is registered as a dealer or adviser in accordance with applicable securities legislation, or
- (c) that is not an individual and is in the business of trading securities in a foreign jurisdiction in a manner analogous to a dealer or adviser.

(b) The Dealer Member must provide each client identifier assigned pursuant to Rule B.6(a) and the name of the corresponding client to the Corporation.

(c) The Dealer Member must ensure that each order entered on a Marketplace for which the Corporation is the regulation services provider by or on behalf of a client for whom a client identifier must be assigned pursuant to Rule B.6(a) contain the client identifier assigned to that client.”

(h) Renumbering section B.6 as B.7.