ANNOTATED UNIVERSAL MARKET INTEGRITY RULES

Important Disclaimer

The following annotated version of the Universal Market Integrity Rules ("UMIR") has been prepared as an informal reference document by the Market Regulation Policy Department of the New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA. While every effort has been made to ensure the completeness and accuracy of the document, users must recognize that this annotated version is **not** the official version of UMIR.

The official version of UMIR is comprised of Schedule A.1 to Transition Rule No. 1 as amended from time to time as set out in Appendix A to Notices of Approval posted to our website.

This annotated version of UMIR reflects material issued or published by IIROC up to **March 1, 2023**. For material issued after March 1, 2023, refer to the list of Notices on our website.

TABLE OF CONTENTS

PART 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

Defined Terms:	*UMIR section 1.1 – "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.*

"**Acceptable Foreign Trade Reporting Facility**" means a trade reporting facility or similar facility outside Canada:

(a) on which the reporting of trades is monitored for compliance with regulatory requirements at the time of reporting by a self-regulatory organization that is a member of the International Organization of Securities Commissions;

(b) that displays and provides timely information of the price, volume and security identifier of each trade at the time of the reporting of the trade; and

(c) included on a list of acceptable foreign trade reporting facilities published on the Corporation website.

Regulatory History:	*Effective November 7, 2018, the applicable securities commissions approved amendments to section 1.1 to add the definition of "Acceptable Foreign Trade Reporting Facility". See IIROC Notice 18-0154 –* ***"Amendments Respecting the Reporting of Certain Trades to Acceptable Foreign Trade Reporting Facilities"*** *(August 9, 2018).*

"Access Person" means a person other than a Participant who is:

(a) a subscriber; or

(b) a user.

Defined Terms:	*NI 21-101 section 1.1 – "subscriber" and "user"* *UMIR section 1.1 – "Participant"* *UMIR section 1.2(2) – "person"*

"arbitrage account" means an account in which the holder makes a usual practice of buying and selling:

(a) securities or derivatives in different markets to take advantage of differences in prices available in each market; or

(b) securities or derivatives which are or may become convertible or exchangeable by the terms of the securities or derivatives or operation of law into other securities in order to take advantage of differences in prices between the securities or derivatives.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation - "security"* *UMIR section 1.1 – "derivative"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "arbitrage account". See IIROC Notice 22-0140–*

	*"**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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 listed derivative; 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 or Exempt Exchange-traded Fund; or

(b) a listed derivative 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 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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "derivative", "Exchange", "listed derivative", "listed security", "Market Regulator", "Participant", "QTRS", "quoted security" and "trading day"
Regulatory History:	*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).*
	*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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "Basis Order". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*UMIR section 1.1 – "listed security", "quoted security" and "restricted 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 "basket trade". See Market Integrity Notice 2005-007 – **"Amendments Respecting Trading During Certain Securities Transactions"** (March 4, 2005).*

"best ask price" means the lowest price of an order on:

(a) any protected marketplace as displayed in a consolidated market display to sell a particular security, or

(b) an Exchange as displayed to sell a listed derivative,

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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Basis Order", "Call Market Order", "Closing Price Order", "consolidated market display", "derivative", "Exchange", "listed derivative", "Market-on-Close Order", "marketplace", "Opening Order", "Special Terms Order" and "Volume-Weighted Average Price Order"
Related Provision:	*UMIR 1.2(8)*
Regulatory History:	*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).*
	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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "best ask price". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"best bid price" means the highest price of an order on:

(a) any protected marketplace as displayed in a consolidated market display to buy a particular security, or

(b) an Exchange as displayed to buy a listed derivative,

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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Basis Order", "Call Market Order", "Closing Price Order", "consolidated market display", "derivative", "Exchange", "listed derivative", "Market-on-Close Order", "marketplace", "Opening Order", "Special Terms Order" and "Volume-Weighted Average Price Order"
Related Provision:	*UMIR 1.2(8)*
Regulatory History:	*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).*
	Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of "best bid price". See IIROC Notice 15-0211 - Notice of Approval – ***"Provisions Respecting Unprotected Transparent Marketplaces and the***

	Order Protection Rule" *(September 18, 2015).* *Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "best bid price". See IIROC Notice 22-0140 – "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*NI 21-101 section 1.1 – "order"* *UMIR section 1.1 – "best bid price", "dealer-restricted person" and "issuer-restricted person"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*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).*

"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.

Defined Terms:	*NI 21-101 section 1.1 - "order"* *NI 21-101 section 1.4 – Interpretation -- "security"* *UMIR section 1.1 – "best ask price", "best bid price", "marketplace" and "trading increment"* *UMIR section 1.2(2) – "trade"*
Regulatory History:	*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).*

"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 in a listed security 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", "listed security" "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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "bypass order". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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 or a derivative received or originated by a Participant for the account of:

(a) a client of the Participant or
(b) 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 – "derivative", "Participant", "principal order" and "non-client order"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "client order". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*UMIR section 1.1 – "best ask price", "equity security", "listed security", "offered security", "quoted security" and "restricted period"*

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 "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).*

"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.

Defined Terms:	*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"*
Regulatory History:	*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).*

"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.

Defined Terms:	*NI 21-101 section 1.1 - "order"*
	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"
Regulatory History:	*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).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "issuer bid" and "securities legislation"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	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"
	UMIR section 1.2(2) – "person"
Related Provision:	*UMIR Policy 1.2 Part 1 – "acting jointly or in concert"*
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 "dealer-restricted person". 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 "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).*
	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).*

"derivative" means 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.

Related Provision *:*	*UMIR section 1.1 – "listed derivative"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to add the definition of "derivative". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"derivatives market maker" means a person who performs Marketplace Trading Obligations or other functions ordinarily associated with a market maker or specialist on an Exchange or QTRS in connection with a listed derivative.

Defined Terms:	*UMIR section 1.1 – "derivative, "Exchange", "listed derivative", "Marketplace Trading Obligations" and "QTRS"*
	UMIR section 1.2(2) – "person"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "derivatives market maker". See IIROC Notice 22-0140 – "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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 derivative.

Defined Terms:	*NI 21-101 section 1.1 – "marketplace", "order"*
	UMIR section 1.1 – "Access Person", "derivative", "marketplace", "Participant", "pre-arranged trade", "related derivative" 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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "derivatives-related cross". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

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 or a derivative 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.

Defined Terms:	*NI 21-101 section 1.1 – "member", "subscriber" and "user"*
	NI 21-101 section 1.4 – Interpretation – "security"
	UMIR section 1.1 – "derivative", "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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "direct electronic access". See IIROC Notice 22-0140 – "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	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"
	UMIR section 1.2 – "trade"
Regulatory History:	*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).*

"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.

Regulatory History:	*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).*
	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.

"Electronic Trading Rules" means National Instrument 23-103 *Electronic Trading* as amended, supplemented, and in effect from time to time.

Regulatory History:	*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).*

"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.

Defined Terms:	*NI 21-101 section 1.1 – "self-regulatory entity"*
	UMIR section 1.1 – "Participant"
	UMIR section 1.2(2) – "person"
Regulatory History:	*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).*

"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.

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.

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

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).*

"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.

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.*

"**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.

Defined Terms:	*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"
Guidance*:*	*See IIROC Notice 22-0130 –* "***Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order***" *(August 17, 2022)*
Regulatory History:	*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).*

"foreign dealer equivalent" means a person in the business of trading securities or derivatives 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.

Defined Terms:	*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"* *UMIR section 1.1 – "derivative"*
Regulatory History:	*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). Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "foreign dealer equivalent". See IIROC Notice 22-0140 –* ***"Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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.

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).*

"**Global Legal Entity Identifier System**" means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee.

Defined Term:	*UMIR section 1.1 – "Legal Entity Identifier System Regulatory Oversight Committee"*
Related Provision:	*UMIR section 6.2*
Regulatory History:	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 –* "***Amendments Respecting Client Identifiers***" *(April 18, 2019).*

"hearing" – repealed

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

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.*

"**identified order execution only client**" means a client using an order execution only service:

(a) whose trading activity on marketplaces for which the Market Regulator 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 or derivatives in a foreign jurisdiction in a manner analogous to a dealer or adviser.

Defined Terms:	*NI 21-101 section 1.1 – "order", "regulation services provider"*

	NI 21-101 section 1.4 – Interpretation -- "security"
	NI 14-101 section 1.1(3) – "jurisdiction" and "securities legislation"
	UMIR section 1.1 – "derivative", "Market Regulator", "marketplace", "order execution service", "trading day"
Regulatory History:	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "**Amendments Respecting Client Identifiers**" (April 18, 2019).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "identified order execution only client". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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"*
	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).*

"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 in a security 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:	*NI 21-101 section 1.4 – Interpretation -- "security"*
	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).*
	Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "internal cross". See IIROC Notice 22-0140–

	*"**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	N1 21-101 section 1.3(1) – "affiliated entity"
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "insider", "offered security" and "restricted private placement"
	UMIR section 1.2(2) – "person"
Related Provisions:	*UMIR section 1.2(7) – interpretation of "associated entity"*
	UMIR Policy 1.2 Part 1 – interpretation of "acting jointly or in concert"
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 "issuer-restricted person". See Market Integrity Notice 2005-007 – **"Amendments Respecting Trading During Certain Securities Transactions" (**March 4, 2005).*

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

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	UMIR section 1.1 – "marketplace" and "Participant"

"last independent sale price" – repealed

Regulatory History:	*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).*

"last sale price" means the price of the last sale of at least one standard trading unit of:

(a) a particular security displayed in a consolidated market display but does not include the price of a sale resulting from an order that is:

(i) a Basis Order;

(ii) a Call Market Order;

(iii) a Closing Price Order;

(iv) a Special Terms Order unless the Special Terms Order has executed with an order or orders other than a Special Terms Order; or

(v) a Volume-Weighted Average Price Order,

(b) a particular option traded on an Exchange.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Basis Order", "Call Market Order", "Closing Price Order", "consolidated market display", "Exchange", "Special Terms Order", "standard trading unit" and "Volume-Weighted Average Price Order"
Related Provision:	*UMIR section 1.2(4)*
Regulatory History:	*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 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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "last sale price". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"**Legal Entity Identifier**" means a unique identification code assigned to a person in accordance with standards set by the Global Legal Entity Identifier System.

Defined Terms:	*UMIR section 1.2(2) – "person"*
	UMIR section 1.1 – "Global Legal Entity Identifier System"
Related Provision:	*UMIR section 6.2*
Regulatory History:	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "****Amendments Respecting Client Identifiers****" (April 18, 2019).*

"**Legal Entity Identifier System Regulatory Oversight Committee**" means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012.

Defined Terms:	*UMIR section 1.1 – "Global Legal Entity Identifier System", "Legal Entity Identifier"*
Related Provision:	*UMIR section 6.2*
Regulatory History:	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "**Amendments Respecting Client Identifiers**" (April 18, 2019).*

"**limit order"** means an order to:

(a) buy a security or derivative to be executed at a specified maximum price; or

(b) sell a security or derivative 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"* *UMIR section 1.1 – "derivative"*
Related Provisions:	*UMIR section 1.2(3)*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "limit order". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*UMIR section 1.1 – "derivative" and "marketplace"*
Related Provision:	*UMIR section 1.2(2) – "trade"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to add the definition of "listed derivative". See IIROC Notice 22-0140 – "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

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"
Regulatory History:	*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).*

"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 or a derivative to be executed upon entry to a marketplace at the best ask price; or

(b) sell a security or a derivative to be executed upon entry to a marketplace at the best bid price.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation – "security"
	UMIR section 1.1 – "best ask price", "best bid price", "derivative" and "marketplace"
Related Provision:	*UMIR section 1.2(3)*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "market order". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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.

Defined Terms:	*NI 21-101 section 1.1 – "member", "regulation services provider" and "user"*
	UMIR section 1.1 – "Exchange", "marketplace", "QTRS" and "Trading Rules"

"marketplace" has the same meaning as set out in section 1.1 of Corporation By-law No. 1.

Regulatory History:	*Effective October 21, 2021, the applicable securities commissions approved housekeeping amendments to section 1.1 to amend the definition of a "marketplace". See IIROC Notice 21-0193 – "**Housekeeping amendments to the Universal Market Integrity Rules Regarding the Definition of "Marketplace**" (October 21, 2021).*

"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 or derivatives on an Exchange or to the quoting of securities on a QTRS.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	NI 21-101 section 1.4 – Interpretation – "security"
	UMIR section 1.1 – "derivative", "Exchange" and "QTRS"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "Marketplace Rules". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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 listed security or a listed derivative 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.

Defined Terms:	*NI 21-101 section 1.1 – "member", "order", "subscriber" and "user"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "derivative", "listed derivative", "listed security", "marketplace", "Marketplace Rules" and "standard trading unit"
	UMIR section 1.2(2) – "person"

Regulatory History:	*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).* *Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "Marketplace Trading Obligations". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace****" (September 15, 2022).*

"**multiple client order**" means an order that includes orders from more than one client, but does not include a principal order or a non-client order.

Defined Terms:	*NI 21-101 section 1.1 - "order"* *UMIR section 1.1 – "non-client order" and "principal order"*
Related Provision:	*UMIR section 6.2*
Regulatory History:	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "****Amendments Respecting Client Identifiers****" (April 18, 2019).*

"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.

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"*

"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 or a derivative 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 – "derivative", "employee", "Exchange", "Participant", "principal account" and "related entity"
	UMIR section 1.2(2) – "person"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "non-client order". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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".

Defined Terms:	*NI 14-101 section 1.1(3) – "issuer bid" and "securities legislation"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "listed security", "quoted security", "restricted private placement" and

	"securities exchange take-over bid"
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 repeal and replace the definition of "offered security". See Market Integrity Notice 2005-007 –* ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 4, 2005).*

"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.

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"
Regulatory History:	*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).*

"order execution service" means a service that meets the requirements, from time to time, under Part D of Corporation Rule 3200 – *Order Execution Only Accounts.*

Regulatory History:	*On July 4, 2013, the applicable securities commissions approved an amendment to section1.1 to add the definition "order execution service", effective March 1, 2014. See IIROC Notice 13-0184* ***– "Provisions Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
	*Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to section 1.1 to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 20-0042 - Rules Notice – Notice of Approval – UMIR – "****Housekeeping amendments to UMIR Following Implementation of IIROC Rules"*** *(March 5, 2020).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "jurisdiction" and "securities legislation"*
	NI 21-101 section 1.1 –"ATS", "member", "subscriber" and "user"
	UMIR section 1.1 – "derivatives market maker", "Exchange", "marketplace" and "QTRS"
	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).*

"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.

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.*

"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.

Defined Terms:	*NI 21-101 section 1.1 – "order"* *UMIR section 1.1 – "marketplace"* *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 "pre-arranged trade". See IIROC Notice 2008-008 – **"Provisions Respecting "Off-Marketplace" Trades"** (May 16, 2008).*

"**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.

Defined Terms:	*NI 21-101 section 1.1 – "order"* *NI 21-101 section 1.4 – Interpretation -- "security"* *UMIR section 1.1 – "Access Person", "Market Regulator", "marketplace", "Participant" and "short sale"* *UMIR section 1.2 – "trade"*
Regulatory History:	*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).*

"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.

Defined Terms:	*UMIR section 1.1 – "Participant" and "related entity"*

"principal order" means an order for the purchase or sale of a security or a derivative received or originated by a Participant for a principal account.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "derivative", "Participant" and "principal account"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "principal order". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation -- "security"*
	UMIR section 1.1 – "market order" and "Market Regulator"
	UMIR section 1.2(2) – "trade"
General Commentary:	*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.*

"protected marketplace" means a marketplace that displays "protected orders" as defined under the Trading Rules.

Defined Terms:	*NI 21-101 section 1.1 –"information processor" and "order"*
	UMIR section 1.1 – "marketplace" and "Market Operation Instrument"
	UMIR section 1.2 – "trade"
Regulatory History:	*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).*
	*Effective September 18, 2015, the applicable securities commissions approved an amendment to the definition of "protected marketplace". See IIROC Notice 15-0211 - Notice of 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 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.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation -- "security"* *UMIR section 1.1 – "derivative"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to add the definition of "related derivative". See IIROC Notice 22-0140 –* ***"Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	NI 21-101 section 1.3(1) – "affiliated entity"
	UMIR section 1.1 – "Market Regulator"
	UMIR section 1.2(2) – "person"
Related Provision:	*UMIR section 10.4(3)*
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).*

"related security" means, in respect of a particular security or derivative:

(a) a security which is convertible or exchangeable into the particular security or derivative, or

(b) a security into which the particular security or derivative is convertible or exchangeable.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation -- "security"*
	UMIR 1.1 – "derivative"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "related security". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	UMIR section 1.1 – "Market Integrity Official", "Market Regulator", "Marketplace Rules", "Policy", "Trading Rules" and "UMIR"
Regulatory History:	*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).*
	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.

"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 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.

Defined Terms:	*NI 14-101 section 1.1(3) – "issuer bid"*

	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "dealer-restricted person", "issuer-restricted person", "offered security", "Participant", "restricted private placement", "securities exchange takeover-bid" and "trading day"
	UMIR section 1.2(2) – "person"
Related Provisions:	*UMIR section 1.2(6) – interpretation of "restricted period"*
	UMIR Policy 1.2 Part 2 – interpretation of "selling process has ended"
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 "restricted period". 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 "restricted period". See IIROC Notice 10-0006 – ***"Provision Respecting trading During Certain Securities Transactions"*** *(January 8, 2010).*

"restricted person" - repealed

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 repeal the definition of "restricted person". See Market Integrity Notice 2005-007 –* ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 4, 2005).*

"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.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	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 "restricted private placement". 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 repeal and replace the definition of "restricted private placement". See IIROC Notice 10-0006 – ***"Provision Respecting trading During Certain Securities Transactions"*** *(January 8, 2010).*

"restricted security" means:

(a) the offered security; or

(b) any connected security.

Defined Terms:	*UMIR section 1.1 – "connected security" and "offered 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 "restricted security". See Market Integrity Notice 2005-007 – ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 4, 2005).*

"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 or a derivative 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.

Defined Terms:	*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 – "derivative", "foreign dealer equivalent", "marketplace" and "Participant"
Regulatory History:	*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).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "routing arrangement". See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

"Rules" - repealed.

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 repeal the definition of "Rules". See Footnote 1 in Status of Amendments.*

"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.

Defined Terms:	*NI 14-101 section 1.1(3)- "take-over bid"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "marketplace"

"**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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "arbitrage account", "Marketplace Trading Obligations", "principal account" and "trading day"
	UMIR section 1.2 – "person"
Regulatory History:	*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).*
	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).*
Guidance:	*See IIROC Notice* 16-0029 *–* ***"Updated Guidance on "Short Sale" and "Short-Marking Exempt" Order Designations"*** *(February 11, 2016).*

"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.

Defined Terms:	*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"
Related Provision:	*UMIR Policy 1.1, Part 3 – Definition of ''Short Sale''*
Guidance:	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order"** (August 17, 2022)*
Regulatory History:	*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).*

"**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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Market Regulator", "marketplace", "short sale" and "trading day"
Related Provision:	*UMIR Policy 1.1, Part 4 – Definition of ''Short Sale Ineligible Security''*
Regulatory History:	*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).*
	*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).*

"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.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation -- "security"*
	UMIR section 1.2(2) – "person"

"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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	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"
	UMIR section 1.2(2) – "trade"
Related Provision:	*UMIR section 6.1*
Regulatory History:	*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).*
	*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***

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

"standard trading unit" means, in respect of:

(a) a listed derivative, 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.

Defined Terms:	*NI 21-101 section 1.4 – Interpretation -- "security"*
	UMIR section 1.1 – "derivative", "equity security", "listed derivative", "listed security" and "quoted security"
Related Provision:	*UMIR section 1.2(5)*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to section 1.1 to amend the definition of "standard trading unit". See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

"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.

Defined Terms:	*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"*
Related Provisions:	*UMIR sections 10.3 and 10.4* *Consolidated Rule 1400*
Regulatory History:	*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).*

"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.

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.

Defined Terms:	*UMIR section 1.1 – "marketplace"* *UMIR section 1.2 – "trade"*

"trading increment" means the minimum difference in price at which orders may be entered in accordance with Rule 6.1.

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 Corporation and designated by the Corporation as the Universal Market Integrity Rules as amended, supplemented and in effect from time to time.

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.*

"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.

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"* *UMIR section 1.2 – "trade"*

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.*

***Guidance**:*	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order**" (August 17, 2022).*

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.*

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation" and "securities regulatory authority"*
	NI 21-101 section 1.1 – "order"
	NI 21-101 section 1.4 – Interpretation -- "security"
	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"*
	UMIR section 1.2 – "trade"
Related Provision:	*UMIR section 7.10*
Guidance*:*	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order**" (August 17, 2022).*
Regulatory History:	*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).*
	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..
	*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).*
	*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).*
	On March 2, 2012, the applicable securities commissions approved an amendment to Policy 1.1, effective October 15, 2012, to add Part 2.1.
	*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).*

1.2 Interpretation

(1) Unless otherwise defined or interpreted, every term used in UMIR that is:

(a) defined in subsection 1.1(3) of National Instrument 14-101 – Definitions has the meaning ascribed to it in that subsection;

(b) defined or interpreted in the Marketplace Operation Instrument has the meaning ascribed to it in that National Instrument;

(c) defined or interpreted in the Electronic Trading Rules has the meaning ascribed to it in that National Instrument; and

(d) a reference to a requirement of an Exchange or a QTRS shall have the meaning ascribed to it in the applicable Marketplace Rule.

(2) For the purposes of UMIR, the following terms shall be as defined by applicable securities legislation except that:

"person" includes any corporation, incorporated association, incorporated syndicate or other incorporated organization.

"trade" includes a purchase or acquisition of a security or a derivative for valuable consideration in addition to any sale or disposition of a security or a derivative for valuable consideration.

"**security**" does not include a derivative.

(3) In determining the value of an order for the purposes of Rule 6.3, Rule 6.4 and Rule 8.1, the value shall be calculated as of the time of the receipt or origination of the order and shall be calculated by multiplying the number of units of the security to be bought or sold under the order by:

(a) in the case of a limit order for the purchase of a security, the lesser of:

(i) the specified maximum price in the order, and

(ii) the best ask price;

(b) in the case of a limit order for the sale of a security, the greater of:

(i) the specified minimum price in the order, and

(ii) the best bid price;

(c) in the case of a market order for the purchase of a security, the best ask price; and

(d) in the case of a market order for the sale of a security, the best bid price.

(4) For the purposes of determining the "last sale price", if a sale of at least a standard trading unit of a particular security has not been previously displayed in a consolidated market display the last sale price shall be deemed to be the price:

(a) of the last sale of the security on an Exchange, if the security is a listed security;

(b) of the last sale of the security on a QTRS, if the security is a quoted security;

(c) at which the security has been issued or distributed to the public, if the security has not previously traded on a marketplace; and that has been accepted by a Market Regulator, in any other circumstance.

(d) that has been accepted by a Market Regulator, in any other circumstance.

(5) For the purposes of determining the price at which a security is trading for the purposes of the definition of a “standard trading unit”, the price shall be the last sale price of the particular security on the immediately preceding trading day on the Exchange on which the security is listed or the QTRS on which the security is quoted.

(6) For the purposes of the definition of “restricted period”:

(a) the selling process shall be considered to end:

(i) in the case of a prospectus distribution, if a receipt has been issued for the final prospectus by the applicable securities regulatory authority and the Participant has allocated all of its portion of the securities to be distributed under the prospectus and all selling efforts have ceased, and

(ii) in the case of a restricted private placement, the Participant has allocated all of its portion of the securities to be distributed under the offering;

(b) stabilization arrangements shall be considered to have terminated on the date that is the earlier of when:

(i) in the case of a syndicate of underwriters or agents, the lead underwriter or agent determines, in accordance with the syndication agreement, that the syndication agreement has been terminated such that any purchase or sale of a restricted security by a Participant after the time of termination is not subject to the stabilization arrangements or otherwise made jointly for the Participants that were party to the stabilization arrangements, or

(ii) the offered securities, exclusive of any securities that may be issued pursuant to the exercise of an option granted to a dealer-restricted person to cover over-allotment of securities in the distribution, are issued and all statutory rights of withdrawal in connection with such issuance have expired; and

(c) if the offering price is determined by a formula involving trading activity in the offered security or a connected security on one or more marketplaces for a period of time, the offering price shall be considered to be determined on the first trading day included in the calculation for the purposes of the formula.

(7) Where used to indicate a relationship with an entity, associated entity has the meaning ascribed to the term "associate" in applicable securities legislation and also includes any

person of which the entity beneficially owns voting securities carrying more than 10 per cent of the voting rights attached to all outstanding voting securities of the person.

(8) For the purposes of determining the "best ask price" or the "best bid price" at any particular time reference is made to orders:

(a) 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 or

(b) displayed on an Exchange that is then open for trading and in respect of which trading in the particular derivative

on that marketplace has not been:

(i) halted, suspended or delayed for regulatory purposes in accordance with Rule 9.1; or

(ii) halted, suspended or delayed in accordance with a Marketplace Rule or a requirement of the marketplace.

POLICY 1.2 - INTERPRETATION

Part 1 – Meaning of "acting jointly or in concert"

The definitions of a "dealer-restricted person" and "issuer-restricted person" include a person acting jointly or in concert with a person that is also a dealer-restricted person or an issuer-restricted person, as applicable, for a particular transaction. For the purposes of these definitions, "acting jointly or in concert" has a similar meaning to that phrase as defined in section 91 of the Securities Act (Ontario) or similar provisions of applicable securities legislation, with necessary modifications. In the context of these definitions only, it is a question of fact whether a person is acting jointly or in concert with a dealer- or issuer-restricted person and, without limiting the generality of the foregoing, every person who, as a result of an agreement, commitment or understanding, whether formal or informal, with a dealer-restricted person or an issuer-restricted person, bids for or purchases any restricted security will be presumed to be acting jointly or in concert with such dealer- or issuer-restricted person.

Part 2 – Meaning of "selling process has ended"

The definition of "restricted period", with respect to a prospectus distribution and a "restricted private placement", refers to the end of the period as the date that the selling process ends and all stabilization arrangements relating to the offered security are terminated. Rule 1.2(6)(a) provides interpretation as to when the selling process is considered to end. As further clarification, the selling process is considered to end for a prospectus distribution when the receipt for the prospectus has been issued, the Participant has distributed all securities allocated to it and, is no longer stabilizing, all selling efforts have ceased and the syndicate is broken. Selling efforts have ceased when the Participant is no longer making efforts to sell, and there is no intention to exercise an over-allotment option other than to cover the syndicate's short

position. If the Participant or syndicate subsequently exercises an over-allotment option in an amount that exceeds the syndicate short position, the selling efforts would not be considered to have ceased. Securities allocated to a Participant that are held and transferred to the inventory account of the Participant at the end of the distribution are considered distributed. Subsequent sales of such securities are secondary market transactions and should occur on a marketplace subject to any applicable exemptions (unless the subsequent sale transaction is a distribution by prospectus). To provide certainty around when the distribution has ended, appropriate steps should be taken to move the securities from the syndication account to the inventory account of the Participant.

Part 3 – "Ought Reasonably to Know"

Rule 2.2 prohibits a Participant or Access Person from doing various acts if the Participant or Access Person "knows or ought reasonably to know" that a particular method, act or practice was manipulative or deceptive or that the effect of entering an order or executing a trade would create or could reasonably be expected to create a false or misleading appearance of trading activity or interest or an artificial price. Rule 2.3 prohibits a Participant or Access Person from entering an order on a marketplace or executing a trade if the Participant or Access Person "knows or ought reasonably to know" that the entry of the order or the execution of the trade would result in the violation of various securities or regulatory requirements.

In determining what a person "ought reasonably to know" reference would be made to what a Participant or Access Person would know, acting honestly and in good faith, and exercising the care, diligence and skill that a reasonably prudent Participant or Access Person would exercise in comparable circumstances. In essence, the test becomes what could a Participant or Access Person have been expected to know if the Participant or Access Person had:

- *adopted various policies and procedures as required by applicable securities legislation, self-regulatory entities, UMIR and the Policies; and*
- *conscientiously followed or observed the policies and procedures.*

Part 4 - Applicable Regulatory Standards

Rule 7.1 requires each Participant prior to the entry of an order on a marketplace to comply with applicable regulatory standards with respect to the review, acceptance and approval of orders. Each Participant that is a dealer must be a member of a self-regulatory entity. Each Participant will be subject to the by-laws, regulations and policies as adopted from time to time by the applicable self-regulatory entity. These requirements may include an obligation on the member to "use due diligence to learn and remain informed of the essential facts relative to every customer and to every order or account accepted." While knowledge by a Participant of "essential facts" of every customer and order is necessary to determine the suitability of any investment for a client, such requirement is not limited to that single application. The exercise of due diligence to learn essential facts "relative to every customer and to every order" is a central component of the "Gatekeeper Obligation" embodied within the trading supervision obligation under Rule 7.1 and 10.16. In addition, securities legislation applicable in a jurisdiction may impose review standards on Participants respecting orders and accounts. The regulatory standards that may apply to a particular order may vary depending upon a number of circumstances including:

- *the requirements of any self-regulatory entity of which the Participant is a member;*
- *the type of account from which the order is received or originated; and*
- *the securities legislation in the jurisdiction applicable to the order.*

Defined Terms:	*NI 14-101 section 1.1(3) – "jurisdiction", "securities legislation" and "securities regulatory authority"*
	NI 21-101 section 1.1 – "order" and "self-regulatory entity"
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "best ask price", "best bid price", "connected security", "consolidated market display", "dealer-restricted person", "derivative", "Electronic Trading Rules", "Exchange", "issuer-restricted person", "last sale price", "limit order", "listed security", "Market Operation Instrument", "market order", "marketplace", "Marketplace Regulator", "Marketplace Rule", "offered security", "Participant", "Policy", "QTRS", "quoted security", "restricted period", "restricted private placement", "restricted security", "standard trading unit", "trading day" and "UMIR"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR section 1.1 – definitions of "last sale price" and "standard trading unit"*
	UMIR section 2.2. – Manipulative and Deceptive Activities
	UMIR section 2.3 – Improper Orders and Trades
	UMIR section 6.3 – Exposure of Client Orders
	UMIR section 6.4 – Trades to be on a Marketplace
	UMIR section 7.1 – Trading Supervision Obligations
	UMIR section 7.7 – Trading During Certain Securities Transactions
	UMIR section 8.1 – Client-Principal Trading
	UMIR section 9.1 – Regulatory Halts, Delays and Suspensions of Trading
	UMIR section 10.16 – Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons
Regulatory History:	*Effective February 25, 2005, the applicable securities commissions approved amendments that came into force on May 9, 2005 to add subsections (6) and (7) to section 1.2 and to add Parts 1 and 2 of Policy 1.2, related to amendments to the market stabilization rules in UMIR 7.7. See Market Integrity Notice 2005-007 –* ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 24, 2005).*
	Effective April 1, 2005, the applicable securities commissions approved amendments to add Part 3 ("Ought Reasonably to Know") and Part 4 ("Applicable Regulatory Standards") of Policy 1.2. See Market Integrity Notice 2005-011 – ***"Provisions Respecting Manipulative and Deceptive Activities"*** *(April 1, 2005).*
	In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to section 1.2 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.
	Effective January 8, 2010, the applicable securities commissions approved amendments to subsection (6) of section 1.2 and to add subsection (8) to section 1.2, related to amendments to the market stabilization rules in UMIR 7.7. See IIROC Notice 10-0006 – ***"Provisions Respecting Trading During Certain Securities Transactions"*** *(January 8, 2010).*
	Effective February 1, 2011, the applicable securities commissions approved amendments to add the reference to "Rule 6.4" to subsection (3) of section 1.2. See IIROC Notice 09-0328 – ***"Provisions Respecting Implementation of the Order Protection Rule"*** *(November 13, 2009).*
	Effective March 1, 2013, the applicable securities commissions approved amendments to renumber clause (c) of subsection 1.2(1) as clause (d) and to add new clause (c) to reference the CSA's Electronic Trading Rules. See IIROC Notice 12-0363 – ***"Provisions Respecting Electronic Trading"*** *(December 7, 2012).*
	*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).*
	Effective September 18, 2015, the applicable securities commissions approved amendments to subsection 5 and 8 of UMIR 1.2. See IIROC Notice 15-0211 - Notice of Approval – ***"Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule"*** *(September 18, 2015).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to subsections 1.2(2) and 1.2(8). See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*
Guidance:	*See Market Integrity Notice 2005-026 - "****Guidance – Securities Trading on Marketplaces in U.S. and Canadian Currencies****" (July 28, 2005).*

1.3 Transitional Provision

(1) The Corporation is the corporation continuing from the amalgamation effective January 1, 2023 of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada and as a result, for greater certainty:

(i) any reference in these Rules to the Corporation includes the Investment Industry Regulatory Organization of Canada prior to January 1, 2023;

(ii) any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada prior to January 1, 2023 remains subject to the jurisdiction of the Corporation in respect of any action or matter that occurred while that person was subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada at the time of such action or matter; and

(iii) the provisions of the articles, by-laws, rules, policies and any other instrument or requirement prescribed or adopted by the Investment Industry Regulatory Organization of Canada pursuant to such articles, by-laws, rules or policies, and any approval or ruling granted or issued by the Investment Industry Regulatory Organization of Canada, in each case while a person was subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada shall continue to apply to that person in accordance with their terms and may be enforced by the Corporation.

(2) The Corporation shall continue the regulation of persons subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada, including any enforcement or review proceedings, in accordance with the by-laws, rules and policies of the Investment Industry Regulatory Organization of Canada, and any other instrument or requirement prescribed or adopted by the Investment Industry Regulatory Organization of Canada pursuant to such by-laws, rules or policies in each case in effect at the time of any action or matter that occurred while that person was subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada.

Defined Terms:	*NI 14-101 section 1.1(3) – "jurisdiction* *UMIR section 1.2(2) – "person"*

PART 2 – ABUSIVE TRADING

2.1 Just and Equitable Principles - Repealed

2.1 Specific Unacceptable Activities

(1) Without limiting the generality of any other Rule, a Participant or Access Person shall not:

(a) enter into a transaction for the purpose of rectifying a failure in connection with a failed trade prior to the time that a report must be filed in accordance with Rule 7.10 if the Participant or Access Person knows or ought reasonably to know that such transaction will result in a failed trade; or

(b) when trading a security on a marketplace that is subject to Marketplace Trading Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the person with Marketplace Trading Obligation to

(i) execute with one or more of the orders, or

(ii) purchase at a higher price or sell at a lower price with one or more of the orders

in accordance with the Marketplace Trading Obligations that would not be imposed on the person with Marketplace Trading Obligations if the orders had been entered on the marketplace as a single order or entered at the same time.

(2) Without limiting the generality of any other Rule, a Participant shall not:

(a) directly or indirectly use another person to effect a trade other than on a marketplace in circumstances when an exemption is not available for the Participant to complete the trade other than on a marketplace in accordance with Rule 6.4;

(b) make a pattern of trading in a particular security with knowledge of an expression of interest by a client in that particular security; or

(c) without the specific consent of the client, enter client and principal orders in such a manner as to attempt to obtain execution of a principal order in priority to the client order.

(3) A Participant or Access Person shall not enter an order on a marketplace that is intended to execute as a pre-arranged trade or an intentional cross without the prior approval of a Market Regulator if the pre-arranged trade or intentional cross would be undertaken at a price that will be:

(a) less than the lesser of 95% of the best bid price and the best bid price less 10 trading increments; or

(b) more than the greater of 105% of the best ask price and the best ask price plus 10 trading increments.

(4) As a condition for granting approval of the pre-arranged trade or intentional cross for the purposes of subsection (3), the Market Regulator may require the Participant or Access Person to enter a series of orders on one or more protected marketplaces over a period of time considered reasonable by the Market Regulator in order to move the market price to the price at which the pre-arranged trade or intentional cross will occur and that time period will generally be not less than:

(a) 5 minutes if the price variation from the best ask price or best bid price, as applicable, is more than 5% but less than 10%; and

(b) 10 minutes if the price variation is 10% or more.

POLICY 2.1 – JUST AND EQUITABLE PRINCIPLES - REPEALED

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "best ask price", "best bid price", "bypass order", "client order", "designated trade", "disclosed volume", "Exchange", "failed trade", "intentional cross", "Market Regulator", "marketplace", "Marketplace Trading Obligations", "Participant", "pre-arranged trade", "principal order", "protected marketplace", "Requirements", "trading day" and "trading increment"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR section 7.10 and Part 2 of Policy 5.3*
Regulatory History:	*Effective March 9, 2007, the applicable securities commissions approved an amendment to replace clause (d) at the end of Part 1 of Policy 2.1. See Market Integrity Notice 2007-002 –* ***"Provisions Respecting Competitive Marketplaces"*** *(February 26, 2007).*
	Effective May 16, 2008, the applicable securities commissions approved amendments to Policy 2.1 to replace the opening sentence of the last paragraph of Part 1 of Policy 2.1 and to replace Part 2 of Policy 2.1. See Market Integrity Notice 2008-008 – ***"Provisions Respecting Off-Marketplace Trades"*** *(May 16, 2008).*
	On October 15, 2008, the applicable securities commissions approved amendments to Part 1 of Policy 2.1 that came into force on October 14, 2008 to delete and replace the second paragraph, to include a reference to failed trades. See IIROC Notice 08-0143 – ***"Provisions Respecting Short Sales and Failed Trades"*** *(October 15, 2008).*
	Effective August 26, 2011, the applicable securities commissions approved amendments to delete and replace clause (d) of Part 1 of Policy 2.1, to replace the term "Market Maker Obligations" with the new defined term "Marketplace Trading Obligations". See IIROC Notice 11-0251 – ***"Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations"*** *(August 26, 2011).*
	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).*
	Effective September 18, 2015, the applicable securities commissions approved amendments to Part 2 of Policy 2.1. See IIROC Notice 15-0211 - Notice of Approval – ***"Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule"*** *(September 18, 2015).*
	Effective September 1, 2016, the applicable securities commissions approved amendments to repeal Rule 2.1 of UMIR and Policy 2.1, with the substance of the Policy incorporated into the new Rule 2.1 "Specific Unacceptable Activities". See IIROC Notice 16-0122 – ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*
Guidance:	*See Market Integrity Notice 2005-027 -* "***Guidance – "Advantages" to the Purchaser of a Security***" *(July 29, 2005).*
Partially Repealed Guidance:	*See IIROC Notice 11-0043 -* "***Guidance on "Locked" and "Crossed" Markets***" *(February 1, 2011). Questions 2, 5 and 9 of Notice 11-0043 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 –* "***Guidance on Best Execution***" *(July 6, 2017).*
Disciplinary Proceedings:	***In the Matter of Ronald David Johnson ("Johnson") (September 13, 2002) OOS 2002-003***
	Facts – During the period April 1999, to May 1999, Johnson, an Approved Person of the Alberta

	Stock Exchange employed by Canaccord Capital Corporation, participated in the distribution of shares of a private placement. The issuer of the private placement relied on a "close friends and business associates" exemption under the Securities Act (Alberta) to distribute the securities. Johnson place five clients in the private placement notwithstanding that the clients could not properly rely on the "close friends and business associates" exemption.
	Disposition – Johnson knew or should have known that the "close friends and business associates" exemption provided by the securities legislation was not applicable in the case of the five clients with whom he placed the securities. In doing so, he engaged in conduct that was unbecoming and inconsistent with just and equitable principles of trade which was detrimental to the public interest.
	Requirements Considered – Alberta Stock Exchange By-laws 8.27 and 16.01A. Comparable UMIR Provision - Rule 2.1
	Sanction - $12,000 fine and costs of $7,500
Disciplinary Proceedings:	***In the Matter of Norman Karl Jeske ("Jeske") (December 12, 2002) OOS 2002-010***
	Facts – During the period of July 1, 1998 to February 1, 1999, Jeske, an investment advisor at Dominick & Dominick Securities Inc., in the course of acting for a company engaged in a normal course issuer bid failed to exercise due diligence in relation to the entry of orders by the company for the purchase of its shares, including from accounts related to or affiliated with the company and its insiders.
	Disposition – In failing to exercise due diligence in relation to the entry of orders, Jeske's conduct or method of business was inconsistent with just and equitable principles of trade and detrimental to the interests of public.
	Requirements Considered – VSE Policy 21.10, VSE Rules B.4.16 and F.2.08, VSE By-law 5.01(2). Comparable UMIR Provision - Rule 2.1.
	Sanction - $12,500 fine and costs of $1,000; disgorgement of $2,392 in gains; suspended from access to the Toronto Stock Exchange for 30 days.
Disciplinary Proceedings:	***In the Matter of Luke Roger Beresford Smith ("Smith") (October 24, 2002) OOS 2002-011***
	Facts – Between October 21, 1996 and December 21, 1996, Smith, an Investment Advisor with C.M. Oliver & Co. Ltd, effected or participated in trades on behalf of three client accounts who engaged in a pattern of initiating buy and sell orders for a particular security and at substantially the same time and at substantially the same price between the clients' accounts.
	Disposition – The trades amongst the clients' accounts could have created the appearance of an artificial market that could have unduly disturbed the normal market condition, and could have created a misleading appearance of trading activity for the particular security. Smith failed in his role as a gatekeeper and his conduct was inconsistent with just and equitable principles of trade.
	Requirements Considered – VSE By-law 5.01(2). Comparable UMIR Provision - Rule 2.1 and Policy 2.1, reference made to "gatekeeper function" (Rule 10.16 effective April 1, 2005)
	Sanction - $7,500 fine and costs of $2,500.
Disciplinary Proceedings:	***In the Matter of Garett Steven Prins ("Prins") (April 1, 2003) OOS 2003-001***
	Facts – On several occasions between November 22, 2001 and July 18, 2002, Prins informed a registered trader at another dealer of pending client orders for particular securities. The registered trader used this information to enter beneficial trades in the particular securities.
	Disposition – Prins acted contrary to just and equitable principles of trade when he disclosed information of pending client trades to a trader at another dealer.
	Requirements Considered – TSX Rule 7-106(1)(b) and Rules 2.1(1) and 4.1(1)(c)
	Sanction - $50,000 fine and costs of $15,000; Suspended from access to the Toronto Stock Exchange for 3 months
Disciplinary Proceedings:	***In the Matter of Douglas Francis Corrigan ("Corrigan") (May 28, 2003) OOS 2003-002***
	Facts - Corrigan, an investment advisor at Dominick & Dominick Securities Inc. was assigned the account of Client X, an insider of Tree Brewing Co. Ltd. ("Tree Brewing"), a VSE-listed issuer. Between August 1, 1998 and March 31, 1999, Corrigan effected or participated in trades of shares of Tree Brewing on behalf of Client X which involved a pattern of uneconomic and repetitive trading whereby Client X sold and subsequent re-purchase of a comparable number of shares of Tree Brewing for the purpose of deferring payment for the securities traded.
	Disposition - Corrigan had an obligation to closely monitor the trading by the client and use due diligence to learn the essential facts each order he accepted. In failing to discharge his due diligence obligations and failing to recognize the "red flags" Duke failed to discharge his "gatekeeper" obligation and engaged in conduct which was inconsistent with just and equitable

	principles of trade.
	Requirements Considered – VSE By-law 5.01(2). Comparable UMIR Provision - Rule 2.1 and Policy 2.1, reference made to "gatekeeper function" (Rule 10.16 effective April 1, 2005)
	Sanction - $10,000 fine and costs of $3,000; disgorgement of $5,492 in gains
Disciplinary Proceedings:	***In the Matter of Dean Duke ("Duke") (May 28, 2003) OOS 2003-003***
	Facts – Duke, a trader at Canaccord Capital Corporation was assigned the account of Client X, an insider of Tree Brewing Co. Ltd. ("Tree Brewing), a VSE-listed issuer. Between August 1, 1998 and March 31, 1999, Duke effected or participated in trades of shares of Tree Brewing on behalf of Client X which involved a pattern of uneconomic and repetitive trading whereby Client X sold and subsequent re-purchase of a comparable number of shares of Tree Brewing for the purpose of deferring payment for the securities traded.
	Disposition – Duke had an obligation to closely monitor the trading by Client X and use due diligence to learn the essential facts of each order he accepted. In failing to discharge his due diligence obligations and failing to recognize the "red flags" Duke failed to discharge his "gatekeeper" obligation and engaged in conduct which was inconsistent with just and equitable principles of trade.
	Requirements Considered – VSE By-law 5.01(2). Comparable UMIR Provision - Rule 2.1 and Policy 2.1
	Sanction - $20,000 fine and costs of $3,000; disgorgement of $3,633.57 in gains
Disciplinary Proceedings:	*Rule 2.1(1) was considered* ***In the Matter of Frank Patrick Greco ("Greco") (May 28, 2003) Decision 2003-004.*** *See Disciplinary Proceedings under Rule 4.1.*
Disciplinary Proceedings:	***In the Matter of Garnet Glen Ferguson ("Ferguson") (November 6, 2003) OOS 2003-008***
	Facts – On September 25, 2000, Ferguson, a registered representative, while in possession of material non-public information, entered into a pre-arranged transaction with a promoter of an issuer of a Canadian Venture Exchange Inc. listed stock to purchase shares of the company on behalf of six of his clients. The trade materially upticked the price of the stock. Subsequently, between October 2-6, 2000, and prior to the material information respecting the issuer being partially disclosed generally, Ferguson sold the shares of the company in "solicited" sales for three of the clients at a significant premium.
	Disposition – In purchasing securities on behalf of his clients while in possession of material information, which he knew or ought to have know had not been generally disclosed, and for do so in the context of effecting a new high trade where he ought to have known that the effect of such a purchase would be to create an abnormal market condition for that security, Ferguson's conduct was inconsistent with just and equitable principles of trade and detrimental to the public interest.
	Requirements Considered – CDNX Rules F.2.18(4)(a) and F.2.01(2). Comparable UMIR Provision - Rule 2.1 and Policy 2.1.
	Sanction - $15,000 fine and costs of $2,500; disgorgement of $1,095 in gains.
Disciplinary Proceedings:	***In the Matter of Brian Alexander Kaufman ("Kaufman") (November 6, 2003) OOS 2003-009***
	Facts – Between July 2000 and February 2001, Kaufman, a registered representative, caused a series of trades to be transacted on behalf of his client who was engaged in suspicious trading activities which included perceived undeclared short sales, uneconomical trading and up-ticked purchases in thinly traded securities. Despite knowing these facts, Kaufman appeared to execute sell orders without reasonable knowledge that the apparent long sales were in fact covered by freely tradeable shares.
	Disposition – The failed settlements, uneconomic trading and market dominance in a thinly traded security by the client ought to have put Kaufman on a heightened state of alert for possible market abuses. Kaufman should have not continued to execute sales for his clients without ensuring that the accounts were long or without credible evidence that his clients held freely tradeable shares in other accounts to cover those sales. In failing to identify these red flags Kaufman failed to act as a "gatekeeper" and engaged in conduct which was inconsistent with just and equitable principles of trade and detrimental to the public interest.
	Requirements Considered – CDNX Rules F.1.01(1), F.2.01(2) and E.1.01. Comparable UMIR Provision - Rule 2.1 and Policy 2.1.
	Sanction - $10,000 fine and costs of $4,000, disgorgement of $1,363.82 in gains; strict supervision for 6 months; successful completion of the Conduct and Practices Handbook examination.
Disciplinary Proceedings:	***In the Matter of Linda Grace Malinowski ("Malinowski") (November 26, 2003) OOS 2003-011***
	Facts – In her capacity as sales assistant, Malinowski was responsible for entering orders for one stock on behalf of clients and at the direction of the investment advisor for whom she worked.

	Between February 1 and June 9 of 2000 she was responsible for entering unsolicited buy orders on behalf of clients that were alleged to be engaged in trading which created a false and misleading appearance of trading activity in the stock and in certain instances, created artificial prices. Malinowski raised concerns about the trading of the clients, but was told by her IA that she shouldn't be concerned. She did not escalate the matter further and continued to take orders from the clients.
	Disposition - Persons entering orders on behalf of clients have a gatekeeper responsibility to guard against entering orders for clients who may appear to be engaging in manipulative and deceptive trading. Malinowski failed in her duty as gatekeeper and hence constituted conduct contrary to just and equitable principles of trade.
	Requirements Considered – Section 17.09(1)(b) of the General By-law of the TSX and Rule 7-106(1)(b) of the Rules of the TSX. Comparable UMIR Provision – Rule 2.1(1).
	Sanction - $10,000 fine; successful completion of the Conduct and Practices Handbook examination.
Disciplinary Proceedings:	***In the Matter of David Avery Little ("Little") (December 22, 2003) OOS 2003-014***
	Facts – Between July 4 and July 12, 2002, Little, a registered representative at Yorkton Securities Inc. ("Yorkton"), instructed traders at Yorkton to jitney sell orders for EQT shares held by Yorkton in an Inventory Account. Shortly after the execution of each jitney sell order, Little caused an order to be entered on behalf of a client, who was also an insider of EQT ("Related Client"), to purchase small quantities of EQT shares at prices in excess of the price at which Little had sold the shares. Five of these Related Client orders and trades entered and executed during the relevant period produced up ticks.
	Disposition – When a registrant acts for an insider of an issuer in whose securities trades are made, the registrant must exercise a higher level of due diligence to learn the essential facts relative to the orders. In failing to take greater care when accepting and executing unsolicited orders for a Related Client Little failed to act as a "gatekeeper" and failed to act in accordance with just and equitable principles of trade.
	Requirements Considered – Rules 2.1(1) and 10.4(1)(a).
	Sanction - $12,500 fine and costs of $2,500.
Disciplinary Proceedings:	***In the Matter of Kai Tolpinrud ("Tolpinrud") (January 16, 2004) OOS 2004-001***
	Facts – Canaccord Capital Corporation employed Tolpinrud to trade for institutions, quasi-institutional clients, and corporate clients and at the same time permitted him to trade his personal account and inventory accounts. In reliance on this arrangement, between March 1, 2001 and March 11, 2002 Tolpinrud took advantage of client orders and information when acting as agent for the purchase and sale of securities to commit numerous infractions and contraventions including frontrunning, trading opposite his clients, improper client-principal trading, failing to give client orders priority when he entered client and non-client orders and other infractions.
	Disposition – Tolpinrud engaged in trading practices which contravened the requirements of the CDNX and the TSE and were inconsistent with just and equitable principles of trade and detrimental to the interests of the public.
	Requirements Considered – TSE Rule 4-405(1), CDNX Rules C.2.17, F.2.01, F.2.03, F.2.04, F.2.05, F.2.10(2)(f), F.2.18 (8), G.3.01(6). Comparable UMIR Provisions – Rule 2.1, 2.2, 4.1, 5.3.
	Sanction - $110,000 fine and costs of $21,500; disgorgement of $29,925 gain; permanent withdrawal of access to the TSX-VN, TSX and all other marketplaces regulated by RS.
Disciplinary Proceedings:	***In the Matter of Gerald Douglas Phillips ("Phillips") (February 26, 2004) SA 2004-002***
	Facts – On June 26, 2003, Phillips, a registered representative entered a client market sell order at a $0.70 limit in the exchange book even though there were pending buy orders in the TSX's special terms book against which the client's order could have traded at a better price.
	Disposition – In failing to make an effort to fill the client's market order at the better price offered in the special terms book, Phillips caused his dealer to breach its best price obligation to the client and acted in a manner which was inconsistent with just and equitable principles of trade.
	Requirements Considered – Rules 2.1(1)(a), 5.2 and 10.4(1)(a).
	Sanction - $10,000 fine and costs of $3,500.
Disciplinary Proceedings:	***In the Matter of Louis Anthony De Jong ("DeJong") and Dwayne Barrington Nash ("Nash") (July 29, 2004) Decision 2004-004***
	Facts – DeJong and Nash were both employees of Credit Suisse First Boston Canada Inc. ("CSFB"). Client X advised DeJong that he was interested in buying a large block of BCE shares which CSFB recently acquired in an unrelated transaction. In order to deliver the shares to client X at the agreed upon price, DeJong and Nash made improper use of a CSFB error account to

	document a loss to CSFB and sold the shares to client X in an improper off-marketplace transaction. RS alleged that Nash and DeJong violated Rule 2.1(1), for which they were liable under Rule 10.4(1)(a). *Held - While Rule 10.4(1)(a) extends liability to employees for breaches of Rule 2.1, to the extent that the acts of DeJong and Nash fell factually within Rule 6.4 of UMIR, RS lacked the jurisdiction and authority to extend liability to DeJong and Nash under Rule 10.4(1)(a).* *Requirements Considered – Rules 2.1(1), 6.4 and 10.4(1)(a).* *Disposition – charges against DeJong and Nash dismissed.*
Disciplinary Proceedings:	***In the Matter of CIBC World Markets Inc., ("CIBC") Scott Mortimer and Carl Irizawa (December 21, 2004) SA 2004-008*** *Facts – From March to December, 2002, a group of related clients with accounts at CIBC engaged in suspicious trading in stocks and warrants listed on the TSX and the TSX Venture Exchange. The trading was carried out through numerous accounts held by the client group at CIBC, its affiliates and an unrelated investment dealer, and involved the alleged manipulation of illiquid derivative securities through a series of set-up trades entered through a Direct Market Access account at CIBC and another dealer and crosses between accounts held by the client group at CIBC.* *Disposition – Both the investment advisor and his sales assistant failed to fulfill their respective gatekeeper responsibilities by failing to recognize the "red flags" upon entry of the crosses and upon review of the crosses the day after they were conducted. The "red flags" ought to have caused them to further scrutinize the clients' trading and escalate their issues of concern to supervisory personnel.* *A Participant is responsible for ensuring that it adequately supervises all trading, including Direct Market Access trading. The policies and procedures employed by CIBC were not adequate in that they did not focus on the potentially manipulative or deceptive nature of the client trading and as a result CIBC failed to recognize the "red flags" posed by the nature of the related clients trading.* *Requirements Considered – Sections 2-401(5) and 7-106(1)(b) of the Toronto Stock Exchange Rules and Rule 2.1(1), 7.1(1) and Policy 7.1.* *Sanction -* *CIBC - $700,000 fine and costs of $92,500; undertakings involving strict supervision and training of staff* *Scott Mortimer - $50,000 fine and costs of $15,000* *Carl Irizawa - $20,000 fine and costs of $7,500.*
Disciplinary Proceedings:	***In the Matter of Glen Grossmith ("Grossmith") (July 18, 2005) SA 2005-004*** *Facts – In February of 2005, Grossmith, a trader employed with UBS Securities Canada Inc. ("UBS Canada") tried to conceal trading improprieties conducted by another trader at UBS Canada's US affiliate by altering an existing Canadian client trade ticket, creating a false and misleading "chat" communication and failing to be forthcoming regarding these circumstances during UBS Canada's investigation of the trading irregularities.* *Disposition – Grossmith's alteration of a trade ticket and failure to act in a forthcoming manner with UBS Canada's compliance department's investigation of the trading irregularities constituted conduct inconsistent with just and equitable principles of trade and resulted in UBS Canada violating certain audit trail requirements under UMIR.* *Requirements Considered – Rules 2.1(1)(a), 10.3(4), 10.4(1)(a) and 10.11(1).* *Sanction - $75,000 fine and costs of $25,000; suspension from RS regulated marketplaces for 3 months; 6 months strict supervision.*
Disciplinary Proceedings	***In the Matter of Ricardo Mashregi ("Mashregi") (October 14, 2005) DN 2005-007*** *Facts – Between October 2003 and February 2005, Mashregi, a registered trader at Dundee Securities Corporation engaged in a practice which involved the entry of anonymous non-client overlapping orders (buy side order was higher than or equal to the price of the sell order) on both sides of the market prior to 9:28 a.m. and subsequently canceling or changing one or both of the orders between 9:28 a.m. and the opening of the market. By entering orders in this manner, Mashregi positioned himself for a guaranteed fill in the opening session and avoided the application of the TSX trading mechanism that allocates which orders will receive a complete fill at the opening.* *Disposition – The positioning of anonymous non-client overlapping orders in order to guarantee a fill in the opening session and avoid the application of the TSX trading mechanism that allocates which orders will receive a complete fill at the opening constituted conduct which was contrary to just and*

	equitable principles of trade.
	Requirements Considered – Rule 2.1.
	Sanction - $50,000 fine and costs of $10,000.
Disciplinary proceedings:	***In the Matter of Ian Scott Douglas ("Douglas") (December 14, 2005) DN 2005-009***
	Facts – Between July 2003 and December 2003, Douglas, a junior trader at Dundee Securities Corporation engaged in a practice which involved the entry of anonymous non-client overlapping orders (buy side order was higher than or equal to the price of the sell order) on both sides of the market prior to 9:28 a.m. and subsequently canceling or changing one or both of the orders between 9:28 a.m. and the opening of the market. By entering orders in this manner, Douglas positioned himself for a guaranteed fill in the opening session and avoided the application of the TSX trading mechanism that allocates which orders will receive a complete fill at the opening.
	Disposition – The positioning of anonymous non-client overlapping orders in order to guarantee a fill in the opening session and avoid the application of the TSX trading mechanism that allocates which orders will receive a complete fill at the opening constituted conduct which was contrary to just and equitable principles of trade.
	Requirements Considered – Rule 2.1.
	Sanction – $30,000 fine and costs of $15,000.
Disciplinary Proceedings:	***In the Matter of Dale Alfred Michaud ("Michaud") (January 11, 2006) DN 2006-001***
	Facts – On October 10, 2003, Michaud, a trader at Canaccord Capital Corporation received an order to buy 1 million shares of a TSXV issuer at $0.15 on behalf of a number of client and non-client accounts. The buy order was to be sent to a Jitney Dealer to be executed as an arranged cross with accounts at the Jitney Dealer. Shortly after placing the buy order with the Jitney Dealer, and prior to the execution of the arranged cross, Michaud entered a non-client day order to buy 10,000 shares of the issuer at $0.16 at a time when the prevailing bid price for the issuer was $0.18.
	Disposition – By entering his buy order at a price which was lower than the prevailing bid price at a time when he knew or ought to have known that the order would have to be "taken out" before the Jitney Dealer could execute the cross, Michaud acted contrary to just and equitable principles of trade.
	Requirements Considered – Rule 2.1.
	Sanction - $15,000 fine and costs of $10,000; disgorgement of $210 gain.
Disciplinary Proceedings:	***In the Matter of Margaret Alice Coleman ("Coleman") and Judy Gail Koochin ("Koochin") (April 5, 2006) DN 2006-002***
	Facts – Between June 24, 2004 and September 30, 2004, Coleman, a registered representative and Trading Officer at a CIBC World Markets Inc. ("CIBC WM") branch and Koochin, a registered futures contract representative at the same branch, entered a series of buy orders for a TSXV issuer on behalf of a client who had an interest in maintaining the market price of the issuer. During the relevant period, the client submitted 27 orders for the purchase of the issuer's shares in a manner that suggested that the client was maintaining the market price within a pre-determined range. In all but two instances (where orders were entered by a trading assistant) Koochin or Coleman submitted the orders to the TSXV by means of an electronic connection to the computerized order management and routing system of CIBC WM.
	Disposition – In failing to recognize the "red flags" associated with the pattern of orders submitted by the client and for entering orders they knew or ought to have known reasonably could have been expected to create an artificial price in the shares, Koochin and Coleman's conduct was contrary to just and equitable principles of trade.
	Requirements Considered – Rule 2.1
	Sanction –
	Coleman: $150,000 fine and costs of $13,125; 6 months strict supervision.
	Koochin: $75,000 fine and costs of $6,562.50; 6 months strict supervision.
Disciplinary Proceedings:	***In the Matter of Kevin Moorhead ("Moorhead") (May 22, 2008) DN 2008-001***
	Facts – Between August 29, 2005 and October 27, 2005, Moorhead and/or his assistant, on Moorhead's instructions, entered orders on a marketplace for certain securities with the intention of establishing an artificial and/or a high closing bid price in order to improve the daily profit and loss position of shares held in Moorhead's inventory account and/or to assist a trader at another firm to increase the daily profit or reduce the daily loss in his inventory account.
	Disposition – By entering orders on a marketplace that were not justified by any real demand for the securities Moorhead knew that his order entry activity would create, or could reasonably be

	expected to create, an artificial price for the securities contrary to Rule 2.2 and Policy 2.2 of UMIR.
	Requirements Considered – Rule 2.2(1), 2.2(2)(b) and Policy 2.2.
	Sanction – $40,000 fine and costs of $10,000 and suspension from all RS regulated marketplaces for three months.
Disciplinary Proceedings:	***In the Matter of Tony D'Ugo ("D'Ugo") (April 6, 2010) DN 10-0093***
	Facts – During the period from January 21 to February 13, 2008, D'Ugo, a registered representative at BMO InvestorLine Inc., entered orders and executed trades in shares of a company on the TSX Venture Exchange for a client and his related accounts with the intention of keeping the closing price of the security at or above $3.00 per share, so that the client would avoid margin calls from some firms that would be made if the price fell below $3.00. D'Ugo also accepted trading instructions in respect of three client accounts from a person not authorized in writing to provide such instructions.
	Disposition – D'Ugo entered orders and executed trades for a client and his associates that he knew or ought to have known created or could reasonably have been expected to create, an artificial price and/or bid for the security contrary to UMIR 2.2(2)(b), 10.4(1) and 10.16(1)(b) and he accepted trading instructions in respect of three client accounts from a person not authorized in writing to provide such instructions contrary to UMIR 2.1(1) and 10.4(1).
	Requirements Considered – Rules 2.1, 2.2(2)(b), 10.4(1) and 10.16(1)(b).
	Sanctions – D'Ugo was fined $40,000, ordered to pay $15,000 in costs, suspended from access to IIROC-regulated marketplaces for 2 years from March 15, 2010, required to re-write and complete the Conduct and Practices Handbook examination prior to resuming his employment with a brokerage firm and is subject to one year of close supervision by his employer firm when resuming employment with a brokerage firm.
Disciplinary Proceedings:	***In the Matter of Clark Alexander Squires ("Squires") (October 6, 2010) DN 10-0263***
	Facts – On February 11, 2009, while employed as a registered representative at Brant Securities Ltd. ("Brant"), Squires solicited sell orders for three clients in the securities of a publicly-traded company listed on the TSX while also holding the position of director with the company. Squires did not inform the clients or his firm's compliance department that he was in possession of material undisclosed information about the company when soliciting the sell orders. The company issued a press concerning the material information after the sell orders were executed. Brant's compliance department thereafter identified the sales of the security in the client accounts and cancelled the transactions with the concurrence of Squires.
	Disposition – Under the terms of a Settlement Agreement, Squires admitted that he failed to transact his business in a manner that was open, fair and in accordance with just and equitable principles of trade when he traded on information that was not generally available to other market participants and by failing to inform his compliance department of the circumstances.
	Requirements Considered – Rules 2.1, and 10.3(4).
	Sanctions – Squires agreed to a $20,000 fine and $5,000 in costs.
Disciplinary Proceedings:	***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***
	Facts – Between April 2006 and June 2007, Clarke, a Registered Representative, and O'Reilly, an Investment Representative, both employed at the NBF Halifax retail branch (the "Halifax Representatives"), placed orders through the Montreal Retail Trade Desk rather than through NBF's automated order entry system. NBF's automated system required a complete record of audit trail requirements for order entry. The Montreal Retail Trade Desk, however, routinely accepted orders from the Halifax Representatives without identifying the client accounts for which the orders were placed and did not keep adequate records of the required audit trail information. Among other things, trade tickets were inadequate as they were not time-stamped or failed to include the order price and/or quantity and in certain cases trade tickets were not available. In addition, the Halifax Representatives were permitted to hold trades executed through the Montreal Retail Trade Desk in a firm inventory account (the "Accumulation Account") for up to 30 days without allocating them to client accounts as distinct from the standard T+3 settlement date stated in NBF's policy and procedure. The ability to enter orders without identifying a client account and to delay allocation to client accounts allowed clients of the Halifax Representatives to access firm capital for up to 30 days, caused uncertainty regarding ownership of certain positions, and resulted in the ability of the Halifax Representatives to grant preferential treatment to their clients.
	Although supervision failings with respect to both the Halifax Representatives and Montreal Retail Trade Desk were continually highlighted by NBF during the relevant period, corrective measures were not effected in a timely manner. Subsequent to an IIROC investigation, NBF overhauled the

	retail trade desk compliance practices and procedures regarding the Accumulation Account and governing the Montreal Retail Trade Desk. There were no client complaints or losses claimed as a result of NBF's conduct, nor unpaid accounts by any client and NBF suffered no losses as a result of the exposure to credit risk. *Disposition – NBF admitted in a settlement agreement that it failed to fully and properly supervise the Halifax Representatives and the Montreal Retail Trade Desk and failed on receipt or origination of certain orders to record specific information relating to the orders as required. Participants must supervise their employees to ensure that trading in securities on a marketplace is carried out in compliance with the applicable requirements, which include provisions of securities legislation, UMIR, National Instrument 23-101 - Trading Rules and the Marketplace Rules of any applicable Exchange. Participants must comply strictly with audit trail requirements. Such compliance is a cornerstone of effective compliance and supervision. A complete and proper audit trail is the foundation on which Participants demonstrate and evidence compliance with regulatory requirements.* *Clarke and O'Reilly admitted in a settlement agreement that they failed to transact business openly and fairly and in accordance with just and equitable principles of trade as they effected improper post-execution allocations of trades and granted preferential treatment to certain clients on more than one occasion by entering orders without identifying the client account and delaying the allocation of the executed trades to client accounts. In addition they admitted to causing contraventions of UMIR by failing on receipt or origination of certain orders to record specific information relating to the orders as required.* *Requirements Considered – Rule 2.1, 7.1 10.3(4), 10.4(1), 10.11(1), Policy 2.1, and 7.1* *Sanction - NBF agreed to a $250,000 fine and $30,000 in costs, Clarke agreed to a fine of $110,000 and costs of $5,000 and O'Reilly agreed to a fine of $15,000 and $2,500 in costs.*

2.2 Manipulative and Deceptive Activities

(1) A Participant or Access Person shall not, directly or indirectly, engage in or participate in the use of any manipulative or deceptive method, act or practice in connection with any order or trade on a marketplace if the Participant or Access Person knows or ought reasonably to know the nature of the method, act or practice.

(2) A Participant or Access Person shall not, directly or indirectly, enter an order or execute a trade on a marketplace if the Participant or Access Person knows or ought reasonably to know that the entry of the order or the execution of the trade will 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 the security, the derivative, the related security or related derivative; or

(b) an artificial ask price, bid price or sale price for the security, the derivative, a related security or a related derivative.

(3) For greater certainty, the entry of an order or the execution of a trade on a marketplace by a person in accordance with the Marketplace Trading Obligations shall not be considered a violation of subsection (1) or (2) provided such order or trade complies with applicable Marketplace Rules or terms of the contract with the marketplace and the order or trade was required to fulfill applicable Marketplace Trading Obligations.

POLICY 2.2 – MANIPULATIVE AND DECEPTIVE ACTIVITIES

Part 1 – Manipulative or Deceptive Method, Act or Practice

There are a number of activities which, by their very nature, will be considered to be a manipulative or deceptive method, act or practice. For the purpose of subsection (1) of Rule 2.2 and without limiting the generality of that subsection, the following activities when undertaken on a marketplace constitute a manipulative or deceptive method, act or practice:

(a) making a fictitious trade;

(b) effecting a trade in a security or a derivative which involves no change in the beneficial or economic ownership; and

(c) effecting trades by a single interest or group with the intent of limiting the supply of a security or a derivative for settlement of trades made by other persons except at prices and on terms arbitrarily dictated by such interest or group.

If persons know or ought reasonably to know that they are engaging or participating in these or similar types of activities those persons will be in breach of subsection (1) of Rule 2.2

irrespective of whether such method, act or practice results in a false or misleading appearance of trading activity or interest in the purchase or sale of a security or a derivative or an artificial ask price, bid price or sale price for a security or a derivative or a related security or a related derivative.

Part 2 – False or Misleading Appearance of Trading Activity or Artificial Price

For the purposes of subsection (2) of Rule 2.2 and without limiting the generality of that subsection, if any of the following activities are undertaken on a marketplace and create or could reasonably be expected to create a false or misleading appearance of trading activity or interest in the purchase or sale of a security or a derivative or an artificial ask price, bid price or sale price, the entry of the order or the execution of the trade shall constitute a violation of subsection (2) of Rule 2.2:

(a) entering an order or orders for the purchase of a security or derivative with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the sale of that security or that derivative, has been or will be entered by or for the same or different persons;

(b) entering an order or orders for the sale of a security or a derivative with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price for the purchase of that security or a derivative, has been or will be entered;

(b.1) 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

(c) making purchases of, or offers to purchase, a security or a derivative at successively higher prices or in a pattern generally of successively higher prices;

(d) making sales of or offers to sell a security or a derivative at successively lower prices or in a pattern generally of successively lower prices;

(e) entering an order or orders for the purchase or sale of a security or a derivative to:

(i) establish a predetermined sale price, ask price or bid price,

(ii) effect a high or low closing sale price, ask price or bid price, or

(iii) maintain the sale price, ask price or bid price within a predetermined range;

(f) entering an order or a series of orders for a security or a derivative that are not intended to be executed;

(g) entering an order for the purchase of a security or a derivative without, at the time of entering the order, having the ability or the reasonable expectation to make the payment that would be required to settle any trade that would result from the execution of the order;

(h) entering an order for the sale of a security or a derivative without, at the time of entering the order, having the reasonable expectation of settling any trade that would result from the execution of the order; and

(i) effecting a trade in a security or a derivative, other than an internal cross in a listed security, between accounts under the direction or control of the same person.

If persons know or ought reasonably to know that they are engaging or participating in these or similar types of activities those persons will be in breach of subsection (2) of Rule 2.2 irrespective of whether such activity results in a false or misleading appearance of trading activity or interest in the purchase or sale of a security or a derivative or an artificial ask price, bid price or sale price for a security or a derivative or a related security or a related derivative.

Part 3 – Artificial Pricing

For the purposes of subsection (2) of Rule 2.2, an ask price, bid price or sale price will be considered artificial if it is not justified by real demand or supply in a security or a derivative. Whether or not a particular price is "artificial" depends on the particular circumstances.

Some of the relevant considerations in determining whether a price is artificial are:

(a) the prices of the preceding trades and succeeding trades;

(b) the change in the:

(i) last sale price,

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

(iii) best ask price,

(iv) or best bid price

that results from the entry of an order on a marketplace;

(c) the recent liquidity of the security or derivative;

(d) the time the order is entered and any instructions relevant to the time of entry of the order; and

(e)whether any Participant, Access Person or account involved in the order:

(i) has any motivation to establish an artificial price, or

(ii) represents substantially all of the orders entered or executed for the purchase or sale of the security or derivative.

The absence of any one or more of these considerations is not determinative that a price is or is not artificial.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "best ask price", "best bid price", "consolidated market display", "derivative", "internal cross", "last sale price", "listed derivative", "listed security", "Marketplace Trading Obligations", "Market Regulator", "marketplace", "Marketplace Rules", "Participant", "pre-arranged trade", "related derivative" and "related security"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR Policy 1.2 Part 3 – interpretation of "ought reasonably to know"*
Regulatory History:	*Effective April 1, 2005, the applicable securities commissions approved an amendment to repeal and replace Rule 2.2 and Policy 2.2. See Market Integrity Notice 2005-011– "**Provisions Respecting Manipulative and Deceptive Activities"** (April 1, 2005).*
	*Effective August 26, 2011, the applicable securities commissions approved amendments to subsection 2.2(3). to (a) insert after the phrase "Marketplace Rules" the phrase "or terms of the contract with the marketplace"; and to (b) delete each occurrence of the phrase "Market Maker Obligations" and substitute "Marketplace Trading Obligations". See IIROC Notice 11-0251 – "**Provisions Respecting***

	Market Maker, Odd Lot and Other Marketplace Trading Obligations" *(August 26, 2011).*
	*On March 2, 2012, the applicable securities commissions approved an amendment to repeal clause (d) of Part 1 of Policy 2.2 effective October 15, 2012. See IIROC Notice 12-0078 – "**Provisions Respecting Regulation of Short Sales and Failed Trades"** (March 2, 2012).*
	*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"**.*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 2.2(2) and Policy 2.2. See IIROC Notice 22-0140 – "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*
Guidance:	*See Market Integrity Notice* 2002-010 – ***"Changes in Beneficial and Economic Ownership"*** *(June 26, 2002).*
Guidance:	*See Market Integrity Notice* 2003-002 – *"**Prohibition on Double Printing"** (January 13, 2003).*
Guidance:	*See Market Integrity Notice 2005-004 – "**Double Printing and the Entry of Orders"** (March 4, 2005).*
Guidance:	*See Market Integrity Notice 2005-029 – "**Entering Orders on Both Sides of the Market"** (September 1, 2005).*
Guidance:	*See Market Integrity Notice 2006-004 – "**Facilitation of a Client Special Settlement Trade and Double Printing"** (February 6, 2006).*
Guidance:	*See Market Integrity Notice 2006-008 – "**Use of the Market-On-Close Facility"** (March 10, 2006).*
Partially Repealed Guidance:	*See Market Integrity Notice 2006-020 – "**Compliance Requirements for Trading on Multiple Marketplaces"** (October 30, 2006). Questions 5, 7 and 9 in Market Integrity Notice 2006-020 were repealed and replaced by Market Integrity Notice 2008-010 – **"Complying with "Best Price" Obligations" (May 16, 2008).** Question 3 in Market Integrity Notice 2006-020 was repealed and replaced by IIROC Notice 12-0236 **–"Guidance on for Trade Confirmations"** (July 27, 2012). Questions 4, 6, 10 and 11 of MIN 2006-020 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2007-015– "**Specific Questions Related to Trading on Multiple Marketplaces"** (August 10, 2007). Questions 5, 8, 9 and 12 in MIN 2007-015 were repealed and replaced effective May 16, 2008 by Market Integrity Notice 2008-010 – **"Guidance – Complying with "Best Price" Obligations"** (May 16, 2008). Questions 7, 8 and 10 of MIN 2007-015 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See IIROC Notice 11-0043 – "**Guidance on "Locked" and "Crossed" Markets"** (February 1, 2011). Questions 2, 5 and 9 of Notice 11-0043 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Guidance:	*See IIROC Notice 13-0053 – "**Guidance on Certain Manipulative and Deceptive Trading Practices"** (February 14, 2013)*
Guidance:	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order**" (August 17,2022)*
Disciplinary Proceedings:	***In the Matter of Douglas Christie ("Christie") (September 5, 2002) OOS 2002-002***
	Facts – Christie was employed as a Registered Trader ("RT"). One of his stocks of responsibility was Mosaid Technologies ("Mosaid"). Christie's compensation was based on trading profits and was calculated based on the closing month's inventory balance with all long positions written to the posted bid. On February 28, 2001 and between June 22 to 29, 2001, Christie engaged in a pattern of entering buy orders for Mosaid moments before the close of trading which had the effect of increasing the bid price. In all cases the bids expired unfilled at the end of the day.
	Disposition – During the relevant periods, Christie entered bids in a listed security on behalf of a principal or non-client account when the effect of such action was to establish an artificial quotation or a high closing quotation in the listed security. Christie knew that his firm calculated the value of his inventory account based on the closing bids on all long positions, and in entering the high closing bids, he did so for his own financial purposes without the intention of buying or fulfilling his responsibilities as an RT.
	Requirements Considered – TSX Rule 4-202 and Policy 4-202. Comparable UMIR Provision - Rule 2.2 and Policy 2.2.
	Sanction - $15,000 fine and costs of $6,000.

Disciplinary Proceedings:	***In the Matter of Erica Fearn ("Fearn") (October 28, 2002) OOS 2002-007***
	Facts – From October 1997 to November 1998, Fearn, an investment advisor, engaged in a pattern of non-economic trading in client accounts which had a pre-existing debit positions in their accounts. Fearn's practice involved buying, and immediately thereafter selling the same share positions in the client's account for the sole purpose of causing the clients' account debit position to be re-aged, thereby postponing payment for the debits in the client accounts.
	Disposition – Fearn effected or participated in trades when her client did not have the ability of bona fide intention to properly settle the transactions and for the purpose of deferring payment for the securities traded. As a result of this trading, the normal market price for those securities was unduly disturbed and created an abnormal market condition.
	Requirements Considered – VSE By-law 5.02(4)(a). Comparable UMIR Provision - Rule 2.2 and Policy 2.2.
	Sanction - $7,000 voluntary payment and $3,000 for costs.
Disciplinary Proceedings:	***In the Matter of John Andrew Scott ("Scott") (November 13, 2003) OOS 2003-010***
	Facts – Between February 1, 2000 and July 5, 2000, Scott and his sales assistant entered orders on behalf of a group of clients who actively traded a material amount of shares of a particular company. The trading conducted on behalf of these clients created a false and misleading appearance of trading activity in the particular stock and in certain instances, created artificial prices for the stock. Scott also engaged in improper off-marketplace transactions in shares of the stock for his own personal account.
	Disposition – Scott used or knowingly participated in the use of a manipulative or deceptive method of trading in connection with the purchase and sale of stock which created a false or misleading appearance of trading activity or an artificial price for the security.
	Requirements Considered – Sections 11.01 and 11.26 of the General By-law of the TSX, Part XIV of the Rulings and Directions of the Board of the TSX, Rule 4-202 and Policy 4-202 of the TSX. Comparable UMIR Provision - Rule 2.2 and Policy 2.2.
	Sanction - $125,000 fine and costs of $35,000; disgorgement of $53,765.85; Suspension from RS regulated marketplaces for a period of 2 years.
Disciplinary Proceedings:	*Rule 2.2 was considered* ***In the Matter of Kai Tolpinrud ("Tolpinrud") (January 16, 2006) OOS 2004-001.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	***In the Matter of UBS Securities Canada Inc. ("UBS Canada") (October 8, 2004) SA 2004-006***
	Facts – Despite warnings by RS and the release of Market Integrity Notices on the issue of double-printing UBS Canada continued to engage in a pattern of double printing from September 2003 to July 2004, whereby instead of buying or selling in to the market to fill client orders, UBS bought or sold through its inventory account and subsequently crossed inventory buys and sells to fill client orders. UBS Canada also failed to develop and implement appropriate policies and procedures, and test such policies and procedures, in relation to its trading on marketplaces regulated by RS, despite repeated deficiencies being identified by RS through its Trade Desk Review program.
	Disposition – The practice of double printing violated the UMIR prohibition against manipulative and deceptive methods of trading. In allowing a continued pattern of double printing despite the issuance by RS of market integrity notices regarding double printing and for its failure to develop and implement appropriate policies and procedures in relation to its trading on marketplaces regulated by RS, UBS Canada failed to fulfill its compliance and supervisory obligations.
	Requirements Considered – Rules 2.2(1), 10.11(3), 7.1(1) and Policy 7.1.
	Sanction - $2,000,000 fine and costs of $100,000; retainer of an independent consultant to review existing supervisory and compliance systems.
Disciplinary Proceedings:	***In the Matter of W. Scott Leckie (July 19, 2005) SA 2005-005***
	Facts – Between April and June of 2003, the trader employed a short selling strategy on behalf of a client by trading through Dealer One. When the trader was unable to borrow shares to cover the client's short position, he opened an account on behalf of the client at another Participant ("Dealer Two") where he believed he could borrow the shares. When he was subsequently unable to borrow the shares at Dealer Two, he sold short shares in the client's account at Dealer Two and bought the shares in the client's account at Dealer One to cover the outstanding short position. During the relevant period the trader engaged in a practice of entering into, and covering short positions, by trading between the two client accounts at Dealers One and Two.
	Disposition – Effecting trades in securities which involved no change in beneficial or economic

	ownership was "wash trading" and constituted a manipulative and deceptive method of trading.
	Requirements Considered – Rules 2.2(2)(b) and 10.4(1)(a).
	Sanction - $100,000 fine and costs of $20,000.
Disciplinary Proceedings:	***<u>In the Matter of Ian Macdonald, Edward Boyd, Peter Dennis and David Singh</u> (July 28, 2005) SA 2005-006***
	Facts – In August of 2004, RBC DS and another Participant agreed to execute trades in two securities in the Market-on-Close facility ("MOC") of the TSX by the entry of market orders on opposite sides of the market. RBC DS entered its required orders for RBC DS inventory accounts. The other Participant subsequently failed to enter the agreed counterparty orders. This resulted in a MOC imbalance, which was broadcast at 3:40 pm. RBC DS then entered offsetting limit MOC orders for RBC DS inventory accounts to limit its potential liability created by the MOC imbalance.
	Disposition - Entry by employees of a Participant of limit MOC orders to off-set market MOC orders entered by those employees for that Participant, even in circumstances where the employees are trying to "correct" an existing MOC imbalance, were "wash trades" and constituted a manipulative and deceptive method of trading.
	Requirements Considered – Rules 2.2(1), 2.2(2)(b) and 10.4(1)(a).
	Sanction –
	Ian Macdonald $90,000 fine and costs of $35,000
	Edward Boyd $60,000 fine and costs of $20,000
	David Singh $60,000 fine and costs of $20,000
	Peter Dennis $20,000 fine and costs of $7,000.
Disciplinary Proceedings:	***<u>In the Matter of Alfred Simon Gregorian ("Gregorian") (April 12, 2006) DN 2006-003</u>***
	Facts – Between September 1, 2002 and May 31, 2003, and between November 1, 2003 and January 12, 2004, Gregorian, an investment advisor at Research Capital Corporation, participated in his clients' use of manipulative methods of trading in connection with the purchase and sale of securities in International Wex Technologies Inc ("WXI"), a TSXV listed issuer. Between September 1, 2002 and May 31, 2003, Gregorian placed 801 orders for shares of WXI for the accounts of two clients from orders provided by insiders of WXI who held trading authorizations over the clients' accounts. The pattern of order entry and trading involved placing bids in the market when the share price of WXI was under pressure and executing uptick purchases to "correct" intra-day downticks in the price of WXI in an effort to improperly support the price of the WXI shares.
	Between November 1, 2003 and January 12, 2004, Gregorian participated in his client's use of manipulative methods of trading in connection with the purchase of shares of WXI by engaging in a pattern of trading which was not consistent with a bona fide effort to accumulate shares of WXI over time at the most favourable prices and represented an overall pattern of trading at prices higher than would otherwise been dictated by market forces.
	Disposition – The nature and extent of the trading in the clients' accounts coupled with the extraordinary commission charges and frequency of uneconomic trading evidences Gregorian's knowing participation in the manipulative and deceptive methods of trading that occurred in the clients' accounts.
	Requirements Considered – Rule 2.2.
	Sanction - $39,000 fine and disgorgement of $16,260 of financial benefit to Gregorian; suspension from RS regulated marketplaces for 5 years.
Disciplinary Proceedings:	***<u>In the Matter of Michael Bond ("Bond") and Sesto DeLuca ("DeLuca")</u> (June 4, 2007) DN 2007-003***
	Facts – Between April 4, 2005 and July 29, 2005, Bond, an inventory trader employed by W.D. Latimer Co. Limited, created an artificial bid price for the shares of three thinly traded TSX Venture Exchange listed issuers (the "Securities") when he entered several buy orders late in the trading session for the Stocks that were unlikely to be filled.
	Between April 2005 and July 2005, DeLuca was the person responsible for supervising trading at W.D. Latimer, which including supervising Bond. DeLuca failed to review unfilled orders placed by Bond, thereby allowing Bond to create an artificial bid price for the Securities.
	Disposition – By entering orders to buy the Securities when he knew or ought reasonably to have known that the entry of such orders could create or could reasonably be expected to create an artificial bid price for the Securities Bond breached UMIR 2.2(2)(b). Deluca, by failing to review unfilled orders placed by Bond breached Rule 7.1(4) Policy 7.1 of UMIR.

	Requirements Considered – Rules 2.2(2)(b), 7.1(4) and Policy 7.1.
	Sanction – Bond – $100,000 fine, costs of $25,000 and suspension from access to all marketplaces regulated by RS for a period of two years
	DeLuca – reprimanded for his conduct.
Disciplinary Proceedings:	***In the Matter of Luc St. Pierre ("St. Pierre") (December 31, 2007) DN 2007-006***
	Facts – Between February 2, 2005 and May 19, 2005, St. Pierre, acting on behalf of a client entered 31 orders to purchase shares of Halo Resources Ltd. ("HLO"), an issuer whose shares trade on the TSX Venture Exchange ("TSXV"). All of the orders entered by St. Pierre (which were generally for one or two board lots) were executed at a price which was higher than the preceding independent transaction for shares of HLO, and in case of 16 orders, their execution was the last trade of the day for HLO shares.
	Further, St. Pierre administered accounts for three clients who were either associated with each other or associated with Golden Hope Mines Ltd. ("GNH"), an issuer whose shares are traded on the TSXV. Through St. Pierre, these three clients executed trades representing 56% of the total trading volume in GNH on the TSXV, of which forty-five trades, or 46% of the total trading volume in GNH, were between the three clients and were submitted to St. Pierre within seconds of each other. In addition to the majority of such trades not being properly marked as "crosses", sale orders entered by the three clients were systematically entered prior to purchase orders in order to facilitate the transfer of debit and credit positions between the clients' accounts.
	Disposition – By entering orders on a marketplace when he knew or ought to have known that the entry of such orders could create an artificial price for the securities, St Pierre breached Rule 2.2 and Policy 2.2 of UMIR
	Requirements Considered – Rule 2.2 and Policy 2.2.
	Sanction – A Hearing Panel imposed a fine of $40,000, costs in the amount of $70,000, suspension of access to all marketplaces regulated by IIROC for a period of 5 years, successful completion of the Conduct and Practices Handbook examination before the Respondent may be employed with a Participant, and heightened supervision for the length of the 5 year suspension if employed with a Participant.
Disciplinary Proceedings:	***In the Matter of Kevin Moorhead ("Moorhead") (May 22, 2008) DN 2008-001***
	Facts – Between August 29, 2005 and October 27, 2005, Moorhead and/or his assistant, on Moorhead's instructions, entered orders on a marketplace for certain securities with the intention of establishing an artificial and/or a high closing bid price in order to improve the daily profit and loss position of shares held in Moorhead's inventory account and/or to assist a trader at another firm to increase the daily profit or reduce the daily loss in his inventory account.
	Disposition – By entering orders on a marketplace that were not justified by any real demand for the securities Moorhead knew that his order entry activity would create, or could reasonably be expected to create, an artificial price for the securities contrary to Rule 2.2 and Policy 2.2 of UMIR.
	Requirements Considered – Rule 2.2(1), 2.2(2)(b) and Policy 2.2.
	Sanction – $40,000 fine and costs of $10,000 and suspension from all RS regulated marketplaces for three months.
Disciplinary Proceedings:	***In the Matter of Martin Fabi ("Fabi") (October 27, 2008) DN 08-0159***
	Facts – On December 31, 2007 Fabi, a Registered Representative with MF Global Canada Co., acting on instructions from a client, executed trades on the TSX Venture Exchange for 6 listed equities at or near the end of the trading day resulting in the "up-ticking" of the closing price of the securities. The client, a fund manager, managed a portfolio of securities that included the 6 securities, and which represented approximately 68% of the market value of the fund's portfolio.
	Disposition – The purpose of Rule 2.2 and Policy 2.2 is to protect the marketplace from manipulative and deceptive trading activity and artificial pricing. Given the timing and circumstances surrounding the entry of the orders at or near the end of the trading day, and based on conversations Fabi had with the fund manager prior to the entry of the orders, Fabi ought to have known that the fund manager had a motivation to effect a high closing sale price for the securities. By entering orders and executing trades on a marketplace that Fabi ought to have known would create an artificial price for the securities Fabi failed to fulfill his gatekeeper obligation and acted contrary to Rule 2.2 and Policy 2.2.
	Requirements Considered – Rules 2.2(2)(b) and 10.4(1) and Policy 2.2.
	Sanction – $15,000 fine and costs of $5,000.

Disciplinary Proceedings:	***In the Matter of Luc St. Pierre ("St Pierre") (November 18, 2008) DN 08-0195***
	Sanction – $30,000 fine and costs of $70,000; suspension of access to all IIROC regulated marketplaces for 5 years; successful completion of the Conduct and Practices Handbook examination; and heightened supervision for a period of 5 years if employed by a Participant.
Disciplinary Proceedings:	*Rule 2.2 was considered* ***In the Matter of Tony D'Ugo ("D'Ugo") (April 6, 2010) DN 10-0093****. See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	***In the Matter of Francesco Mauro ("Mauro") and Scott Fraser Harding ("Harding") (May 25, 2010) DN 10-0149***
	Facts – Between December 14, 2006 and January 24, 2007 (the "Relevant Period"), Mauro was employed with CIBC World Markets Inc. ("CIBC") as a registered representative, branch manager, and officer (trading securities) and Harding worked as an associate investment advisor with Mauro and entered most orders for Mauro's clients. During the Relevant Period, Harding entered unsolicited orders and executed trades on behalf of a client in the shares of a listed company on the TSX Venture Exchange that was the subject of a private placement at $1.00 per unit, facilitated by CIBC. Harding entered 46 buy orders in the client's account when the price of the security fell below $1.00 and traded below $1.00 for 20 trading days, of which 24 were active orders that traded at or above the posted offer price upon entry, 14 were entered in the last hour of trading and restored the share price of the security to close at or near $1.00 after a price decline, 13 established the closing price of the shares, 12 established the closing price at $1.00, 6 had a limit price of $1.00 and traded entirely at the posted offer price of $1.00; and 7 had a limit price of $1.00 and traded entirely at successive prices up to $1.00. Mauro had a duty to supervise Harding's execution of trades. In conducting his reviews, while his computer terminal permitted him to review up-to-the-minute trading in his branch, including trade times, Mauro did not actively monitor this.
	Disposition – Under the terms of a Settlement Agreement, Harding admitted that between December 14, 2006 and January 24, 2007 he failed in his role as a gatekeeper. He entered orders and executed trades on behalf of a client for a listed company on the TSX Venture Exchange that he ought to have known could reasonably be expected to create an artificial price for the security contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2 (e), for which he is liable under UMIR 10.4(1). Mauro admitted under the terms of the Settlement Agreement, that during the Relevant Period he did not meet the standard required of him in his role as a supervisor by failing to fully and properly supervise Harding as necessary, to ensure that he complied with UMIR and its Policies, contrary to UMIR 7.1 (4) and Policy 7.1.
	Requirements Considered – Rules 2.1, 2.2(2)(b), 10.4(1), 10.16(1)(b), 7.1(4) and Policy 2.2(e) and 7.1.
	Sanctions – Harding agreed to a $40,000 fine and $10,000 in costs. Mauro agreed to $25,000 fine and $5,000 in costs.
Disciplinary Proceedings:	***In the Matter of James Martin MacMenamin ("MacMenamin") (June 3, 2010) DN 10-0162***
	Facts – MacMenamin, while a trader employed by Jones, Gable & Company Limited, was paid 50% of any profits (realized and unrealized) that he generated in a proprietary inventory account that he operated. On a monthly basis, for compensation purposes, the long positions in the proprietary inventory account were valued at their closing bid price. For the month of April 2008, the valuation day for the proprietary inventory account was April 25, 2008, on which date MacMenamin placed a day buy order late in the day for shares of a security trading on the TSX Venture Exchange at a limit price $0.07 greater than the previous trade, and $0.07 higher than the prevailing best bid price. The day buy order became the closing bid price for April 25, 2008, creating an unrealized profit in the proprietary inventory account, which otherwise would have incurred an unrealized loss.
	MacMenamin further entered orders on behalf of the proprietary inventory account between November 19 and December 9, 2008, that he did not intend to execute in order to entice an algorithmic trading program to join or displace him from the best displayed bid or offer price for the shares of certain securities. When the algorithm joined or displaced his order, MacMenamin cancelled his order and then bought or sold from the algorithm order that had joined or displaced his order. This activity enabled MacMenamin to purchase shares at a lower cost and to sell shares at a higher price.
	Disposition – Under the terms of a Settlement Agreement, MacMenamin admitted that on April 25, 2008, he entered an order on behalf of a proprietary inventory account that he knew or ought to have known would create or could reasonably be expected to create an artificial closing bid price for the shares, contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2, for which he is liable under UMIR 10.4(1); and that between November 19 and December 9, 2008, he entered orders on behalf of a

	proprietary inventory account that he knew or ought to have known he did not intend to execute, contrary to UMIR 2.2(2)(a) and UMIR Policy 2.2, for which he is liable under UMIR 10.4(1). *Requirements Considered – Rules 2.1, 2.2(2)(a),(b), 10.4(1) and Policy 2.2.* *Sanctions – MacMenamin agreed to a $25,000 fine and $5,000 in costs.*
Disciplinary Proceedings:	***In the Matter of TD Securities Inc. ("TDSI"), Kenneth Nott ("Nott"), Aidin Sadeghi ("Sadeghi"), Christopher Kaplan ("Kaplan"), Robert Nemy ("Nemy") and Jake Poulstrup ("Poulstrup") (collectively, the "Individual Respondents") (December 20, 2010) DN 10-0338*** *Facts – The Individual Respondents were all TSX Registered Traders hired by TDSI to work as Inventory Traders (also called Proprietary Traders). Between May 1 to October 31, 2005 (the "Relevant Period"), each of the Individual Respondents entered high closing bids on either NEX, TSX-V or TSX to purchase one or more of five illiquid stocks (collectively, the "Five Stocks"). The collective trading pattern of the Individual Respondents revealed that orders in the illiquid stocks were placed very late in the day in small lots that set the closing bids day after day, week after week, and month after month. TDSI had at its disposal a number of display "tools" that could be selected to assist in monitoring and supervising the traders, however, there was no tool available in the Relevant Period to monitor real time orders (i.e. bids and offers). TDSI was only provided with reports (e.g. high month end closings) that did not include any information regarding bids and offers. Consequently, TDSI did not have a systematic procedure to review orders.* *Disposition – An artificial bid price results when there is an intention to establish a price that is not justified by real demand or supply in a security. In the Relevant Period, the Individual Respondents made closing bids in the context of the market with the intention that the bids would not trade but instead would stand as the closing bid at the end of the trading day thereby increasing the value of their inventory positions (which were calculated on the basis of the closing bids) and increasing their compensation and access to capital. The circumstantial evidence of motive and trading patterns (the frequency of setting the closing bids, late time of the closing bid orders, bidding in small lots and the illiquid nature of the stocks), supported an inference on a balance of probabilities that the Individual Respondents intended to engage in the improper practice of entering artificial closing bids in the Five Stocks. This finding was buttressed by direct evidence of instant messages and telephone calls between the Individual Respondents which showed concern for monthly ranking, the value of the adjusted cost base in a month other than a pay period month end and a willingness to manipulate the market for personal reasons. In the Relevant Period, Nott entered 230 artificial closing bids; Sadeghi entered 3 artificial closing bids; Kaplan entered 37 artificial closing bids; Nemy entered 38 artificial closing bids; and Poulstrup entered 14 artificial closing bids, all of which were in contravention of UMIR 2.2(2)(b) and UMIR Policy 2.2.* *There was no proof, however, that TDSI failed to comply with its UMIR Rule 7.1 and UMIR Policy 7.1 trading supervision obligations and this allegation was dismissed. TDSI did not have a real time software surveillance system during the Relevant Period to detect the time and sequence of bids and offers in the marketplace. Demonstrating a pattern of late bids by a trader was one the factors relied on in drawing an inference of artificial closing bids, however the time required to do so was beyond the capacity of TDSI as the end of the day trading of a stock would have to be printed from the Firm Book every day for sufficient days to reveal a pattern of late bids. In the circumstances, the random review approach employed by TDSI was reasonable and realistic. Moreover, TDSI deserved credit for the manner in which it monitored and detected bidding improprieties in one of the Five Stocks and for the prompt filing of a Gatekeeper Report after the discovery of a wash trade between Nott and Sadeghi. While there was a fundamental flaw in the TDSI compliance monitoring system employed following the Relevant Period to evaluate whether there had been improper trading, as it had not been configured to generate alerts for late bids that were below the last sale and thus made within the "context of the market", (as was the case with the Individual Respondents), this was due to an honest but erroneous interpretation of UMIR Policy. The correct interpretation is that the process of bidding within the context of the market in order to maintain the value of a stock contravenes UMIR and bidding must be in accordance with true market supply and demand.* *Requirements Considered – Rule 2.2(2)(b), 7.1 and Policy 2.2, 7.1.* *Sanction – The Hearing Panel determined in the case of all the Individual Respondents that there be no order of suspension as they had not obtained employment at all, or for a significant period of time, since September, 2008, and that except for Sadeghi, they be under close supervision for six months, the terms of which would be determined by an employer. Additional penalties and orders were imposed as follows:* • *Nott: (a) a fine of $15,000.00; and (b) costs of $5,000.00.* • *Sadeghi: (a) a fine of $5,000.00. The Hearing Panel noted that there would be no order*

	for supervision and strongly recommended that the close supervision order in effect be rescinded. • *Kaplan: (a) a fine of $35,000.00; and (b) costs of $15,000.00. In addition, the Hearing Panel ordered that the trade restrictions in effect cease to apply to Kaplan immediately.* • *Nemy: (a) a fine of $75,000.00; and (b) costs of $37,500.00.* • *Poulstrup: (a) a fine of $20,000.00; and (b) costs of $10,000.00. In addition, the Hearing Panel ordered that trade restrictions in effect cease to apply to Poulstrup immediately.* *Review – IIROC staff has filed a Notice of Request for Hearing and Review to the Ontario Securities Commission for a review of the decision of the IIROC Hearing Panel, dated November 30, 2010, relating to TDSI.* *Disposition – The Review application was dismissed by the OSC on July 19, 2013 as there was no error of law or principle in the IIROC Hearing Panel's decision. The OSC concluded that the IIROC Hearing Panel's statement regarding the erroneous understanding of UMIR was not central to its finding with respect to TDSI's supervision of the TDSI traders and noted that the decision makes clear the obligation of Participants to supervise both trades and orders, including orders that are in the context of the market, so as to comply with their obligations under UMIR Rule 7.1 and Policy 7.1.*
Disciplinary Proceedings:	***In the Matter of Gary John Williamson ("Williamson") (February 28, 2011) DN 11-0085*** *Facts – Between January 1, 2008 and February 29, 2008, Williamson, a trader employed by Global Maxfin Capital Inc. ("Global Maxfin"), entered numerous bid orders on the TSX Venture Exchange ("TSXV") for an illiquid security very late in the trading day. All the orders were entered as day orders, none of the orders were filled and all increased the closing bid price. Given the illiquidity of the security and the short length of time the orders were open, Williamson's bid orders had virtually no prospect of being filled. Global Maxfin earned revenue through proprietary trading. Williamson was assigned an individual inventory account and was the only person who entered orders in his inventory account. Williamson's inventory account was valued daily for all the long positions at the closing bid and all short positions at the closing offer. Williamson was aware of his profit and loss position and was compensated based on commissions earned as well as profits and losses within his inventory account. Prior to the impugned trading activity, Williamson was indebted to Global Maxfin in excess of $32,000 as a result of a foreign exchange error and trading losses in his inventory account. Williamson's monthly compensation was partially reduced to pay down his indebtedness to Global.* *Disposition – Pursuant to a Settlement Agreement, Williamson admitted that between January 1, 2008 and February 29, 2008, he entered orders on the TSXV that he knew or ought reasonably to have known would create or could reasonably be expected to create an artificial bid price contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2 for which he is liable under UMIR 10.4(1). Williamson entered orders to purchase securities of an issuer without any intention that the orders would be executed and for no bona fide purpose. Williamson entered the orders with the intention of establishing a high closing bid price in order to improve the unrealized daily profit and loss position of the shares held in his inventory account and thereby to misrepresent the performance of the security. The high closing bid prices were artificial in that they were not justified by any real demand for the securities, and misrepresented the performance and actual demand for the securities to the market and to other market participants. The impugned transactions served to overstate the unrealized profits or understate the unrealized losses for the security in his inventory account.* *Requirements Considered – Rule 2.2(2)(b),10.4(1) and Policy 2.2* *Sanction – Williamson agreed to pay a fine of $40,000; to a suspension of access to an IIROC-regulated marketplace for a period of 6 months; and to pay costs in the amount of $5,000.*
Disciplinary Proceedings:	***In the Matter of Donald Dean MacKenzie ("MacKenzie") (May 12, 2011) DN 11-0152*** *Facts – Between September 2007 and June 2008, MacKenzie, a registered representative with RBC Dominion Securities Inc. ("RBCDS"), entered numerous late bid orders for an illiquid security on the Toronto Stock Exchange ("TSX"), in various non-arm's length accounts at RBCDS. Mackenzie entered the orders with the intention of establishing a high closing bid price to narrow the spread between the closing bid and ask prices because he felt the assigned market maker was not discharging his Market Maker Obligations and maintaining a fair and orderly market for the security. Upon detecting the pattern of late bid orders, RBCDS internally disciplined the Mackenzie.* *Disposition – Pursuant to a Settlement Agreement, MacKenzie admitted that between September, 2007 and June 2008, he entered orders on the TSX that he knew or ought reasonably to have known would create or could reasonably be expected to create an artificial bid price contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2 for which he is liable under UMIR 10.4(1). The closing bid*

	orders had no bona fide purpose and were entered to establish a high closing bid price in order to narrow the spread between the bid price and the ask price. In so doing, MacKenzie misrepresented the performance and actual demand for the security to the market and to other market participants.
	Requirements Considered – Rule 2.2(2)(b),10.4(1) and Policy 2.2.
	Sanction – MacKenzie agreed to pay a fine of $20,000; to a prohibition on seeking re-registration approval with any Dealer Member of IIROC for a period of 3 months; and to pay costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of David Charles Parkinson ("Parkinson") (February 22, 2012) DN 12-0061***
	Facts – Between November and December 2007, and in March, 2008, (the "Relevant Period") Parkinson, a Registered Representative employed by CIBC World Markets Inc. ("CIBC WM"), entered orders and executed trades on the TSX Venture Exchange ("TSXV") for two securities on behalf of a client, that maintained and supported the price of the securities at a level predetermined by Parkinson's client. In particular, Parkinson entered closing trades and closing bids in the securities for the client's accounts causing end of day upticks in the sale price and bid price. Margin was granted on the securities at Parkinson's request on behalf of the client, which was calculated by CIBC WM using a stock's closing bid price. Parkinson's client entered a settlement agreement with the Ontario Securities Commission admitting that between June 2007 and April 2008 he engaged in trading that had the effect of maintaining and/or increasing the closing price of one of the securities which was traded in the CIBC WM account.
	Disposition – Pursuant to a Settlement Agreement, Parkinson admitted that in the Relevant Period he entered orders and trades on behalf of a client that he ought reasonably have known would create or could reasonably be expected to create an artificial price for two TSXV securities, contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2 for which he is liable under UMIR 10.4(1). Parkinson had a gatekeeper obligation to be aware of and alert to potential or known manipulative and deceptive activity.
	Requirements Considered – Rule 2.2(2)(b),10.4(1) and Policy 2.2.
	Sanction – Parkinson agreed to pay a fine of $30,000; to a suspension of access to an IIROC-regulated marketplace for a period of 6 months from termination of his employment; and to pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of William Geddes ("Geddes") (March 15, 2012) DN 12-0098***
	Facts – Between December 2007 and October, 2008, (the "Relevant Period") Geddes, a Registered Representative with National Bank Financial Ltd. ("NBF") entered buy orders for a security listed on the Toronto Stock Exchange (TSX) in his and his wife's accounts (the "Geddes Accounts"), to increase the closing price of the security as its share price was generally in decline. Geddes' client accounts also held positions in the same security. The orders Geddes placed were uneconomic due to the high commission costs which they generated. Geddes sold few of the shares in the Geddes Accounts, however, and did not profit from the increase in the value of his clients' monthly account statements caused by the entry of the buy orders for the security.
	Disposition – Pursuant to a Settlement Agreement, Geddes admitted that in the Relevant Period he entered buy orders he ought reasonably to have known would create or could reasonably be expected to create an artificial sale price for the security, contrary to UMIR 2.2(2) and UMIR Policy 2.2, for which he is liable under UMIR 10.4.
	Requirements Considered – Rule 2.2(2), 10.4 and Policy 2.2.
	Sanction – Geddes agreed to pay a fine of $30,000, a 60 day suspension from registration, successful completion of the Conduct and Practices Handbook Course and to pay costs in the amount of $1,500.
Disciplinary Proceedings:	***In the Matter of Vinh-Phat Nguyen-Qui ("Nguyen-Qui") (October 11, 2012) DN 12-0298***
	Facts – Between October and December 2009 (the "Relevant Period"), Nguyen-Qui, a Registered Representative employed by W.D. Latimer Co. Limited, entered buy and sell orders on the TSX in the pre-opening market and cancelled them prior to market opening for the sole objective of acquiring a better chronological position once the market opened. Nguyen-Qui also entered short sale orders in the pre-opening market without designating them as short sales and/or at a price below the last sale price as indicated in the consolidated market display.
	Disposition – In the Relevant Period, Nguyen-Qui entered orders he knew or ought to reasonably have known would create or could reasonably be expected to create, a false or misleading appearance of trading activity or interest in the purchase or sale of the security, contrary to UMIR 2.2(2)(a); entered short sale orders in the pre-opening market without proper designation contrary to UMIR 6.2(1)(b)(viii); and entered short sale orders in the pre-opening market below the last sale

	price, contrary to UMIR 3.1(1).
	Requirements Considered – Rule 2.2(2)(a), 3.1(1) and 6.2(1)(b)(viii).
	Sanction – The Hearing Panel imposed a prohibition on Nguyen-Qui from accessing the market as a Registered Representative for a period of two months and a fine of $10,000 for the first violation plus fines of $5,000 for each of the two additional violations; Nguyen-Qui was also required to take the Trader Training Course again and pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of James William Watson ("Watson") (October 29, 2012) DN 12-0319***
	Facts – Between November 2010 and April 2011 (the "Relevant Period"), Watson, a trader employed by Jones Gable & Company Limited, entered orders for a security listed on the TSXV to effect a high closing bid price that misrepresented the performance and actual demand for the security and artificially increased the value of the position in the security held in Watson's inventory account.
	Disposition – Pursuant to a Settlement Agreement Watson admitted that in the Relevant Period, he entered orders on the TSXV that he knew or ought to reasonably have known would create or could reasonably be expected to create, a false or misleading appearance of trading activity or interest in the purchase or sale of the security or an artificial bid price for the security, contrary to UMIR 2.2(2) and Policy 2.2.
	Requirements Considered – Rule 2.2(2) and Policy 2.2.
	Sanction – Watson agreed to pay a $10,000 fine, to a suspension of access to IIROC-regulated marketplaces for a period of 14 days, as well as to pay costs in the amount of $1,500.
Disciplinary Proceedings:	*Rule 2.2 and Policy 2.2 were considered* ***In the Matter of Alexey Eydelman ("Eydelman") and Questrade Inc. ("Questrade") (May 24 2013) DN 13-0140****. See Disciplinary Proceeding under Rule 7.1.*
Disciplinary Proceedings:	***In the Matter of Jean-François Lemay ("Lemay") (June 5 2013) DN 13-0150***
	Facts – Between September and October 2008 (the "Relevant Period"), Lemay, a registered representative at Union Securities Ltd, entered buy and sell orders on the TSXV when he knew that identical buy and sell orders were being entered simultaneously, with no change of beneficial ownership, creating fictitious buy and sell transactions involving the same securities.
	Disposition – In the Relevant Period, Lemay entered orders or executed transactions when he knew, or ought reasonably to have known, that the entry of such orders or the execution of the transactions would create, or could reasonably be expected to create, a false or misleading appearance of trading activity with respect to the security, contrary to UMIR 2.2(2)(a) and Policy 2.2.
	Requirements Considered – Rule 2.2(2)(a) and Policy 2.2.
	Sanction – The Hearing Panel imposed a suspension from access to the marketplaces for a period of six months and a fine of $35,000 on Lemay. Lemay was also subject to strict supervision by his employer for a period of 12 months should he return to employment with an IIROC-regulated firm, and to successfully complete the Conduct and Practices Handbook Course. Lemay was also required to pay costs in the amount of $25,000.
Disciplinary Proceedings:	***In the Matter of Yufeng Zhang ("Zhang") (June 7 2013) DN 13-0155***
	Facts – Between July and December 2010 (the "Relevant Period"), Zhang, a proprietary trader employed by Wolverton Securities Ltd, entered orders in the pre-opening session in several TSXV-listed securities in order to identify the depth of the market and more particularly to detect the size of iceberg orders entered on the opposite side of the market.
	Disposition – Pursuant to a Settlement Agreement Zhang admitted that in the Relevant Period, he engaged in a manipulative or deceptive practice in the pre-opening on a marketplace contrary to UMIR 2.2(1) and Policy 2.2.
	Requirements Considered – Rule 2.2(1) and Policy 2.2.
	Sanction – Zhang agreed to pay a $10,000 fine, to a suspension of access to IIROC-regulated marketplaces for 1 month, and to pay costs in the amount of $1,500.
Disciplinary Proceedings:	*Rule 2.2 and Policy 2.2 were considered* ***In the Matter of JitneyTrade Inc. ("JitneyTrade") (July 23, 2013) DN 13-0196.*** *See Disciplinary Proceedings under Rule 7.1.*
Disciplinary Proceedings:	***In the Matter of Zhenyu Li ("Li") (July 27, 2015) DN 15-0164***
	Facts – Between August 2012 and November 2012 (the "Relevant Period"), Li, while employed as a proprietary trader at National Bank Financial Inc., entered non-bona fide orders in the pre-opening on the TSX and TSXV that he ought to have known would affect the Calculated Opening Price (the "COP") of the securities to his own advantage. Li's pattern of order entry, a practice commonly

	known as "spoofing", misrepresented the supply, demand, or price for the securities.
	Disposition – Pursuant to a Settlement Agreement Li admitted that in the Relevant Period, he entered orders that he ought reasonably to have known would create, or could reasonably be expected to create, a false or misleading appearance of trading activity in or interest in the purchase or sale of the securities or an artificial sale price for the securities, contrary to UMIR 2.2(2) and Policy 2.2.
	Requirements Considered – Rule 2.2(2) and Policy 2.2.
	Sanction – Li agreed to pay a $10,000 fine, to a suspension of access to IIROC-regulated marketplaces for 1 month, and to pay costs in the amount of $1,500.
Disciplinary Proceedings:	***In the Matter of Robert Sole ("Sole") (September 1, 2016) DN 16-0203***
	Facts – Between March 2013 and June 2013, and between October 2014 and December 2014, while a proprietary trader at W.D. Latimer Co. Ltd., Sole entered orders that he ought reasonably to have known, would create or could reasonably be expected to create, a false or misleading appearance of trading activity in or interest in the purchase or sale of securities or an artificial price for securities, contrary to UMIR 2.2(2) and UMIR Policy 2.2.
	Disposition – Pursuant to a Settlement Agreement, Sole admitted that he entered orders that he ought reasonably to have known would create, or could reasonably be expected to create, a false or misleading appearance of trading activity in or interest in, the purchase or sale of securities or an artificial price for securities.
	Requirements Considered – Rule 2.2(2) and Policy 2.2.
	Sanction – Sole agreed to pay a $10,000 fine, to a suspension of access to IIROC-regulated marketplaces for 1 month, and to pay costs in the amount of $1,000.
Disciplinary Proceedings:	***In the Matter of Teymur Englesby ("Englesby") and Cale Nishimura ("Nishimura") (October 3, 2016) DN 16-0225***
	Facts – While employed as Registered Representatives at PI Financial Corp., Englesby and Nishimura entered orders and executed trades on multiple marketplaces for the shares of DVN in the period September 18, 2012 to January 23, 2013 that they ought reasonably to have known, could reasonably be expected to create an artificial price for the securities, contrary to UMIR 2.2(2)(b) and UMIR Policy 2.2).
	Disposition – Pursuant to a Settlement Agreement, Englesby and Nishimura admitted to the entry of orders that they ought reasonably to have known, could reasonably be expected to create an artificial price for the securities.
	Requirements Considered – Rule 2.2(2) and Policy 2.2.
	Sanction – Englesby agreed to pay a $45,000 fine, to a suspension of access to IIROC-regulated marketplaces for 2 months, and to pay costs in the amount of $5,000; Nishimura agreed to pay a $15,000 fine, to a suspension of access to IIROC-regulated marketplaces for 1 month, and to pay costs in the amount of $5,000.
Disciplinary Proceedings:	*Rule 2.2 and Policy 2.2 were considered* ***In the Matter of JitneyTrade ("JitneyTrade") (April 10, 2017) DN 17-0082.*** *See Disciplinary Proceedings under Rule 7.1.*
Disciplinary Proceedings:	***In the Matter of Russell Waddington ("Waddington") (July 27, 2017) DN 17-0161***
	Facts – Between October 2014 and December 2014, Waddington entered orders that he intended to execute (bona fide orders) on one side of the market. He simultaneously placed orders that he did not intend to execute (non-bona fide orders) on the other side of the market in order to induce other market participants to react and trade with one of his bona fide orders at an artificial price.
	Disposition – Pursuant to a Settlement Agreement, Waddington admitted that he entered orders that he ought reasonably to have known would create, or could reasonably be expected to create, a false or misleading appearance of trading activity in or interest in the purchase or sale of securities or an artificial price for securities, contrary to UMIR 2.2(2).
	Requirements Considered – Rule 2.2(2). *Sanction – Waddington agreed to pay a fine of $10,000, to a suspension of access to IIROC-regulated marketplaces for 1 month, and to pay costs in the amount of $1,000.*
Disciplinary Proceedings:	***In the Matter of Aidin Sadeghi ("Sadeghi) (August 23, 2018) DN 18-0167***
	Facts – Between December 2012 and January 2013, Sadeghi, while employed as a proprietary trader at W.D. Latimer Co. Ltd., entered orders that he knew, or ought reasonably to have known, would create, or could reasonably be expected to create, a false or misleading appearance of trading activity in or interest in the purchase or sale of the securities, contrary to UMIR 2.2(2) and UMIR Policy 2.2,
	Disposition – An IIROC hearing panel found that Sadeghi entered orders in the pre-opening session on the TSX that he did not intend to execute.

	Requirements Considered – Rule 2.2(2) and Policy 2.2 *Sanction – Sadeghi was ordered to pay a $25,000 fine, an additional fine of $9,111.75 representing disgorgement of the financial benefit received by him as a result of his improper trading activity; and to pay costs in the amount of $25,000, and the panel imposed a suspension of access to IIROC-regulated marketplaces for 5 years.*

2.3 Improper Orders and Trades

A Participant or Access Person shall not enter an order on a marketplace or execute a trade if the Participant or Access Person knows or ought reasonably to know that that the entry of the order or the execution of the trade would not comply with or would result in the violation of:

(a) applicable securities legislation;

(b) applicable requirements of any self-regulatory entity of which the Participant or Access Person is a member;

(c) the Marketplace Rules of the marketplace on which the order is entered;

(d) the Marketplace Rules of the marketplace on which the trade is executed; and

(e) UMIR and the Policies.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	NI 21-101 section 1.1 – "order" and "self-regulatory entity"
	UMIR section 1.1 – "Access Person", "marketplace", "Marketplace Rules", "Participant", "Policy" and "UMIR"
	UMIR section 1.2(2) – "trade"
Related Provisions:	*UMIR Policy 1.2 Part 3 – interpretation of "ought reasonably to know"*
Regulatory History:	*Effective April 1, 2005, the applicable securities commissions approved an amendment to add Rule 2.3. See Market Integrity Notice 2005-011 - "**Provisions Respecting Manipulative and Deceptive Activities**" (April 1, 2005).*
	In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Rule 2.3 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.
Partially Repealed Guidance:	*See IIROC Rules Notice 11-0043 - "**Guidance on "Locked" and "Crossed Markets**" (February 1, 2011). Questions 2, 5, 9 of Notice 11-0043 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Disciplinary Proceedings:	***In the Matter of Sean Conacher ("Conacher") (April 6, 2018) DN 18-0073***
	Facts – Between June 2013 and October 2013, Conacher, the Ultimate Designated Person at Blackwatch Capital Corp., allowed a U.S. based client to enter orders directly on an IIROC-regulated marketplace through a firm inventory account assigned to him. Conacher knew or ought reasonably to have known that permitting the Client to enter orders and execute trades directly to the marketplace through a firm inventory account would result in a failure to comply with applicable regulatory requirements.
	Disposition – Pursuant to a Settlement Agreement, Conacher admitted that he permitted trades to be executed that he knew or ought reasonably to have known would not comply with applicable regulatory requirements, contrary to UMIR 2.3.
	Requirements Considered – Rule 2.3.
	Sanction – Conacher agreed to pay a fine of $15,000, to a suspension of access to IIROC-regulated marketplaces for 3 months, and to pay costs in the amount of $2,000.

PART 3 – SHORT SELLING

3.1 Restrictions on Short Selling – Repealed

POLICY 3.1 – RESTRICTIONS ON SHORT SELLING – Repealed

Part 1 – Entry of Short Sales Prior to the Opening – Repealed

Part 2 – Short Sale Price When Trading Ex-Distribution – Repealed

Regulatory History:

Effective August 27, 2004, the applicable securities commissions approved the amendment to permit a short sale of an Exchange-traded Fund on a downtick. See Market Integrity Notice 2004-023 – ***"Provisions Respecting Short Sales"*** *(August 27, 2004).*

Effective April 8, 2005, the applicable securities commissions approved an amendment to permit a short sale of a Basis Order on a downtick. See 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 permit a short sale of a Closing Price Order on a downtick. See Market Integrity Notice 2007-002 – ***"Provisions Respecting Competitive Marketplaces"*** *(February 26, 2007).*

Effective May 16, 2008, the applicable securities commissions approved an amendment to permit a short sale on a downtick if the order is made for purposes of complying with the Order Protection Rule. See Market Integrity Notice 2008-008 – ***"Provisions Respecting "Off-Marketplace" Trades"*** *(May 16, 2008).*

In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to clause (h) at subsection (2) of Rule 3.1 that came into force on June 1, 2008 to replace the phrase "Rule or" with "provision of UMIR or a ". See Footnote 1 in Status of Amendments.

Effective January 8, 2010, the applicable securities commissions approved amendments to replace the words "Exchange-traded Fund" with "Exempt Exchange-traded Fund". See IIROC Notice 10-0006 – ***"Provisions Respecting Trading During Certain Securities Transactions"*** *(January 8, 2010).*

Effective August 26, 2011, the applicable securities commissions approved amendments to repeal a reference to "Market Maker Obligations" and replace it with a reference to "Marketplace Trading Obligations". See IIROC Notice 11-0251 - ***"Provisions Respecting Market Maker, Odd-Lot and other Marketplace Trading Obligations"*** *(August 26, 2011).*

On March 2, 2012, the applicable securities commissions approved amendments to repeal Rule 3.1 and Policy 3.1 effective October 15, 2012. See IIROC Notice 12-0078 – ***"Provisions Respecting Regulation of Short Sales and Failed Trades"*** *(March 2, 2012). Prior to that date, Rule and Policy 3.1 provided:*

3.1 Restrictions on Short Selling

(1) Except as otherwise provided, a Participant or Access Person shall not make a short sale of a security on a marketplace unless the price is at or above the last sale price.

(2) A short sale of a security may be made on a marketplace at a price below the last sale price if the sale is:

(a) a Program Trade in accordance with Marketplace Rules;

(b) made in furtherance of the Marketplace Trading Obligations of that marketplace;

(c) for an arbitrage account and the seller knows or has reasonable grounds to believe that an offer enabling the seller to cover the sale is then available and the seller intends to accept such offer immediately;

(d) for the account of a derivatives market maker and is made:

(i) in accordance with the market making obligations of the seller in connection with the security or a related security, and

(ii) *to hedge a pre-existing position in the security or a related security;*

(e) *the first sale of the security on any marketplace made on an ex-dividend, ex-rights or ex-distribution basis and the price of the sale is not less than the last sale price reduced by the cash value of the dividend, right or other distribution;*

(f) *the result of:*

(i) *a Call Market Order,*

(ii) *a Market-on-Close Order,*

(iii) *a Volume-Weighted Average Price Order,*

(iv) *a Basis Order, or*

(v) *a Closing Price Order;*

(g) *a trade in an Exempt Exchange-traded Fund; or*

(h) *made to satisfy an obligation to fill an order imposed on a Participant or Access Person by any provision of UMIR or a Policy.*

POLICY 3.1 – RESTRICTIONS ON SHORT SELLING

Part 1 – Entry of Short Sales Prior to the Opening

Prior to the opening of a marketplace on a trading day, a short sale may not be entered on that marketplace as a market order and must be entered as a limit order and have a limit price at or above the last sale price of that security as indicated in a consolidated market display (or at or above the previous day's close reduced by the amount of a dividend or distribution if the security will commence ex-trading on the opening).

Part 2 – Short Sale Price When Trading Ex-Distribution

When reducing the price of a previous trade by the amount of a distribution, it is possible that the price of the security will be between the trading increments. (For example, a stock at $10 with a dividend of $0.125 would have an ex-dividend price of $9.875. A short sale order could only be entered at $9.87 or $9.88.) Where such a situation occurs, the price of the short sale order should be set no lower than the next highest price. (In the example, the minimum price for the short sale would be $9.88, being the next highest price at which an order may be entered to the ex-dividend price of $9.875).

In the case of a distribution of securities (other than a stock split) the value of the distribution is not determined until the security that is distributed has traded. (For example, if shareholders of ABC Co. receive shares of XYZ Co. in a distribution, an initial short sale of ABC on an ex-distribution basis may not be made at a price below the previous trade until XYZ Co. has traded and a value determined).

Once a security has traded on an ex-distribution basis, the regular short sale rule applies and the relevant price is the previous trade.

Guidance: *See Market Integrity Notice 2004-020 -* ***"Sales of Restricted Securities"*** *(August 13, 2004) pertaining to whether a sale involving a "restricted" security should be marked as a "short sale".*

Repealed Guidance: *See Market Integrity Notice 2005-023 -* ***"Securities Trading on Multiple Marketplaces"*** *(July 29, 2005)****.*** *Effective September 1, 2006, Market Integrity Notice 2005-023 was repealed and replaced by Market Integrity Notice 2006-017 -* ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006).*

Repealed Guidance: *See Market Integrity Notice 2005-024 -* ***"Short Sales Made in Furtherance of Market Maker Obligations"*** *(July 27, 2005). Effective October 15, 2012, Market Integrity Notice 2005-024 was repealed and replaced by IIROC Notice 12-0300* ***– Guidance on "Short Sale and Short-Marking Exempt Order Designations*** *(October 11, 2012).*

Repealed Guidance: *See Market Integrity Notice 2005-025 -* ***"Bundling Orders from a Long and Short Position****" (July 27, 2005). Effective October 15, 2012, Market Integrity Notice 2005-025 was repealed and replaced by IIROC Notice 12-0300* ***– Guidance on Short Sale and Short-Marking Exempt Order Designations"*** *(October 11, 2012).*

Guidance: *See Market Integrity Notice 2005-028 -* ***"Sale of Securities Subject to Transfer Restrictions Only in the United States"*** *(July 29, 2005).*

Guidance: *See Market Integrity Notice 2006-006 -* ***"Sale of Securities Subject to Certain United States Securities Laws"*** *(February 17, 2006).*

Repealed Guidance: *See Market Integrity Notice 2006-010 -* ***"Short Sale Designations and Restrictions"*** *(April 7, 2006). Effective October 15, 2012, Market Integrity Notice 2006-010 was repealed and replaced by IIROC Notice 12-0300* ***– Guidance on Short Sale and Short-Marking Exempt Order Designations"*** *(October 11, 2012).*

Guidance: *See Market Integrity Notice 2006-017 –* ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006). See also guidance for Rules 5.1, 5.2, 5.3, 7.7 and 8.1.*

Guidance: *See Market Integrity Notice 2007-003 –* ***"'Principal Market' Determination for 2007"*** *(February 28, 2007).*

Guidance: *See Market Integrity Notice 2007-014 -* ***"Exemption of Certain Inter-listed Securities from Price Restrictions on Short Sales"*** *(July 6, 2007).*

Partially Repealed Guidance: *See Market Integrity Notice 2007-015 –* ***"Specific Questions Related to Trading on Multiple Marketplaces"*** *(August 10, 2007). See also guidance for Rules 2.2, 5.1, and 7.1. Questions 5, 8, 9 and 12 in MIN 2007-015 were repealed and replaced effective May 16, 2008 by Market Integrity Notice 2008-010 –* ***"Guidance – Complying with "Best Price" Obligations"*** *(May 16, 2008). Questions 7, 8 and 10 of MIN 2007-015 were partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Guidance: *See Market Integrity Notice 2008-002 –* ***"'Principal Market' Determination for 2008"*** *(January 11, 2008).*

Guidance: *See IIROC Notice 08-0101 -* ***"Restated Reminder Respecting Obligations in the Conduct of Short Sales"*** *(September 23, 2008) which, effective as of September 23, 2008, revised and replaced IIROC Notice 08-0098 -* ***"Reminder Respecting Obligations in the Conduct of Short Sales"*** *(September 22, 2008).*

Guidance: *See IIROC Notice 08-0121 –* ***"Extension of the Prohibition of Short Sales of Financial Sector Issuers"*** *(October 6, 2008).*

Guidance: *See IIROC Notice 09-0007 –* ***"'Principal Market' Determination for 2009"*** *(January 9, 2009).*

Guidance: *See IIROC Notice 10-0095 –* ***"'Principal Market' Determination for 2010"*** *(April 6, 2010).*

Repealed Guidance: *See IIROC Notice 12-0300 – "****Guidance on Short Sale and Short-Marking Exempt Order Designations****" (October 11, 2012).This Notice was repealed and replaced effective April 11, 2016 by IIROC Notice 16-0029 – "****Updated Guidance on "Short Sale" and "Short-Marking Exempt" Order Designations****" (February 11, 2016).*

Guidance*: See IIROC Notice 16-0029 – "****Updated Guidance on "Short Sale" and "Short-Marking Exempt" Order Designations****" (February 11, 2016).*

Disciplinary Proceedings: ***In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001***

Facts – Between April 1, 2002 and July 30, 2002, Salman engaged in a paired trading strategy with one of its institutional clients which it erroneously believed constituted arbitrage trading. The arrangement did not in fact constitute arbitrage trading for the purposes of UMIR, and as such, the trades entered as part of the strategy did not benefit from the various exemptions provided for under UMIR, and caused Salman to violate numerous UMIR provisions. In April 2002, Salman engaged in trading in a second issuer that resulted in certain transactions being recorded off-market when those transactions ought to have been posted on an exchange. Finally, in another trade, Salman failed to properly supervise a trader's attempt to cover a short position in an issuer when a client submitted a buy order in the same security. Throughout these events, Salman failed to maintain a proper audit trail for their order flow.

Disposition – Salman failed to develop and implement appropriate policies and procedures to fulfill its compliance and supervisory obligations in relation to its trading on marketplaces regulated by RS, including failing to ensure that employees with supervisory responsibilities had clearly defined roles and responsibilities and that audit trail requirements were complied with. Several senior officers were found to have failed in their supervisory responsibilities as well.

Requirements Considered – Rules 3.1, 5.3(6), 6.2(1)(b)(viii) and (x), 6.4, 7.1 and 10.11(1) and Policy 7.1

Sanction -

Salman Partners Inc. - $600,000 fine and costs of $90,000

	Sameh Magid -	*$80,000 fine and costs of $15,000; personal undertakings*
	William Burk -	*$30,000 fine*
	Ian Todd -	*$30,000 fine*
Disciplinary Proceedings:	*Rule 3.1 was considered* ***In the Matter of Vinh-Phat Nguyen-Qui ("Nguyen-Qui") (October 11, 2012) DN 12-0298.*** *See Disciplinary Proceedings under Rule 2.2.*	

3.2 Prohibition on the Entry of Orders

(1) A Participant or Access Person shall not enter an order to sell a security on a marketplace that on execution would be a short sale:

(a) unless the order is marked as a short sale in accordance with subclause 6.2(1)(b)(viii); or

(b) if the security is a Short Sale Ineligible Security at the time of the entry of the order.

(2) Clause (a) of subsection (1) does not apply to an order that has been designated as a "short-marking exempt order" in accordance with subclause 6.2(1)(b)(ix).

(3) Clause (b) of subsection (1) does not apply to an order entered on a marketplace:

(a) in furtherance of the Marketplace Trading Obligations of that marketplace;

(b) for the account of a derivatives market maker and is entered:

(i) in accordance with the market making obligations of the seller in connection with the security or a related security, and

(ii) to hedge a pre-existing position in the security or a related security;

(c) as part of a Program Trade in accordance with Marketplace Rules;

(d) to satisfy an obligation to fill an order imposed on a Participant or Access Person by any provision of UMIR or a Policy; or

(e) that is of a class of security or type of transaction that has been designated by a Market Regulator.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "derivatives market maker", "hedge", "Market Regulator", "marketplace", "Marketplace Rules", "Marketplace Trading Obligations", "Participant", "Policy", "Program Trade", "related security", "short sale", "short-marking exempt order", "Short Sale Ineligible Security" and "UMIR"
Guidance*:*	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order**" (August 17, 2022).*
Regulatory History:	*On October 15, 2008, the applicable securities commissions approved amendments to UMIR to add section 3.2 that came into force on October 14, 2008. See IIROC Notice 08-0143 - "**Provisions Respecting Short Sales and Failed Trades**" (October 15, 2008).*
	*Effective August 26, 2011, the applicable securities commissions approved amendments to Rule 3.2 to replace in subsection (2) the phrase "an Exchange or QTRS in accordance with the Marketplace Rules" with "a marketplace" and to replace the phrase "applicable Market Maker Obligations" with "Marketplace Trading Obligations of that marketplace" and to replace clause (a) of subsection (3) of Rule 3.2. See IIROC Notice 11-0251 – "**Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations**" (August 26, 2011).*
	*On March 2, 2012, the applicable securities commissions approved amendments to section 3.2, effective October 15, 2012, to delete the reference in clause (a) of subsection (1) to "or subclause 6.2(1)(b)(ix)" and to repeal and replace subsection (2). See IIROC Notice 12-0078 - "**Provisions Respecting Regulation of Short Sales and Failed Trades"** (March 2, 2012).*

PART 4 – FRONTRUNNING

4.1 Frontrunning

(1) A Participant with knowledge of a client order that on entry could reasonably be expected to affect the market price of a security or a derivative, shall not, prior to the entry of such client order,

(a) enter a principal order or a non-client order on a marketplace, foreign organized regulated market or other market, including any over-the-counter market, for the purchase or sale of the security, derivative or any related security or related derivative;

(b) solicit an order from any other person for the purchase or sale of the security, the derivative, or any related security or related derivative; or

(c) inform any other person, other than in the necessary course of business, of the client order.

(2) A Participant does not contravene subsection (1) if:

(a) no director, officer, partner, employee or agent of the Participant who made or participated in making the decision to enter a principal order or non-client order or to solicit an order had actual knowledge of the client order;

(b) an order is entered or trade made for the benefit of the client for whose account the order is to be made;

(c) an order is solicited to facilitate the trade of the client order;

(d) a principal order is entered to hedge a position that the Participant had assumed or agreed to assume before having actual knowledge of the client order provided the hedge is:

(i) commensurate with the risk assumed by the Participant, and

(ii) entered into in accordance with the ordinary practice of the Participant when assuming or agreeing to assume a position in the security;

(e) a principal order is made to fulfil a legally binding obligation entered into by the Participant before having actual knowledge of the client order; or

(f) the order is entered for an arbitrage account.

POLICY 4.1 – FRONTRUNNING

Part 1 – Examples of Frontrunning

Rule 4.1 provides that no Participant shall trade in equities or derivatives to take advantage of information concerning a client order that has not been entered on a marketplace that reasonably can be expected to change the prices of the equities or the related derivatives. Without limiting the generality of the Rule, the following are examples of transactions covered by the prohibition:

(a) a transaction in an option, including an option where the underlying interest is an index, when the Participant has knowledge of the unentered client order for the underlying securities;

(b) a transaction in a future where the underlying interest is an index when the Participant has knowledge of the unentered client order that is a program trade or index option transaction; and

(c) a transaction in an index option when the Participant has knowledge of the unentered client order that is a program trade or an index futures transaction.

Rule 10.4 extends the prohibition to cover orders entered by a related entity of the Participant or a director, officer, partner or employee of the Participant or a related entity of the Participant.

Part 2 – Specific Knowledge Required

In order to constitute frontrunning contrary to Rule 4.1, the person must have specific knowledge concerning the client order that, on entry, could reasonably be expected to affect the market price of a security or derivative. A person with knowledge of such a client order must insure that the client order has been entered on a marketplace before that person can:

- *enter a principal order or non-client order for the security, derivative, any related security or any related derivative;*
- *solicit an order for the security, derivative, any related security or any related derivative; or*
- *inform any other person about the client order, other than in the necessary of course of business.*

Trading based on non-specific pieces of market information, including rumours, does not constitute frontrunning.

Defined Terms:	*NI 21-101 section 1.1 – "order"* *NI 21-101 section 1.4 – Interpretation – "security"* *UMIR section 1.1 – "arbitrage account", "client order", "derivative", "employee", "foreign organized regulated market", "hedge", "marketplace", "non-client order", "Participant", "principal order", "Program Trade", "related derivative", "related entity" and "related security"* *UMIR section 1.2(2) – "person" and "trade"*
Regulatory History:	*Effective May 16, 2008, the applicable securities commissions approved an amendment to Rule 4.1 to replace the phrase "stock exchange or market" with "foreign organized regulated market or other market" See Market Integrity Notice 2008-008 –* ***"Provisions Respecting "Off-Marketplace" Trades"*** *(May 16, 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).* *Effective December 14, 2022, the applicable securities commissions approved amendments to Rule 4.1 and Policy 4.1. See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*
Disciplinary Proceedings:	*Rule 4.1(1)(c) was considered* ***In the Matter of Garett Steven Prins ("Prins") (April 1, 2003) OOS 2003-001.*** *See disciplinary proceedings under 2.1.*
Disciplinary Proceedings:	***In the Matter of Frank Patrick Greco ("Greco") (May 28, 2003) Decision 2003-004*** *Facts – Between November 22, 2001 and April 1, 2002, Greco, a Registered Trader employed at Griffiths McBurney & Partners, traded on information respecting pending undisclosed client orders obtained from a trader at another Participant resulting in frontrunning and conduct inconsistent with just and equitable principles of trade by Greco. Also, during this period Greco failed to properly designate short sales and executed prohibited trades in a security at a time when his employer was*

	involved in a distribution of the security.
	Held – Taking advantage of information respecting a client order that has not yet been entered in a marketplace to trade ahead of the client order harms the integrity of the marketplace. Greco acted contrary to just and equitable principles of trade and violated the frontrunning provisions of UMIR and the Toronto Stock Exchange rules.
	Requirements Considered – TSX Rules 4-204(1), 4-301(1) and (8) and 7-106(1)(b); Comparable UMIR Provision Rules 4.1(1)(a) and 2.1(1)
	Sanction - $65,000 fine and costs of $17,000; disgorgement of $2,105 of benefits; suspension from access to the Toronto Stock Exchange for three months
Disciplinary Proceedings:	***In the Matter of Donald Greco ("Greco") (July 15, 2003) Decision 2003-005***
	Facts – On November 22, 2001, Greco, a registered trader, with knowledge of an undisclosed pending client order in a particular security used that information to buy shares in the security.
	Held – With knowledge of an undisclosed client order which could reasonably be expected to affect the market price of such security, Greco traded in this security, and as such, contravened TSX Rule 4-204(1).
	Requirements Considered – TSX Rule 4-204(1). Comparable UMIR Provision – Rule 4.1
	Sanction - $15,000 fine and costs of $10,000; disgorgement of $250; one month suspension
Disciplinary Proceedings:	*Rule 4.1 was considered* ***In the Matter of Kai Tolpinrud ("Tolpinrud") (January 16, 2006) OOS 2004-001.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	***In the Matter of Jason Fediuk ("Fediuk")*** *(**February 15, 2005) Decision 2005-002***
	Facts – Fediuk, a trader at Salman Partners Inc. ("Salman"), had an outstanding short position in TVX, a TSX listed issuer, in his personal account. On April 26, 2002, a Salman client placed a significant buy order for shares of TVX with a trader that worked in close physical proximity to Fediuk. Within minutes of the Salman client order being received by that trader, Fediuk placed a jitney order to buy shares of TVX to cover his outstanding short position.
	Held – While the Panel agreed that the timing of the trades and use of an undisclosed jitney order to avert losses in his personal account was suspicious, it held that RS did not prove that Fediuk knew of the client order when he entering trades for his personal account.
	Requirements Considered – Rule 4.1(1)(a)
	Disposition – charges against Fediuk dismissed

PART 5 – BEST EXECUTION OBLIGATION

5.1 Best Execution of Client Orders - Repealed

Regulatory History:	*Effective January 2, 2018, the applicable securities commissions approved amendments to repeal Rule 5.1 of UMIR. See IIROC Notice 17-0137 – "**Amendments Respecting Best Execution**" (July 6, 2017).*

POLICY 5.1 – BEST EXECUTION OF CLIENT ORDERS - Repealed

Defined Terms:	*NI 14-101 – section 1.1(3) – "foreign jurisdiction"*
	NI 21-101 – section 1.1 – "order"
	NI 21-101 section 1.4 – Interpretation -- "security"
	NI 23-101 – section 1.1 – "directed-action order"
	UMIR section 1.1 – "better price", "client order", "consolidated market display", "foreign organized regulated market", "Market Regulator", "marketplace" and "Participant"
	UMIR section 1.2(2) – "trade"
Related Provisions:	*UMIR sections 6.2 and 6.4; NI 23-101 – Part 6*
Regulatory History:	*Effective March 9, 2007, the applicable securities commissions approved an amendment to Policy 5.1 to add Part 2. See Market Integrity Notice 2007-002 – "**Provisions Respecting Competitive Marketplaces**" (February 25, 2007).*
	*Effective May 16, 2008, the applicable securities commissions approved an amendment to Part 2 of Policy 5.1 to replace the phrase "organized regulated markets outside of Canada" with "foreign organized regulated markets". See Market Integrity Notice 2008-008 – **"Provisions Respecting "Off-Marketplace"** Trades" (May 16, 2008).*
	*Effective September 12, 2008, the applicable securities commissions approved an amendment to replace Rule 5. And Policy 5.11. See IIROC Notice 08-0039 – **"Provisions Respecting Best Execution"** (July 18, 2008).*
	*Effective February 1, 2011, the applicable securities commissions approved an amendment to repeal and replace Part 4 of Policy 5.1. See IIROC Notice 11-0036 – **"Provisions Respecting the Implementation of the Order Protection Rule"** (January 28, 2011).*
	*Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – Notice of Approval and Implementation – "**Amendments to the French version of UMIR**" (December 9, 2013).*
	*Effective January 2, 2018, the applicable securities commission approved an amendment to repeal Policy 5.1. See IIROC Notice 17-0137 – "**Amendments Respecting Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2006-017 – **"Securities Trading on Multiple Marketplace"** (September 1, 2006). Section respecting Rule 5.1 – Best Execution of Client Orders of MIN 2006-017 was partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2007-015 – **"Specific Questions Relating to Trading on Multiple Marketplaces"** (August 10, 2007). Questions 5, 8, 9 and 12 in MIN 2007-015 were repealed and replaced effective May 16, 2008 by Market Integrity Notice 2008-010 – **"Guidance – Complying with "Best Price" Obligations"** (May 16, 2008). Questions 7, 8 and 10 of this Notice were partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2007-019 – "**Entering Client Orders on Non-transparent Marketplaces and Facilities"** (September 21, 2009). Questions 2 and 6 of this Notice were partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Repealed Guidance:	*See IIROC Notice 09-0244 –**"Best Execution" and "Best Price" Obligations For Securities Listed***

On TSX Venture Exchange" *(August 27, 2009). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*

Partially Repealed Guidance: *See IIROC Notice 11-0043 – "**Guidance on "Locked" and "Crossed" Markets**" (February 1, 2011). Questions 2, 5 and 9 this Notice were partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*

Repealed Guidance: *See Notice 11-0113 – "**Guidance on Best Execution and Management of Orders"** (March 30, 2011). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*

***Repealed Guidance**:* *See IIROC Notice 11-0114 – "**Guidance Respecting the Use of Certain Order Types"** (March 30, 2011). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*

***Guidance**:* *See IIROC Notice 13-0191 – "**Guidance Respecting the Management of Stop Loss Orders"** (July 11, 2013).*

Guidance: *See IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017)*

Disciplinary Proceedings: ***In the Matter of TD Securities Inc. ("TDSI") (July 5, 2006) DN 2006-007***

Facts – Between December 2003 and January 2005, TDSI on numerous occasions failed to transmit retail client orders to Dealer A, a CNQ Market Maker, for entry onto the CNQ marketplace. TDSI held back client orders that were either not immediately tradeable or which remained outside the posted quote until expiry, including orders for less than 50 standard trading units. Such orders expired unfilled without ever being entered onto CNQ. It was also found that TDSI failed to maintain a complete audit trail relating to these orders.

Disposition – TDSI failed to meet its obligations under several provisions of UMIR in relation to the handling, trading, compliance and supervision of retail client orders for CNQ listed securities. In failing to adequately consider and plan with supervisory, compliance and trading staff an appropriate method of handling and monitoring client orders for CNQ, TDSI failed to fulfil its best execution and order exposure obligations to clients in respect of some CNQ orders. In failing to adopt adequate policies and procedures to be followed by its employees TDSI failed to fulfil its supervisory obligations under UMIR.

Requirements Considered – Rules 5.1, 6.3(1), 10.11(1), 10.12(1), 7.1(1) and Policy 7.1.

Sanctions - $350,000 fine and costs of $80,000.

5.2 Best Price Obligation – Repealed

POLICY 5.2 – BEST PRICE OBLIGATION – Repealed

Regulatory History:	*Effective April 8, 2005, the applicable securities commissions approved an amendment to confirm that the best price obligation does not apply to Basis Orders. See Market Integrity Notice 2005-010 – **"Provisions Regarding a "Basis Order""** (April 8, 2005).* *Effective March 9, 2007, the applicable securities commissions approved an amendment to confirm that the best price obligation does not apply to Closing Price Orders, and to change the factors that may be considered in Part 1 of Policy 5.2 ("Qualification of Obligation"). See Market Integrity Notice 2007-002 – "**Provisions Respecting Competitive Marketplaces**" (February 26, 2007).* *Effective May 16, 2008, the applicable securities commissions approved amendments to Rule and Policy 5.2 to account for off-marketplace trades. See Market Integrity Notice 2008-008 – **"Provisions Respecting "Off-Marketplace" Trades"** (May 16, 2008).* *Effective May 16, 2008 (retroactively), the applicable securities commissions approved amendments to Rule 5.2 to repeal the reference to transaction fees and to Policy 5.2 to revise Part 1 – Qualification of Obligation. See IIROC Notice 09-0107 – "**Provisions Respecting the "Best Price" Obligation**" (April 17, 2009).* *Effective February 1, 2011, the applicable securities commissions approved amendments to repeal Rule 5.2 and Policy 5.2. See IIROC Notice 11-0036 – "**Provisions Respecting the Implementation of the Order Protection Rule**" (January 28, 2011).*
Repealed Guidance:	*See Market Integrity Notice 2005-015 – "**Complying with "Best Price" Obligations**" (May 12, 2005). This Market Integrity Notice was repealed and replaced by Market Integrity Notice 2006-017 – "**Securities Trading on Multiple Marketplaces"**(September 1, 2006).*
Repealed Guidance:	*See Market Integrity Notice 2005-023 – "**Securities Trading on Multiple Marketplaces**" (July 29, 2005). This Market Integrity Notice was repealed and replaced by Market Integrity Notice 2006-017 – "**Securities Trading on Multiple Marketplaces"**(September 1, 2006).*
Partially Repealed Guidance:	*See Market Integrity Notice 2006-017– "**Guidance – Securities Trading on Multiple Marketplaces"** (September 1, 2006). Sections of this Market Integrity Notice relating to UMIR 5.2 were repealed by Market Integrity Notice 2008-010 – Guidance – "**Complying with "Best Price" Obligations"** (May 16, 2008). Section respecting Rule 5.1 – Best Execution of Client Orders of MIN 2006-017 was partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2007-015 – **"Guidance – Specific Questions Related to Trading on Multiple Marketplaces"** (August 10, 2007). Questions 5, 8, 9 and 12 in MIN 2007-015 were repealed and replaced effective May 16, 2008 by Market Integrity Notice 2008-010 – **"Guidance – Complying with "Best Price" Obligations"** (May 16, 2008). Questions 7, 8 and 10 of MIN 2007-015 were partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See Market Integrity Notice 2007-019 – "**Entering Client Orders on Non-Transparent Marketplaces and Facilities"** (September 21, 2007). Questions 2 and 6 of this Notice were partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Repealed Guidance:	*See Market Integrity Notice 2007-021 – "**Expectations Regarding "Best Price" Obligations"** (October 24, 2007). This Market Integrity Notice was repealed and replaced by Market Integrity 2008-010 – **"Complying with "Best Price" Obligations"** (May 16, 2008).*
Partially Repealed Guidance:	*See IIROC Notice 2008-010 – "**Complying with "Best Price" Obligations"** (May 16, 2008). Question 8 in reference to Market Integrity Notice 2007-015 and Question 5 in reference to Market Integrity Notice 2006-020 of this Notice were partially repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Guidance:	*See IIROC Notice 08-0028 – "**Entering Orders on a Protected Marketplace that supports Hidden Order Types"** (July 14, 2008).*

Guidance:	*See IIROC Notice 09-0108 – "**Specific Questions Related To The 'Best Price' Obligation**" (April 17, 2009).*
Guidance:	*See IIROC Notice 09-0224 – **"Procedures For Handling Certain Designated Trades As Principal"** (July 30, 2009).*
Repealed Guidance:	*See IIROC Notice 09-0244 –**"Best Execution" and "Best Price" Obligations For Securities Listed On TSX Venture Exchange"** (August 27, 2009). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Partially Repealed Guidance:	*See IIROC Notice 11-0043 – "**Guidance on "Locked" and "Crossed" Markets**" (February 1, 2011). Questions 2, 5 and 9 of Notice 11-0043 were partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*
Disciplinary Proceedings:	*Rule 5.2 was considered **In the Matter of Gerald Douglas Phillips ("Phillips") (February 26, 2004) SA 2004-002.** See Disciplinary Proceedings under 2.1.*
Disciplinary Proceedings:	***In the Matter of Magna Partners Ltd. ("Magna") (November 16, 2010) DN 10-0295***
	Facts – Between October 2008 and May 2010, Magna failed to make reasonable efforts to meet its best price obligations as it did not make reasonable efforts to have access to all protected marketplaces, in particular Alpha, CNSX, Omega and Chi X. After determining that the costs of becoming a member of each protected marketplace were too great, Magna did not make inquiries into any of the other methods of accessing the various marketplaces, such as by way of jitney or Smart Order Router, until following the commencement of an IIROC investigation in July, 2009. Magna further failed to maintain adequate policies and procedures, including to test for "trade throughs" and to monitor and document the levels of trading on each marketplace, in order to ensure reasonable efforts were made to execute orders at the best price.
	Disposition – Magna admitted that it breached UMIR when it failed to make reasonable efforts to meet its best price obligations by connecting to all available "protected marketplaces" and in failing to have adequate policies and procedures in place to address best price obligations. The best price obligation set out in UMIR 5.2 is a general duty owed to the market as a whole to ensure fairness to all market participants and to promote competition, efficiency, and transparency while maintaining investor confidence in the market. UMIR Policy 5.2 requires IIROC regulated member firms to adopt policies and procedures that will ensure compliance with their ongoing best price obligations and reflect changes in the trading environment and market structure.
	Requirements Considered – Rule 5.2, 7.1 and Policy 5.2.
	Sanction - A Hearing Panel imposed a fine of $100,000 and costs in the amount of $10,000 against Magna.
	Review – Further to review by the Ontario Securities Commission, the Commission substituted its own penalty decision for that of the IIROC Hearing Panel and reduced the fine to $30,000.
Disciplinary Proceedings:	***In the Matter of BMO Nesbitt Burns ("BMONB") (August 25, 2010) DN 10-0228***
	Facts – In November 2008, BMONB was advised by IIROC of "a larger than average" number of "trade through" alerts which identify possible "best price" violations. At that time, BMONB had not yet connected to two protected marketplaces, namely Chi-X or Omega ATS ("Omega"). In late February 2009, IIROC Staff again raised this issue, noting that there had not been any significant improvement. While having thereafter connected to Chi-X, BMONB did not sign a subscription agreement with Omega until October 14, 2009. Despite the requirement of Rule 5.2, BMONB relied on three factors which are not considerations under Policy 5.2 in determining when it would connect to Omega: (i) Omega's launch process; (ii) technological challenges in connecting to Omega; and (iii) Omega's liquidity levels. BMONB also relied on availability of Omega's market data as a consideration relevant to connection.
	Disposition – A Participant has an obligation to execute against better-priced orders on protected marketplaces before executing at an inferior price on any marketplace or foreign organized regulatory market. Under the terms of a Settlement Agreement, BMONB admitted that between October 2008 and October 2009, it breached UMIR when it failed to make reasonable efforts to meet its best price obligations by connecting to all available "protected marketplaces" and, in particular, Omega ATS, an alternative trading system for Canadian exchange listed equities.
	Requirements Considered – Rule 5.2 and Policy 5.2.
	Sanction - BMONB agreed to a $250,000 fine and $15,000 in costs.
Disciplinary Proceedings:	***In the Matter of Beacon Securities Limited. ("Beacon") (April 8, 2011) DN 11-0120***
	Facts – From December 2008 to November 2010, Beacon traded on the TSX through a third party trading platform and jitneyed all TSX-Venture trades. Beacon did not, however, directly connect to the remaining protected marketplaces although Beacon always had access to all protected

	marketplaces via its ongoing jitney relationship, but this had never been used in practice prior to April, 2010 for institutional clients. Following a trade desk review in August 2009, IIROC noted that Beacon was connected to the TSX and TSX-Venture, but was not directly connected to the other protected markets and deficiencies were found in Beacon's written policies and procedures to ensure "trade throughs" did not occur. In March 2010, Beacon updated its policies and procedures regarding trading supervision. In October 2010, IIROC advised Beacon that between November, 2008 to April 2010, Beacon generated 899 trade through alerts which could indicate violations and that random sampling showed certain trade through violations. In November, 2010, Beacon upgraded its trading platform to include the Smart Order Router to become directly connected to the remaining protected marketplaces for its institutional transactional activity. *Disposition – Pursuant to a Settlement Agreement, Beacon admitted that between December 2008 until November 2010, the firm failed to make reasonable efforts to ensure that orders were executed at the best price, contrary to UMIR 5.2 and UMIR Policy 5.2; and from December 2008 until March 2010, the firm failed to have adequate policies and procedures in place in order to ensure reasonable efforts were made to execute orders at the best price, contrary to UMIR 7.1.* *Requirements Considered – Rule 5.2, 7.1 and Policy 5.2, and 7.1.* *Sanction – Beacon agreed to pay a fine of $70,000 costs in the amount of $5,000.*
Disciplinary Proceedings:	***In the Matter of Maison Placements Canada Inc. ("MPCI") (April 13, 2011) DN 11-0124*** *Facts – Between December 2008 and January 2011 (the "relevant period"), MPCI was not connected to all of the six protected marketplaces, but only to the TSX and TSXV. MPCI did not use an acceptable order router nor did it did not provide the order to another Participant for entry on a marketplace. As a result, MPCI did not consider orders on any of the protected marketplaces other than the TSX or TSXV. During the period October 2007 to March 2008, MPCI informed its clients that it would execute trades on the TSX or TSXV only. During the period between December, 2008 and October, 2010, MPCI generated trade through alerts; however the percentage of trade through alerts generated was small relative to MPCI's overall trading volume. During the relevant period, MPCI did not monitor or review its order flow for compliance with the "best price" obligation and did not set out the steps or process to be followed to make "reasonable efforts" to ensure that orders receive the "best price" when executed on a marketplace.* *Disposition – Pursuant to a Settlement Agreement, MPCI admitted that it breached UMIR 5.2 and UMIR Policy 5.2 as it did not make reasonable efforts during the relevant period to ensure orders were executed at the "best price." UMIR Requirements make it clear that despite client consent or instruction a Participant cannot trade-through a better bid or offer on a protected marketplace by making a trade at an inferior price. In addition, MPCI failed to have adequate policies and procedures in place to ensure compliance with its "best price" obligation, contrary to UMIR 7.1 and UMIR Policy 7.1.* *Requirements Considered – Rule 5.2, 7.1 and Policy 5.2, and 7.1.* *Sanction – MPCI agreed to pay a fine of $95,000 and costs in the amount of $5,000.*
Disciplinary Proceedings:	***In the Matter of Pope & Company Limited ("Pope") (March 14, 2012) DN 12-0095*** *Facts – Between December 2008 and January, 2011, (the "Relevant Period") Pope, an institutional investment firm, was not connected to all protected marketplaces, only to the Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV). In addition, Pope did not use an acceptable order router or provide the order to another Participant for entry on a marketplace. As a result, Pope did not consider orders on any of the protected marketplaces other than the TSX or TSXV in respect of the "best price" obligation. Pope judged that the costs of subscribing to all protected marketplaces was too high and that it was not feasible to provide its orders to another Participant for entry on a marketplace as this would result in a transaction costs it believed its clients would find unacceptable. Pope ultimately subscribed to the TSX Smart Order Router and entered a jitney service agreement to route orders to the firm's jitney provider if the best price was available on a marketplace where the firm was not subscribed. During the Relevant Period, "trade-through" alerts were generated by Pope but they were a small percentage relative to its overall trading volume.* *Disposition – Pursuant to a Settlement Agreement, Pope admitted that in the Relevant Period it failed to make reasonable efforts to ensure that orders were executed at the best price, contrary to UMIR 5.2 and UMIR Policy 5.2 and failed to have adequate policies and procedures in place to ensure reasonable efforts were made to execute orders at the best price, contrary to UMIR 7.1 and Policy 7.1.* *Requirements Considered – Rule 5.2, 7.1 and Policy 5.2, 7.1.* *Sanction – Pope agreed to pay a fine of $30,000 and to pay costs in the amount of $5,000.*

5.3 Client Priority

(1) A Participant shall not enter on a marketplace or an organized regulated market a principal order or a non-client order of the Participant that, based on the information known or reasonably available to the person or persons originating or entering the principal order or non-client order, the Participant knows or should have known will execute or have a reasonable likelihood of executing in priority to a client order received by the Participant prior to the entry of the principal order or non-client order for the same security that is:

(a) at the same price or a lower price than the client order in the case of a purchase or the same or a higher price than the client order in the case of a sale; and

(b) on the same side of the market.

(2) Despite subsection (1) but subject to Rule 4.1, a Participant is not required to give priority to a client order if:

(a) the client specifically has consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same settlement terms;

(b) the principal order or non-client order is:

(i) automatically generated by the trading system of a marketplace in respect of the Marketplace Trading Obligations of that marketplace,

(ii) automatically generated by a system operated by the Participant or on behalf of the Participant based on pre-determined order and trading parameters established, programmed and enabled for trading prior to the receipt of the client order,

(iii) for a managed account and the client order is for a managed account under the direction of the same person and in respect of which executions are allocated between the various managed accounts on an equitable basis in accordance with the established practices of the Participant, or

(iv) a Basis Order;

(c) the client order has been entered directly by the client of the Participant on a marketplace;

(d) the principal order or non-client order is executed pursuant to an allocation by the trading system of a marketplace and:

(i) either:

(A) the security which is the subject of the order trades on no marketplace other than that marketplace,

(B) the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order,

(C) each of the client order and the principal order or non-client order was entered on the same marketplace,

(D) the client has instructed the Participant to enter the client order on a particular marketplace, or

(E) the client has instructed the Participant to enter the client order in a manner that does not disclose the identifier of the Participant in a consolidated market display,

(ii) the client order was entered by the Participant on that marketplace immediately upon receipt by the Participant, and

(iii) if the client order was varied or changed by the Participant at any time after entry, the variation or change was on the specific instructions of the client;

(e) either the client order or the principal order or non-client order is a Special Terms Order and the client order would not have executed in the transaction or transactions involving the principal order or non-client order due to the terms and conditions of at least one Special Terms Order; or

(f) a Market Integrity Official requires or permits the principal order or non-client order to be executed in priority to a client order.

(3) For the purposes of clause (2)(a), a client shall be deemed to have consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same conditions and settlement terms if the client order, in accordance with the specific instructions of the client, is to be executed in part at various times during the trading day or at various prices during the trading day.

POLICY 5.3 – CLIENT PRIORITY

Part 1 – Background

Rule 5.3 restricts a Participant and its employees from trading in the same securities as a client of the Participant. The restriction is designed to minimize the conflict of interest that occurs when a Participant or its employee compete with the firm's clients for execution of orders. The Rule governs:

- *trading ahead of a client order, which is taking out a bid or offering that the client could have obtained had the client order been entered first. By trading ahead, the pro order obtains a better price at the expense of the client order.*
- *trading along with a client, or competing for fills at the same price.*

The application of the rule can be quite complex given the diversity of professional trading operations in many firms, which can include such activities as block facilitation, market making, derivative and arbitrage trading. In addition, firms may withhold particular client orders in order

to obtain for the client a better execution than the client would have received if the order had been entered directly on a marketplace. Each firm must analyze its own operations, identify risk areas and adopt compliance procedures tailored to its particular situation.

A Participant has overriding agency responsibilities to its clients and cannot use technical compliance with the rule to establish fulfillment of its obligations if the Participant has not otherwise acted reasonably and diligently to obtain best execution of its client orders.

Part 2 – Prohibition on Intentional Trading Ahead

A Participant can never intentionally trade ahead of a client order that is either a market order or tradeable limit order received prior to the entry of the principal order or non-client order except in accordance with an exemption from the requirements of Rule 5.3(1), which exemptions include obtaining the specific consent of the client. Examples of "intentional trades" include, but are not limited to:

- *withholding a client order from entry on a marketplace (or removing an order already entered on a marketplace) to permit the entry of a competing principal or non-client order ahead of the client order;*
- *entering a client order on a relatively illiquid market (other than on the instructions of the client) and entering a principal or non-client order on a more liquid marketplace where the principal or non-client order is likely to obtain faster execution;*
- *adding terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price;*
- *putting terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price; and*
- *entering a principal order or non-client order as an "anonymous order" (without the identifier of the Participant) which results in an execution in priority to a previously entered client order that discloses the identifier of the Participant.*

Part 3 – No Knowledge of Client Order

The Participant must have reasonable procedures in place to ensure that information concerning client orders is not used improperly within the firm. These procedures will vary from firm to firm and no one procedure will work for all firms. If a firm does not have reasonable procedures in place, it cannot rely on the exceptions. Reference should be made to Policy 7.1 – Policy on Trading Supervision Obligations, and in particular Part 4 – Specific Procedures Respecting Client Priority.

If a client has instructed a Participant to withhold an order or has granted a Participant discretion with respect to the entry of an order, details of the instruction or grant of discretion must be retained for a period of seven years from the date of the instruction or grant of discretion and, for the first two years, the consent must be kept in a readily accessible location.

Part 4 – Client Consent

A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant.

If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a protected marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the Participant executing as against them in priority to the client order. The consent of the client must be noted on the order ticket.

If the client has given the Participant an order that is to be executed at various times during a trading day (e.g. an "over-the-day" order) or at various prices (e.g. at various prices in order to approximate a volume-weighted average price), the client is deemed to have consented to the entry of principal and non-client orders that may trade ahead of the balance of the client order. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. However, if the un-entered portion of the client order would reasonably be expected to affect the market price of the security, the Participant may be precluded from entering principal or non-client orders as a result of the application of the frontrunning rule.

In certain circumstances, a client may provide a conditional consent for the Participant to trade alongside or ahead of the client order. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day. The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.

Defined Terms:	*NI 21-101 section 1.1 – "order"* *NI 21-101 section 1.4 – Interpretation -- "security"* *UMIR section 1.1 – "best ask price", "best bid price", "Basis Order", "Call Market Order", "client order", "consolidated market display", "employee", "Exchange", "limit order", "Market Integrity Official", "Market-on-Close Order", "market order", "Market Regulator", "marketplace", "Marketplace Rules", "Marketplace Trading Obligations", "non-client order", "Opening Order", "Participant", "pre-arranged trade", "principal*

order", "QTRS", "Special Terms Order", "trading day" and "Volume-Weighted Average Price Order"

UMIR section 1.2(2) – "trade"

Related Provisions: *UMIR section 4.1 and Policy 7.1*

Regulatory History:

Effective October 31, 2003, the applicable securities commissions approved an amendment to accommodate anonymous orders. See Market Integrity Notice 2003-024 – ***"Accommodation of Anonymous Orders"*** *(October 31, 2003).*

Effective May 26, 2006, the applicable securities commissions approved amendments to repeal and replace Rule 5.3 and Policy 5.3. See Market Integrity Notice 2006-012 – ***"Provisions Respecting Client Priority"*** *(May 26, 2006).*

Effective March 9, 2007, the applicable securities commissions approved an amendment to repeal and replace Rule 5.3 and to repeal and replace Parts 2 and 3 of Policy 5.3. See Market Integrity Notice 2007-002 – ***"Provisions Respecting Competitive Marketplaces"*** *(February 26, 2007).*

Effective August 26, 2011, the applicable securities commissions approved an amendment to Rule 5.3(2) to replace the reference to "Market Maker Obligations" with "Marketplace Tracking Obligations". See IIROC Notice 11-0251 – ***"Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations"****(August 26, 2011).*

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).*

Effective September 18, 2015, the applicable securities commissions approved an amendment to Part 4 of Policy 5.3. See IIROC Notice 15-0211 - Notice of Approval – ***"Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule"*** *(September 18, 2015).*

*Effective January 2, 2018, the applicable securities commissions approved an amendment to Part 3 of Policy 5.3. See IIROC Notice 17-0137 – "****Amendments Respecting Best Execution****" (July 6, 2017).*

Repealed Guidance: *See Market Integrity Notice 2005-023 – "****Securities Trading on Multiple Marketplaces"*** *(July 29, 2005). This Notice was repealed by Market integrity Notice 2006-017 –* ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006).*

Partially Repealed Guidance: *See Market Integrity Notice 2006-017– "****Guidance – Securities Trading on Multiple Marketplaces"*** *(September 1, 2006). Sections of this Market Integrity Notice relating to UMIR 5.2 were repealed by Market Integrity Notice 2008-010 – Guidance – "****Complying with "Best Price" Obligations"*** *(May 16, 2008). Section respecting Rule 5.1 – Best Execution of Client Orders of MIN 2006-017 was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Partially Repealed Guidance: *See Market Integrity Notice 2007-019 –* ***"Entering Client Orders on Non-Transparent Marketplaces and Facilities"*** *(September 21, 2007). Questions 2 and 6 of MIN 2007-019 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Disciplinary Proceedings: ***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***

Facts – RS Trade Desk Reviews ("TDRs") in November 2002 and October 2003 highlighted insufficient supervision of trading practices and procedures and other UMIR deficiencies related to audit trail violations. In a subsequent TDR in 2004, it was found that the deficiencies noted in 2002 and 2003 were not corrected, and in many instances were more extensive. In addition to these failings, RS's investigation also noted 17 instances of the Desjardins trading along side a client, without recording the requisite client consent for each order.

Disposition – By failing to address the various deficiencies noted by the TRD team, and failing to implement an effective trading supervision system, the Participant, De Montigny and Brunet failed to establish an effective compliance and trading supervision system for the firm's trading operation, contrary to their respective obligations under UMIR.

Requirements Considered – Rules 5.3(6), 10.11, 7.1 and Policy 7.1

Sanction –

Desjardins Securities Inc. – $1,500,000 fine and costs of $125,000; Board of Directors certification that trading compliance and supervision systems are compliant with UMIR;

Jean-Pierre De Montigny – $300,000 fine;

Jean-Luc Brunet – $35,000 fine.

Disciplinary Proceedings: *Rule 5.3 was considered* ***In the Matter of Kai Tolpinrud ("Tolpinrud") (January 16, 2006) OOS***

	2004-001. *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 5.3(6) was considered* ***In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.*** *See Disciplinary Proceedings under Rule 3.1.*
Disciplinary Proceedings:	***In the Matter of Raymond James Ltd. ("Raymond James") and Marc Deslongchamps ("Deslongchamps") (June 30, 2006) DN 2006-006*** *Facts – In the period February 2003 to February 2005 Deslongchamps, the "Head Trader" for Raymond James, was responsible for supervising Raymond James' institutional sales, proprietary and facilitation traders across Canada. In addition to acting as Head Trader, Deslongchamps conducted proprietary trading for one of Raymond James' inventory accounts. During the relevant period, trading by certain traders under the direction of Deslongchamps and trading by Deslongchamps himself resulted in numerous client priority, audit trail and order marking violations. RS identified instances in which Deslongchamps and traders under his supervision traded ahead of or alongside clients without client consent, failed to properly record client consent in cases where client consent was obtained, failed to complete trade tickets with appropriate information and improperly marked client trades "non-client", all of which resulted in an incomplete audit trail.* *In the period July 2003 to February 2005 Raymond James' institutional trading supervision and compliance systems were not reasonably designed to prevent the UMIR violations referenced above. Also, the Manager of Compliance at Raymond James used a flawed methodology to test for possible client priority issues. The flawed nature of the testing resulted in ongoing trade and audit trail problems not being escalated.* *Disposition – In failing to implement an institutional trading supervision and compliance system which was reasonably designed to prevent and detect client priority, consent, order marking requirements set out in UMIR and failing to take effective steps to ensure the Head Trader carried out his trading supervision obligations, Raymond James failed to comply with its trading supervision obligations under UMIR.* *In failing to take effective steps to supervise the traders he oversaw to ensure compliance with client priority and audit trail requirements Deslongchamps failed to comply with his trading supervision obligations under UMIR.* *Requirements Considered – Rules 5.3(1), 5.3(2), 5.3(6), 6.2(1)(b), 10.11(1), 7.1(1), 7.1(4) and Policy 7.1.* *Sanction –* *Raymond James – $400,000 fine and costs of $125,000;* *Deslongchamps – $50,000 fine; prohibition against acting in a supervisory capacity for 1 year.*
Disciplinary Proceedings:	***In the Matter of Bert Griffin ("Griffin") (August 31, 2009) DN 09-0245*** *Facts –On January 27, April 11, and 21, 2006, Griffin failed to give priority to client orders over non-client orders in the same security and on the same side of the market. Griffin's improper order handling resulted in a financial disadvantage to certain clients and a disadvantage to other clients who did not receive a fill that may have otherwise been obtained in the absence of Griffin's non-client orders.* *Disposition – Absent specific client consent to the Participant trading ahead or alongside an order, client priority must be respected in order to minimize the conflict of interest that occurs when a firm or trader competes with the firm's clients for executions. Under the terms of a Settlement Agreement, Griffin agreed that he did not record that any client had specifically consented to his trading ahead or alongside on any of the order tickets, as required by UMIR 5.3(6), nor did he make any other record of any of the clients providing their consent. Griffin contravened the client priority rule on multiple occasions by filling orders for his own account that his clients could have obtained had the client orders been entered first.* *Requirements Considered – Rule 5.3 and Policy 5.3.* *Sanction - Griffin agreed to a $15,000 fine, $5,000 in costs and to successfully complete both the Conduct and Practices Handbook and Trader Training Course examinations within six (6) months.*

PART 6 – ORDER ENTRY AND EXPOSURE

6.1 Entry of Orders to a Marketplace

(1) No order to purchase or sell a security shall be entered to trade on a marketplace at a price that includes a fraction or a part of a cent other than an increment of one-half of one cent in respect of an order with a price of less than $0.50.

(2) Each order to purchase or sell a listed security or a quoted security entered to trade on a marketplace shall be subject to any special rule or direction issued by the Exchange on which the security is listed or by the QTRS on which the security is quoted with respect to:

(a) clearing and settlement; and

(b) entitlement of the purchaser to receive a dividend, interest or any other distribution made or right given to holders of that security.

(3) Notwithstanding subsection (1), an intentional cross may be entered on a marketplace at a price which is a fraction of a trading increment provided the execution price is a better price for both the order to purchase and the order to sell.

(4) A Participant acting as principal or an Access Person shall not enter an order on a marketplace for a particular security that would, if executed, be a short sale if the Participant or Access Person has previously executed a sale in that security that became a failed trade in respect of which notice to the Market Regulator was required pursuant to Rule 7.10 unless:

(a) the Participant or Access Person has made arrangements for the borrowing of the securities necessary to settle any resulting trade prior to the entry of the order; or

(b) the Market Regulator has consented to the entry of such order or orders.

(5) A Participant or an Access Person shall not enter an order on a marketplace for a Pre-Borrow Security that would, if executed, be a short sale unless the Participant or Access Person has made arrangements for the borrowing of the securities necessary to settle any resulting trade prior to the entry of the order.

(6) A Participant acting as agent shall not enter a client order or a non-client order on a marketplace that would, if executed, be a short sale if the client or non-client has previously executed a sale of any listed security that became a failed trade in respect of which notice to the Market Regulator was required pursuant to Rule 7.10 unless:

(a) the Participant has made arrangements for the borrowing of the securities necessary to settle any resulting trade prior to the entry of the order; or

(b) the Participant is satisfied, after reasonable inquiry, that the reason for any prior failed trade was not as a result of any intentional or negligent act of the client or non-client.

(7) A Participant shall not enter an order on a marketplace or permit an order to be transmitted to a marketplace containing the identifier of the Participant unless the order has been:

(a) received, processed and entered on the marketplace by an employee of the Participant who is registered in accordance with applicable securities legislation to perform such functions; or

(b) has been entered on a marketplace or transmitted to a marketplace through:

(i) direct electronic access,

(ii) a routing arrangement, or

(iii) an order execution service.

(8) An Access Person shall not enter an order on a marketplace or permit an order to be transmitted to a marketplace containing the identifier of the Access Person unless the order is:

(a) for the account of the Access Person and not for any other person; or

(b) entered by an Access Person who is registered or exempted from registration as an adviser in accordance with applicable securities legislation and the order is for or on behalf of a client of the Access Person acting in the capacity of adviser for that client and not for any other person.

(9) A marketplace shall not allow an order to be entered on the marketplace unless:

(a) the order:

(i) has been entered by or transmitted through a Participant or Access Person who has access to trading on that marketplace, and

(ii) contains the identifier of the Participant or Access Person as assigned in accordance with Rule 10.15; or

(b) the order has been generated automatically by the marketplace on behalf of a person who has Marketplace Trading Obligations in order for that person to meet their Marketplace Trading Obligations.

POLICY 6.1 – ENTRY OF ORDERS TO A MARKETPLACE

Part 1 – Execution Price of Orders

An order may execute at such price increment as established by the marketplace for the execution of such orders and the marketplace shall report the execution price to the information processor and information vendor provided, if required by the information processor or information vendor, the marketplace shall report the price at which the trade was executed as the nearest trading increment and if the price results in one-half of a trading increment the price shall be rounded up to the next trading increment.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"* *NI 21-101 section 1.1 – "information processor" and "order"* *NI 21-101 section 1.4 – Interpretation -- "security"* *UMIR section 1.1 – "Access Person", "better price", "client order", "direct electronic access", "Exchange", "failed trade", "intentional cross", "listed security", "Market Regulator", "marketplace", "Marketplace Trading Obligations", "non-client order", "order execution service", "Participant", "Pre-Borrow Security", "QTRS", "quoted security", "routing arrangement", "short sale" and "trading increment"* *UMIR section 1.2(2) – "trade"*
Related Provision:	*UMIR section 10.15*
Regulatory History:	*Effective March 9, 2007, the applicable securities commissions approved an amendment to subsection (1) of Rule 6.1 to add the phrase "in respect of an order with a price of less than $0.50" at the end of the subsection and to add Part 1 of Policy 6.1. See Market Integrity Notice 2007-002 – "**Provisions Respecting Competitive Marketplaces**" (February 26, 2007).* *On March 2, 2012, the applicable securities commissions approved an amendment to section 6.1, effective October 15, 2012, to add a new subsection (3). See IIROC Notice 12-0078 – "**Provisions Respecting Regulation of Short Sales and Failed Trades**" (March 2, 2012). Effective March 1, 2014, this subsection is renumbered subsection (6) and subsections (7)-(9) relating to third-party electronic access to marketplaces are added. See IIROC Notice 13-0184 "**Provisions Respecting Third-Party Electronic Access to Marketplaces**" (July 4, 2013).* *On April 13, 2012, the applicable securities commissions approved amendments to section 6.1, effective October 10, 2012, to add subsections (3), (4) and (5). See IIROC Notice 12-0130 – "**Provisions Respecting Dark Liquidity**" (April 13, 2012).* *On April 13, 2012, the applicable securities commissions approved an amendment to Policy 6.1, effective October 10, 2012, to repeal and replace Part 1. See IIROC Notice 12-0130 – "**Provisions Respecting Dark Liquidity**" (April 13, 2012). Prior to that effective date, Part 1 provided:* ***Part 1 – Exceptions for Certain Types of Orders*** *Notwithstanding that all orders for a security at a price of $0.50 or more must be entered on a marketplace at a price that does not include a fraction or a part of a cent, an order which is entered on a marketplace as a Basis Order, Call Market Order or a Volume-Weighted Average Price Order may execute at such price increment as established by the marketplace for the execution of such orders provided, unless otherwise permitted by the information processor or information vendor, that the marketplace shall report the price at which the trade was executed to the information processor or an information vendor as the nearest trading increment and if the price results in one-half of a trading increment the price shall be rounded up to the next trading increment.* *On July 4, 2013, the applicable securities commissions approved amendments to section 6.1, effective March 1, 2014, to add subsections (7), (8) and (9) and to renumber former subsection 6.1(3) as 6.1(6). See IIROC Notice 13-0184 - **"Provisions Respecting Third-Party Electronic Access to Marketplaces"** (July 4, 2013).*
Guidance:	*See question 4 in IIROC Notice 12-0295 - "**Specific Questions Related To Dark Liquidity Rule Amendments**" (October 9, 2012).*

6.2 Designations and Identifiers

(1) Each order in a listed security entered on a marketplace 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 marketplace on which the order is entered as assigned to the marketplace 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:

1. in the form of a Legal Entity Identifier for:

A. orders entered using direct electronic access

B. orders entered using a routing arrangement

C. an identified order execution only client that is eligible to receive a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System

D. orders for accounts that are supervised under Part D of Corporation Rule 3900 – Supervision of institutional client accounts

2. in the form of an account number for all other client orders not included under UMIR 6.2(1)(a)(iv)(1)

(v) the client of a foreign dealer equivalent for or on behalf of whom the order is entered under a routing arrangement, where such client order is automatically generated on a predetermined basis by that client, and in the form and manner acceptable to the Market Regulator; and

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

(i) a Call Market Order,

(ii) an Opening Order,

(iii) a Market-on-Close Order,

(iv) a Special Terms Order,

(v) a Volume-Weighted Average Price Order,

(v.1) a Basis Order,

(v.2) a Closing Price Order,

(v.3) a bypass order,

(v.4) a directed action order as defined in the Trading Rules,

(vi) part of a Program Trade,

(vii) part of an intentional cross or internal cross,

(vii.1) a derivative-related cross,

(viii) a short sale but not including an order which is designated as a "short-marking exempt order" in accordance with subclause 6.2(1)(b)(ix),

(ix) a short-marking exempt order,

(x) a non-client order,

(xi) a principal order,

(xii) a jitney order,

(xiii) for the account of a derivatives market maker,

(xiv) for the account of a person who is an insider of the issuer of the security which is the subject of the order,

(xv) for the account of a person who is a significant shareholder of the issuer of the security which is the subject of the order,

(xvi) for the account of a client where the order is sent using direct electronic access,

(xvii) for the account of a client where the order is sent under a routing arrangement,

(xviii) for the account of an order execution only client,

(xix) of a type for which the Market Regulator may from time to time require a specific or particular designation,

(xx) a bundled order, or

(xxi) a multiple client order.

(c) Where a designation is required under 6.2(1)(b)(xx) or (xxi), the Participant does not need to include a client identifier on the order under 6.2(1)(a)(iv).

(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.

(3) If the order entered on a marketplace is a Special Terms Order, the order shall contain, in addition to all designations and identifiers required by subsection (1), information in such form as is acceptable to the Market Regulator of the marketplace on which the order is entered respecting:

(a) any condition on the execution of the order; and

(b) the settlement date.

(4) If following the entry of an order on a marketplace for the sale of security that has not been designated as a short sale such order would become a short sale on execution, the order shall be modified to include the short sale designation required by subsection (1).

(5) Each order entered on a marketplace including all designations and identifiers required by subsection (1) and (2) shall be disclosed to each Market Regulator.

(6) The marketplace on which the order is entered shall determine if the identifier of the Participant or the marketplace shall be displayed:

(a) in a consolidated market display for a security,

or

(b) in a marketplace for a derivative.

(7) Unless otherwise permitted or directed by the Market Regulator, a marketplace shall:

(a) disclose for display in a consolidated market display any designation attached to an order that is required by sub-clause (i) to (vii.1) inclusive of clause (1)(b), but for a bypass order that is not part of a designated trade, and

(b) not disclose for display in a consolidated market display any designation attached to an order that is required by:

(i) sub-clause (viii) to (xxi) inclusive of clause (1)(b)

(ii) sub-clause (i) to (vii) inclusive of clause (2)(b).

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	NI 23-101 section 1.1 – "directed-action order"
	NI 31-103 section 1.1 – "investment dealer"
	UMIR section 1.1 – "Access Person", "Basis Order", "bypass order", "bundled order", "Call Market Order", "Closing Price Order", "consolidated market display", "derivative", "derivatives market maker", "derivative-related cross", "direct electronic access", "Exchange", "foreign dealer equivalent", "identified order execution only client", "Global Legal Entity Identifier System", "insider", "intentional cross", "internal cross", "jitney order", "Legal Entity Identifier", "listed derivative", "listed security", "Market-on-Close Order", "Market Regulator", "marketplace", "multiple client order", "non-client order", "Opening Order", "Participant", "principal order", "Program Trade", "routing arrangement", "short-marking exempt order", "short sale", "significant shareholder", "Special Terms Order", "Trading Rules" and "Volume-Weighted Average Price Order"
	UMIR section 1.2 – "person"
Related Provision:	*UMIR sections 7.13, 10.15*
Regulatory History:	*Effective April 8, 2005, the applicable securities commissions approved an amendment to require marking of Basis Orders. See 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 require marking of a Closing Price Order. See Market Integrity Notice 2007-002 – ***"Provisions Respecting Competitive Marketplaces"*** *(February 26, 2007).*
	On May 16, 2008, the applicable securities commissions approved an amendment to require marking of a bypass order. The implementation date of this amendment was determined by the IIROC Board of Directors to be June 1, 2009. See Market Integrity Notice 2008-008 – ***"Provisions Respecting "Off-Marketplace" Trades"*** *(May 16, 2008) and see IIROC Notice 09-0034 –* ***"Implementation Date for the Marking of Bypass Orders"*** *(February 3, 2009).*
	Effective February 1, 2011, the applicable securities commissions approved an amendment to require marking of a directed action order. See IIROC Notice 11-0036 – ***"Provisions Respecting the Implementation of the Order Protection Rule"*** *(January 28, 2011).*
	On April 13, 2012, the applicable securities commissions approved amendments to section 6.2, effective October 15, 2012, to replace the short sale language (that referenced price restrictions) with short sale and short-marking exempt order marker requirements. See IIROC Notice 12-0078 – ***"Provisions Respecting Regulation of Short Sales and Failed Trades"*** *(March 2, 2012).*
	On July 4, 2013, the applicable securities commissions approved amendments to section 6.2, effective March 1, 2014, to add identifier requirements for direct electronic access clients and routing arrangements. See IIROC Notice 13-0184 ***– Provisions Respecting Third-Party Electronic Access to Marketplaces*** *issued July 4, 2013.*
	*On November 13, 2014, the applicable securities commissions approved amendments to 6.2, effective June 1, 2015, to require an identifier if the order requires an identifier under Dealer Member Rule 3200. See IIROC Notice 14-0263 – "****Provisions Respecting Order Execution Services as a Form of Third-Party Electronic Access to Marketplaces****" (November 13, 2014).*
	*On February 3, 2017, the applicable securities commissions approved amendments to section 6.2, effective September 14, 2017. See IIROC Notice 17-0039 – Notice of Approval – "****Amendments Respecting Designations and Identifiers****" (February 16, 2017).*
	*Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "****Amendments Respecting Client Identifiers****" (April 18, 2019).*
	*Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 21-0236 - Rules Notice – Notice of Approval – UMIR – "****Housekeeping amendments to UMIR 6.2 to update reference to IIROC Rules****" (December 16, 2021).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 6.2 to add designations and identifiers applicable to trading in a listed derivative. See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

Guidance:	*See Market Integrity Notice 2002-012 –* ***"Regulation ID Order Markers and Order Inhibition During Regulatory Halts & Suspensions"*** *(July 9, 2012).*
Guidance:	*See Market Integrity Notice 2003-007 –* ***"Order Marking"*** *(March 27, 2003).*
Repealed Guidance:	*See Market Integrity Notice 2005-003 -* ***"Marking Jitney Orders"*** *(March 4, 2005). This Notice was repealed and replaced by IIROC Notice 13-0185 –****"Guidance Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
Repealed Guidance:	*See Market Integrity Notice 2006-014 -* ***"Insider" and "Significant Shareholder" Markers****" (June 16, 2000). This Notice was repealed and replaced by IIROC Notice 10-0121* ***– Guidance on ''Insider'' and ''Significant Shareholder'' Markers*** *(April 28, 2010).*
Repealed Guidance:	*See Market Integrity Notice 2007-004 - "****Marking Orders Received from Other Dealers"*** *(February 28, 2007). This Notice was repealed and replaced by IIROC Notice 13-0185* ***– "Guidance Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
Repealed Guidance:	*See Market Integrity Notice 2007-016 -* ***"Specific Questions Related to "Insider" Marking Requirements" (****August 10, 2007). This Notice was repealed and replaced by IIROC Notice 10-0121 –* ***"Guidance on ''Insider'' and ''Significant Shareholder'' Markers"*** *(April 28, 2010).*
Repealed Guidance:	*See IIROC Notice 08-0033 –* **"New Procedures for Order Marker Corrections"** *(July 15, 2008). This Notice was repealed and replaced effective July 26, 2021 by IIROC Notice 21-0122 – "****Marker Corrections and Use of the Regulatory Marker Correction System****" (July 12, 2021).*
Repealed Guidance:	*See IIROC Notice 08-0050 –* ***"User Guide for the Regulatory Marker Correction Form"*** *(July 30, 2008). This Notice was repealed and replaced effective July 26, 2021 by IIROC Notice 21-0122 – "****Marker Corrections and Use of the Regulatory Marker Correction System****" (July 12, 2021).*
Guidance:	*See IIROC Notice 09-0128 –* ***"Specific Questions Related To The Use of The Bypass Order Marker"*** *(May 1, 2009).*
Guidance:	*See IIROC Notice 10-0121 –* ***"Guidance on ''Insider'' and ''Significant Shareholder'' Markers''*** *(April 28, 2010).*
Guidance:	*See IIROC Notice 12-0295 –* ***"Specific Questions Related To Dark Liquidity Rule Amendments"*** *(October 9, 2012).*
Repealed Guidance:	*See IIROC Notice 12-0300 –* ***"Guidance on "Short Sale" and "Short-Marking Exempt"*** *Order Designations" (October 11, 2012). This Notice was repealed and replaced effective April 11, 2016 by IIROC Notice 16-0029 – "****Updated Guidance on "Short Sale" and "Short-Marking Exempt" Order Designations****" (February 11, 2016).*
Guidance:	*See IIROC Notice 13-0053 –* ***"Guidance on Certain Manipulative and Deceptive Trading Practices"*** *(February 14, 2013).*
Guidance:	*See IIROC Notice 13-0185* ***– "Guidance Regarding Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
Partially Repealed Guidance:	*See Notice 14-0264 - "****Guidance Respecting Order Execution only as a Form of Third-Party Electronic Access to Marketplaces****" (November 13, 2014). Item 4 in reference to client account numbers in ACCOUNT_ID field of each order and Question 1 in Item 5 of this Notice were partially repealed and replaced effective July 26, 2021 by IIROC Notice 21-0099 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers****" (May 25, 2021).*
Guidance:	*See IIROC Notice* 15-0135 *– "****Alternative Guidance on "Insider" Order Marking****" (June 24, 2015).*
Guidance:	*See IIROC Notice 16-0029 – "****Updated Guidance on "Short Sale" and "Short-Marking Exempt" Order Designations****" (February 11, 2016).*
Repealed Guidance:	*See IIROC Notice 19-0133 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only Client Accounts****" (August 6, 2019). This Notice was repealed and replaced effective July 26, 2021 by IIROC Notice 21-0099 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers****" (May 25, 2021).*
Guidance:	*See IIROC Notice 21-0099 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers****" (May 25, 2021).*
Guidance:	*See IIROC Notice 21-0122 – "****Marker Corrections and Use of the Regulatory Marker Correction System****" (July 12, 2021).*
Disciplinary Proceedings:	*Rule 6.2(1)(b)(viii) and (x) was considered* ***In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.*** *See Disciplinary Proceedings under Rule 3.1.*

Disciplinary Proceedings:	***In the Matter of Union Securities Ltd. ("Union") (April 18, 2006) DN 2006-004***
	Facts – Between 15 October 2002 and 31 July 2005, Union failed to implement adequate trade supervision and compliance systems and appoint a Head of Trading with the effective responsibility for supervising trading. In failing to do so, Union's supervisory system could not adequately mitigate certain risks to the marketplace which were identified by RS in the course of its trade desk reviews. In particular, Union failed to update its written policies and procedures in a timely fashion to ensure that orders entered on a marketplace contained acceptable order designations, failed conduct accurate internal auditing and maintain an appropriate audit trail in its paper ticket practices. *Disposition – A Participant is required to implement an updated trade supervision and compliance system which is appropriate for its business and which allows the Participant and its directors, officers, partners and employees to detect, prevent and address violations or a possible violations of UMIR. Union failed to adopt, implement and update its trading supervision and compliance policies and procedures such that they met the minimum requirements under UMIR.* *Requirements Considered – Rules 6.2, 10.11, 7.1 and Policy 7.1* *Sanction – $150,000 fine; certification to RS by Union's President and a director of Union (on behalf of the Board of Directors) that:* *a) on or before 30 May 2006 Union will implement all of the recommendations made in the Consultant Report,* *b) on or before 30 July 2006 Union has implemented all of the recommendations made in the Consultancy Report, including developing implementing, and filing with RS, enhanced supervision and compliance procedures to reduce incidence of audit trail deficiencies, and* *c) on or before 30 September 2006, that they expect the procedures Union has implemented will reduce audit trail deficiency rates to less than 10%.* *Also, Union will consent to and cooperate with any and all reasonable trade desk review and information requests from RS to monitor progress on achieving targets.*
Disciplinary Proceedings:	*Rule 6.2(1)(b) was considered* ***In the Matter of Raymond James Ltd. ("Raymond James") and Marc Deslongchamps ("Deslongchamps") (June 30, 2006) DN 2006-006.*** *See Disciplinary Proceedings under Rule 5.3*
Disciplinary Proceedings:	***In the Matter of Golden Capital Securities Ltd. ("Golden"), Jack Finkelstein ("Finkelstein") and Jeff Rutledge ("Rutledge") (November 23, 2007) DN 2007-004***
	Facts – Between April 1, 2002 and July 31, 2005, Golden was deficient in a number of its order designation and audit trail requirements. Golden also failed to appoint a Head of Trading and trading supervisor and failed to ensure its employees with trade supervision functions were properly trained. *Between June 2004 and March 2005, Finkelstein participated in several trades that involved matching buy and sell orders to "cross" securities that were either missing or contained inaccurate order information related to the size, price, time of receipt and/or variations to an order. In one case Finkelstein failed to correctly designate the inventory side of a client/principal cross involving 50 standard trading units or less which resulted in the cross being executed without the required price improvement to the client.* *Between June 2004 and March 2005, Rutledge participated in several trades involving matching buy and sell orders to "cross" securities that were either missing or contained inaccurate order information related to the size, price, time of receipt and/or variations to an order. In one case Rutledge failed to correctly designate the inventory side of a client/principal cross involving 50 standard trading units or less which resulted in the cross being executed without the required price improvement to the client.* *Disposition – By failing to ensure that each order entered on a marketplace contained the proper order designations and failing to implement adequate policies and procedures to ensure compliance with UMIR, Golden contravened Rule 6.2(1)(b), Rule 7.1, Rule 7.1(3) and Policy 7.1 of UMIR. Finkelstein and Rutledge, by failing to record all order designations and information required with respect to the entry of an order on a marketplace and failing to ensure that a client order executed against a principal order or non-client order receive the required price improvement breached Rules 6.2, 6.2(1)(b) and 8.1 of UMIR.* *Requirements Considered – Rules 6.2, 7.1, 8.1, 10.11 and Policy 7.1* *Sanction – Golden - $180,000 fine and costs of $20,000;* *Finkelstein - $25,000 fine; and* *Rutledge - $35,000 fine and costs of $5,000.*

Disciplinary Proceedings:	***<u>In the Matter of Vinh-Phat Nguyen-Qui ("Nguyen-Qui")</u> (October 11, 2012) DN 12-0298***
	Facts – Between October and December 2009 (the "Relevant Period"), Nguyen-Qui, a Registered Representative employed by W.D. Latimer Co. Limited, entered buy and sell orders on the TSX in the pre-opening market and cancelled them prior to market opening for the sole objective of acquiring a better chronological position once the market opened. Nguyen-Qui also entered short sale orders in the pre-opening market without designating them as short sales and/or at a price below the last sale price as indicated in the consolidated market display.
	Disposition – In the Relevant Period, Nguyen-Qui entered orders he knew or ought to reasonably have known would create or could reasonably be expected to create, a false or misleading appearance of trading activity or interest in the purchase or sale of the security, contrary to UMIR 2.2(2)(a); entered short sale orders in the pre-opening market without proper designation contrary to UMIR 6.2(1)(b)(viii); and entered short sale orders in the pre-opening market below the last sale price, contrary to UMIR 3.1(1).
	Requirements Considered – Rule 2.2(2)(a), 3.1(1) and 6.2(1)(b)(viii).
	Sanction – The Hearing Panel imposed a prohibition on Nguyen-Qui from accessing the market as a Registered Representative for a period of two months and a fine of $10,000 for the first violation plus fines of $5,000 for each of the two additional violations; Nguyen-Qui was also required to take the Trader Training Course again and pay costs in the amount of $10,000.

6.3 Exposure of Client Orders

(1) A Participant shall immediately enter for display on a marketplace that displays orders in accordance with Part 7 of the Marketplace Operation Instrument a client order to purchase or sell 50 standard trading units or less of a security unless:

(a) the client has specifically instructed the Participant to deal otherwise with the particular order;

(b) the Participant executes the order upon receipt at a better price;

(c) the Participant returns the order for confirmation of the terms of the order;

(d) the Participant withholds the order pending confirmation that the order complies with applicable securities requirements or, if applicable, the Marketplace Rules of any Exchange on which the security is listed or of any QTRS on which the security is quoted;

(e) the Participant determines based on market conditions that entering the order on a marketplace would not be in the best interests of the client;

(f) the order has a value of more than $100,000;

(g) the order is part of a trade to be made in accordance with Rule 6.4 by means other than entry on a marketplace; or

(h) the client has directed or consented to the order being entered on a marketplace as:

(i) a Call Market Order,

(ii) an Opening Order,

(iii) a Special Terms Order,

(iv) a Volume-Weighted Average Price Order,

(v) a Market-on-Close Order,

(vi) a Basis Order, or

(vii) a Closing Price Order.

(2) If a Participant withholds a client order from entry on a marketplace based on market conditions in accordance with clause (1)(e), the Participant may enter the order in parts over a period of time or adjust the terms of the order prior to entry but the Participant must guarantee that the client receives:

(a) a price at least as good as the price the client would have received if the client order had been executed on receipt by the Participant; and

(b) if the Participant executes the client order against a principal order or non-client order, a better price than the price the client would have received if the client order had been executed on receipt by the Participant.

POLICY 6.3 – EXPOSURE OF CLIENT ORDERS

Part 1 – Reviewing Small Orders for Market Impact

Rule 6.3 requires a Participant to immediately enter client orders for the purchase or sale of 50 standard trading units or less on a marketplace. This requirement is subject to certain exceptions. The Participant may withhold the order based on a determination that market conditions were such that immediate entry of the order would not be in the best interests of the client. If the order is withhold the Participant must guarantee that the client receives a price at least as good as the price the client would have received had the client order been executed on receipt by the Participant. If the order is executed against a principal order or non-client order the client must receive a better price.

Part 2 – Confirmation of Order Terms

Pursuant to Rule 6.3, a Participant may withhold entry of the order and return the order to its source for confirmation of its terms. For example, a Participant who receives an order to sell a security at $3 in a stock trading at $20 may return the order to the branch, as it is likely that either the price or the stock symbol is wrong.

Part 3 –Client Request to Withhold Order

A Participant does not have to immediately enter a client order on a marketplace if the client has requested that the order be withheld (for example, the client does not want the order executed in the open market but wishes to do a tax-related trade with their spouse). Any request must be specific to that order. A client cannot give a blanket request to withhold any future orders the client may give the Participant. Furthermore, the Participant may not solicit a request to withhold the order. A Participant must keep a record of the client's request to withhold orders for seven years from the date of the instruction and, for the first two years, the request must be kept in a readily accessible location.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Basis Order", "better price", "Call Market Order", "client order", "Closing Price Order", "Exchange", "Market-on-Close Order", "marketplace", "Marketplace Operation Instrument", "Marketplace Rules", "non-client order", "Opening Order", "Participant", "principal order", "QTRS", "Special Terms Order", "standard trading unit" and "Volume-Weighted Average Price Order"
	UMIR section 1.2(2) – "trade"
Related Provision:	*UMIR section 1.2(3) - Interpretation*
Regulatory History:	*Effective April 8, 2005, the applicable securities commissions approved an amendment to clause (h) of subsection (1) of Rule 6.3 to add subclause (vi). See 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 subsection (1) of Rule 6.3 to add the phrase "that displays orders in accordance with Part 7 of the Marketplace Operation Instrument" after the first occurrence of the word "marketplace" and to amend clause (h) to add subclause (vii). See Market Integrity Notice 2007-002 – ***"Provisions Respecting Competitive Marketplace"*** *(February 26, 2007).*
	On April 13, 2012, the applicable securities commissions approved amendments to subsection (1) of Rule 6.3, effective October 15, 2012, to add the phrase "for display" after the word "enter", to clause (e) of subsection (1) to add the phrase "on a marketplace" after the word "order" and to subsection (2) to add the phrase "on a marketplace" before the word "based". See IIROC Notice 12-0131 – ***"Provisions Respecting the Execution and Reporting of Certain "Off-Marketplace" Trades"*** *(April 13, 2012).*
	Effective December 9, 2013, the applicable securities commissions approved amendments to the

*French version of UMIR. See IIROC Notice 13-0294 – Notice of Approval and Implementation – "**Amendments to the French version of UMIR**" (December 9, 2013).*

Partially Repealed Guidance: *See Market Integrity Notice 2007-019 – **"Entering Client Orders on Non-Transparent Marketplaces and Facilities"** (September 21, 2007). Q. 2 and 6 of this Notice was partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "**Guidance on Best Execution**" (July 6, 2017).*

Disciplinary Proceedings: *Rule 6.3(1) was considered **In the Matter of TD Securities Inc. ("TDSI") (July 5, 2006) DN 2006-007.** See Disciplinary Proceedings under Rule 5.1.*

6.4 Trades to be on a Marketplace

(1) A Participant acting as principal or agent may not trade nor participate in a trade in a security by means other than the entry of an order on a marketplace.

(2) Subsection (1) does not apply to a trade:

(a) **Unlisted or Non-Quoted Security –** in a security which is not a listed security or a quoted security;

(b) **Regulatory Exemption –** required or permitted by a Market Regulator to be executed other than on a marketplace in order to maintain a fair or orderly market and provided, in the case of a listed security or quoted security, the Market Regulator requiring or permitting the order to be executed other than on a marketplace shall be the Market Regulator of the Exchange on which the security is listed or of the QTRS on which the security is quoted;

(c) **Error Adjustment –** to adjust by a journal entry an error in connection with a client order;

(d) **On a Foreign Organized Regulated Market –** executed on a foreign organized regulated market;

(e) **Outside of Canada –** executed as principal with a non-Canadian account or as agent if both the purchasers and seller are non-Canadian accounts provided the trade is reported to a marketplace or a foreign organized regulated market in accordance with the reporting requirements of the marketplace or foreign organized regulated market;

(f) **Term of Securities –** as a result of a redemption, retraction, exchange or conversion of a security in accordance with the terms attaching to the security;

(g) **Options –** as a result of the exercise of an option, right, warrant or similar pre-existing contractual arrangement;

(h) **Prospectus and Exempt Distributions** – pursuant to a prospectus, take-over bid, issuer bid, amalgamation, arrangement or similar transaction including any distribution of previously unissued securities by an issuer;

(i) **Non-Regulatory Halt, Delay or Suspension** – in a listed security or quoted security in respect of which trading has been halted, delayed or suspended in circumstances described in clause (3)(a) or subclause (3)(b)(i) of Rule 9.1 that is not listed, quoted or traded on a marketplace other than the Exchange or QTRS on which the security is halted, delayed or suspended provided such trade is reported to a marketplace;

(j) **Acceptable Foreign Trade Reporting Facility** – in a listed security or quoted security that is reported to an acceptable foreign trade reporting facility and :

(i) is more than 50 standard trading units and has a value of more that $100,000; or

(ii) originated from a contingent order related to a derivative transaction where the derivative transaction occurs outside of Canada and the trade in the listed or quoted security is handled by the same intermediary as the derivative transaction; or

(k) **Resale Restriction** - in a listed security that is:

(i) subject to a restricted period as determined in accordance with National Instrument 45-102 Resale of Securities, and

(ii) pursuant to a prospectus exemption available under applicable securities legislation; or

(3) The exemption provided for in clause (d) of subsection (2) is unavailable to an order of a Canadian account denominated in Canadian funds that:

(a) is part of an intentional cross;

(b) is part of a pre-arranged trade;

(c) is for more than 50 standard trading units; or

(d) has a value of $250,000 or more

if the entry of the order on a foreign organized regulated market would avoid execution against a better-priced order entered on a marketplace pursuant to Part 6 of the Trading Rules.

POLICY 6.4 – TRADES TO BE ON A MARKETPLACE

Part 1 – Trades Outside of Marketplace Hours

In accordance with section 6.1 of the Trading Rules, each marketplace shall set requirements in respect of the hours of trading to be observed by marketplace participants. Occasions may arise when a Participant may wish to make an agreement to trade as principal with a Canadian account, or to arrange a trade between a Canadian account and a non-Canadian account, outside of the trading hours of any marketplace that trades the particular security.

Rule 6.4 states that all trades must be executed on a marketplace unless otherwise exempted from this requirement. Participants are reminded of the exemption in clause (d) of Rule 6.4 that permits a trade on a foreign organized regulated market. Participants are also reminded of the exemption in clause (e) of Rule 6.4 that permits them to trade as principal with non-Canadian accounts off of a marketplace provided that any unwinding trade with a Canadian account is made in accordance with Rule 6.4.

A Participant may make an agreement to trade in a listed security or a quoted security with a Canadian account as principal or as agent outside of the trading hours of marketplaces, however, such agreements must be made conditional on execution of the trade on a

marketplace or on a foreign organized regulated market. There is no trade until such time as there is an execution on a marketplace or a foreign organized regulated market or the trade is otherwise completed in accordance with one of the exemptions set out in Rule 6.4. The trade on a marketplace is to be done at or immediately following the opening of the marketplace on which the order is entered. A Participant may cross the trade at the agreed-upon price provided that the normal Requirements on order displacement are followed. If the Participant determines that the condition of recording the agreement to trade on a marketplace or foreign organized regulated market cannot be met, the agreement to trade shall be cancelled. Use of an error account to preserve the transaction is prohibited.

Part 2 – Application to Foreign Affiliates and Others

The Market Regulator considers that any use by a Participant of another person that is not subject to Rule 6.4 in order to make a trade off of a marketplace (other than as permitted by one of the exemptions) to be a violation of clause (a) of subsection (2) of Rule 2.1 respecting specific unacceptable activities.

Although certain affiliated entities of a Participant, including their foreign affiliates, are not directly subject to Requirements, Rule 6.4 means that a Participant may not transfer an order to a foreign affiliate, or book a trade through a foreign affiliate, and execute the order in a manner that does not comply with Rule 6.4. In other words, an order directed to a foreign affiliate by the Participant or any other person subject to Rule 6.4 shall be executed on a marketplace unless one of the exemptions set out in Rule 6.4 applies. Foreign branch offices of a Participant are not separate from the Participant and as such are subject to Requirements.

Part 3 – Non-Canadian Accounts

Clause (e) of Rule 6.4 permits a Participant to trade off of a marketplace either as principal with a non-Canadian account or as agent for the purchaser and seller both of whom are non-Canadian accounts. A "non-Canadian account" is defined as 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). There may be certain situations arising where a Participant is uncertain whether a particular account is a "non-Canadian account" for the purpose of this exemption. In these situations the account should be treated as a “Canadian account”. The fact that an individual may be located temporarily outside of Canada, that a foreign location is used to place the order or as the address for settlement or confirmation of the trade does not alter the account's status as a Canadian account. Trades made by or on behalf of bona fide foreign subsidiaries of Canadian institutions are considered to be non-Canadian accounts, if the order is placed by the foreign subsidiary.

For the purpose of this Policy, the relevant client of the Participant is the person to whom the order is confirmed.

Part 4 – Reporting Foreign Trades

Clause (e) of Rule 6.4 requires a Participant to report to a marketplace any trade in a listed security or a quoted security that is made as principal with a non-Canadian account or as agent if both the purchaser and seller are non-Canadian accounts, unless the trade is reported to a foreign organized regulated market. If such an "outside Canada" trade has not been reported to a foreign organized regulated market, a Participant shall report such trade to a marketplace no later than the close of business on the next trading day. The report shall identify the security, volume, price (in the currency of the trade and in Canadian dollars) and time of the trade.

Part 5 – Application of UMIR to Orders Not Entered on a Marketplace

Under Rule 6.4, a Participant, when acting as principal or agent, may not trade nor participate in a trade in a security by means other than the entry of an order on a marketplace except in accordance with an exemption specifically enumerated within Rule 6.4. For the purposes of UMIR, a "marketplace" is defined as an Exchange, QTRS or an ATS and a "Participant" is defined essentially as a dealer registered in accordance with securities legislation of any jurisdiction and who is a member of an Exchange, a user of a QTRS or a subscriber to an ATS. If a person is a Participant, certain provisions of UMIR will apply to every order handled by that Participant even if the order is entered or executed on a marketplace that has not adopted UMIR as its market integrity rules or if the order is executed over-the-counter. In particular, the following provisions of UMIR and the Corporation Rules will apply to an order handled by a Participant notwithstanding that the order is not entered on a marketplace that has adopted UMIR:

- *Rule 4.1 prohibits a Participant from frontrunning certain client orders;*
- *Part C of Corporation Rule 3100 – Best Execution of Client Orders with respect to the "best execution obligation" of a client order;*
- *Rule 8.1 governing client-principal trading; and*
- *Rule 9.1 governing regulatory halts, delays and suspensions of trading.*

In accordance with Rule 11.9, UMIR will not apply to an order that is entered or executed on a marketplace in accordance with the Marketplace Rules of that marketplace as adopted in accordance with Part 7 of the Trading Rules or if the order is entered and executed on a marketplace or otherwise in accordance with the rules of an applicable regulation services provider or in accordance with the terms of an exemption from the application of the Trading Rules.

Part 6 – Foreign Currency Translation

If a trade is to be executed on a foreign organized regulated market in a foreign currency, the foreign trade price shall be converted to Canadian dollars using the exchange rate the Participant would have applied in respect of a trade of similar size on a foreign organized regulated market in that foreign jurisdiction in order to determine whether the condition in subsection (3) of Rule 6.4 restricting avoidance of Part 6 of the Trading Rules has been met. The Market Regulator regards a difference of one trading increment or less as "marginal" because the difference would be attributable to currency conversion. A Participant shall maintain with the record of the order the exchange rate used for the purpose of determining whether a better priced order existed on a marketplace and such information shall be provided

to the Market Regulator upon request in such form and manner as may be reasonably required by the Market Regulator in accordance with subsection (3) of Rule 10.11.

Defined Terms:	*NI 14-101 section 1.1(3) – "foreign jurisdiction", "issuer bid", "securities legislation" and "take-over bid"*
	NI 21-101 section 1.1 - "ATS", "marketplace participant", "member", "order", "regulation services provider", "subscriber" and "user"
	NI 21-101 section 1.3(1) – Interpretation -- "affiliated entity"
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Canadian account", "client order", "Exchange", "foreign organized regulated market", "intentional cross", "listed security", "Market Regulator", "marketplace", "Marketplace Rules", "non-Canadian account", "Participant", "pre-arranged trade", "quoted security", "QTRS", "related entity", "Requirements", "standard trading unit", "trading day", "trading increment", "Trading Rules" and "UMIR"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR section 2.1 and 4.1, UMIR Part 5, UMIR sections 6.1, 9.1, 10.11 and 11.9.*
Regulatory History:	*Effective May 16, 2008, the applicable securities commissions approved amendments to Rule 6.4 and Policy 6.4 to replace clauses (d) and (e) of Rule 6.4, add clause (i), and replace Policy 6.4. See Market Integrity Notice* 2008-008 – ***"Provisions Respecting "Off-Marketplace Trades"*** *(May 16, 2008).*
	Effective February 1, 2011, the applicable securities commissions approved amendments to Rule 6.4, including the introduction of subsections (1) and (2) and the addition of subsection (3). See IIROC Notice 11-0036 *– "**Provisions Respecting the Implementation of the Order Protection Rule"** (January 28, 2011).*
	Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 *– Notice of Approval and Implementation – "**Amendments to the French version of UMIR**" (December 9, 2013).*
	Effective September 1, 2016, the applicable securities commissions approved amendments to Part 2 and Part 5 of Policy 6.4. See IIROC Notice 16-0122 *– **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).*
	Effective January 2, 2018, the applicable securities commission approved amendments to Part 5 of Policy 6.4. See IIROC Notice 17-0137 *– "**Amendments Respecting Best Execution**" (July 6, 2017).*
	Effective November 7, 2018, the applicable securities commissions approved amendments to Rule 6.4 to add clause (j). See IIROC Notice 18-0154 *– **"Amendments Respecting the Reporting of Certain Trades to Acceptable Foreign Trade Reporting Facilities"** (August 9, 2018).*
	Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 20-0042 *- Rules Notice – Notice of Approval – UMIR **– "Housekeeping amendments to UMIR Following Implementation of IIROC Rules"** (March 5, 2020).*
	*Effective March 1, 2023, the applicable securities commissions approved amendments to UMIR 6.4(2)(k) to allow Participants to trade a listed security off-marketplace during a statutory resale restriction where the trading is permitted pursuant to a prospectus exemption. See Notice 22-0185 – "**Amendments Respecting the Codification of Certain UMIR Exemptions"** (December 1, 2022).*
Guidance:	*See Market Integrity Notice* 2003-009 *- **"Trades on an Organized Regulated Market"** (April 29, 2003).*
Guidance:	*See Market Integrity Notice* 2003-010 *- "**Trades in Debt Securities**" (May 5, 2003).*
Guidance:	*See Market Integrity Notice* 2003-017 *- **"Trades in Listed or Quoted Securities"** (August 20, 2003).*
Guidance:	*See Market Integrity Notice* 2003-026 *- **"Trades in TSX-Listed Tier 1 Financing Securities"** (issued on December 5, 2003).*
Guidance:	*See Market Integrity Notice* 2006-002 *- "**Guidance – 'When Issued' Trading**" (January 30, 2006).*
Guidance:	*See Market Integrity Notice* 2006-009 *- "**Guidance – Trades to be on a Marketplace When Acting As Agent**". (March 24, 2006).*
Guidance:	*See Market Integrity Notice* 2007-018 *- **"Specific Questions Related to Trading Listed Debt and Other Securities"**. (September 7, 2007).*
Guidance:	*See IIROC Notice* 09-0224 *- **"Procedures For Handling Certain Designated Trades As Principal"** (July 30, 2009).*

Guidance: *See IIROC Notice* 17-0138 – *"**Guidance on Best Execution**" (July 6, 2017).*

Guidance: *See Notice 22-0186 – "**Obtaining a Trading Exemption or Rule Interpretation**" (December 1, 2022).*

Disciplinary Proceedings: ***In the Matter of John Warwick Holland ("Holland") (October 29, 2002) OOS 2002-006***

Facts – Between April 1, 1999 and July 31, 1999, Holland, an investment advisor employed by Yorkton Securities Inc., facilitated the purchase of shares of a Vancouver Stock Exchange listed company for five clients. The acquisition of the shares was conducted by way of journal entries and not on an exchange.

Disposition – Subject to specific exemptions, which do not apply to these circumstances, all trades of exchange-listed securities must be conducted on a marketplace.

Requirements Considered – VSE Rules C.1.08. Comparable UMIR Provision - Rule 6.4.

Sanction - $10,000 voluntary payment and $3,500 for costs.

Disciplinary Proceedings: *Rule 6.4 was considered **In the Matter of Louis Anthony De Jong ("DeJong") and Dwayne Barrington Nash ("Nash") (July 29, 2004) Decision 2004-004.** See Disciplinary Proceedings under 2.1.*

Disciplinary Proceedings: ***In the Matter of Credit Suisse First Boston Canada Inc. ("CSFB") (December 3, 2004) SA 2004-007***

Facts – On April 15, 2003, CSFB entered into an agreement to purchase, as principal, 9,047,092 BCE shares. Shortly thereafter CSFB and its affiliates began to contact clients (including Canadian clients) to line up purchasers for the shares. The indicated interest was greater than expected, and CSFB faced a significantly over-subscribed book. To avoid the displacement obligations associated with conducting the trade as a block trade or wide distribution on the TSX and on other markets, the firm decided to execute the take-on trade (principal buy) through the over-the-counter ("OTC") market in London and the unwinding trade (principal sell) in the OTC market in the United States. On April 16, 2003, as part of its unwinding trade to Canadian clients, CSFB executed the trade of 7,701,000 BCE shares to Canadian accounts on the New York OTC market prior to the opening of the market. CSFB subsequently reported details of the unwinding trade the NASD and NYSE. Later the same day the take-on trade was crossed through London with details of the transaction being reported to the Financial Services Authority ("FSA").

Disposition – Compliance with Rule 6.4(e) required that the "take-on" trade be reported to a marketplace, stock exchange or organized regulated market that publicly disseminates details of trades in the market. To the extent that the FSA does not publicly disseminate transaction reports, the take-on trade was not conducted in accordance with Rule 6.4.

Conducting a trade to Canadian clients in the OTC market in the United States outside of market hours, even if that trade is subsequently reported to the NYSE and NASD, does not constitute execution of a trade on "another exchange or organized regulated market that publicly disseminates details of trades in that market" within the purview Rule 6.4(d). CSFB executed the unwinding-trades to Canadian clients before the opening of the market with the knowledge that trades conducted prior to the opening of the markets would not be printed on a consolidated tape.

Requirements Considered – Rules 6.4 and 10.11(1).

Sanction - $1,350,000 fine and costs of $150,000.

Disciplinary Proceedings: *Rule 6.4 was considered **In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.** See Disciplinary Proceedings under Rule 3.1.*

Disciplinary Proceedings: ***In the Matter of Scotia Capital Inc. ("Scotia") (February 26, 2007) DN 2007-001***

Facts – In the period April 4, 2002 to April 18, 2005 an agency trader at Scotia Capital Inc. ("Scotia") and the registrant responsible for trading Scotia's proprietary book of preferred shares, engaged in a pattern of soliciting client orders during periods when Scotia was involved in a distribution of the subject securities. In total, 39 client orders were solicited in 16 new issues at times when Scotia was involved in a distribution. In respect of 15 of the solicitations, on or about the first day of trading, off-marketplace trades were conducted in the newly listed shares by selling them "short" from an inventory account at the distribution price. In respect of 24 of the solicitations, the trades to clients from an inventory account took place before the security was listed, in the "grey market". The short positions were covered by purchasing shares of the newly issued shares in the secondary market, in most cases at prices lower than the distribution price paid by clients during the distribution. The profit to the inventory account from shorting the shares was $731,959, of which Scotia received 80% ($571,167).

Disposition – The sale of securities from an inventory account were secondary market transactions, and as such, purchasers of the shares were not afforded the inherent rights that they would have been otherwise entitled to as purchasers of a "new issue" under a prospectus. In addition, the off-marketplace

	trades were improper and resulted in market participants potentially being misled as to the true nature of the demand for the shares and may have affected their investment decisions. Scotia is liable under UMIR for contraventions by its representatives between April 4, 2002 and October 14, 2003 of UMIR provisions related to trading by a Participant involved in a distribution of securities (28 occasions) and the requirement that trades be on a marketplace (5 occasions). *Requirements Considered – Rules 6.4, 7.7(5) (pre-May 2005 version), 10.3(1) and 10.3(4).* *Sanction – $571,167 fine and costs of $67,000.*
Disciplinary Proceedings:	***In the Matter of David Berry ("Berry") (January 17, 2013) DN 13-0018*** *Facts – Between April 2002 and April 2005 (the "Relevant Period"), Berry, Head of Preferred Trading and the registrant responsible for trading Scotia Capital's proprietary book of preferred shares, solicited Canadian client buy orders in new issues on or about the dates the new issues were publicly announced. Clients agreed to pay the distribution prices for the new issues prior to the date on which the securities were assigned a CUSIP number and the new issue began trading on the TSX. On the first day of trading, Berry conducted off-marketplace trades in the newly listed shares by selling them short from his inventory account to clients at the distribution price. The trades were not printed on a marketplace or organized regulated market. Berry subsequently covered the short positions in the newly listed shares created in the inventory account by buying shares in the marketplace, either on the first day of trading for the newly listed shares or at a later date or dates. IIROC alleged this was contrary to UMIR 7.7(5) [as it existed prior to May, 2005] and UMIR 6.4. Scotia Capital previously acknowledged breaches of UMIR 7.7(5) and 6.4.* *Held – Berry was entitled to the presumption of innocence and the fact that third party Scotia Capital acknowledged breaches of UMIR 7.7(5) and 6.4 did not in any way affect Berry. Berry traded in new, unlisted securities and thus did not contravene UMIR 6.4. The panel also determined that UMIR 7.7(5) was meant to prevent price manipulation of existing shares. Berry did not contravene UMIR 7.7(5) because he traded new, unlisted securities at the distribution price, and was therefore not capable of influencing the price of the securities.* *Requirements Considered – Rules 7.7(5) [as it existed prior to May, 2005] and 6.4.* *Disposition – The charges against Berry were dismissed.*

6.5 Minimum Size Requirements of Certain Orders Entered on a Marketplace

A Participant or Access Person shall not enter an order for the purchase or sale of a security on a marketplace if:

(a) the order is a Dark Order and the order does not exceed the number of units as designated from time to time by the Market Regulator for the purposes of this clause; or

(b) less than one standard trading unit of the order or such greater number of units as designated from time to time by the Market Regulator for the purposes of this clause will be displayed in a consolidated market display on the entry of the order on the marketplace and at any time prior to the full execution of the order.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "consolidated market display", "Dark Order", "Market Regulator", "marketplace", "Participant" and "standard trading unit"
Regulatory History:	*On April 13, 2012, the applicable securities commissions approved an amendment, effective October 15, 2012, to add section 6.5.*

6.6 Provision of Price Improvement by a Dark Order

(1) If a Participant or Access Person enters an order on a marketplace for the purchase or sale of a security that order may execute with a Dark Order provided the order entered by the Participant or Access Person is executed:

(a) at a better price;

(b) in the case of a purchase, at the best ask price if:

(i) the order on entry to the marketplace is for more than 50 standard trading units and has a value of more than $30,000 or has a value of more than $100,000, and

(ii) on the execution of the trade with the Dark Order, no orders for the sale of the security included in the calculation of the best ask price are displayed on that marketplace at that best ask price; or

(c) in the case of a sale, at the best bid price if:

(i) the order on entry to the marketplace is for more than 50 standard trading units and has a value of more than $30,000 or has a value of more than $100,000, and

(ii) on the execution of the trade with the Dark Order, no orders for the purchase of the security included in the calculation of the best bid price are displayed on that marketplace at that best bid price.

(2) Subsection (1) does not apply if the order entered by the Participant or Access Person is:

(a) a Basis Order;

(b) a Call Market Order;

(c) a Closing Price Order;

(d) a Market-on-Close Order;

(e) an Opening Order;

(f) a Volume-Weighted Average Price Order; or

(g) for less than one standard trading unit.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "Basis Order", "best ask price", "best bid price", "better price", "Call Market Order", "Closing Price Order", "Dark Order", "Market-on-Close Order", "Market Regulator", "marketplace", "Opening Order", "Participant", "standard trading unit" and "Volume-Weighted Average Price Order"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*On April 13, 2012, the applicable securities commissions approved an amendment, effective October 15, 2012, to add section 6.6.*
	*Effective July 30, 2015, the applicable securities commission approved an amendment to subsection 6.6(2). See IIROC Notice 15-0168 – "**Dark Order Price Improvement Obligations When Trading Against an Odd-Lot Order**" (July 30, 2015).*

	*Effective February 4, 2020, the applicable securities commission approved amendments to subsection 6.6 (1). See IIROC Notice 19-0134 – "**Amendments Respecting Provision of Price Improvement by a Dark Order**" (August 8,2019).*
Guidance:	*See IIROC Notice 12-0295 – **"Specific Questions Related To Dark Liquidity Rule Amendments"** (October 9, 2012).*

PART 7 – TRADING IN A MARKETPLACE

7.1 Trading Supervision Obligations

(1) Each Participant shall develop, implement and maintain written policies and procedures to be followed by directors, officers, partners and employees of the Participant that are reasonably designed, taking into account the business and affairs of the Participant, to ensure compliance with UMIR and each Policy as applicable.

(2) Prior to the entry of an order on a marketplace by a Participant, the Participant shall comply with:

(a) applicable regulatory standards with respect to the review, acceptance and approval of orders;

(b) the policies and procedures adopted in accordance with subsection (1); and

(c) all applicable requirements of UMIR and each Policy.

(3) Each Participant shall appoint a head of trading who shall be responsible to supervise the trading activities of the Participant in a marketplace.

(4) The head of trading together with each person who has authority or supervision over or responsibility to the Participant for an employee of the Participant shall fully and properly supervise such employee as necessary to ensure the compliance of the employee with UMIR and each Policy.

(5) Notwithstanding any other provision of this Rule, a Participant or Access Person shall not mark an order on entry to a marketplace as a directed action order unless the Participant or Access Person has established, maintained and ensured compliance with written policies and procedures that are reasonably designed to prevent trade-throughs other than those trade-throughs permitted in Part 6 of the Trading Rules.

(6) Notwithstanding any other provision of this Rule, a Participant or an Access Person shall adopt, document and maintain a system of risk management and supervisory controls, policies and procedures reasonably designed, in accordance with prudent business practices, to ensure the management of the financial, regulatory and other risks associated with:

(a) access to one or more marketplaces; and

(b) if applicable, the use by the Participant, any client of the Participant or the Access Person of an automated order system.

(7) A Participant may, on a reasonable basis:

(a) authorize an investment dealer to perform on its behalf the setting or adjusting of a specific risk management or supervisory control, policy or procedure; or

(b) use the services of a third party that provides risk management and supervisory controls, policies and procedures.

(8) An authorization over the setting or adjusting of a specific risk management or supervisory control, policy or procedure or retaining the services of a third party under subsection (7) must be in a written agreement with the investment dealer or third party that;

(a) precludes the investment dealer or third party from providing any other person control over any aspect of the specific risk management or supervisory control, policy or procedure;

(b) unless the authorization is to an investment dealer that is a Participant, precludes the authorization to the investment dealer over the setting or adjusting of a specific risk management or supervisory control, policy or procedure respecting an account in which the investment dealer or a related entity of the investment dealer holds a direct or indirect interest other than an interest in the commission charged on a transaction or reasonable fee for the administration of the account; and

(c) precludes the use of a third party unless the third party is independent of each client of the Participant other than affiliates of the Participant.

(9) A Participant shall forthwith notify the Market Regulator:

(a) upon entering into a written agreement with an investment dealer or third party described in subsection (8), of:

(i) the name of the investment dealer or third party, and

(ii) the contact information for the investment dealer or the third party which will permit the Market Regulator to deal with the investment dealer or third party immediately following the entry of an order or execution of a trade for which the Market Regulator wants additional information; and

(b) of any change in the information described in clause (a).

(10) The Participant shall review and confirm:

(a) at least annually that:

(i) the risk management and supervisory controls, policies and procedures under subsection (6) are adequate,

(ii) the Participant has maintained and consistently applied the risk management and supervisory controls, policies and procedures since the establishment of the controls, policies and procedures or the date of the last annual review, and

(iii) any deficiency in the adequacy of a control, policy or procedure has been documented and promptly remedied;

(b) if the Participant has authorized an investment dealer to perform on its behalf the setting or adjusting of a specific risk management or supervisory control, policy or procedure or retained the services of a third party, at least annually by the anniversary date of the written agreement with the investment dealer or third party that:

(i) the risk management and supervisory controls, policies and procedures adopted by the investment dealer or third party under subsection (6) are adequate,

(ii) the investment dealer or third party has maintained and consistently applied the risk management and supervisory controls, policies and procedures since the establishment of the controls, policies and procedures or the date of the last annual review,

(iii) any deficiency in the adequacy of a control, policy or procedure has been documented by the Participant and promptly remedied by the investment dealer or third party, and

(iv) the investment dealer or third party is in compliance with the written agreement with the Participant.

POLICY 7.1 – TRADING SUPERVISION OBLIGATIONS

Part 1 – Responsibility for Supervision and Compliance

For the purposes of Rule 7.1, a Participant shall supervise its employees, directors and officers and, if applicable, partners to ensure that trading in securities or derivatives on a marketplace (an Exchange, QTRS or ATS) is carried out in compliance with the applicable Requirements (which includes provisions of securities legislation, UMIR, the Trading Rules and the Marketplace Rules of any applicable Exchange or QTRS). An effective supervision system requires a strong overall commitment on the part of the Participant, through its board of directors, to develop and implement a clearly defined set of policies and procedures that are reasonably designed to prevent and detect violations of Requirements. The board of directors of a Participant is responsible for the overall stewardship of the firm with a specific responsibility to supervise the management of the firm. On an ongoing basis, the board of directors must ensure that the principal risks for non-compliance with Requirements have been identified and that appropriate supervision and compliance procedures to manage those risks have been implemented.

Management of the Participant is responsible for ensuring that the supervision system adopted by the Participant is effectively carried out. The head of trading and any other person to whom supervisory responsibility has been delegated must fully and properly supervise all employees under their supervision to ensure their compliance with Requirements. If a supervisor has not followed the supervision procedures adopted by the Participant, the supervisor will have failed to comply with their supervisory obligations under Rule 7.1(4).

When the Market Regulator reviews the supervision system of a Participant (for example, when a violation occurs of Requirements), the Market Regulator will consider whether the supervisory

system is reasonably well designed to prevent and detect violations of Requirements and whether the system was followed.

The compliance department is responsible for monitoring and reporting adherence to rules, regulations, requirements, policies and procedures. In doing so, the compliance department must have a compliance monitoring system in place that is reasonably designed to prevent and detect violations. The compliance department must report the results from its monitoring to the Participant's management and, where appropriate, the board of directors, or its equivalent. Management and the board of directors must ensure that the compliance department is adequately funded, staffed and empowered to fulfill these responsibilities.

The obligation to supervise applies whether the order is entered on a marketplace:

- *by a trader employed by the Participant,*
- *by an employee of the Participant through an order routing system,*
- *directly by a client and routed to a marketplace through the trading system of the Participant, or*
- *by any other means.*

In performing the trading supervision obligations, the Participant will act as a "gatekeeper" to help prevent and detect violations of applicable Requirements.

When an order is entered on a marketplace by direct electronic access, under a routing arrangement or through an order execution service, the Participant retains responsibility for that order and the supervision policies and procedures should adequately address the additional risk exposure which the Participant may have for orders that are not directly handled by staff of the Participant. For example, it may be appropriate for the Participant to sample for compliance testing a higher percentage of orders that have been entered by a client under direct electronic access, an investment dealer or foreign dealer equivalent under a routing arrangement or a client through an order execution service than the percentage of orders sampled in other circumstances.

In addition, the "post order entry" compliance testing should recognize that the limited involvement of staff of the Participant in the entry of orders by a client under direct electronic access, an investment dealer or foreign dealer equivalent under a routing arrangement or a client through an order execution service may restrict the ability of the Participant to detect orders that are not in compliance with specific rules. For example, "post order entry" compliance testing may be focused on whether an order entered by a client under direct electronic access , an investment dealer or foreign dealer equivalent under a routing arrangement or a client through an order execution service:

- *has created an artificial price contrary to Rule 2.2;*
- *is part of a "wash trade" (in circumstances where the client has more than one account with the Participant);*
- *is an unmarked short sale (if the trading system of the Participant does not automatically code as "short" any sale of a security not then held in the account of the client other than a client required to use the "short-marking exempt" designation); and*
- *has complied with other order marking requirements and in particular the requirement to mark an order as from an insider or significant shareholder (unless the trading system of the Participant restricts trading activities in affected securities or derivatives).*

Part 2 – Minimum Elements of a Supervision System

For the purposes of Rule 7.1, a supervision system consists of both policies and procedures aimed at preventing violations from occurring and compliance procedures aimed at detecting whether violations have occurred.

The Market Regulator recognizes that there is no one supervision system that will be appropriate for all Participants. Given the differences among firms in terms of their size, the nature of their business, whether they are engaged in business in more than one location or jurisdiction, the experience and training of their employees and the fact that effective compliance can be achieved in a variety of ways, this Policy does not mandate any particular type or method of supervision of trading activity. Furthermore, compliance with this Policy does not relieve Participants from complying with specific Requirements that may apply in certain circumstances. In particular, in accordance with subsection (2) of Rule 10.1, orders entered (including orders entered by a client under direct electronic access, an investment dealer or foreign dealer equivalent under a routing arrangement or by a client through an order execution service) must comply with the Marketplace Rules on which the order is entered and the Marketplace Rules on which the order is executed.

Participants must develop, implement and maintain supervision and compliance procedures that exceed the elements identified in this Policy where the circumstances warrant. For example, previous disciplinary proceedings, warning and caution letters from the Market Regulator or the identification of problems with the supervision system or procedures by the Participant or the Market Regulator may warrant the implementation of more frequent supervision or compliance testing and more detailed supervision or compliance procedures.

Regardless of the circumstances of the Participant, however, every Participant must:

1. *Identify the relevant Requirements, securities laws and other regulatory requirements that apply to the lines of business in which the Participant is engaged (the "Trading Requirements").*
2. *Document the supervision system by preparing a written policies and procedures manual. The manual must be accessible to all relevant employees. The manual must be kept current and Participants are advised to maintain an historical copy.*
3. *Ensure that employees responsible for trading in securities or derivatives are appropriately registered and trained and that they are knowledgeable about the Trading Requirements that apply to their responsibilities. Persons with supervisory responsibility must ensure that employees under their supervision are appropriately registered and trained. Each Participant should provide a continuing training and education program to ensure that its employees remain informed of and knowledgeable about changes to the rules and regulations that apply to their responsibilities.*
4. *Designate individuals responsible for supervision and compliance. The compliance function must be conducted by persons other than those who supervise the trading activity.*
5. *Develop and implement supervision and compliance procedures that are appropriate for the Participant's size, lines of business in which it is engaged and whether the Participant carries on business in more than one location or jurisdiction.*

6. *Identify the steps the Participant will take when a violation or possible violation of a Requirement or any regulatory requirement has been identified. These steps shall include the procedure for the reporting of the violation or possible violation to the Market Regulator if required by Rule 10.16. If there has been a violation or possible violation of a Requirement, identify the steps that would be taken by the Participant to determine if:*
    - *additional supervision should be instituted for the employee, the account or the business line that may have been involved with the violation or possible violation of a Requirement; and*
    - *the written policies and procedures that have been adopted by the Participant should be amended to reduce the possibility of a future violation of the Requirement.*
7. *Review the supervision system at least annually to ensure it continues to be reasonably designed to prevent and detect violations of Requirements. More frequent reviews may be required if past reviews have detected problems with supervision and compliance.*
8. *Document each step of the compliance review process to include details of the following:*
    - *individual(s) who conducted the review*
    - *date(s) of the review*
    - *sources of information used to conduct the review, including the initial alert that may have been triggered*
    - *sample(s) used to conduct the review and the criteria for sample selection (if samples are used)*
    - *queries made to the trader, client, and anyone else who handled the order, if any*
    - *results of the review*
    - *measures taken to escalate concerns , if any*
    - *corrective actions taken, if any.*
9. *Maintain results of all reviews for at least five years.*
10. *Report to the board of directors of the Participant or, if applicable, the partners, a summary of the compliance reviews conducted and the results of the supervision system review. These reports must be made at least annually. If the Market Regulator or the Participant identifies significant issues concerning the supervision system or compliance procedures, the board of directors or, if applicable, the partners, must be advised immediately.*

Part 3 – Supervision and Compliance Procedures for Trading on a Marketplace

Each Participant must develop, implement and maintain supervision and compliance procedures for trading in securities or derivatives on a marketplace that are appropriate for its size, the nature of its business and whether it carries on business in more than one location or jurisdiction. Such procedures should be developed having regard to the training and experience of its employees and whether the firm or its employees have been previously

disciplined or warned by the Market Regulator concerning the violations of the Requirements. Participants must identify any high-risk areas and ensure that their policies and procedures are adequately designed to address these heightened risks.

In developing supervision systems, Participants must identify any exception reports, trading data and any other relevant documents to be reviewed. In appropriate cases, relevant information that cannot be obtained or generated by the Participant should be sought from sources outside the firm including from the Market Regulator.

Each Participant must develop written policies and procedures in relation to all Requirements that apply to their business activities. A Participant's supervision system must at a minimum include the regular review of compliance with respect to the following provisions for trading on a marketplace where applicable to their lines of business:

- *Audit Trail requirements (Rule 10.11)*
- *Electronic Access to Marketplaces (Rule 7.1)*
- *Specific Unacceptable Activities (Rule 2.1)*
- *Manipulative and Deceptive Activities (Rule 2.2)*
- *Trading in restricted securities (Rule 7.7)*
- *Trading of grey list securities (Rule 2.2)*
- *Disclosure requirements (Rule 10.1)*
- *Frontrunning (Rule 4.1)*
- *Client/Principal Trading (Rule 8.1)*
- *Client Priority (Rule 5.3)*
- *Best Execution (Part C of Corporation Rule 3100 – Best Execution of Client Orders)*
- *Order Exposure requirements (Rule 6.3)*
- *Time synchronization requirements (Rule 10.14).*

Each Participant must develop, implement and maintain a risk-based supervision system that identifies and prioritizes those areas that pose the greatest risk of violations of Requirements. This enables the Participant to focus its review on the areas that pose a higher risk of non-compliance with Requirements. The frequency of review and sample size used in reviews must be commensurate with, among other things:

- *the Participant's size (considering factors such as revenue, market share, market exposure and volume of trades)*
- *the Participant's organizational structure*
- *number and location of the Participant's offices*
- *the nature and complexity of the products and services offered by the Participant*
- *the number of registrants assigned to a location*
- *the disciplinary history of registered representatives or associated persons*
- *the risk profile of the Participant's business and any indicators of irregularities or misconduct i.e. "red flags".*

Part 4 – Specific Procedures Respecting Client Priority

Each Participant must develop, implement and maintain a supervision system to ensure its trading does not violate Rule 5.3-

The purpose of the Participant's compliance review is to ensure that inventory or non-client orders are not knowingly traded ahead of client orders. This would occur if a client order is withheld from entry into the market and a person with knowledge of that client order enters another order that will trade ahead of it. Doing so could take a trading opportunity away from the client. Withholding an order for normal review and order handling is allowed under Rule5.3 and Part C of Corporation Rule 3100 – Best Execution of Client Orders, as this is done to ensure that the client gets a good execution. To ensure that a supervision system is effective it must address potential problem situations where trading opportunities may be taken away from clients.

Part 5 – Specific Procedures Respecting Manipulative and Deceptive Activities and Reporting and Gatekeeper Obligations

Each Participant must develop, implement and maintain a supervision system to ensure that orders entered on a marketplace by or through a Participant are not part of a manipulative or deceptive method, act or practice nor an attempt to create an artificial price or a false or misleading appearance of trading activity or interest in the purchase or sale of a security or a derivative.

In particular, the policies and procedures must address:

- *the steps to be taken to monitor the trading activities of:*
    - *an insider or an associate of an insider*
    - *part of or an associate of a promotional group or other group with an interest in effecting an artificial price, either for banking and margin purposes, for purposes of effecting a distribution of the securities of the issuer or for any other improper purpose*
- *the steps to be taken to monitor the trading activity of any person who has multiple accounts with the Participant including other accounts in which the person has an interest or over which the person has direction or control*
- *those circumstances when the Participant is unable to verify certain information (such as the beneficial ownership of the account on behalf of which the order is entered, unless that information is required by applicable regulatory requirements)*
- *the fact that orders which are intended to or which affect an artificial price are more likely to appear at the end of a month, quarter or year or on the date of the expiry of options where the underlying interest is a listed security, and*
- *the fact that orders which are intended to or which affect an artificial price or a false or misleading appearance of trading activity or investor interest are more likely to involve securities or derivatives with limited liquidity.*

A Participant will be able to rely on information contained on a "New Client Application Form" or similar know-your-client record maintained in accordance with requirements of securities legislation or a self-regulatory entity provided such information has been reviewed periodically in accordance with such requirements and any additional practices of the Participant.

While a Participant cannot be expected to know the details of trading activity conducted by a client through another dealer, nonetheless, a Participant that provides advice to a client on the suitability of investments should have an understanding of the financial position and assets of

the client and this understanding would include general knowledge of the holdings by the client at other dealers or directly in the name of the client. The supervision system of the Participant should allow the Participant to take into consideration, information which the Participant has collected respecting accounts at other dealers as part of the completion and periodic updating of the "New Client Application Form".

Each Participant must review a sample of its trading for manipulative and deceptive activities at least on a quarterly basis.

Part 6 – Specific Provisions Respecting Trade-throughs

Each Participant must develop, implement and maintain a supervision system to ensure that an order:

- *marked as "directed action order" in accordance with Rule 6.2 does not result in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules; or*
- *entered on a foreign organized regulated market complies with the conditions in subsection (3) of Rule 6.4.*

Each Access Person must adopt written policies and procedures reasonably designed to detect and prevent an order marked as a "directed action order" in accordance with Rule 6.2 from resulting in a trade-through other than a trade-through permitted under Part 6 of the Trading Rules.

The policies and procedures must set out the steps or process to be followed by the Participant or Access Person to ensure that the execution of an order does not result in a trade-through. The policies and procedures must specifically address the circumstances when the bypass order marker will be used in conjunction with a "directed action order". These policies and procedures must address the steps which the Participant or Access Person will undertake on a regular basis, which shall not be less than monthly, to test that the policies and procedures are adequate.

Part 7 – Specific Provisions Applicable to Electronic Access

Trading supervision related to electronic access to marketplaces must be performed by a Participant or Access Person in accordance with a documented system of risk management and supervisory controls, policies and procedures reasonably designed to ensure the management of the financial, regulatory and other risks associated with electronic access to marketplaces.

The risk management and supervisory controls, policies and procedures employed by a Participant or Access Persons must include:

- *automated controls to examine each order before entry on a marketplace to prevent the entry of an order which would result in:*
  - *the Participant or Access Person exceeding pre-determined credit or capital thresholds*
  - *a client of the Participant exceeding pre-determined credit or other limits assigned by the Participant or to that client, or*
  - *the Participant, Access Person or client of the Participant exceeding pre-determined limits on the value or volume of unexecuted orders for a particular security or derivative or class of securities or derivatives*

- *provisions to prevent the entry of an order that is not in compliance with applicable Requirements*
- *provision of immediate order and trade information to compliance staff of the Participant or Access Person*
- *regular post-trade monitoring for compliance with Requirements.*

A Participant or Access Person is responsible and accountable for all functions that they outsource to a service provider as set out in Part 11 of Companion Policy 31-103CP Registration Requirements and Exemptions.

Supervisory and compliance monitoring procedures must be designed to detect and prevent account activity that is or may be a violation of Requirements which includes applicable securities legislation, requirements of any self-regulatory organization applicable to the account activity and the rules and policies of any marketplace on which the account activity takes place. These procedures must include "post-order entry" compliance testing enumerated under Part 1 of Policy 7.1 to detect orders that are not in compliance with specific rules, and by addressing steps to monitor trading activity, as provided under Part 5 of Policy 7.1, of any person who has multiple accounts, with the Participant and other accounts in which the person has an interest or over which the person has direction or control.

Part 8 – Specific Provisions Applicable to Automated Order Systems

Trading supervision by a Participant or Access Person must be in accordance with a documented system of risk management and supervisory controls, policies and procedures reasonably designed to ensure the management of the financial, regulatory and other risks associated with the use of an automated order system by the Participant, the Access Person or any client of the Participant.

Each Participant or Access Person must have a level of knowledge and understanding of any automated order system used by the Participant, the Access Person or any client of the Participant that is sufficient to allow the Participant or Access Person to identify and manage the risks associated with the use of the automated order system.

The Participant or Access Person must ensure that every automated order system used by the Participant, the Access Person or any client of the Participant is tested in accordance with prudent business practices initially before use and at least annually thereafter. A written record must be maintained with sufficient details to demonstrate the testing of the automated order system undertaken by the Participant, Access Person and any third party employed to provide the automated order system or risk management or supervisory controls, policies and procedures.

The scope of appropriate order and trade parameters, policies and procedures should be tailored to the strategy or strategies being pursued by an automatic order system with due consideration to the potential market impact of defining such parameters too broadly and in any event must be set so as not to exceed the limits publicly disclosed by the Market Regulator for the exercise of the power of a Market Integrity Official under Rule 10.9 of UMIR.

The Market Regulator expects the risk management and supervisory controls, policies and procedures to comply with the Electronic Trading Rules and be reasonably designed to prevent the entry of any order that would interfere with fair and orderly markets. This includes adoption of compliance procedures for trading by clients, if applicable, containing detailed guidance on how testing of client orders and trades is to be conducted to ensure that prior to engagement and at least annually thereafter, each automated order system is satisfactorily tested assuming various market conditions. In addition to regular testing of the automated order systems, preventing interference with fair and orderly markets requires development of pre-programmed

internal parameters to prevent or "flag" with alerts on a real-time basis, the entry of orders and execution of trades by an automated order system that exceed certain volume, order, price or other limits.

Each Participant or Access Person must have the ability to immediately override or disable automatically any automated order system and thereby prevent orders generated by the automated order system from being entered on any marketplace.

Notwithstanding any outsourcing or authorization over of risk management and supervision controls, a Participant or Access Person is responsible for any order entered or any trade executed on a marketplace, including any order or trade resulting from the improper operation or malfunction of the automated order system. This responsibility includes instances in which the malfunction which gave rise to a "runaway" algorithm is attributed to an aspect of the algorithm or automated order system that was not "accessible" to the Participant or Access Person for testing.

Part 9 - Specific Provisions Applicable to Direct Electronic Access and Routing Arrangements

Standards for Clients, Investment Dealers and Foreign Dealer Equivalents

In addition to other trading supervision requirements, a Participant that provides direct electronic access or implements a routing arrangement must establish, maintain and apply reasonable standards for granting direct electronic access or a routing arrangement and assess and document whether each client, investment dealer or foreign dealer equivalent meets the standards established by the Participant for direct electronic access or a routing arrangement. The Market Regulator expects that as part of its initial "screening" process, non-institutional investors will be precluded from qualifying for direct electronic access except in exceptional circumstances generally limited to sophisticated former traders and floor brokers or a person or company having assets under administration with a value approaching that of an institutional investor that has access to and knowledge regarding the necessary technology to use direct electronic access. The Participant offering direct electronic access or a routing arrangement must establish sufficiently stringent standards for each client granted direct electronic access or each investment dealer or foreign dealer equivalent under a routing arrangement to ensure that the Participant is not exposed to undue risk and in particular, in the case of a non-institutional client the standards must be set higher than for institutional investors.

The Participant is further required to confirm with the client granted direct electronic access or an investment dealer or foreign dealer equivalent in a routing arrangement, at least annually, that the client, investment dealer or foreign dealer equivalent continues to meet the standards established by the Participant including to ensure that any modification to a previously "approved" automated order system in use by a client, investment dealer or foreign dealer equivalent continues to maintain appropriate safeguards.

Breaches by Clients with Direct Electronic Access or by Investment Dealers or Foreign Dealer Equivalents in a Routing Arrangement

A Participant that has granted direct electronic access to a client or entered into a routing arrangement with an investment dealer or foreign dealer equivalent must further monitor orders entered by the client, investment dealer or foreign dealer equivalent to identify whether the client, investment dealer or foreign dealer equivalent may have:

- *breached any standard established by the Participant for the granting of direct electronic access or a routing arrangement;*

- *breached the terms of the written agreement regarding the direct electronic access or the routing arrangement;*
- *improperly granted or provided its access under direct electronic access or a routing arrangement to another person;*
- *engaged in unauthorized trading on behalf of the account of another person; or*
- *failed to ensure that its client's orders are transmitted through the systems of the client, or Participant, investment dealer or foreign dealer equivalent (which include proprietary systems or systems that are provided by a third party) before being entered on a marketplace.*

Identifying Originating Investment Dealer or Foreign Dealer Equivalent

In relation to the assignment of a unique identifier to an investment dealer or foreign dealer equivalent in a routing arrangement, if orders are routed through multiple investment dealers or foreign dealer equivalents, the executing Participant is responsible for properly identifying the originating investment dealer or foreign dealer equivalent and must establish and maintain adequate policies and procedures to assure that orders routed by an investment dealer or foreign dealer equivalent to the executing Participant containing the Participant's identifier are also marked with all identifiers and designations relevant to the order as required under Rule 6.2 of UMIR on the entry of the order to a marketplace.

Identifying Clients with Direct Electronic Access

In relation to the assignment of a unique identifier to a client that is granted direct electronic access, the Participant must establish and maintain adequate policies and procedures to assure that orders routed by the client to the executing Participant containing the Participant's identifier are marked with all identifiers and designations relevant to the order as required under Rule 6.2 of UMIR on the entry of the order to a marketplace.

Part 10 – Specific Procedures Respecting Audit Trail and Record Retention Requirements

Each Participant must develop, implement and maintain a supervision system to ensure that an accurate and complete audit trail of orders and trades under Rule 10.11 and Rule 10.12 is recorded and maintained.

At a minimum, policies and procedures regarding audit trail requirements must ensure the accurate recording of the following information for each order and trade as applicable:

- *date and time of entry, amendment, cancellation, execution and expiration*
- *quantity*
- *buy, sell or short-sale marker*
- *market or limit order marker*
- *price (if limit order)*
- *name or symbol of security or derivative*
- *identity of order recipient or trader*
- *client name or account number and special client instructions*

- *client consent*
- *applicable designations and identifiers under Rule 6.2 (identifier would allow compliance and regulators to track the history of the order, from time of order entry to execution or expiration)*
- *for CFOd orders, subsequent time of entry and quantity or price changes.*

Sample sets must be randomly selected to proportionately cover orders and trades related to all lines of business of a Participant. Reviews for compliance with Audit Trail Requirements must be carried out at least on a quarterly basis and reviews for compliance with Record Retention Requirements must be carried out at least annually.

Part 11– Specific Procedures Respecting Order Handling

Each Participant must develop, implement and maintain a supervision system to ensure that its trading does not violate order exposure requirements under Rule 6.3 or client priority requirements under Rule 8.1. Reviews for compliance with these provisions must at a minimum include:

- *verifying that client orders of 50 standard trading units or less are not withheld from the market without a valid exemption from order exposure rule*
- *reviewing client-principal trades of 50 standard trading units or less with a trade value of $ 100,000 or less for compliance with client-principal rules.*

Each Participant must review the order entry and trading described above at least quarterly.

Part 12–Specific Provisions Respecting Grey List and Restricted Securities

Each Participant must develop, implement and maintain a supervision system to review securities:

- *about which a Participant may have non-public information (e.g. Grey or Watch list)*
- *subject to trading restrictions with respect to Rule 7.7 or any other Requirement (e.g. Restricted List)*
- *trading outside Canada during Regulatory halts, delays and suspensions (e.g.CTO halts).*

Policies and procedures designed to monitor trading around Grey and Restricted list securities must consider:

- *insider trading requirements under subsection 76.(1) of Securities Act (Ontario) and similar provisions that prohibit a person or company in a special relationship with a reporting issuer from purchasing or selling such securities with knowledge of a material change that has not been generally disclosed*
- *OSC Policy 33-601- Guidelines for Policies and Procedures Concerning Insider Information.*

Each Participant must review the trading described above on a daily basis.

Part 13– Specific Provisions Respecting Client Disclosures

Each Participant must develop, implement and maintain a supervision system

to verify that appropriate trade disclosures are made on client confirmations. To comply with Corporation rules, such disclosures must include:

- *the quantity and description of the security purchased or sold*
- *whether or not the person or company that executed the trade acted as principal or agent*
- *the consideration of the trade (may include average price of the security traded)*
- *the related issuers of the security traded*
- *the date of the trade and name of the marketplace on which the transaction took place (if applicable, Participants may use a general statement that the transaction took place on more than one marketplace or over more than one day)*
- *the name of the salesperson responsible for the transaction*
- *the settlement date of the trade.*

Each Participant must review a sample of trade confirmations at least on a quarterly basis.

Part 14 - Specific Provisions Applicable to Normal Course Issuer Bids ("NCIBs") and Sales from Control Blocks

Each Participant must develop, implement and maintain a supervision system to review NCIB-related trading to ensure:

- *maximum daily and annual stock purchase limits are observed*
- *purchases for NCIBs do not occur while a sale from control for the same security is in effect*
- *NCIB purchases are not made on upticks*
- *NCIB trade reporting to Exchange (if the firm reports on behalf of issuer).*

Each Participant must review trading related to NCIBs described above at least quarterly.

Supervisory policies and procedures must also be designed to review trading related to sales from control blocks. Such reviews must be carried out as when determined necessary by the Participant and must include:

- *reviewing of all known sales from control blocks to ensure regulatory requirements have been met*
- *sampling of large trades to determine if they are undisclosed sales from a control block.*

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	NI 21-101 section 1.1 – "ATS", "order" and "self-regulatory entity"
	NI 21-101 section 1.4 – Interpretation -- "security"
	NI 23-101 section 1.1 – "directed-action order" and "trade-through"
	NI 23-103 section 1 – "automated order system"
	NI 31-103 section 1.1 – "investment dealer"
	UMIR section 1.1 – "Access Person", "client order", "derivative", "direct electronic access", "document", "Electronic Trading Rules", "employee", "Exchange", "foreign dealer equivalent", "foreign organized regulated market", "insider", "limit order", "listed security", "Market Integrity Official", "Market-on-Close Order", "Market Regulator", "marketplace", "Marketplace Rules", "non-client order", "Participant", "Policy", "principal account", "QTRS", "related entity", "Requirements", "routing arrangement", "short sale", "significant shareholder", "standard trading unit", "Trading Rules" and "UMIR"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR Policy 1.2 Part 4 – interpretation of "applicable regulatory standards"*

	UMIR section 6.2
Regulatory History:	*Effective April 1, 2005, amendments were made to Policy 7.1 to: Part 1 to clarify supervision requirements (including for direct market access clients) and provide requirements related to post order compliance testing; Part 2 to update the steps required when a violation is identified; and to add a new Part 5 on gatekeeper obligations. Clause (2)(a) of Rule 7.1 was also edited. See Market Integrity Notice 2005-011 –* ***"Provisions Respecting Manipulative and Deceptive Activities"*** *(April 1, 2005).* *On April 17, 2009, the applicable securities commissions approved an amendment to add Part 6 to Policy 7.1, with retroactive application to May 16, 2008. See IIROC Notice 09-0107 –* ***"Provisions Respecting the "Best Price" Obligation"*** *(April 17, 2009).* *In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 7.1 and Part 3 of Policy 7.1 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.* *Effective September 12, 2008, the applicable securities commissions approved an amendment to replace the first paragraph of Part 4 of Policy 7.1. See IIROC Notice 08-0039 –* ***"Provisions Respecting Best Execution"*** *(July 18, 2008).* *Effective February 1, 2011, the applicable securities commissions approved amendments to Rule 7.1 to add subsection (5) and to Policy 7.1 to repeal and replace Part 6. See IIROC Notice 11-0036 –* ***"Provisions Respecting the Implementation of the Order Protection Rule"*** *(January 28, 2011).* *On December 7, 2012, the applicable securities commissions approved amendments to add subsections (6), (7), (8), (9) and (10) to Rule 7.1 and to add Parts 7 and 8 of Policy 7.1 which came into force on March 1, 2013. Parts 1, 2 and 3 of Policy 7.1 were also amended. Please see IIROC Notice 12-0363 –* ***"Provisions Respecting Electronic Trading"*** *(December 7, 2012).* *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).* *On July 4, 2013 the applicable securities commissions approved amendments to revise Parts 1 and 2 of Policy 7.1 and to add a new Part 9 to Policy 7.1, effective March 1, 2014, to reflect changes related to third-party electronic access to marketplaces. See IIROC Notice 13-0184 –* ***"Provisions Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).* *Effective January 2, 2018 the applicable securities commissions approved amendments to revise Parts3 and 4 of Policy 7.1 to reflect changes related to best execution. See IIROC Notice 17-0137 –* "***Amendments Respecting Best Execution***" *(July 6, 2017).* *Effective March 27, 2018 the applicable securities commissions approved amendments to UMIR 7.1. See IIROC Notice 17-0189* ***"Amendments Respecting Trading Supervision Obligations"*** *(September 28, 2017)* *Effective June 21, 2018 the applicable securities commissions approved housekeeping amendments to Policy parts 3 and 4. See IIROC Notice 18-0118 –* "***Housekeeping amendments to the provisions respecting Trading Supervision Obligations"*** (June 21, 2018) *Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 20-0042 - Rules Notice – Notice of Approval – UMIR* ***- Housekeeping amendments to UMIR Following Implementation of IIROC Rules*** *(March 5, 2020).* *Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 7.1 and Policy 7.1. See IIROC Notice 22-0140 –* "***Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*
Repealed Guidance:	*See Market Integrity Notice 2003-025 –* ***"Guidelines on Trading Supervision Obligation"*** *(November 28, 2003). This Notice was repealed and replaced effective March 27, 2018 by IIROC Notice 17-0190 –* ***"Guidance on Trading Supervision Obligations"*** *(September 28, 2017).*
Repealed Guidance:	*See Market Integrity Notice 2005-006 –* ***"Obligations of an "Access Person" and Supervision of Persons with "Direct Access""*** *(March 4, 2005). This Market Integrity Notice was repealed and replaced effective March 1, 2014 by IIROC Notice 13-0185 –* ***"Guidance Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
Repealed Guidance:	*See Market Integrity Notice 2006-023 –* ***"The Role of Compliance and Supervision"*** *(November 30, 2006). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0190 - Guidance on Trading Supervision Obligations (September 28, 2017).*

Repealed Guidance: *See Market Integrity Notice 2007-010 –* ***"Compliance Requirements for Dealer-Sponsored Access"*** *(April 20, 2007). This Market Integrity Notice was repealed and replaced effective March 1, 2014 by IIROC Notice 13-0185 –* ***"Guidance Respecting Third-Party Access to Electronic Marketplaces Guidance"*** *(July 4, 2013).*

Guidance: *See Market Integrity Notice 2007-011 –* ***"Compliance Requirements for Order-Execution Services"*** *(April 20, 2007).*

Partially Repealed Guidance: *See Market Integrity Notice 2007-015 –* ***"Specific Questions Related to Trading on Multiple Marketplaces"*** *(August 10, 2007). Questions 5, 8, 9 and 12 in MIN 2007-015 were repealed and replaced effective May 16, 2008 by Market Integrity Notice 2008-010 –* ***"Guidance – Complying with "Best Price" Obligations"*** *(May 16, 2008). Questions 7, 8 and 10 of MIN 2007-015 were partially repealed effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Repealed Guidance: *See Market Integrity Notice 2008-003 –* ***"Supervision of Algorithmic Trading"*** *(January 18, 2008). This Market Integrity Notice was repealed and replaced effective March 1, 2013 by IIROC Notice 12-0364 –* ***"Guidance Respecting Electronic Trading"*** *(December 7, 2012).*

Repealed Guidance: *See IIROC Notice 09-0081 –* ***"Specific Questions Related To Supervision of Algorithmic Trading"*** *(March 20, 2009). This IIROC Notice was repealed and replaced effective March 1, 2013 by IIROC Notice 12-0364 –* ***"Guidance Respecting Electronic Trading"*** *(December 7, 2012).*

Partially Repealed Guidance: *See IIROC Notice 11-0043 –* ***"Guidance on "Locked" and "Crossed" Markets"*** *(February 1, 2011). Questions 2, 5 and 9 of Notice 11-0043 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Repealed Guidance: *See IIROC Notice 11-0114 –* ***"Guidance Respecting the Use of Certain Order Types"*** *(March 30, 2011). This Notice was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*

Guidance: *See IIROC Notice 12-0364 –* ***"Guidance Respecting Electronic Trading"*** *(December 7, 2012).*

Guidance: *See IIROC Notice 13-0053 –* ***"Guidance on Certain Manipulative and Deceptive Trading Activities"*** *(February 14, 2013).*

Guidance: *See IIROC Notice 13-0185 –* ***"Guidance Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*

Guidance: *See IIROC Notice 13-0191 –* ***"Guidance Respecting the Management of Stop Loss Orders"*** *(July 11, 2013).*

Repealed Guidance: *See Market Integrity Notice 2003-025* ***– "Guidelines on Trading Supervision Obligation"*** *(November 28, 2003) and Market Integrity Notice 2006-023* ***– "The Role of Compliance and Supervision"*** *(November 30, 2006). These Market Integrity Notices were repealed and replaced effective March 27, 2018 by IIROC Notice 17-0190 –* ***"Guidance on Trading Supervision Obligations"*** *(September 28, 2017).*

Guidance: *IIROC Notice 17-0190 –* ***"Guidance on Trading Supervision Obligations"*** *(September 28, 2017).*

Partially Repealed Technical Notice: *See IIROC Notice 13-0290 –* ***"Gatekeeper and Notice Requirements For Direct Electronic Access and Routing Arrangements"*** *(December 3, 2013). Part A of this Notice in reference to Rule 7.13(6): Notification of DEA or Routing Arrangement was repealed and replaced effective July 26, 2021 by IIROC Notice 21-0099 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers****" (May 25, 2021).*

Guidance: *See IIROC Notice 21-0099 – "****Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers****" (May 25, 2021).*

Disciplinary Proceedings: ***In the Matter of Dominick & Dominick Securities Inc. ("Dominick") (December 19, 2002) OOS 2002-009***

Facts – During the period of July 1, 1998 to February 1, 1999, an investment advisor at Dominick, in the course of acting for a company engaged in a normal course issuer bid, failed to exercise due diligence in relation to the entry of orders by the company for the purchase of its shares, including from accounts related to or affiliated with the company and its insiders.

Disposition – Dominick failed to ensure that its employee carried out the issuer bid in compliance with exchange requirements, and failed to exercise due diligence in relation to the entry of orders by the company for the purchase of its shares.

Requirements Considered – VSE Policy 21.10, VSE Rules F.1.01(1)(b) and B.4.16, VSE By-law 5.01(2). Comparable UMIR Provision - Rule 7.1 and Policy 7.1, reference made to "gatekeeper function" (Rule 10.16 effective April 1, 2005).

	Sanction - $25,000 fine and costs of $5,000; disgorgement of $2,392 in gains.
Disciplinary Proceedings:	***In the Matter of Georgia Pacific Securities Corporation ("Georgia") (August 18, 2003) OOS 2003-004***
	Facts – Between February 1999 and November 1999, an investment advisor employed by Georgia engaged in a pattern of non-economic trading in client accounts which had a pre-existing debit positions in their accounts. The investment advisor engaged in the practice of buying, and immediately thereafter selling the same share positions in clients' accounts for the sole purpose of causing the clients' account debit position to be re-aged, thereby postponing payment for the debits in the clients' accounts.
	Disposition – The Georgia board of directors was responsible for overall stewardship of supervision and compliance at the firm with specific responsibility to ensure that its employees and officers comply with regulatory requirements. The board failed to establish and apply prudent supervisory and compliance procedures to ensure that its employees adhered to regulatory and exchange requirements.
	Requirements Considered – VSE By-laws 5.07(1) and 5.01(2), VSE Rules F.2.28, F.2.08 and F.1.01. Comparable UMIR Provision - Rule 7.1 and Policy 7.1.
	Sanction - $35,000 fine and costs of $5,000; disgorgement of $21,105 in gains.
Disciplinary Proceedings:	***In the Matter of Edward Dean Duggan ("Duggan") (August 18, 2003) OOS 2003-005***
	Facts – Between February 1999 and November 1999, Darren Hunter Bell ("Bell") an investment adviser at Georgia Pacific Securities Corporation ("Georgia") engaged in a pattern of non-economic trading on behalf of four client accounts whereby he bought and immediately thereafter sold shares of highly liquid securities for clients' accounts with the sole purpose of causing clients' debit positions to be re-aged, thereby postponing payment for the debits in the clients accounts'.
	Disposition – As the senior officer of Georgia, Duggan bore responsibility for the conduct of Georgia's business and its management, including ensuring that Georgia's compliance procedures were effective. Duggan failed to diligently supervise or ensure supervision of accounts handled by Bell and failed to establish prudent business and compliance procedures to ensure that Georgia and its employees carried out business in compliance with regulatory requirements.
	Requirements Considered – VSE By-laws 5.07(2) and (3) and 5.01(2), VSE Rules F.2.08 and F.1.01. Comparable UMIR Provision - Rule 7.1 and Policy 7.1.
	Sanction - $20,000 fine and costs of $5,000; suspension from acting in a supervisory capacity for 1 year.
Disciplinary Proceedings:	***In the Matter of Roger Brian Ashton ("Ashton") (August 18, 2003) OOS 2003-006***
	Facts – Between February 1999 and November 1999, Darren Hunter Bell ("Bell") an investment adviser at Georgia Pacific Securities Corporation ("Georgia") engaged in a pattern of non-economic trading on behalf of four client accounts whereby he bought and immediately thereafter sold shares of highly liquid securities for client's accounts with the sole purpose of causing clients' debit positions to be re-aged, thereby postponing payment for the debits in the clients accounts'.
	Disposition – As the senior officer of Georgia, Ashton bore responsibility for the conduct of Georgia's business and its management, including ensuring that Georgia's compliance procedures were effective. Ashton failed to diligently supervise or ensure supervision of accounts handled by Bell and failed to establish prudent business and compliance procedures to ensure that Georgia and its employees carried out business in compliance with regulatory requirements.
	Requirements Considered – VSE By-laws 5.07(2) and (3) and 5.01(2), VSE Rules F.2.08 and F.1.01. Comparable UMIR Provision - Rule 7.1 and Policy 7.1.
	Sanction - $30,000 fine and costs of $5,000; suspension from acting in a supervisory capacity for 1 year.
Disciplinary Proceedings:	***In the Matter of Canaccord Capital Corporation ("Canaccord") (October 28, 2003) OOS 2003-007***
	Facts – Client X, a director of Tree Brewing Co. Ltd. ("Tree Brewing"), a Vancouver Stock Exchange listed issuer, controlled a number of accounts at Canaccord. Between August 1, 1998 and March 31, 1999, client X engaged in a pattern of uneconomic and repetitive trading in Tree Brewing which involved the sale and subsequent re-purchase of a comparable number of shares for the purpose of deferring payment for the securities traded.
	Disposition – Canaccord failed to closely monitor trading by the insider, to use due diligence to learn the essential facts concerning each order accepted by its trader and to diligently supervise its traders.
	Requirements Considered – VSE Rules F.2.08 and F.1.01(1). Comparable UMIR Provision - Rule

	7.1 and Policy 7.1
	Sanction - $12,500 fine and costs of $3,000; disgorgement of $7,090.02 in gains
Disciplinary Proceedings:	***In the Matter of Matthew Philip Linden ("Linden") (November 26, 2003) OOS 2003-012***
	Facts – Between February 1 and July 5, 2000, Linden, the branch manager was responsible for the supervision of 26 employees, including John Scott ("Scott"), an investment advisor at the branch. During this period, the Retail Compliance Department of the dealer identified what appeared to be suspicious trading in the client accounts managed by Scott and also revealed an unusually high portfolio concentration of one specific private placement in each of these clients' accounts. The Retail Compliance Department sent five inquiries to Linden alerting him of trading anomalies and other "red flags" associated with these clients' accounts. In all instances Linden questioned Scott about the compliance inquiries, and in all instances accepted Scott's explanations, concluding that no further investigation or follow-up was required.
	Disposition – As branch manager, Linden was responsible for supervision of all retail trading at the branch. The inquiries received from the Retail Compliance Department should have heightened Linden's review of the clients' accounts and caused him to investigate further rather than just relying on the answers provided by Scott to the Retail Compliance inquiries. In this regard, Linden failed in his supervisory responsibilities as branch manager.
	Requirements Considered – Section 8.34 of the General By-law of the TSX and TSX Rule 2-401(4). Comparable UMIR Provision - Rule 7.1 and Policy 7.1.
	Sanction – $50,000 fine and costs of $12,500; successful completion of the Branch Manager examination.
Disciplinary Proceedings:	***In the Matter of Canaccord Capital Corporation ("Canaccord") (December 5, 2003) OOS 2003-013***
	Facts – Canaccord employed Kai Tolpinrud ("Tolpinrud") to trade for institutions and quasi-institutional clients, and corporate clients and at the same time permitted him to trade his personal account and inventory accounts. In reliance on this arrangement, between March 1, 2001 and March 11, 2002 Tolpinrud took advantage of client orders and information when acting as agent for the purchase and sale of securities to commit numerous infractions and contraventions including frontrunning, trading opposite his clients, improper client-principal trading and failing to give client orders priority when he entered client and non-client orders. Also, notwithstanding that Tolpinrud was not registered to trade on the CDNX, Canaccord allowed him to enter orders from another trader's terminal.
	Disposition – By allowing an arrangement which was prone to a heightened conflict of interest, Canaccord should have known that a high degree of diligence and greater level of supervision was required. Canaccord failed to establish and maintain an appropriate supervisory system to ensure that the handling of client business, inventory trading and pro trading by Tolpinrud was within the bounds of ethical conduct and consistent with just and equitable principals of trade.
	Requirements Considered – CDNX Rules F.2.22, F.2.03 and G.3.01(6); TSX Rules 2-401, 2-404(2) and 4-405(1). Comparable UMIR Provision – Rule 7.1 and Policy 7.1.
	Sanction – $50,000 fine and costs of $43,000; undertaking to review and implement changes to existing compliance and supervisory systems; other undertakings.
Disciplinary Proceedings:	***In the Matter of HSBC Securities (Canada) Inc. ("HSBC") (August 23, 2004) SA 2004-005***
	Facts – A 2001 trade desk review conducted by RS of HSBC's trade desk uncovered numerous deficiencies. HSBC was required to remedy the deficiencies and undertake to complete monthly and quarterly reviews – the results of which were to be submitted to RS for review. During a follow-up audit by the RS trade desk review team in 2003, a number of the items identified in the 2001 audit continued to remain unresolved and new issues were identified. HSBC represented to RS that it would redraft its trade review procedures to address the issues identified, and that such procedures would include daily, monthly and quarterly reviews. During a 2004 review, it was discovered that HSBC failed to adhere to its commitment concerning quarterly reports and that quarterly reviews were not conducted by HSBC between January and December 2003. The 2004 trade desk review also found unresolved deficiencies that were identified in the 2001 and 2003 trade desk reviews.
	Disposition – The Board of Directors, Senior Management and the Compliance Department did not meet their respective supervisory obligations. The continued failure of HSBC to identify and address the issues identified by RS during its various trade desk reviews evidenced a Board of Directors and senior management team that were ineffective in their supervisory responsibilities.
	Requirements Considered – Rule 7.1(1) and Policy 7.1.
	Sanction – $625,000 fine and costs of $87,500; implementation of changes recommended by an

	independent consultant and RS.
Disciplinary Proceedings:	*Rule 7.1(1) and Policy 7.1 were considered* ***In the Matter of UBS Securities Canada Inc. ("UBS Canada")*** *(****October 8, 2004) SA 2004-006.*** *See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***In the Matter of CIBC World Markets Inc., ("CIBC") Scott Mortimer and Carl Irizawa (December 21, 2004) SA 2004-008.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.*** *See Disciplinary Proceedings under Rule 3.1.*
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***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.*** *See Disciplinary Proceedings under 5.3.*
Disciplinary Proceedings:	***In the Matter of Zoltan Horcsok ("Horcsok") (July 18, 2005) SA 2005-003***
	Facts – During the relevant period, Horcsok was the Executive Director, Head of Sales Trading at UBS Securities Canada Inc. ("UBS Canada") and was responsible for the supervision of 12 sales traders in the Toronto and Montreal offices. In February of 2005, with Horcsok's knowledge, an employee, over whom Horcsok had supervisory authority altered a trade ticket (which Horcsok subsequently destroyed), entered false information on an electronic trade ticket and created false and misleading "chat" communication in an effort to conceal trading improprieties conducted by a trader at a U.S. affiliate of UBS Canada.
	Disposition – By involving an employee over whom he had supervisory responsibility in the attempted concealment of trading improprieties conducted by a trader at UBS's U.S. affiliate and for his role in destroying a trade ticket, deliberately conducting telephone conversations with the U.S. broker on untaped telephone lines and misleading UBS Canada's compliance department in its investigation of the matter, Horcsok contravened his supervisory obligations and engaged in conduct that resulted in UBS Canada violating certain audit trail requirements under UMIR.
	Requirements Considered – Rules 7.1(4), 10.3(4), 10.11(1) and 10.12(1).
	Sanction – $100,000 fine and costs of $25,000; suspension from RS regulated marketplaces for 3 months; 6 months strict supervision; prohibited from acting as supervisor for 1 year.
Disciplinary Proceedings:	***In the Matter of Mark Ellis ("Ellis") (October 19, 2005) DN 2005-008***
	Facts – On September 17, 2003, RS contacted a trader trainee at Dundee Securities Corporation ("Dundee") concerning non-client orders that he had entered on both sides of the market in a particular security in the pre-opening session of the TSX prior to 9:28 a.m. RS advised the trader to "cease and desist" from this type of activity. Ellis, who along with another Dundee employee, was responsible for overseeing and supervising traders at Dundee, was made aware of the substance of RS's concerns. Ellis cautioned the trader to discontinue such conduct, but did not take steps to enquire whether any other traders at the firm engaged in similar conduct, nor did he escalate the matter to the firm's Compliance Department or senior management as required by Dundee's policies and procedures. It was subsequently discovered that another trader trainee and trader at Dundee engaged in similar conduct between July and December 2003 and October 2003 and February 2005, respectively.
	Disposition – It is incumbent upon employees in supervisory roles at a Participant to fulfill their own supervisory duties and to follow their firm's policies and procedures relating to reporting trading issues to the Compliance Department. Ellis did not fully comply with his trading supervision obligations.
	Requirements Considered – Rule 7.1(4).
	Sanction – $15,000 fine and costs of $6,000.
Disciplinary Proceedings:	***In the Matter of Keith Leslie Leonard ("Leonard") (October 19, 2005) DN 2005-008***
	Facts – On September 17, 2003, RS contacted a trader trainee at Dundee Securities Corporation ("Dundee") concerning non-client orders that he had entered on both sides of the market in a particular security in the pre-opening session of the TSX prior to 9:28 a.m. RS advised the trader to "cease and desist" from this type of activity. Leonard, who along with another Dundee employee, was responsible for overseeing and supervising traders at Dundee, was made aware of the substance of RS's concerns. Leonard cautioned the trader to discontinue such conduct, but did not take steps to enquire whether any other traders at the firm engaged in similar conduct, nor did he escalate the matter to the firm's Compliance Department or senior management as required by Dundee's policies and procedures. It was subsequently discovered that another trader trainee and trader at Dundee engaged in similar conduct between July and December 2003 and October 2003 and February 2005, respectively.

	Disposition – It is incumbent upon employees in supervisory roles at a Participant to fulfill their own supervisory duties and to follow their firm's policies and procedures relating to reporting trading issues to the Compliance Department. Leonard did not fully comply with his trading supervision obligations.
	Requirements Considered – Rule 7.1(4).
	Sanction – $15,000 fine and costs of $6,000.
Disciplinary Proceedings:	*Rule 7.1 was considered* ***In the Matter of Union Securities Ltd. ("Union") (April 18, 2006) DN 2006-004.*** *See Disciplinary Proceedings under Rule 6.2.*
Disciplinary Proceedings:	***In the Matter of Research Capital Corporation ("Research") (April 25, 2006) DN 2006-005***
	Facts – Between September 1, 2002 and May 31, 2003, and between November 1, 2003 and January 12, 2004 an investment advisor at Research participated in his clients' use of manipulative methods of trading in connection with the purchase and sale of a TSXV listed security which involved a pattern of trading which was not consistent with a bona fide effort to accumulate shares of the security over time and represented an overall pattern of trading at prices higher than would otherwise been dictated by market forces.
	Disposition – In failing to supervise the investment advisor and failing to adopt systems and procedures which were adequate to assist its supervisory and compliance personnel in detecting patterns of improper or unusual trading in client accounts, Union failed to comply with its trading supervision obligations under UMIR.
	Requirements Considered – Rule 7.1 and Policy 7.1
	Sanction - $16,260 fine and costs of $135,000; certification by Research that it has extended the implementation of the recommendations made in a March 20, 2005 consultant's report and that it has implemented effective supervision and compliances procedures to identify and address manipulative and deceptive trading and monitor of trading through its order management system for compliance with UMIR.
Disciplinary Proceedings:	*Rule 7.1(1), 7.1(4) and Policy 7.1 were considered* ***In the Matter of Raymond James Ltd. ("Raymond James") and Marc Deslongchamps ("Deslongchamps") (June 30, 2006) DN 2006-006.*** *See Disciplinary Proceedings under Rule 5.3.*
Disciplinary Proceedings:	***In the Matter of Standard Securities Capital Corporation ("Standard") (July 6, 2006) DN 2006-008***
	Facts – Between April 2002 and April 2004 RS conducted 3 separate trade desk reviews ("TDRs") of Standard's trade desk policies, procedures and practices, and in each case identified and reported to Standard that its trading policies and procedures failed to adequately address Standard's requirements respecting its supervisory and compliance obligations under UMIR. In particular, the TDRs revealed that the policies and procedures failed to adequately ensure compliance with the client priority rule, describe how Standard would conduct compliance testing and how issues identified during the testing would be reported to management. Standard also failed to maintain adequate evidence that it conducted compliance testing and failed to review its trading policies and procedures annually as required by UMIR.
	Disposition – Despite the deficiencies noted by the TDR group, Standard failed to adopt written policies and procedures to be followed by its directors, officers, partners and employees that were adequate, taking into account Standard's business and affairs, to ensure compliance with UMIR Rules and Policies.
	Requirements Considered – Rule 7.1 and Policy 7.1.
	Sanction – $80,000 fine and costs of $20,000.
Disciplinary Proceedings:	*Rule 7.1(1) and Policy 7.1 were considered* ***In the Matter of TD Securities Inc, ("TDSI") (July 5, 2006) DN 2006-007.*** *See Disciplinary Proceedings under Rule 5.1*
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***In the Matter of Michael Bond ("Bond") and Sesto DeLuca ("DeLuca") (June 4, 2007) DN 2007-003****. See Disciplinary Proceeding under Rule 2.2.*
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***In the Matter of Golden Capital Securities Ltd. ("Golden"), Jack Finkelstein ("Finkelstein") and Jeff Rutledge ("Rutledge") (November 23, 2007) DN 2007-004****. See Disciplinary Proceeding under Rule 6.2.*
Disciplinary Proceedings:	***In the Matter of Northern Securities Inc. ("Northern") (May 30, 2008) DN 2008-002***
	Facts - Trade desk reviews conducted by RS in the fall of 2003 and 2004 at Northern found insufficient supervision of certain trading practices and compliance testing policies and procedures. The trade desk reviews also found several UMIR deficiencies, most notably related to audit trail and order entry designation. During a follow-up audit by the RS trade desk review team in 2005, RS noted some improvements in Northern's testing procedures and other compliance and supervision issues, however, several deficiencies, namely related to the failure to document compliance and

	internal testing at Northern remained unresolved. *Disposition – In failing to implement and update its written trading supervision and compliance policies and procedures and failing to ensure proper internal compliance testing, including maintaining evidence of such testing, Northern contravened Rule 7.1 and Policy 7.1 of UMIR.* *Requirements Considered – Rule 7.1 and Policy 7.1* *Sanction – $125,000 fine and costs of $50,000.*
Disciplinary Proceedings:	*Rule 7.1 was considered* ***In the Matter of Francesco Mauro ("Mauro") and Scott Fraser Harding ("Harding") (May 25, 2010) DN 10-0149*****.** *See Disciplinary Proceedings under Rule 2.2*
Disciplinary Proceedings:	*Rule 7.1 was considered* ***In the Matter of Magna Partners Ltd. ("Magna") (November 16, 2010) DN 10-0295.*** *See Disciplinary Proceedings under Rule 5.2.*
Disciplinary Proceedings:	***In the Matter of TD Securities Inc. ("TDSI"), Kenneth Nott ("Nott"), Aidin Sadeghi ("Sadeghi"), Christopher Kaplan ("Kaplan"), Robert Nemy ("Nemy") and Jake Poulstrup ("Poulstrup") (collectively, the "Individual Respondents") (December 20, 2010) DN 10-0338*** *Facts – The Individual Respondents were all TSX Registered Traders hired by TDSI to work as Inventory Traders (also called Proprietary Traders). Between May 1 to October 31, 2005 (the "Relevant Period"), each of the Individual Respondents entered high closing bids on either NEX, TSX-V or TSX to purchase one or more of five illiquid stocks (collectively, the "Five Stocks"). The collective trading pattern of the Individual Respondents revealed that orders in the illiquid stocks were placed very late in the day in small lots that set the closing bids day after day, week after week, and month after month. TDSI had at its disposal a number of display "tools" that could be selected to assist in monitoring and supervising the traders, however, there was no tool available in the Relevant Period to monitor real time orders (i.e. bids and offers). TDSI was only provided with reports (e.g. high month end closings) that did not include any information regarding bids and offers. Consequently, TDSI did not have a systematic procedure to review orders.* *Disposition – An artificial bid price results when there is an intention to establish a price that is not justified by real demand or supply in a security. In the Relevant Period, the Individual Respondents made closing bids in the context of the market with the intention that the bids would not trade but instead would stand as the closing bid at the end of the trading day thereby increasing the value of their inventory positions (which were calculated on the basis of the closing bids) and increasing their compensation and access to capital. The circumstantial evidence of motive and trading patterns (the frequency of setting the closing bids, late time of the closing bid orders, bidding in small lots and the illiquid nature of the stocks), supported an inference on a balance of probabilities that the Individual Respondents intended to engage in the improper practice of entering artificial closing bids in the Five Stocks. This finding was buttressed by direct evidence of instant messages and telephone calls between the Individual Respondents which showed concern for monthly ranking, the value of the adjusted cost base in a month other than a pay period month end and a willingness to manipulate the market for personal reasons. In the Relevant Period, Nott entered 230 artificial closing bids; Sadeghi entered 3 artificial closing bids; Kaplan entered 37 artificial closing bids; Nemy entered 38 artificial closing bids; and Poulstrup entered 14 artificial closing bids, all of which were in contravention of UMIR 2.2(2)(b) and UMIR Policy 2.2.* *There was no proof, however, that TDSI failed to comply with its UMIR Rule 7.1 and UMIR Policy 7.1 trading supervision obligations and this allegation was dismissed. TDSI did not have a real time software surveillance system during the Relevant Period to detect the time and sequence of bids and offers in the marketplace. Demonstrating a pattern of late bids by a trader was one the factors relied on in drawing an inference of artificial closing bids, however the time required to do so was beyond the capacity of TDSI as the end of the day trading of a stock would have to be printed from the Firm Book every day for sufficient days to reveal a pattern of late bids. In the circumstances, the random review approach employed by TDSI was reasonable and realistic. Moreover, TDSI deserved credit for the manner in which it monitored and detected bidding improprieties in one of the Five Stocks and for the prompt filing of a Gatekeeper Report after the discovery of a wash trade between Nott and Sadeghi. While there was a fundamental flaw in the TDSI compliance monitoring system employed following the Relevant Period to evaluate whether there had been improper trading, as it had not been configured to generate alerts for late bids that were below the last sale and thus made within the "context of the market", (as was the case with the Individual Respondents), this was due to an honest but erroneous interpretation of UMIR Policy. The correct interpretation is that the process of bidding within the context of the market in order to maintain the value of a stock contravenes UMIR and bidding must be in accordance with true market supply and demand.* *Requirements Considered – Rule 2.2(2)(B), 7.1 and Policy 2.2, 7.1.* *Sanction – The Hearing Panel determined in the case of all the Individual Respondents that there be no order of suspension as they had not obtained employment at all, or for a significant period of time, since September, 2008, and that except for Sadeghi, they be under close supervision for six months, the terms of which would be determined by an employer. Additional penalties and orders were imposed as follows:* • *Nott: (a) a fine of $15,000.00; and (b) costs of $5,000.00.*

- *Sadeghi: (a) a fine of $5,000.00. The Hearing Panel noted that there would be no order for supervision and strongly recommended that the close supervision order in effect be rescinded.*
- *Kaplan: (a) a fine of $35,000.00; and (b) costs of $15,000.00. In addition, the Hearing Panel ordered that the trade restrictions in effect cease to apply to Kaplan immediately.*
- *Nemy: (a) a fine of $75,000.00; and (b) costs of $37,500.00.*
- *Poulstrup: (a) a fine of $20,000.00; and (b) costs of $10,000.00. In addition, the Hearing Panel ordered that trade restrictions in effect cease to apply to Poulstrup immediately.*

Review – IIROC staff filed a Notice of Request for Hearing and Review to the Ontario Securities Commission (OSC) for a review of the decision of the IIROC Hearing Panel, dated November 30, 2010, relating to TDSI.

Disposition – The Review application was dismissed by the OSC on July 19, 2013 as there was no error of law or principle in the IIROC Hearing Panel's decision. The OSC concluded that the IIROC Hearing Panel's statement regarding the erroneous understanding of UMIR was not central to its finding with respect to TDSI's supervision of the TDSI traders and noted that the decision makes clear the obligation of Participants to supervise both trades and orders, including orders that are in the context of the market, so as to comply with their obligations under UMIR Rule 7.1 and Policy 7.1

Disciplinary Proceedings: *Rule 7.1 was considered* ***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.*** *See Disciplinary Proceedings under Rule 2.1.*

Disciplinary Proceedings: ***In the Matter of Credit Suisse Securities (Canada) Inc. ("Credit Suisse") (February 2, 2011) DN 11-0045***

Facts – Between May 2007 and October 2007, a monthly review of trading activity for possible manipulation of security prices at the market's close was either not conducted within a reasonable period or at all by Credit Suisse. Credit Suisse also failed to properly scrutinize a particular client's Direct Market Access (DMA) account despite the fact that the firm's artificial pricing reviews had been generating "red flag warnings" that the DMA account was using algorithms to execute buy orders that appeared to create artificial prices.

Following inquiry by Market Regulation Services Inc. in late 2007, Credit Suisse advised the DMA client would no longer place orders near the close of the market and took steps to improve its trading supervision and compliance monitoring procedures, including implementation of a real-time cross market surveillance system, the creation of a Compliance Surveillance Manual, a DMA Client Training Manual, and a Client Account Opening Procedures Manual.

Disposition – Credit Suisse admitted in a settlement agreement that as a Participant, it is not relieved from any supervisory obligations pursuant to UMIR 7.1 and UMIR Policy 7.1, and as reaffirmed in, among other things, Market Integrity Notices 2005-006 and 2007-010, with respect to any order that is entered on a marketplace by means of DMA. Credit Suisse further admitted that it failed to comply with its trading supervision obligations as it did not conduct artificial pricing reviews within a reasonable period of time for the months of May 2007, June 2007, and July 2007 and did not conduct an artificial pricing review for October 2007.

Requirements Considered – Rule 7.1 and, Policy 7.1.

Sanction – Credit Suisse agreed to a $150,000 fine and $15,000 in costs.

Disciplinary Proceedings: *Rule 7.1 was considered* ***In the Matter of Beacon Securities Limited. ("Beacon") (April 8, 2011) DN 11-0120.*** *See Disciplinary Proceedings under Rule 5.2.*

Disciplinary Proceedings: ***In the Matter of Maison Placements Canada Inc. ("MPCI") (April 13, 2011) DN 11-0124***

Facts – Between December 2008 and January 2011 (the "relevant period"), MPCI was not connected to all of the six protected marketplaces, but only to the TSX and TSXV. MPCI did not use an acceptable order router nor did it did not provide the order to another Participant for entry on a marketplace. As a result, MPCI did not consider orders on any of the protected marketplaces other than the TSX or TSXV. During the period October 2007 to March 2008, MPCI informed its clients that it would execute trades on the TSX or TSXV only. During the period between December 2008 and October 2010, MPCI generated trade through alerts; however the percentage of trade through alerts generated was small relative to MPCI's overall trading volume. During the relevant period, MPCI did not monitor or review its order flow for compliance with the "best price" obligation and did not set out the steps or process to be followed to make "reasonable efforts" to ensure that orders receive the "best price" when executed on a marketplace.

Disposition – Pursuant to a Settlement Agreement, MPCI admitted that it breached UMIR 5.2 and

	UMIR Policy 5.2 as it did not make reasonable efforts during the relevant period to ensure orders were executed at the "best price." UMIR Requirements make it clear that despite client consent or instruction a Participant cannot trade-through a better bid or offer on a protected marketplace by making a trade at an inferior price. In addition, MPCI failed to have adequate policies and procedures in place to ensure compliance with its "best price" obligation, contrary to UMIR 7.1 and UMIR Policy 7.1.
	Requirements Considered – Rule 5.2, 7.1 and Policy 5.2, and 7.1.
	Sanction – MPCI agreed to pay a fine of $95,000 and costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of Morgan Stanley Canada Limited ("Morgan Stanley Canada") (August 3, 2011) DN 11-0232***
	Facts – Morgan Stanley Canada provided direct market access ("DMA") to its U.S. parent company (the "parent") and the clients of its parent, by extension. Certain UMIR-related compliance testing and reviews were delegated to its parent. Between August 2007 and December 2007 and between July 2008 and December 2008 (the "relevant periods"), a DMA client of the parent generated numerous "pattern alerts" relating to "high closing" on the surveillance system employed by the parent. Inquiries were made initially by Morgan Stanley Canada and its parent in respect of the trading activities of the DMA client, however there was ambiguity about how potential contraventions should be documented and escalated. Alerts generated for part of 2008 were not subject to any additional inquiries or analysis.
	Disposition – Morgan Stanley Canada admitted in a Settlement Agreement that in the relevant periods, it failed to comply with its trading supervision obligations under UMIR 7.1 and UMIR Policy 7.1 by neglecting to take adequate steps to identify and address potentially manipulative trading by a DMA client that had entered a significant number of "high closing" trades. Testing results for artificial pricing were not adequately summarized and documented due in part to the failure of Morgan Stanley Canada to communicate certain UMIR Requirements to its parent. In providing direct market access to IIROC-regulated marketplaces, Morgan Stanley Canada retained the ultimate responsibility for any order entered and to ensure that trading supervision obligations under UMIR were being met.
	Requirements Considered – Rule 7.1 and Policy 7.1.
	Sanction – Morgan Stanley Canada agreed to a $175,000 fine and $15,000 in costs.
Disciplinary Proceedings:	*Rule 7.1 and Policy 7.1 were considered* ***In the Matter of Pope & Company Limited ("Pope") (March 14, 2012) DN 12-0095.*** *See Disciplinary Proceedings under Rule 5.2.*
Disciplinary Proceedings:	***In the Matter of BMO Nesbitt Burns Inc. ("BMONB") (April 13, 2012) DN 12-0136***
	Facts – A Market-on-Close ("MOC") order was entered by a trader employed with BMONB on October 13, 2010, that was "clearly erroneous", and was only discovered by the trader when the Toronto Stock Exchange (TSX) published the MOC imbalance at 3:40 p.m. that day. The trading application used by the BMONB trader to enter the erroneous order allowed for pre-trade limits and warning messages to be set as a safeguard against errors, however these were not enabled at the material time. In addition, BMONB had no procedures in place to verify that pre-trade filters or limits were activated on the trading applications used by its traders. For a brief period following the initial publication of the MOC imbalance the price of the shares experienced its largest decline of the day before rising again. Following entry of an offsetting limit order into the MOC facility authorized by IIROC, the corrected MOC imbalance was published but this did not necessarily reach all market participants who entered orders on the basis of the original MOC imbalance.
	Disposition – Pursuant to a Settlement Agreement, BMONB admitted that it contravened UMIR 7.1 and Policy 7.1 by failing to adopt adequate policies, procedures and a supervision system sufficient to manage the risks associated with its trading activities to prevent the submission of erroneous orders, which resulted in the entry of an erroneous order by one of its traders to the TSX MOC facility on October 13, 2010.
	Requirements Considered – Rule 7.1 and Policy 7.1.
	Sanction – BMONB agreed to pay a fine of $50,000 and to pay costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of Alexey Eydelman ("Eydelman") and Questrade Inc. ("Questrade") (May 24 2013) DN 13-0140***
	Facts – Between August 2009 and February 2010 (the "Relevant Period"), Eydelman, a proprietary trader employed by Questrade, entered orders on the TSX that established the high closing bid price for a security in circumstances where he ought reasonably to have known the orders could be seen to create an artificial price. On seven consecutive month-end trading days Eydelman established the closing bid on the security.
	During the Relevant Period, Questrade failed to implement a trade supervision system that was adequate to ensure compliance with UMIR 2.2 and UMIR Policy 2.2. Questrade also failed to

	ensure that the risks associated with its proprietary trading group had been identified and that appropriate supervision practices and procedures to manage those risks had been implemented. Questrade failed to adequately review and monitor Eydelman's order entry activity and failed to prevent or detect Eydelman's violations of UMIR 2.2(2).
	Disposition – Pursuant to a Settlement Agreement Eydelman admitted that in the Relevant Period, he entered orders on the TSX that he ought reasonably to have known could reasonably be expected to create an artificial bid price for the security, contrary to UMIR 2.2 and Policy 2.2. Questrade admitted that in the Relevant Period, it failed to have adequate policies and procedures in place and a supervision system sufficient to prevent and detect potential artificial bid prices, contrary to UMIR 7.1 and Policy 7.1.
	Requirements Considered – Rules 2.2 and 7.1 and Policies 2.2 and 7.1.
	Sanction – Eydelman agreed to pay a $30,000 fine, to a suspension of access to IIROC-regulated marketplaces for 3 months, and to pay costs in the amount of $5,000. Questrade agreed to pay a fine of $70,000, and to pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of Scotia Capital Inc. ("Scotia Capital") (June 18, 2013) DN 13-0170***
	Facts – Between June 2009 and November 2011, Scotia Capital failed to take adequate steps to prevent and detect potential wash trades. Specifically, it lacked adequate policies and procedures for reviewing potential wash trades or failed to properly implement those policies and procedures. The policies and procedures only required consideration and a review of trades between the same account number. The policies and procedures did not require consideration of trades by the same beneficial owner with a different account number. Between June 2009 and December 2010, Scotia Capital failed to take adequate steps to prevent and detect potential artificial pricing transactions. Specifically, it failed to adequately implement some of its policies and procedures related to the detection of artificial pricing transactions. As a practice, Scotia Capital only considered two alerts to supervise artificial pricing and high closing. This practice meant that trades could occur at the end of the day that set the closing price on an uptick and would go undetected by compliance staff.
	Disposition – Pursuant to a Settlement Agreement, Scotia Capital admitted that it failed to comply with its trading supervision obligations contrary to UMIR 7.1 and Policy 7.1.
	Requirements Considered – Rule 7.1 and Policy 7.1.
	Sanction – Scotia Capital agreed to pay a $150,000 fine, and to pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of JitneyTrade Inc. ("JitneyTrade") (July 23, 2013) DN 13-0196***
	Facts – Between February and September 2010, and February 2011 and February 2012 (the "Relevant Period"), JitneyTrade, a registered investment dealer providing Direct Market Access ("DMA") to IIROC-regulated marketplaces to institutional and order-execution clients, was not able to adequately detect, prevent and address potential events of spoofing and layering, and other suspicious trading activities by some of its DMA clients. JitneyTrade supervised its DMA clients through the review of T+1 reports which were not adequate to detect and prevent potential patterns of layering and spoofing due to the volume of trading generated on a daily basis. In addition, JitneyTrade relied in part on the compliance department of a client instead of directly supervising the trading activity of this client.
	Disposition – Pursuant to a Settlement Agreement JitneyTrade admitted that in the Relevant Period, it failed to implement an appropriate trade supervision system reasonably well designed to prevent and detect violations of UMIR requirements for the size and nature of its DMA clients' business, contrary to UMIR 7.1 and Policy 7.1.
	Requirements Considered – Rule 7.1 and 2.2, and Policy 7.1 and 2.2.
	Sanction – JitneyTrade agreed to pay a $90,000 fine, as well as to pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of Interactive Brokers Canada Inc. ("Interactive Brokers") (July 25, 2013) DN 13-0197***
	Facts – Between November 2007 and April 2008 (the "Relevant Period"), Interactive Brokers, a registered investment dealer, failed to take adequate steps to prevent and detect manipulative and deceptive trading by a retail client in the shares of a security listed on the TSX Venture Exchange. The client frequently entered orders (the majority for 100 shares) at or near the close of trading that up-ticked the prevailing bid. Interactive Brokers lacked adequate policies and procedures for reviewing potentially manipulative late day order entry that could affect the closing bid or offer which led Interactive Brokers to fail to prevent and detect the client's pattern of manipulative late day order entry in the security. Interactive Brokers did not perform post-trade monitoring and testing of orders for artificial pricing.
	Disposition – Pursuant to a Settlement Agreement, Interactive Brokers admitted that in the Relevant Period, it failed to comply with its trading supervision obligations contrary to UMIR 7.1 and Policy

	7.1.
	Requirements Considered – Rule 7.1 and Policy 7.1.
	Sanction – Interactive Brokers agreed to pay a $50,000 fine, as well as to pay costs in the amount of $10,000.
Disciplinary Proceedings:	***In the Matter of Lakeshore Securities Inc. ("Lakeshore") (November 11, 2014) DN 14-0262***
	Facts – Between February 2011 and March 2012 (the "Relevant Period"), Lakeshore entered a new line of business to provide direct market access ("DMA") to certain clients. The new DMA business increased Lakeshore's order flow significantly, but Lakeshore failed to take adequate steps to quantify, summarize and document its trading supervision testing and reporting. In addition, Lakeshore offered DMA to certain clients who did not meet the financial eligibility requirements set out at the time in Rule 2-501 of the Rules of the Toronto Stock Exchange. UMIR 10.1 requires a Participant to comply with the Marketplace Rules of the marketplace on which the particular order is entered and executed. The provision of DMA to ineligible clients is also contrary to Lakeshore's trading supervision obligations under UMIR 7.1 and Policy 7.1.
	Disposition – Pursuant to a Settlement Agreement Lakeshore admitted that in the Relevant Period, it failed to comply with its trading supervision obligations contrary to UMIR 7.1, UMIR Policy 7.1, UMIR 10.1 and Rule 2-501 of the Rules of the Toronto Stock Exchange.
	Requirements Considered – Rule 7.1, Policy 7.1, Rule 10.1 and Rule 2-501 of the Toronto Stock Exchange.
	Sanction – Lakeshore agreed to pay a $20,000 fine, as well as to pay costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of M Partners Inc. ("M Partners") (February 27, 2015) DN 15-0054***
	Facts – During November 2012 (the "Relevant Period"), M Partners failed to comply with its trading supervision obligations and to meet its audit trail requirements. During the period, there were significant audit trail deficiencies and improper order handling practices relating to the firm's use of accumulation accounts.
	Disposition – Pursuant to a Settlement Agreement M Partners admitted that in the Relevant Period, it failed to comply with its trading supervision obligations contrary to UMIR 7.1 and Policy 7.1, and failed on receipt or origination of certain orders to record specific information relating to the orders as required by Part 11 of the Trading Rules (National Instrument 23-101) contrary to UMIR 10.11(1).
	Requirements Considered – Rule 7.1, Policy 7.1, Rule 10.11 and Part 11 of the Trading Rules.
	Sanction – M Partners agreed to pay a $40,000 fine and to pay costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of Independent Trading Group (ITG) Inc. ("Independent Trading Group") (May 11, 2015) DN 15-0109***
	Facts – On January 21, 2014, at the open of trading on the TSX, Independent Trading Group's failure to employ adequate automated pre-trade controls to limit its financial exposure allowed for the entry of an erroneous order that resulted in an intraday capital deficiency of approximately $8 million. Independent Trading Group failed to adopt, document and maintain a system of risk management and supervisory controls, policies and procedures that was adequate to ensure the management of the financial, regulatory and other risks associated with electronic access to marketplaces.
	Disposition – Pursuant to a Settlement Agreement Independent Trading Group admitted that it failed to comply with its trading supervision obligations contrary to UMIR 7.1(6) and Policy 7.1, Part 7.
	Requirements Considered – Rule 7.1(6), Policy 7.1, Part 7.
	Sanction – Independent Trading Group agreed to pay a $170,000 fine and to pay costs in the amount of $5,000.
Disciplinary Proceedings:	***In the Matter of JitneyTade ("JitneyTrade") (April 10, 2017) DN 17-0082***
	Facts – Between September 2013 and October 2014, JitneyTrade failed to implement an effective trading supervision system and failed to act as a gatekeeper to prevent and detect violations or potential violations of UMIR 2.2 and UMIR Policy 2.2 by one of its direct electronic access clients.
	Disposition – Pursuant to a Settlement Agreement, JitneyTrade admitted that it failed to comply with its trading supervision obligations to prevent and detect violations of UMIR 2.2 by one of its direct electronic access clients, contrary to UMIR 7.1 and UMIR Policy 7.1.
	Requirements Considered – Rule 2.2 and Rule 7.1.
	Sanction – JitneyTrade agreed to pay a fine of $200,000, implement remedial measures and to pay costs in the amount of $25,000.
Disciplinary Proceedings:	***In the Matter of M Partners Inc. ("M Partners") and Steven Isenberg ("Isenberg") (July 12, 2018) DN 18-0133***

Facts – Between February 2015 and August 2016, M Partners failed to comply with its trading supervision obligations, contrary to UMIR 7.1 and failed to maintain a proper audit trail by not recording specific information relating to orders as required by Part 11 of the Trading Rules (National Instrument 23-101), contrary to UMIR 10.11(1).

Between February 2015 and August 2016, Steven Isenberg, as Ultimate Designated Person ("UDP"), did not take adequate steps to supervise M Partners' compliance with its regulatory obligations regarding trading supervision and the maintenance of a proper audit trail and failed to promote compliance at M Partners, contrary to IIROC Dealer Member Rule 38.5(c).

Disposition – Pursuant to a Settlement Agreement, M Partners admitted it failed to comply with its trading supervision obligations and failed to maintain a proper audit trail. Isenberg admitted that he did not take adequate steps to supervise M Partners' compliance with its regulatory obligations regarding trading supervision and the maintenance of a proper audit trail, and failed to promote compliance at M Partners.

Requirements Considered – Rule 7.1, Policy 7.1, Rule 10.11 and Part 11 of the Trading Rules.

Sanction – M Partners agreed to pay a $120,000 fine and to pay costs in the amount of $10,000; Isenbergy agreed to pay a $70,000 fine.

7.2 Proficiency Obligations

(1) No order to purchase or sell a security or a derivative shall be entered by a Participant on a marketplace unless the Participant or the director, officer, partner or employee of the Participant entering the order or responsible for the order has:

(a) completed the Trader Training Course of the Canadian Securities Institute or such course, examination or other means of demonstrating proficiency in UMIR and Policies as may be acceptable to the Market Regulator of the marketplace on which the order is entered or the applicable securities regulatory authority; or

(b) received approval of an Exchange or QTRS for the entry of orders to the trading system of that Exchange or QTRS.

(2) A marketplace shall ensure that each Access Person with access to that marketplace is trained in such provisions of UMIR and such Policies as may be applicable to an Access Person.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	NI 21-101 section 1.1 – "order"
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "derivative", "employee", "Exchange", "Market Regulator", "marketplace", "Participant", "Policy", "QTRS" and "UMIR"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 7.2 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 of Status of Amendments.*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 7.2 to expand proficiency obligations to the trading of derivatives on a marketplace. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

7.3 Liability for Bids, Offers and Trades

(1) All bids and offers for securities or derivatives made and accepted on a marketplace shall be binding and all contracts thereby effected shall be subject to the exercise by the marketplace on which the trade is executed of the powers vested in the marketplace and the Market Regulator of that marketplace.

(2) A Participant shall be responsible for all bids and offers that are entered into, or arise by operation of the trading system of a marketplace and that originate from any terminal or computer system allowing access to trading on the marketplace that is operated by or is under the control of that Participant whether or not the Participant has authorized the entry of the order.

(3) Subject to the obligation of an Access Person for compliance with applicable provisions of UMIR and the Policies, an ATS shall be responsible for all bids and offers that are entered into, or arise by operation of the trading system of the ATS and that originate from any terminal or computer system allowing access to trading on the ATS that is operated by or is under the control of the Access Person of that ATS whether or not the Access Person has authorized the entry of the order.

Defined Terms:	*NI 21-101 section 1.1 – "ATS" and "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "derivative", "Market Regulator", "marketplace", "Participant", "Policy" and "UMIR"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Rule 7.3 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 of Status of Amendments.*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 7.3 to extend the liability for bids, offers and trades to the trading of derivatives. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

7.4 Contract Record and Official Transaction Record

(1) The electronic record of an order or a trade in a security or a derivative as provided by a marketplace to an information processor or an information vendor in accordance with the Marketplace Operation Instrument is the official transaction record for the purpose of determining:

(a) best ask price;

(b) best bid price; and

(c) last sale price.

(2) Despite subsection (1), the electronic record of a trade in a security or a derivative as maintained by the marketplace on which the trade occurred shall be the record of the contract made on that trade and in the event of a dispute between parties to the contract or discrepancy with the records of the clearing agency effect shall be given to the record of the marketplace.

(3) Each marketplace shall provide to the information processor or information vendor information respecting each cancellation, variation or correction of a trade as soon as practicable after the cancellation, variation or correction has been made to the record of the contract as maintained by the marketplace and the information processor or information vendor shall amend the transaction record accordingly.

Defined Terms:	*NI 21-101 section 1.1 – "information processor" and "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "best ask price", "best bid price", "derivative", "last sale price", "Market Operation Instrument" and "marketplace"
	UMIR section 1.2(2) – "trade"
Related Provision:	*UMIR section 7.11*
Regulatory History:	*Effective January 30, 2004, the applicable securities commissions approved an amendment to subsection (1) of Rule 7.4 by inserting the words "an order or" immediately preceding the words "a trade". See Market Integrity Notice 2004-005 –* ***"Administrative and Editorial Amendments"*** *(January 30, 2004).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to extend the requirements under UMIR 7.2 to the trading of derivatives. See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace"*** *(September 15, 2022).*

7.5 Recorded Prices

(1) No Participant acting as agent shall execute a transaction through a marketplace in which the price recorded on the marketplace is:

(a) in the case of a purchase by a client, higher than the net cost to the client; or

(b) in the case of a sale by a client, lower than the net proceeds to the client.

(2) No Participant acting as principal shall execute a transaction through a marketplace in which the price recorded on the marketplace is:

(a) in the case of a sale to a client,

(i) higher than the net cost to the client, or

(ii) lower than the net cost to the client by more than the usual agency commission that would be charged by that Participant to that client for an order of the same size; and

(b) in the case of a purchase from a client,

(i) lower than the net proceeds to the client, or

(ii) higher than the net proceeds to the client by more than the usual agency commission that would be charged by that Participant to that client for an order of the same size.

POLICY 7.5 - RECORDED PRICES

If the price of:

- *an internal cross or intentional cross to be recorded on a marketplace; or*
- *a trade that has been executed outside of Canada that is to be reported to a marketplace in accordance with clause (e) of Rule 6.4,*

has been agreed to in a foreign currency and the trade is to be recorded or reported in Canadian currency, the price in foreign currency shall be converted to Canadian dollars using the exchange rate the Participant would have applied in respect of a trade of similar size on a foreign organized regulated market at the time of the internal cross, intentional cross or execution of the trade outside of Canada. If the trade price converted into Canadian currency falls between two trading increments for the marketplace on which the cross is to be entered or the trade reported, the price shall be rounded to the nearest trading increment. A Participant shall maintain with the record of the order the exchange rate used for the purpose of entering the internal cross or intentional cross or reporting the foreign trade and such information shall be provided to the Market Regulator upon request in such form and manner as may be reasonably required by the Market Regulator in accordance with Rule 10.11(3).

Defined Terms:	*NI 21 101 section 1.1 – "order"*
	UMIR section 1.1 – "foreign organized regulated market", "intentional cross", "internal cross", "Market Regulator", "marketplace", "net cost", "net proceeds", "Participant" and "trading increment"
	UMIR section 1.2(2) – "trade"
Related Provisions:	*UMIR 6.4, 10.11(3)*
Regulatory History:	*Effective May 16, 2008, the applicable securities commissions approved amendments to Rule 7.5 to replace subsection (2) of Rule 7.5 and to add Policy 7.5. See Market Integrity Notice 2008-008 –* ***"Provisions Respecting "Off-Marketplace" Trades"*** *(May 16, 2008).*
	Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – Notice of Approval and Implementation – ***"Amendments to the French version of UMIR"*** *(December 9, 2013).*
Guidance:	*See Market Integrity Notice 2004-002 –* ***"Net Prices Trades"*** *(January 28, 2004).*
Guidance:	*See Market Integrity Notice 2005-034 –* ***"Risk-Bid Tenders – Trading a Portfolio of Securities as Principal"*** *(October 28, 2005).*
Repealed Guidance:	*See Market Integrity Notice 2006-005 –* ***"Guarantee by a Participant of a Trade Price"*** *(February 10, 2006). This Market Integrity Notice was repealed and replaced by IIROC Notice 12-0010 –* ***"Guidance on the Guarantee by a Participant of a Trade Price for a Client Order"*** *(January 9, 2012).*
Guidance:	*See IIROC Notice 12-0010 –* ***"Guidance on the Guarantee by a Participant of a Trade Price for a Client"*** *(January 9, 2012).*

7.6 Cancelled Trades

If a trade is cancelled, a subsequent trade on any marketplace which was:

(a) executed as a result of the price of the cancelled trade; or

(b) permitted only as a result of the price of the cancelled trade,

shall stand unless cancelled by the consent of the buyer and the seller or by a Market Integrity Official who is of the opinion that the cancellation of the subsequent trade is appropriate under the circumstances.

Defined Terms:	*UMIR section 1.1 – "Market Integrity Official" and "marketplace"*
	UMIR section 1.2(2) – "trade"
Related Provision:	*UMIR section 7.11*

7.7 Trading During Certain Securities Transactions

(1) **Prohibitions** - Except as permitted, a dealer-restricted person shall not at any time during the restricted period:

(a) bid for or purchase a restricted security for an account:

(i) of a dealer-restricted person, or

(ii) over which the dealer-restricted person exercises direction or control; or

(b) attempt to induce or cause any person to purchase a restricted security.

(2) **Prohibitions on Acting for Issuer-Restricted Persons -** Except as permitted, if a dealer-restricted person knows or ought reasonably to know that a person is an issuer-restricted person, the dealer-restricted person shall not at any time during the restricted period applicable to a particular issuer-restricted person bid for or purchase a restricted security for the account of that issuer-restricted person or an account over which that issuer-restricted person exercises direction or control.

(3) **Deemed Recommencement of a Restricted Period -** If a Participant appointed to be an underwriter in a prospectus distribution or a restricted private placement receives a notice or notices of the exercise of statutory rights of withdrawal or rights of rescission from purchasers of, in the aggregate, not less than 5% of the offered securities allotted to or acquired by the Participant in connection with the prospectus distribution or the restricted private placement then a restricted period shall be deemed to have commenced upon receipt of such notice or notices and shall be deemed to have ended at the time the Participant has distributed its participation, including the securities that were the subject of the notice or notices of the exercise of statutory rights of withdrawal or rights of rescission.

(4) **Exemptions -** Subsection (1) does not apply to a dealer-restricted person in connection with:

(a) market stabilization or market balancing activities where the bid for or purchase of a restricted security is for the purpose of maintaining a fair and orderly market in the offered security by reducing the price volatility of or addressing imbalances in buying and selling interests for the restricted security provided that the bid or purchase is at a price which does not exceed:

(i) in the case of an offered security, the least of:

(A) the price at which the offered security will be issued in a prospectus distribution or restricted private placement, if that price has been determined,

(B) the best independent bid price at the commencement of the restricted period if the price at which the offered security will be issued in a prospectus distribution or restricted private placement has not been determined or if the offered security will be issued pursuant to a securities exchange take-over bid, an issuer bid or an amalgamation, arrangement, capital reorganization or similar transaction, and

(C) the best independent bid price at the time of the entry on a marketplace of the order to purchase,

(ii) in the case of a connected security, the lesser of:

(A) the best independent bid price at the commencement of the restricted period, and

(B) the best independent bid price at the time of the entry on a marketplace of the order to purchase,

provided that if the restricted security has not previously traded on a marketplace, the price also does not exceed the price of the last trade of the security executed on a foreign organized regulated market other than a trade that the 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;

(b) a restricted security that is:

(i) a highly-liquid security,

(ii) a unit of an Exempt Exchange-traded Fund, or

(iii) a connected security of a security referred to in subclause (i) or (ii);

(c) a bid or purchase by a dealer-restricted person on behalf of a client, other than a client that the dealer-restricted person knows or ought reasonably to know is an issuer-restricted person provided that:

(i) the client order has not been solicited by the dealer-restricted person, or

(ii) if the client order was solicited, the solicitation by the dealer-restricted person occurred prior to the commencement of the restricted period;

(d) the exercise of an option, right, warrant or a similar contractual arrangement held or entered into by the dealer-restricted person prior to the commencement of the restricted period;

(e) a bid for or purchase of a restricted security is made pursuant to a Small Securityholder Selling and Purchase Arrangement undertaken in accordance with National Instrument 32-101 or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(f) the solicitation of a tender of securities to a securities exchange take-over bid or issuer bid;

(g) a subscription for or purchase of an offered security pursuant to a prospectus distribution or restricted private placement;

(h) a bid or purchase of a restricted security to cover a short position entered into prior to the commencement of the restricted period;

(i) a bid or purchase of a restricted security is solely for the purpose of rebalancing a portfolio, the composition of which is based on an index as designated by the Market Regulator, to reflect an adjustment made in the composition of the index;

(j) a purchase that is or a bid that on execution would be:

(i) a basket trade, or

(ii) a Program Trade; or

(k) a bid for a purchase of a restricted security for an arbitrage account and the dealer-restricted person knows or has reasonable grounds to believe that a bid enabling the dealer-restricted person to cover the purchase is then available and the dealer-restricted person intends to accept such bid immediately.

(5) **Exemptions on Acting for an Issuer-restricted Person -** Subsection (2) does not apply to a dealer-restricted person in connection with:

(a) the exercise by an issuer-restricted person of an option, right, warrant, or a similar contractual arrangement held or entered into by the issuer-restricted person prior to the commencement of the restricted period;

(b) a bid or purchase by an issuer-restricted person of a restricted security pursuant to a Small Securityholder Selling and Purchase Arrangement made in accordance with National Instrument 32-101 or similar rules applicable to any marketplace on which the bid or purchase is entered or executed;

(c) an issuer bid described in clauses 93(3)(a) through (d) of the *Securities Act* (Ontario) or similar provisions of applicable securities legislation if the issuer did not solicit the sale of the securities sold under those provisions;

(d) the solicitation of the tender of securities to a securities exchange take-over bid or issuer bid; or

(e) a subscription for or purchase of an offered security pursuant to a prospectus distribution or a restricted private placement.

(6) **Compilations and Industry Research -** Despite subsection (1), a dealer-restricted person may, if permitted under applicable securities legislation, publish or disseminate any information, opinion or recommendation relating to the issuer of a restricted security, if the information, opinion or recommendation is in a publication that is disseminated with reasonable regularity in the normal course of business of the dealer-restricted person and:

(a) the restricted security is a highly-liquid security; or

(b) the publication:

(i) includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of issuers in the

issuer's industry or contains a comprehensive list of securities currently recommended by the dealer-restricted person, and

(ii) gives no materially greater space or prominence to the information, opinion or recommendation related to the restricted security or the issuer of the restricted security than that given to other securities or issuers.

(7) **Transactions by Person with Marketplace Trading Obligations -** Despite subsection (1), a dealer-restricted person with Marketplace Trading Obligations for a restricted security may, for their trading account in respect of such Marketplace Trading Obligations:

(a) with the prior approval of a Market Integrity Official, enter a bid to move the calculated opening price of a restricted security to a more reasonable level;

(b) purchase a restricted security pursuant to their Marketplace Trading Obligations; and

(c) bid for or purchase a restricted security:

(i) that is traded on another marketplace or foreign organized regulated market for the purpose of matching a higher-priced bid posted on such marketplace or foreign organized regulated market,

(ii) that is convertible, exchangeable or exercisable into another listed security for the purpose of maintaining an appropriate conversion, exchange or exercise ratio, and

(iii) to cover a short position resulting from sales made under their Marketplace Trading Obligations.

(8) **Transactions by the Derivatives Market Maker –** Despite subsection (1), a dealer-restricted person who is a derivatives market maker with responsibility for a derivative security the underlying interest of which is a restricted security may, for their derivatives market making trading account, bid for or purchase a restricted security if:

(a) the restricted security is the underlying security of the option for which the person is the specialist;

(b) there is not otherwise a suitable derivative hedge available; and

(c) such bid or purchase is:

(i) for the purpose of hedging a pre-existing options position,

(ii) reasonably contemporaneous with the trade in the option, and

(iii) consistent with normal market-making practice.

(9) **Application of Exemptions to a Dealer-Restricted Person and Issuer-Restricted Person –** Where a dealer-restricted person is also an issuer-restricted person the exemptions in subsections (4), (6), (7) and (8) continue to be available to the dealer-restricted person.

POLICY 7.7 – TRADING DURING CERTAIN SECURITIES TRANSACTIONS

Part 1 – Manipulative or Deceptive Activity

Provisions prohibiting manipulative or deceptive activities, including activities that may create misleading pricing or trading activity that is detrimental to investors and the integrity of the markets, are contained in Rule 2.2. Rule 7.7 generally prohibits purchases of or bids for restricted securities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction. Rule 7.7 also provides certain exemptions to permit purchases and bids in situations where there is no, or a very low possibility of manipulation. However, the Market Regulator is of the view that notwithstanding that certain trading activities are permitted under Rule 7.7, these activities continue to be subject to the general provisions relating to manipulative or deceptive activities in Rule 2.2 and the provisions on manipulation and fraud found in applicable securities legislation such that any activities carried out in accordance with Rule 7.7 must still meet the spirit of the general anti-manipulation provisions.

Part 2 - Market Stabilization and Market Balancing

Rule 7.7(4)(a) provides a dealer-restricted person with an exemption from the prohibitions in subsection (1) for market stabilization and market balancing activities subject to price limitations. Market stabilization and market balancing activities should be engaged in for the purpose of maintaining a fair and orderly market in the offered security by reducing the price volatility of or addressing imbalances in buying and selling interests for the restricted security.

The Market Regulator considers it to be inappropriate for a dealer to engage in market stabilization activities in circumstances where dealer knows or should reasonably know that the market price is not fairly and properly determined by supply and demand. This might exist where, for example, the dealer is aware that the market price is a result of inappropriate activity by a market participant or that there is undisclosed material information regarding the issuer.

Market balancing activities should contribute to a fair and orderly market by contributing to price continuity and depth and by minimizing supply-demand disparity. Market balancing does not seek to prevent or unduly retard any price movements, but merely to prevent erratic or disorderly changes in price.

Part 3 – Short Position Exemption

Rule 7.7(4)(h) provides an exemption from the prohibitions in subsection (1) for a dealer-restricted person in connection with a bid for or purchase to cover a short position provided that short position was entered into before the commencement of the restricted period. Short positions entered into during the restricted period may be covered by purchases made in reliance upon the market stabilization exemption in Rule 7.7(4)(a), subject to the price limits set out in that exemption. (See "Part 5 – Trading Pursuant to Marketplace Trading Obligations" for a discussion of the ability of persons with Marketplace Trading Obligations to cover short positions arising during the restricted period pursuant to their Marketplace Trading Obligations.)

Part 4 – Research

The Market Regulator is of the view that although sections 4.1 and 4.2 of OSC Rule 48-501 do permit a dealer-restricted person to disseminate research reports, this dissemination continues to be subject to the usual restrictions that are applicable to a dealer-restricted person in possession of material information regarding the issuer that has not been generally disclosed.

Rule 7.7(6) provides circumstances where a dealer-restricted person may publish or disseminate information, an opinion, or a recommendation relating to the issuer of a restricted security. The Rule requires that the information, opinion or recommendation is contained in a publication which is disseminated with reasonable regularity in the normal course of business of the dealer-restricted person. The Market Regulator considers that it is a question of fact whether a publication was disseminated "with reasonable regularity" and whether it was in the "normal course of business". A research publication would not likely be considered to have been published with reasonable regularity if it had not been published within the previous twelve month period or there had been no coverage of the issuer within the previous twelve month period. The nature and extent of the published information should also be consistent with prior publications and the dealer should not undertake new initiatives in the context of the distribution. For example, the inclusion of projections of issuers' earnings and revenues would likely only be permitted if they had previously been included on a regular basis. The Market Regulator may consider the distribution channels for the dissemination of the publication when considering whether a publication was "in the normal course of business". The research should be distributed through the dealer-restricted person's usual research distribution channels and should not be targeted or distributed specifically to prospective investors in the distribution as part of a marketing effort. However, the research may be distributed to a prospective investor if that investor was previously on the mailing list for the research publication.

Rule 7.7(6)(b) requires that the information, opinion or recommendation includes similar coverage in the form of information, opinions or recommendations with respect to a substantial number of issuers in the issuer's industry. In this context, reference should be made to the relevant industry when determining what constitutes a "substantial number of issuers". Generally, the Market Regulator would consider a minimum of six issuers to be a sufficient number. However, where there are less than six issuers in an industry, then all issuers should be included in the research report, and in any event the number of issuers should not be less than three.

Part 5 – Trading Pursuant to Marketplace Trading Obligations

Under Rule 7.7(7)(b), a dealer-restricted person with Marketplace Trading Obligations for a restricted security may, for their trading account in connection with such Marketplace Trading Obligations, purchase a restricted security pursuant to their Marketplace Trading Obligations. Not every purchase of a restricted security by a person with Marketplace Trading Obligations will be considered to be undertaken pursuant to their Marketplace Trading Obligations. For example, if a market making system of an Exchange or QTRS permits a market maker to voluntarily participate in trades that participation may only result in purchases that are:

- *made at prices which are permitted by Rule 7.7(4)(a); or*
- *to cover a short position resulting from sales made under their Marketplace Trading Obligations.*

Use of a voluntary participation feature in other circumstances, may result in the market maker not complying with the prohibitions or restrictions on trading under Rule 7.7.

Defined Terms:	*NI 14-101 section 1.1(3) – "issuer bid", "securities legislation" and "take-over bid"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "arbitrage account", "basket trade", "best independent sale price", "client order", "connected security", "dealer-restricted person", "derivatives market marker", "Exchange", "Exempt Exchange-traded Fund", 'foreign organized regulated market", "hedge", "highly-liquid security", "issuer-restricted person", "listed security", "Market Integrity Official", "marketplace", "Marketplace Trading Obligations", "Marketplace Rules", "Market Regulator", "Program Trade", "offered security", "restricted period", "restricted private placement", "restricted security", "securities exchange take-over bid" and "QTRS"
	UMIR section 1.2(2) – "person" and "trade"
Related Provisions:	*UMIR section 1.2(6) – Interpretation of "restricted period" and UMIR section 2.2*
Regulatory History:	*Effective February 25, 2005, the applicable securities commissions approved amendments effective May 9, 2005 to repeal and replace section 7.7 and to add Parts 1, 2, 3, 4 and 5 of Policy 7.7. See Market Integrity Notice 2005-007 –* ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 4, 2005).*
	Effective May 16, 2008, the applicable securities commissions approved an amendment to Rule 7.7 to replace the phrase "an organized regulated market outside of Canada that publicly disseminates details of trades executed on that market" with "foreign organized regulated market or other market". See Market Integrity Notice 2008-008 – ***"Provisions Respecting "Off-Marketplace" Trades"*** *(May 16, 2008).*
	Effective January 8, 2010, the applicable securities commissions approved amendments to subsection (4) of section 7.7 to delete the words "the lesser of" in clause (a); amendments to subsection (4) of section 7.7 to repeal and replace subclause (a)(i), to add the words "the lesser of" after the word "security" in subclause (a)(ii), to replace the "last independent sale price" by "best independent sale price" in paragraphs (A) and (B) of subclause (a)(ii), to replace the words "Exchange-traded Fund" by "Exempt Exchange-traded Fund" in subclause (b)(ii), and to replace the word "market" by "marketplace or foreign organized regulated market" in clause (c). See IIROC Notice 10-0006 – ***"Provisions Respecting Trading During Certain Securities Transactions"*** *(January 8, 2010).*
	Effective August 26, 2011, the applicable securities regulatory authorities approved amendments to section 7.7 and Policy 7.7 principally to replace the definition of "Market Maker Obligations" with a definition of "Marketplace Trading Obligations". See IIROC Notice 11-0251 – ***"Provisions Respecting Market Maker, Odd Lot and Other Marketplace Trading Obligations"*** *(August 26, 2011).*
	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).*
Guidance:	*See Market Integrity Notice 2005-013 –* ***"Effective Date of Amendments Respecting Trading During Certain Securities Transactions"*** *(May 2, 2005).*
Repealed Guidance:	*See Market Integrity Notice 2005-023 –* ***"Securities Trading on Multiple Marketplaces"*** *(July 29, 2005) which was repealed and replaced by Market Integrity Notice 2006-017 –* ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006).*
Guidance:	*See Market Integrity Notice 2006-003 –* ***"Solicitation of Client Orders During a Restricted Period"*** *(January 31, 2006).*
Guidance:	*See Market Integrity Notice 2006-016 –* ***"Trading During Certain Securities Transactions"*** *(July 10, 2006).*
Partially Repealed Guidance:	*See Market Integrity Notice 2006-017 –* ***"Guidance – Securities Trading on Multiple Marketplaces"*** *(September 1, 2006). Section respecting Rule 5.1 – Best Execution of Client Orders of MIN 2006-017 was repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 –* ***"Guidance on Best Execution****" (July 6, 2017).*
Guidance:	*See IIROC Notice 09-0007 –* ***"'Principal Market' Determination for 2009"*** *(January 9, 2009).*
Guidance:	*See IIROC Notice 10-0095 –* ***"'Principal Market' Determination for 2010"*** *(April 6, 2010).*
General Commentary:	*A current list of the securities which have been designated to be excluded from the definition as an "Exempt Exchange-traded Fund" is available on the IIROC website (at www.iiroc.ca).*
	A list of the securities which on any particular trading day qualify as a "highly-liquid security" is available on the IIROC website (at www.iiroc.ca).

A current list of the indices which have been designated by IIROC for the purposes of UMIR is available on the IIROC website (at www.iiroc.ca).

Disciplinary Proceedings: ***In the Matter of David William Trim ("Trim") (October 30, 2002) OOS 2002-005***

Facts – On January 16, 2001, Trim, a trader employed by BMO Nesbitt Burns Inc. ("BMO"), entered into a trade for shares of a company at a price in excess of the maximum permitted stabilization price during a restricted period which the security was subject to. In a separate transaction, on September 6, 2001, Trim, entered into a trade to cover an outstanding short position in a security that, at the time of the trade, was on BMO's restricted list. Trim was advised by BMO's Corporate Compliance Department that he could cover his outstanding short position so long as the bid or purchase price was not higher than the maximum permitted stabilization price, in this case $4.50. Trim subsequently entered into a trade for the shares at $4.54.

Disposition – Trim executed prohibited trades in two securities at a time when BMO was involved in a distribution of these securities and had restricted trading of the securities.

Requirements Considered – TSX Rules 7-106(b) and 4-303. Comparable UMIR Provision - Rule 7.7

Sanction - $10,000 fine and costs of $3,500

Disciplinary Proceedings: *Rule 7.7(5) (pre-May 2005 version) was considered* ***In the Matter of Scotia Capital Inc. ("Scotia") (February 26, 2007) DN 2007-001.*** *See Disciplinary Proceedings under Rule 6.4.*

Disciplinary Proceedings: ***In the Matter of Global Securities Corporation ("Global") (December 3, 2007) DN 2007-005***

Facts – Between October 6, 2005, and November 16, 2005, Global, while acting as an underwriter for a private placement of securities for Jasper Mining Corporation ("Jasper"), entered twenty-five orders to buy shares of Jasper (resulting in forty-three trades) for non-client, inventory and client accounts (on a solicited or discretionary basis).

Disposition – Subject to certain exemptions, UMIR imposes trading restrictions on a dealer with an interest in the outcome of the distribution of securities or other transactions ("Dealer-Restricted Person"). During the relevant period, Global was a Dealer-Restricted Person, and as such, was prohibited from bidding for or purchasing shares of Jasper for its own account, for an account over which Global exercised direction or control or soliciting the purchase of shares of Jasper. By purchasing shares of Jasper for non-client, inventory and client accounts over which Global had discretion or solicited such purchase, Global did harm to the reputation of the marketplace and the public's perception of the capital markets.

Requirements Considered – Rule 7.7

Sanction – $65,000 fine and costs of $25,000

Disciplinary Proceedings: *Rule 7.7(5) [as it existed prior to May, 2005] was considered* ***In the Matter of David Berry ("Berry") (January 17, 2013) DN 13-0018****. See Disciplinary Proceeding under Rule 6.4.*

7.8 Restrictions on Trading During a Securities Exchange Take-over Bid *- repealed*

Regulatory History:	*Effective February 25, 2005, the applicable securities commissions approved an amendment to repeal section 7.8 effective May 9, 2005. See Market Integrity Notice 2005-007 –* ***"Amendments Respecting Trading During Certain Securities Transactions"*** *(March 4, 2005).*

7.9 Trading in Listed or Quoted Securities or Derivatives by a Derivatives Market Maker

A Participant who is a derivatives market maker shall comply when trading on any marketplace with such additional requirements as may be required by:

(a) an Exchange when trading on that Exchange in listed securities or derivatives; and

(b) a QTRS when trading on that QTRS in quoted securities.

Defined Terms:	*UMIR section 1.1 – "derivative", "derivatives market maker", "Exchange", "listed security", "marketplace", "Participant", "quoted security" and "QTRS"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to extend the requirements under UMIR 7.9 to the trading of derivatives on an Exchange. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "failed trade", "Market Regulator", "marketplace", "Participant", "short sale" and "trading day"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*On October 14, 2008, the applicable securities commissions approved amendments to UMIR related to short sales and failed trades. See IIROC Notice 08-0143 –* ***"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 09-0062 –* ***"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 11-0080 –* ***"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 13-0014 –* ***"Implementation Date for Reporting "Trade-for-Trade" Extended Failed Trades"*** *(January 14, 2013).*
Guidance:	*See IIROC Notice 11-0161 –* ***"Reminder Regarding the Reporting of Extended Failed Trades"*** *(May 19, 2011).*
Guidance:	*See IIROC Notice 13-0100 –* ***"Update Respecting the Implementation of the "Trade-for-Trade" Extended Failed Trades Reporting"*** *(April 9, 2013).*
Guidance:	*See IIROC Notice 13-0014 –* ***"Implementation Date for Reporting "Trade-for-Trade" Extended Failed Trades"*** *(April 9, 2013).*

***Guidance**:*	*See IIROC Notice 22-0130 – "**Guidance on Participant Obligations to have Reasonable Expectation to Settle any Trade Resulting from the Entry of a Short Sale Order**" (August 17, 2022)*

7.11 Variation and Cancellation and Correction of Trades

No trade executed on a marketplace shall, subsequent to the execution of the trade, be:

(a) cancelled; or

(b) varied or corrected with respect to:

(i) the price of the trade,

(ii) the volume of the trade, or

(iii) the date for settlement of the trade,

except:

(c) by the Market Regulator in accordance with UMIR; or

(d) with the prior consent of the Market Regulator, if the variation, cancellation or correction would be necessary to correct an error caused by a system or technological malfunction of the marketplace's systems or equipment or caused by an individual acting on behalf of the marketplace; or

(e) with notice to the Market Regulator immediately following the variation, cancellation or correction of the trade in such form and manner as may be required by the Market Regulator and such notice shall be given, if the variation, cancellation or correction is made:

(i) prior to the settlement of the trade, by:

(A) the marketplace on which the trade was executed at the request of a party to the trade and with the consent of each Participant and Access Person that is a party to the trade, or

(B) the clearing agency through which the trade is or was to be cleared and settled, and

(ii) after the settlement of the trade, by each Participant and Access Person that is a party to the trade.

Defined Terms:	*UMIR section 1.1 – "Access Person", "Market Regulator", "marketplace", "Participant" and "UMIR"*
	UMIR section 1.2(2) – "trade"
Regulatory History:	*On October 15, 2008, the applicable securities commissions approved amendments to UMIR to add section 7.11 that came into force on October 14, 2008. See IIROC Notice 08-0143 –* ***"Provisions Respecting Short Sales and Failed Trades"*** *(October 15, 2008). The implementation date for these amendments, initially set for March 1, 2009, was deferred until a future date to be determined by IIROC. See IIROC Notice 09-0062 –* ***"Deferral of Implementation Date of the Reporting of Extended Failed Trades and Trade Variations and Cancellations"*** *(February 26, 2009).*
	Effective March 1, 2013, the applicable securities commissions approved amendments to Rule 7.11. See IIROC Notice 12-0363 – ***"Provisions Respecting Electronic Trading"*** *(December 7, 2012).*
Guidance:	*See IIROC Notice 11-0079 – "****Implementation Date for the Reporting of Trade Variations and Cancellations****" (February 25, 2011).*
	See IIROC Notice 11-0160 – ***"Reminder Regarding the Reporting of Trade Variations and Cancellations"*** *(May 19, 2011).*

7.12 Inability to Rely on Marketplace Functionality

A Participant or Access Person shall not enter an order on a particular marketplace if the Participant or Access Person knows or ought reasonably to know that the handling of the order by the marketplace and the trading systems of the marketplace may result in the display of the order or the execution of the order not being in compliance with any of the applicable requirements of UMIR.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	UMIR section 1.1 – "Access Person", "marketplace", "Participant, and "UMIR"
Regulatory History:	*On April 13, 2012, the applicable securities commissions approved an amendment to Part 7, effective October 15, 2012, to add section 7.12.*

7.13 Direct Electronic Access and Routing Arrangements

(1) A Participant that is a member, user or subscriber may:

(a) grant direct electronic access or enter into a routing arrangement provided that the Participant has:

(i) established standards that are reasonably designed to manage, in accordance with prudent business practices, the Participant's risks associated with providing direct electronic access to a client or implementing a routing arrangement with an investment dealer or foreign dealer equivalent,

(ii) assessed and documented that the client, investment dealer or foreign dealer equivalent meets the standards established by the Participant, and

(iii) executed a written agreement with the client, investment dealer or foreign dealer equivalent; and

(b) not grant direct electronic access if the client is acting and registered as a dealer in accordance with applicable securities legislation.

(2) The standards established by the Participant under subsection (1) must include a requirement that the client, investment dealer or foreign dealer equivalent:

(a) has sufficient resources to meet any financial obligations that may result from use of direct electronic access or the routing arrangement;

(b) has reasonable arrangements in place to ensure that all personnel transmitting orders using direct electronic access or the routing arrangement have reasonable knowledge of and proficiency in the use of the order entry system;

(c) has reasonable knowledge of and the ability to comply with all applicable Requirements, including the marking of each order with the designations and identifiers required by Rule 6.2;

(d) has reasonable arrangements in place to monitor the entry of orders transmitted using direct electronic access or the routing arrangement;

(e) takes all reasonable steps to ensure that the use of automated order systems, by itself or any client, does not interfere with fair and orderly markets; and

(f) ensures that each automated order system, used by itself or any client, is tested in accordance with prudent business practices, including initially before use or introduction of a significant modification and at least annually thereafter.

(3) The written agreement entered into by a Participant under subsection (1) with the client, investment dealer or foreign dealer equivalent must provide that:

(a) in the case of an agreement for direct electronic access or a routing arrangement:

(i) the trading activity of the client, investment dealer or foreign dealer equivalent will comply with:

(A) all Requirements, and

(B) the product limits or credit or other financial limits specified by the Participant;

(ii) the client, investment dealer or foreign dealer equivalent will maintain all technology facilitating direct electronic access or a routing arrangement in a secure manner and will not permit any person to transmit an order using the direct electronic access or the routing arrangement other than the personnel authorized by the client and named under the provision of the agreement referred to in sub-clause (b)(i), or personnel authorized by the investment dealer or foreign dealer equivalent;

(iii) the client, investment dealer or foreign dealer equivalent will fully co-operate with the Participant in connection with any investigation or proceeding by any marketplace or the Market Regulator with respect to trading conducted pursuant to direct electronic access or a routing arrangement, including upon request by the Participant, providing access to information to the marketplace or Market Regulator that is necessary for the purposes of the investigation or proceeding;

(iv) the Participant is authorized, without prior notice, to:

(A) reject any order,

(B) vary or correct any order entered on a marketplace to comply with Requirements,

(C) cancel any order entered on a marketplace, or

(D) discontinue accepting orders,

from the client, investment dealer or foreign dealer equivalent;

(v) the client, investment dealer or foreign dealer equivalent will immediately inform the Participant if the client, investment dealer or foreign dealer equivalent fails or expects not to meet the standards set by the Participant; and

(b) in the case of an agreement for direct electronic access:

(i) the client will immediately notify the Participant in writing of:

(A) the names of the personnel of the client authorized by the client to enter an order using direct electronic access, and

(B) details of any change to the information in sub-clause (A);

(ii) the client may not trade for the account of any other person unless the client is:

(A) registered or exempted from registration as an adviser under securities legislation, or

(B) a person conducting business in a foreign jurisdiction in a manner analogous to an adviser 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

and the order is for or on behalf of a person who is itself a client of the client acting in the capacity of adviser for that person;

(iii) if the client trades for the account of any other person in accordance with sub-clause (ii), the client must:

(A) ensure that the orders for the other person are transmitted through the systems of the client before being entered on a marketplace, and

(B) ensure that the orders for the other person are subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the client;

(iv) the Participant shall provide to the client, in a timely manner, any relevant amendments or changes to:

(A) applicable Requirements, and

(B) the standards established by the Participant under subsection (1); and

(c) in the case of a routing arrangement agreement, the investment dealer or foreign dealer equivalent will not allow any order entered electronically by a client of the investment dealer or foreign dealer equivalent to be entered directly to a marketplace unless:

(i) the client's order is transmitted through the systems of the investment dealer or foreign dealer equivalent, prior to being transmitted through the systems of the Participant for automatic onward transmission to a marketplace or transmitted directly to a marketplace without being electronically transmitted through the system of the Participant, and

(ii) the client's order is subject to reasonable risk management and supervisory controls, policies and procedures established and maintained by the investment dealer or foreign dealer equivalent.

(4) A Participant must not allow any order to be transmitted using direct electronic access or through a routing arrangement unless:

(a) the Participant is:

(i) maintaining and applying the standards established by the Participant under subsection (1),

(ii) satisfied the client, investment dealer or foreign dealer equivalent meets the standards established by the Participant under subsection (1), and

(iii) satisfied the client, investment dealer or foreign dealer equivalent is in compliance with the written agreement entered into with the Participant; and

(b) the order is subject to the risk management and supervisory controls, policies and procedures established by the Participant including the automated controls to examine each order before entry on a marketplace.

(5) The Participant shall:

(a) at least annually review and confirm that:

(i) the standards established by the Participant under subsection (1) are adequate, and

(ii) the Participant has maintained and consistently applied the standards in the period since the establishment of the standards or the date of the last annual review; and

(b) at least annually by the anniversary date of the written agreement assess, confirm and document that the client, investment dealer or foreign dealer equivalent:

(i) is in compliance with the written agreement with the Participant, and

(ii) has met the standards established by the Participant under subsection (1) since the date of the written agreement or the date of the last annual review.

(6) A Participant shall forthwith notify the Market Regulator:

(a) upon entering into a written agreement respecting direct electronic access, of the name of the client that is not eligible to obtain a Legal Entity Identifier under the standards set by the Global Legal Entity Identifier System; and

(b) of any change in the information described in clause (a).

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"* *NI 21-101 section 1.1 – "member", "order", "subscriber" and "user"* *NI 23-103 section 1 – "automated order system"* *NI 31-103 section 1.1 – "investment dealer"* *UMIR section 1.1 – "direct electronic access", "foreign dealer equivalent", "Global Legal Entity Identifier System", "Legal Entity Identifier", "Market Regulator", "marketplace", "Participant", "Requirements" and "routing arrangement"*
Related Provisions:	*UMIR sections 6.2 and 10.18 and Policy 7.1, Parts 7 and 8*
Regulatory History:	*On July 4, 2013 the applicable securities commissions approved an amendment, effective March 1, 2014, to add Rule 7.13. See IIROC Notice 13-0184 –* ***"Provisions Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).* *Effective March 27, 2018 the applicable securities commissions approved amendments to UMIR 7.13. See IIROC Notice 17-0189 -* ***"Amendments Respecting Trading Supervision Obligations"*** *(September 28, 2017).* *Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "****Amendments Respecting Client Identifiers****" (April 18, 2019).*
Guidance*:*	*See IIROC Notice 13-0185 –* ***"Guidance Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*
Partially Repealed Technical Notice*:*	*See IIROC Notice 13-0290 –* ***"Gatekeeper and Notice Requirements For Direct Electronic Access and Routing Arrangements"*** *(December 3, 2013). Part A of this Notice in reference to Rule 7.13(6): Notification of DEA or Routing Arrangement was repealed and replaced effective July 26, 2021 by IIROC Notice 21-0099 – "****Use of***

	***Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers**" (May 25, 2021).*
***Technical**:*	*See IIROC Notice 14-0198 – **"Extension Requests for the Updating of Client Agreements for Third-Party Electronic Access to Marketplaces"** (August 13, 2014).*
Guidance:	*See IIROC Notice 21-0099 – "**Use of Identifiers and Notification Requirements Respecting Certain Order Execution Only and Direct Electronic Access Clients and Advisers**" (May 25, 2021).*

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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	UMIR section 1.1 – "derivative", "Exchange", "listed derivative", "Market Regulator", "Participant"
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to add requirements for position limits for listed derivatives under UMIR 7.14. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

PART 8 – PRINCIPAL TRADING

8.1 Client-Principal Trading

(1) A Participant that receives a client order for 50 standard trading units or less of a security with a value of $100,000 or less may execute the client order against a principal order or non-client order at a better price provided the Participant has taken reasonable steps to ensure that the price is the best available price for the client under prevailing market conditions.

(2) Subsection (1) does not apply if the client has directed or consented that the client order be:

(a) a Call Market Order;

(b) an Opening Order;

(c) a Market-on-Close Order;

(d) a Volume-Weighted Average Price Order;

(e) a Basis Order; or

(f) a Closing Price Order.

(3) Subsection (1) does not apply if the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order.

POLICY 8.1 – CLIENT PRINCIPAL TRADING

Part 1 - General Requirements

Rule 8.1 governs client-principal trades. It provides that, for trades of 50 standard trading units or less, a Participant trading with one of its clients as principal must give the client a better price than the client could obtain on a marketplace. A Participant must take reasonable steps to ensure that the price is the best available price for the client taking into account the condition of the market. If the security is traded on more than one marketplace, the client must receive, when the Participant is buying, a higher price than the best bid price, and, if the Participant is selling, the client must pay a lower price than the best ask price.

For client-principal trades greater than 50 standard trading units, the Participant may do the trade provided the client could not obtain a better price on a marketplace in accordance with its best execution obligation under Part C of Corporation Rule 3100 – Best Execution of Client Orders. The Participant must take reasonable steps to ensure that the best price is obtained and the price to the client is justified by the condition of the market.

Part 2 – Legal Aspects of the Client-Principal Relationship

A Participant owes a fiduciary duty to its clients. This duty and investors' trust in our Participants are fundamental to investor confidence in the integrity of the market. In the Market Regulator's view, this relationship of trust arises where there is reliance by the client on the Participant's expertise in securities matters. From the point of view of both the client and the Participant, the fiduciary responsibility exists regardless of the legal form of the transaction. In other words, an investor who relies on the expertise of a Participant expects the Participant to act in the investor's best interests regardless of whether the Participant is acting as agent or as principal. The legal framework underpinning client-principal trades was stated in the 1965 report of the Royal Commission on the Windfall Co. scandal:

> *An agent must conduct himself so that the interest of the person in whose behalf he is acting is not brought into conflict with his personal interest. An agent may not make for himself any deal which could have been made for his client within the scope of the client's instructions; if he does, he is assumed to have been acting on his client's behalf and the client is entitled to the benefit of the transaction. An agent must disclose to the client any fact known to the agent which would be likely to operate on the client's judgment. An agent may not, in connection with his client's business, make a secret profit for himself.*

These restrictions flow from the recognition of the serious conflicts inseparable from the agency relationship, and from a corresponding recognition that every such conflict must be resolved in favour of the client. A principal trade may be subject to attack if it appears that the Participant did not act to the best advantage of its client even if the Participant complies with the technical requirements of the Rule. For example, if the principal account profited from the trade by unwinding the position again soon after the principal trade was made, or if the Registered Representative receives a higher commission than for agency transactions of a similar size involving similar securities, the Participant will find it more difficult to justify its actions. Participants should obtain their own legal advice as to the propriety of their client-principal trading practices. The following are considerations in any client-principal trade:

Consent — *At common law, the prior informed consent of the client must be obtained before the agent may act as principal. This is impractical in the context of trading securities on a marketplace, where at the time of receipt of the client's order the Participant will likely not know who will be on the other side. If the Participant, through the Registered Representative or other employee knows that the firm or a non-client of the firm will or probably will take the other side, the client's consent should be obtained. In particular, if the Registered Representative wishes to take the other side of the trade with their client, the client must be informed and consent to the trade in advance. Such consent must be specific to that trade and cannot be in a general consent to any future trades with the Registered Representative. As promptly as possible following the execution of a principal trade, the client should be advised that all or part of the securities taken or supplied were from an account in which the Participant or a non-client of the Participant has an interest. This advice would form part of the usual discussion that occurs when a Registered Representative confirms to the client that the client's order has been filled. In addition, the written confirmation must disclose that the order has been filled in a principal transaction.*

Nature of the Client *— Some clients are in greater need of protection from the potential conflict of interest in client-principal trades. The onus on the Participant usually will be reduced if the client is a fully informed institutional client with regard to the state of the market. Sophisticated*

institutional clients are able to judge whether a specific net price is appropriate in the context of the market. If there was no prior discussion with the client concerning executing the client's order in a client-principal trade, or if there are no standing instructions on handling of orders, the Participant must judge whether any steps need be taken, taking into account the size of the order and other circumstances, to ensure that a better price is not available. To a large degree this will depend on the depth of the market and normal liquidity of the security.

Suitability *— Compliance with the client-principal trading rules does not relieve a Participant of its suitability and "know your client" obligations. As with any other trade, Participants must ensure that the trade is suitable for the client, even if the best possible price has been obtained.*

Facilitation Accounts *— The rules do not apply to a client-principal trade where the inventory account was used solely to facilitate the execution or confirmation of a client order (for example, an inventory accumulation account used to give an institutional client a single average-price confirmation). In these cases, the client is the beneficial owner of the position in the inventory account at all times.*

Refusal by Client *— Participants should ensure that procedures are in place to identify orders that should not be effected on a principal basis. This is necessary to deal with situations where clients notify a Participant that they do not consent to principal trading generally or to particular principal trades.*

Part 3 - Factors in Determining "Best Available Price"

The price of the principal transaction must also be justified by prevailing market conditions. Participants should consider such factors as:

- *prices and volumes of the last sale and previous trades;*
- *direction of the market for the security;*
- *posted size on the bid and offer;*
- *the size of the spread; and*
- *liquidity of the security.*

For example, if the market is $10 bid and $10.50 asked and a client wants to sell 1,000 shares, it would be inappropriate for a Participant to do a principal trade at $10.05 if the security has been trading heavily at $10.50 and there is strong bidding for the security at $10 compared to the number of securities being offered at $10.50. The condition of the market suggests that the client should be able to sell at a better price than $10.05. Accordingly, the Participant as agent for the client should post an offer at $10.45 or even $10.50, depending on the circumstances. The desire of the client to obtain a fill quickly is always a consideration.

Of course, if a client expressly consents to a principal trade on a fully-informed basis, following the client's instructions will be reasonable.

In determining the "best available price", Participants should consider the price and size of orders displayed on marketplaces other than protected marketplaces if such information is available or known to the Participant. Specifically, we expect an employee of a Participant to use all order price information that is available or known to that employee when determining the "best available price". For example, an employee that has access to price information from both protected and unprotected marketplaces would be in compliance with the requirement to determine the "best available price" only if all price information from both protected and unprotected marketplaces was considered when executing a principal or non-client order with a client order. However, a Participant will be considered not to have complied with Rule 8.1 if an

employee executes a principal or non-client order with a client order at a better price which is inferior to the price that would have been available to the client on a displayed marketplace that is not a protected marketplace and the employee executes, in whole or in part, with the order displayed on the marketplace that is not a protected marketplace.

Defined Terms:	*NI 21-101 section 1.1 - "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Basis Order", "best ask price", "best bid price", "better price", "Call Market Order", "client order", "Closing Price Order", "consolidated market display", "employee", "Market-on-Close Order", "marketplace", "Market Regulator", "non-client order", "Opening Order", "Participant", "principal account", "principal order", "standard trading unit" and "Volume-Weighted Average Price Order"
	UMIR section 1.2(2) – "trade"
Related Provision:	*UMIR section 1.2(3) - Interpretation*
Regulatory History:	*Effective October 31, 2003, the applicable securities commissions approved an amendment to add subsection (3) of Rule 8.1 that provides an exemption from the requirement in subsection 8.1(1) under certain circumstances. See Market Integrity Notice* 2003-024 – ***"Accommodation of Anonymous Orders"*** *(October 31, 2003).*
	Effective April 8, 2005, the applicable securities commissions approved an amendment to subsection (2) of Rule 8.1 to add clause (e) that exempts basis orders from the requirement in subsection 8.1(1). See 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 subsection (2) of Rule 8.1 to add clause (f) that exempts closing price orders from the requirement in subsection 8.1(1). See Market Integrity Notice 2007-002 – ***"Provisions Respecting Competitive Marketplaces"*** *(February 26, 2007).*
	Effective May 16, 2008, the applicable securities commissions approved an amendment to Part 1 of Policy 8.1 to add the last sentence of the first paragraph that explains if a security is traded on more than one marketplace, the client must receive a higher price than the bid price when the Participant is buying and the client must pay a lower price than the best ask price when the Participant is selling. See Market Integrity Notice 2008-008 – ***"Provisions Respecting 'Off-Marketplace' Trades"*** *(May 16, 2008).*
	In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Part 1 of Policy 8.1 that came into force on June 1, 2008 to replace the phrase "of less" with "or less". See Footnote 1 in Status of Amendments*.*
	Effective September 12, 2008, the applicable securities commissions approved an amendment to Rule 8.1 to delete the phrase "taking into account the condition of the market at that time" and substitute the phrase "under prevailing market conditions". See IIROC Notice 08-0039 – ***"Provisions Respecting Best Execution"*** *(July 18, 2008).*
	Effective September 12, 2008, the applicable securities commissions approved an amendment to add Part 3 to Policy 8.1 that outlines factors to be considered in determining "best available price". See IIROC Notice 08-0039 – ***"Provisions Respecting Best Execution"*** *(July 18, 2008).*
	Effective December 9, 2013, the applicable securities commissions approved housekeeping amendments to the French version of UMIR. See IIROC Notice 13-0294 – ***"Amendments to the French version of UMIR"*** *(December 9, 2013).*
	Effective September 18, 2015, the applicable securities commissions approved amendments to Part 3 of Policy 8.1. See IIROC Notice 15-0211 *- Notice of Approval –* ***"Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule"*** *(September 18, 2015).*
	Effective January 2, 2018, the applicable securities commissions approved amendments to Part 1 of Policy 8.1. See IIROC Notice 17-0137 – "***Amendments Respecting Best Execution***" *(July 6, 2017).*
	Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 20-0042 *- Rules Notice – Notice of Approval – UMIR -* ***Housekeeping amendments to UMIR Following Implementation of IIROC Rules*** *(March 5, 2020).*
Repealed Guidance:	*See Market Integrity Notice* 2005-023 – ***"Securities Trading on Multiple Marketplaces"*** *(July 29, 2005). This Notice was repealed and replaced by Market Integrity Notice* 2006-017 – ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006).*
Partially Repealed Guidance:	*See Market Integrity Notice* 2006-017 – ***"Securities Trading on Multiple Marketplaces"*** *(September 1, 2006). Section respecting Rule 5.1 – Best Execution of Client Orders of MIN 2006-017 was repealed and replaced effective January 2, 2018 by IIROC Notice* 17-0138 –

	"Guidance on Best Execution" *(July 6, 2017).*
Guidance:	*See IIROC Notice* 17-1038 – *"**Guidance on Best Execution**" (July 6, 2017).*
Disciplinary Proceedings:	***In the Matter of Robert Bastianon ("Bastianon") (October 30, 2002) OOS 2002-004***
	Facts – On February 19, 2002, Bastianon, a trader, executed an order to sell shares of a listed security from his firm's inventory account in a cross trade with a client. The trade was entered at price of $28.00 at a time when the quotation for the listed security was $27.80 bid and $28.00 ask.
	Disposition – Bastianon was required to provide the client with price improvement over the ask price to ensure that the client received a price that was better than the quoted market. Bastianon failed to provide the requisite price improvement to the client.
	Requirements Considered – TSX Rule 4-502(2). Comparable UMIR Provision – Rule 8.1
	Sanction - $10,000 fine and costs of $2,500
Disciplinary Proceedings:	***In the Matter of Russell Marceniuk ("Marceniuk") (December 12, 2002) OOS 2002-008***
	Facts – On May 7, 2001, Marceniuk, a liability trader and registered representative, executed an order to sell shares of a company from his liability account (principal account) in a cross with a client. The trade was entered at $68.68, at a time when the quotation for the stock was $68.50 bid and $68.68 ask.
	Disposition – When a trader engages in a customer-principal trade, the trader is required to ensure that the client receives a price that is better than the quoted market. Marceniuk was required to provide the client with price improvement over the ask price.
	Requirements Considered – TSX Rule 4-502. Comparable UMIR Provision – Rule 8.1
	Sanction - $10,000 fine and costs of $1,500
Disciplinary Proceedings:	*Rule 8.1 was considered* ***In the Matter of Golden Capital Securities Ltd. ("Golden"), Jack Finkelstein ("Finkelstein") and Jeff Rutledge ("Rutledge") (November 23, 2007) DN 2007-004****. See Disciplinary Proceeding under Rule 6.2.*
Disciplinary Proceedings:	***In the Matter of Steve Horrocks ("Horrocks") (August 5, 2009) DN 09-0229***
	Facts – On each of July 12, September 5, and November 12, 2006, Horrocks, an institutional trader at Canaccord Capital Corporation ("Canaccord"), executed intentional cross trades between a Canaccord proprietary account and a client account for 50 standard trading units or less (with a value of less than $100,000) in listed securities without providing price improvement to the client order. In all cases the client order traded with orders for Canaccord's proprietary account at either the "ask" price in the case of a buy, or the "bid" price in the case of a sale.
	Disposition – When a trader engages in a client-principal trade for 50 standard trading units or less, the trader is required to ensure that the client receives a price that is better than the quoted market. By failing to provide price improvement to the client orders, Horrocks violated Rule 8.1.
	Requirements Considered – Rules 8.1 and 10.3(4)
	Sanctions - $10,000 fine and costs of $2,000.
Disciplinary Proceedings:	***In the Matter of Melaney Phillips ("Phillips") (November 30, 2011) DN 11-0343***
	Facts – On or about July 13, 2007, Phillips recommended and purchased shares in the account of her client which were acquired directly from part of her own personal sell order without advising the client of her interest in the transaction or taking reasonable steps to ensure the client obtained the shares for the best available price. The client received a worse price than that which was in the market in that there was no activity in the market for the security at any price. The remainder of Phillips' sell order was filled in subsequent days at lower prices.
	Disposition – Phillips sold shares from her own account to a client without ensuring the client obtained the best available price, contrary to UMIR 8.1 which provides that a representative may only sell to a client for the representative's own account if they sell to a client at a better price than that which is in the market.
	Requirements Considered – Rule 8.1.
	Sanction – The Hearing Panel imposed penalties on Phillips related to the breach of UMIR 8.1 and other breaches of the Dealer Member Rules with a fine of $290,000; disgorgement of profits of $10,350; a 3 year suspension from registration; payment of fine, disgorgement and costs prior to re-registration; successful completion of appropriate courses prior to re-registration; strict supervision for the first 2 years in the event of re-registration and payment of costs in the amount of $15,000.

PART 9 – TRADING HALTS, DELAYS AND SUSPENSIONS

9.1 Regulatory Halts, Delays and Suspensions of Trading

(1) **Regulatory Halts and Suspensions -** No order for the purchase or sale of a security or a derivative shall be executed on a marketplace or over-the-counter, at any time while:

(a) an order of a securities regulatory authority to cease trading in the security, derivative, related security or related derivative remains in effect;

(b) in the case of a listed security or a listed derivative, the Market Regulator of the Exchange on which the security or derivative is listed has halted or suspended trading in the security or derivative while such halt or suspension remains in effect;

(c) in the case of a quoted security, the Market Regulator of the QTRS has halted or suspended trading in the security while such halt or suspension remains in effect; and

(d) in the case of any security other than a listed security or a quoted security, a Market Regulator of an ATS on which such security may trade has halted trading for the purposes of the public dissemination of material information respecting such security or the issuer of such security.

(2) **Regulatory Delay -** No order for the purchase or sale of a security or derivative shall be executed on a marketplace or over-the-counter, at any time while:

(a) in the case of a listed security or a listed derivative, the Market Regulator of the Exchange on which the security or derivative is listed has delayed trading in the security or derivative while such delay remains in effect; and

(b) in the case of a quoted security, the Market Regulator of the QTRS has delayed trading in the security while such delay remains in effect.

(3) **Exceptions for Non-Regulatory Purposes -** Despite subsections (1) and (2), an order may be entered on a marketplace or an order may trade on a marketplace, if the Exchange or QTRS has:

(a) suspended trading in the security or derivative by reason only that the issuer of the security or underlying security has:

(i) ceased to meeting listing or quotation requirements established by the Exchange or QTRS, or

(ii) failed to pay to the Exchange or QTRS any fees in respect of the listing or quotation of securities of the issuer or underlying securities of a derivative; or

(b) delayed or halted trading in the security or the derivative as a result of:

(i) technical problems affecting only the trading system of the Exchange or QTRS, or

(ii) the application of a Marketplace Rule.

(4) **Trading Outside Canada During Regulatory Halts, Delays and Suspensions –**

(a) If trading in a security has been prohibited on a marketplace in accordance with clauses (1)(b), (c) or (d) or subsection (2), a Participant may execute a trade in the security, if permitted by applicable securities legislation, outside of Canada on a foreign organized regulated market;

(b) If trading in a security has been prohibited on a marketplace under clause 1(a), a Participant may execute a sale in the security on a foreign organized regulated market if:

(i) all conditions set forth in the order of a securities regulatory authority are met, and

(ii) the sale is in accordance with applicable securities legislation.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation" and "securities regulatory authority"*
	NI 21-101 section 1.1 – "ATS" and "order"
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "derivative", "Exchange", 'foreign organized regulated market", "listed derivative", "listed security", "Market Regulator", "marketplace", "Marketplace Rules", "Participant", "quoted security", "QTRS", "related derivative", "related security"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*Effective August 27, 2004, the applicable securities commissions approved an amendment to subsection (1) to delete the phase "entered on a marketplace or" immediately prior to the word "executed". See Market Integrity Notice 2004-022 –* ***"Order Entry During a Regulatory Halt"*** *(August 27, 2004).*
	Effective May 16, 2008, the applicable securities commissions approved an amendment to subsection (4) to replace the phrase "an exchange or organized regulated market outside of Canada that publicly disseminates details of trades executed on that market" with "a foreign organized regulated market". See Market Integrity Notice 2008-008 – ***"Provisions Respecting 'Off-Marketplace' Trades"*** *(May16, 2008).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 9.1. See IIROC Notice 22-0140– "****Amendments Respecting the Trading of Derivatives on a Marketplace*** *(September 15, 2022).*
	Effective March 1, 2023, the applicable securities commissions approved amendments to UMIR 9.1(4)(b) to allow Participants to sell a listed security on a foreign organized regulated market during a regulatory halt where a cease trade order is in effect and the selling is permitted pursuant to the conditions in the CTO. See Notice 22-0185 - ***Amendments Respecting the Codification of Certain UMIR Exemptions*** *(December 1, 2022).*
Guidance*:*	*See Market Integrity Notice 2002-012 –* ***"Regulation ID Order Markers and Order Inhibition during Regulatory Halts & Suspensions"*** *(July 9, 2002)****.***
Guidance:	*See Market Integrity Notice 2005-035 –* ***"Regulatory Halts and Marketplace Hours of Operation"*** *(December 8, 2005).*
Guidance:	*See IIROC Notice 13-0059 –* ***"Guidance on Market-wide Circuit Breakers"*** *(February 21, 2013).*

PART 10 – COMPLIANCE

10.1 Compliance Requirement

(1) Each Participant and Access Person shall comply with applicable Requirements.

(2) For the purposes of subsection (1), a Participant or Access Person shall, with respect to a particular order, comply with the Marketplace Rules of:

(a) the marketplace on which the particular order is entered; and

(b) the marketplace on which the particular order is executed.

(3) Each marketplace shall comply with the applicable Requirements, the Market Operation Instrument and any other applicable securities regulatory requirements.

(4) The Market Regulator shall promptly report to the applicable securities regulatory authorities, if the Market Regulator believes that a marketplace has failed to comply with the requirements of subsection (3) or has otherwise engaged in misconduct or apparent misconduct.

(5) A Subject Person shall not do any act that the Subject Person knows or could have known after the exercise of reasonable diligence would impede or obstruct the ability of a Market Integrity Official to exercise a power under Rule 10.9.

(6) Without limiting the generality of subsection (5), a Subject Person shall be considered to have impeded or obstructed the ability of a Market Integrity Official to exercise a power if the Subject Person:

(a) destroys or renders inaccessible any document in the possession or control of the Subject Person, whether or not the document is of the form or type that must be retained in accordance with Rule 10.12, that is relevant to the exercise of power;

(b) provides any information, document, record or statement to the Market Integrity Official in connection with the exercise of a power that is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading; or

(c) persuades or attempts to persuade any person by whatever means to:

(i) destroy or render inaccessible any document in the possession or control of that other person relevant to the exercise of power, or

(ii) provide any information, document, record or statement to the Market Integrity Official in connection with the exercise of a power that would

(iii) be misleading or untrue or would not state a fact that is required to be stated or that is necessary to make the information, document, record or statement not misleading.

(7) Without limiting the availability of other defenses, a Subject Person shall not be considered to have breached subsection (5) or (6) if the Subject Person did not know or could not have known after the exercise of reasonable diligence that:

(a) the document was relevant to the exercise of a power; or

(b) the information, document, record or statement was or would be misleading or untrue or that it omitted to state a fact that was required to be stated or that was necessary to make the information, document, record or statement not misleading in light of the circumstance in which it was made or would be made.

POLICY 10.1 – COMPLIANCE REQUIREMENT

Part 1 – Monitoring for Compliance

Rule 10.1 requires each Participant and Access Person to comply with applicable Requirements. The term "Requirements" is defined as meaning:

- *UMIR;*
- *the Policies;*
- *the Trading Rules;*
- *the Marketplace Rules;*
- *any direction, order or decision of the Market Regulator or a Market Integrity Official; and*
- *securities legislation,*

as amended, supplemented and in effect from time to time.

The Market Regulator will monitor the activities of Subject Persons for compliance with each aspect of the definition of Requirements and use the powers under Corporation Rule 8100 to conduct any enforcement investigation into possible non-compliance. If the Subject Person has not complied with:

- *UMIR, the Policies or any direction, order or decision of the Market Regulator or a Market Integrity Official, the Market Regulator may undertake a disciplinary proceeding pursuant to Corporation Rule 8200 or Rule 10.5 with respect to temporary restriction of access;*
- *the Trading Rules or securities legislation, the Market Regulator may, pursuant to the exchange of information provided for under Rule 10.13, refer the matter to the applicable securities regulatory authority to be dealt with in accordance with applicable securities legislation; and*
- *Marketplace Rules, the Market Regulator may undertake a disciplinary proceeding pursuant to Corporation Rule 8200 or Rule 10.5 with respect to temporary restriction of access, if the marketplace has retained the Market Regulator to conduct disciplinary proceedings on behalf of the marketplace in accordance with an agreement with the Market Regulator contemplated by Part 7 of the Trading Rules, otherwise the Market*

Regulator may refer the matter to the marketplace to be dealt with in accordance with the Marketplaces Rules of that marketplace.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation" and "securities regulatory authority"* *NI 21-101 section 1.1 – "order"* *UMIR section 1.1 – "Access Person", "document", "Market Integrity Official", "Market Regulator", "Market Operation Instrument", "marketplace", "Marketplace Rules", "Participant", "Policy", "Subject Person", "Requirements", "Trading Rules" and "UMIR"*
Regulatory History:	*Effective March 11, 2005, the applicable securities commissions approved amendments to Rule 10.1 to add subsections (5), (6) and (7). See Market Integrity Notice 2005-008 –* ***"Provisions Respecting Impeding or Obstructing a Market Regulator"*** *(March 11, 2005).* *Effective April 1, 2005, the applicable securities commissions approved amendments to add Part 1 of Policy 10.1. See Market Integrity Notice 2005-011 –* ***"Provisions Respecting Manipulative and Deceptive Activities"*** *(April 1, 2005).* *In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to Part 1 of Policy 10.1 that came into force on June 1, 2008 to replace the phrase "these Rules" with "UMIR". See Footnote 1 in Status of Amendments.* *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).* *Effective September 1, 2016, the applicable securities commissions approved amendments to Rule 10.1 and Policy 10.1, which include the repeal of provisions referencing compliance with the conduct of "investigations and hearings" by IIROC, as the obligation will be included in the consolidated compliance examinations rule 9100 and enforcement investigations and proceedings rules 8100 and 8200. See IIROC Notice 16-0122 –* ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*
Partially Repealed Guidance:	*See Market Integrity Notice 2006-020 –* ***"Compliance Requirements for Trading on Multiple Marketplaces"*** *(October 30, 2006). Questions 5, 7 and 9 in Market Integrity Notice 2006-020 were repealed and replaced by Market Integrity Notice 2008-010 –* ***"Complying with "Best Price" Obligations" (May 16, 2008).*** *Question 3 in Market Integrity Notice 2006-020 was repealed and replaced by IIROC Notice 12-0236* ***– "Guidance on Marketplace Disclosure for Trade Confirmations"*** *(July 27, 2012). Questions 4, 6, 10, 11 of MIN 2006-020 were repealed and replaced effective January 2, 2018 by IIROC Notice 17-0138 – "****Guidance on Best Execution****" (July 6, 2017).*
Repealed Guidance:	*See IIROC Notice 12-0236 –* ***"Guidance on Marketplace Disclosure for Trade Confirmations"*** *(July 27, 2012). This notice was repealed and replaced by IIROC Notice 13-0283 –* ***"Guidance on Marketplace and Average Price Disclosure for Trade Confirmations"*** *(November 25, 2013).*
Guidance:	*See IIROC Notice 13-0283 –* ***"Guidance on Marketplace and Average Price Disclosure for Trade Confirmations"*** *(November 25, 2013).*
Disciplinary Proceedings:	***In the Matter of Robert Horner ("Horner") (February 26, 2004) SA 2004-003*** *Facts – Between November 1999 and March 2000, Horner was the responsible broker for two separate normal course issuer bids ("NCIBs"). Client X, an insider of both companies, engaged in a practice of making purchases of shares of both companies for his personal account at prices higher than the last independent trade. Client X then made purchases pursuant to the NCIBs at the up-ticked prices.* *Disposition – Trades made directly or indirectly for the account of an insider do not constitute "independent trades" for the purposes of establishing "last independent trade" in the context of NCIBs. As the designated broker, Horner had the responsibility to ensure all trades made in relation to the NCIBs were in compliance with applicable rules.* *Requirements Considered - Section 23.16 of the General By-Law of the TSX, Section 9 of Part XXVIII of the Policies of the TSX and Rule 6-501 and Policy 6-501(9) of the TSX. Comparable UMIR Provision Rule 10.1* *Sanction – $25,000 fine, costs of $12,000 and disgorgement of $5,220*
Disciplinary Proceedings:	***In the Matter of Rhonda Hymers ("Hymers") (March 11, 2004) SA 2004-004*** *Facts – Between November 1999 and March 2000, Hymers, a licensed assistant, entered trades on behalf of client X in relation to a normal course issuer bids ("NCIBs") for two different companies. Client X, who was an insider of both companies, engaged in a practice of making purchases of shares of the companies for his personal account at prices higher than the last independent trade. Client X then made purchases pursuant to the NCIBs at the up-ticked prices. Hymers entered trades*

	in respect of these transactions.
	Disposition – Trades made directly or indirectly for the account of an insider do not constitute '"independent trades" for the purposes of establishing "last independent trade" in the context of NCIBs. In her capacity as a licensed assistant, Hymers had the responsibility to ensure all trades made in relation to the NCIBs were in compliance with applicable rules.
	Requirements Considered - Section 23.16 of the General By-Law of the TSX, Section 9 of Part XXVIII of the Policies of the TSX and Rule 6-501 and Policy 6-501(9) of the TSX. Comparable UMIR Provision – Rule 10.1
	Sanction – $12,500 fine and costs of $2,000
Disciplinary Proceedings:	*Rule 10.1 was considered* ***In the Matter of Lakeshore Securities Inc. ("Lakeshore") (November 11, 2014) DN 14-0262.*** *See Disciplinary Proceedings under Rule 7.1.*
Disciplinary Proceedings:	***In the Matter of Hampton Securities Ltd. ("Hampton") (August 4, 2017) DN 17-0163***
	Facts – Between May and November 2012 and between January and June 2013, Hampton allowed direct market access to a client without fully complying with the applicable marketplace rules
	Disposition – Pursuant to a Settlement Agreement, Hampton admitted that that it failed to comply with UMIR 10.1 by allowing direct market access to a client without fully complying with the applicable marketplace rules.
	Requirements Considered – Rule 10.1.
	Sanction – Hampton agreed to pay a fine of $20,000 and to pay costs in the amount of $1,500.

10.2 Investigations - Repealed

Defined Terms:	*UMIR section 1.1 – "Access Person", "document", "employee", "Exchange", "hearing", "Hearing Panel", "Market Regulator", "Participant", "QTRS" and "Regulated Person"*
	UMIR section 1.2(2) – "person"
Regulatory History:	*Effective March 11, 2005, the applicable securities commissions approved amendments to section 10.2. See Market Integrity Notice 2005-008 –* ***"Provisions Respecting Impeding or Obstructing a Market Regulator"*** *(March 11, 2005).*
	Effective September 1, 2016, the applicable securities commissions approved an amendment to section 1.1 to repeal Rule 10.2 of UMIR concerning investigations as the subject will be covered by the consolidated investigations rule 8100. See IIROC Notice 16-0122 – ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rule"*** *(June 9, 2016).*

10.3 Extension of Responsibility - Repealed

Defined Terms:	*UMIR section 1.1 – "Access Person", "employee", "Market Regulator", "Participant" and "Requirements"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*Effective January 30, 2004, the applicable securities commissions approved an amendment to Rule 10.3 to:* *(a) renumber existing subsection (4) as subsection (5); and* *(b) insert a new subsection (4).* *See Market Integrity Notice 2004-005 -* ***"Administrative and Editorial Amendments"*** (January 30, 2004). *Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See Notice 13-0294 – Notice of Approval and Implementation –* ***"Amendments to the French version of UMIR"*** *(December 9, 2013).* *Effective September 1, 2016, the applicable securities commissions approved an amendment to repeal Rule 10.3 of UMIR as it will be replaced by consolidated rule 1403. See IIROC Notice 16-0122 –* ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*
Disciplinary Proceedings:	*Rule 10.3(4) was considered* ***In the Matter of Zoltan Horcsok ("Horcsok") (July 18, 2005) SA 2005-003.*** *See Disciplinary Proceedings under 7.1.*
Disciplinary Proceedings:	*Rule 10.3(4) was considered* ***In the Matter of Glen Grossmith ("Grossmith") (July 18, 2005) SA 2005-004.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.3(1) and 10.3(4) was considered* ***In the Matter of Scotia Capital Inc. ("Scotia") (February 26, 2007) DN 2007-001.*** *See Disciplinary Proceedings under Rule 6.4.*
Disciplinary Proceedings:	*Rule 10.3(4) was considered* ***In the Matter of Steve Horrocks ("Horrocks") (August 5, 2009) DN 09-0229.*** *See Disciplinary Proceedings under Rule 8.1.*
Disciplinary Proceedings:	*Rule 10.3(4) was considered* ***In the Matter of Clark Alexander Squires ("Squires") (October 6, 2010) DN 10-0263.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.3(4) was considered* ***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.*** *See Disciplinary Proceedings under Rule 2.1.*

10.4 Extension of Restrictions

(1) A related entity of a Participant and a director, officer, partner or employee of the Participant or a related entity of the Participant shall:

(a) comply with the provisions of UMIR and any Policies with respect to specific unacceptable activities, manipulative and deceptive activities, short sales and frontrunning as if references to "Participant" in Rules 2.1, 2.2, 2.3, 3.1 and 4.1 included reference to such person; and

(b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to penalties and remedies set out in this Part.

(2) A related entity of an Access Person and a director, officer, partner or employee of the Access Person or a related entity of the Access Person shall in respect of trading on a marketplace on behalf of the Access Person or related entity of the Access Person:

(a) comply with the provisions of UMIR and any Policies with respect to specific unacceptable activities, manipulative and deceptive activities and short sales as if references to "Access Person" in Rules 2.1, 2.2, 2.3 and 3.1 included reference to such person; and

(b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to the penalties and remedies set out in this Part.

(3) If, in the opinion of a Market Regulator, a particular person to whom UMIR applies, including any particular person to whom UMIR has been extended in accordance with subsection (1) and (2), has organized their business and affairs for the purpose of avoiding the application of any provision of UMIR, the Market Regulator may designate any person involved in such business and affairs as a person acting in conjunction with the particular person.

(4) Upon a Market Regulator making a designation in accordance with subsection (3), the Market Regulator shall provide notice of such designation to:

(a) the particular person;

(b) the designated person;

(c) each Market Regulator; and

(d) each applicable securities regulatory authority.

Defined Terms:	*NI 14 101 section 1.1(3) – "securities regulatory authority"* *UMIR section 1.1 – "Access Person", "employee", "Market Regulator", "marketplace", "Participant", "Policy", "related entity", "short sale" and "UMIR"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*Effective April 1, 2005, the applicable securities commissions approved amendments to Rule 10.4 in clause (1) (a) and (2)(a) to add reference to Rule 2.3 and substitute "activities" for "method of trading". See Market Integrity Notice 2005-011 – "**Provisions Respecting Manipulative and Deceptive Activities**" (April 1, 2005).* *In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 10.4 that came into force on June 1, 2008 to make editorial changes. See Footnote 1 in Status of Amendments.* *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).* *Effective September 1, 2016, the applicable securities commissions approved amendments to make editorial changes to Rule 10.4. See IIROC Notice 16-0122 – **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of David Avery Little ("Little") (December 22, 2003) OOS 2003-014.** See Disciplinary Proceedings under 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of Gerald Douglas Phillips ("Phillips") (February 26, 2004) SA 2004-002.** See Disciplinary Proceedings under 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of Louis Anthony De Jong ("DeJong") and Dwayne Barrington Nash ("Nash") (July 29, 2004) Decision 2004-004.** See Disciplinary Proceedings under 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of Glen Grossmith ("Grossmith") (July 18, 2005) SA 2005-004.** See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of W. Scott Leckie (July 19, 2005) SA 2005-005.** See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1)(a) was considered **In the Matter of Ian Macdonald, Edward Boyd, Peter Dennis and David Singh (July 28, 2005) SA 2005-006.** See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of Martin Fabi ("Fabi") (October 27, 2008) DN 08-0159.** See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of Tony D'Ugo ("D'Ugo") (April 6, 2010) DN 10-0093**. See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of Francesco Mauro ("Mauro") and Scott Fraser Harding ("Harding") (May 25, 2010) DN 10-0149**. See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of James Martin MacMenamin ("MacMenamin") (June 3, 2010) DN 10-0162**. See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **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**. See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of Gary John Williamson ("Williamson") (February 28, 2011) DN 11-0085**. See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of Donald Dean MacKenzie ("MacKenzie") (May 12, 2011) DN 11-0152**. See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4(1) was considered **In the Matter of David Charles Parkinson ("Parkinson") (February 22, 2012) DN 12-0061**. See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.4 was considered **In the Matter of William Geddes ("Geddes") (March 15, 2012) DN 12-0098**. See Disciplinary Proceedings under Rule 2.2.*

10.5 Suspension or Restriction of Access

(1) If the Market Regulator has determined that a Subject Person, other than a marketplace for which the Market Regulator is or was the regulation services provider, has engaged in, or may engage in, any course of conduct that is or may be a contravention of a Requirement, the Market Regulator may, if the Market Regulator considers it is necessary for the protection of the public interest by an interim order without notice or hearing, order the restriction or suspension of access to the marketplace upon such terms and conditions, if any, considered appropriate provided such interim order shall expire 15 days after the date on which the interim order is made unless:

(a) a hearing is commenced pursuant to Corporation Rule 8200 (Enforcement Proceedings) within that period of time to confirm or set aside the interim order;

(b) the person against which the interim order is made consents to an extension of the interim order until a hearing of the matter is held; or

(c) an applicable securities regulatory authority directs that the interim order be rescinded or extended.

(2) For the purposes of this section, the restriction, suspension or revocation of access of a person to a marketplace may be imposed directly on the person and, if the person is an individual, the restriction, suspension or revocation of access may also be imposed in respect of their capacity as a director, officer, partner, employee or associate of a person with access to a marketplace.

(3) For greater certainty, any enforcement or disciplinary proceeding or any order or interim order as against a person by a Market Regulator for contravention of a Requirement shall not affect or limit any enforcement or disciplinary action as against the person by any securities regulatory authority, self-regulatory entity or other Market Regulator with jurisdiction over the person.

(4) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace in accordance with this section, such person shall be denied access to any other marketplace and shall have any access to any other marketplace automatically restricted, suspended or revoked unless the applicable securities regulatory authority otherwise determines in a review or appeal of the order or interim order of the Market Regulator undertaken in accordance with Rule 11.3.

(5) If a Market Regulator restricts, suspends or revokes the access of any person to a marketplace, the Market Regulator shall provide notice forthwith of such restriction, suspension or revocation to:

(a) the person whose access has been restricted, suspended or revoked;

(b) each marketplace;

(c) each Market Regulator; and

(d) each applicable securities regulatory authority.

Defined Terms:	*NI 14 101 section 1.1(3) – "securities regulatory authority"* *NI 21-101 section 1.1 – "regulation services provider" and "self-regulatory entity"* *UMIR section 1.1 – "employee", "Market Regulator", "marketplace", "Subject Person" and "Requirements"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*Effective September 1, 2016, the applicable securities commissions approved amendments to Rule 10.5 which include the repeal of subsection (1) as it will be replaced by the consolidated rule 8209. See IIROC Notice 16-0122 –* ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*
Disciplinary Proceedings:	***In the Matter of Global Securities Corporation ("Global") (June 20, 2003) Decision 2003-004*** *Facts – Between May 1, 1997 and January 31, 1998, Global failed to diligently supervise its employees. The Committee found that the infractions alleged against Global were proven. A number of prior settlement agreements approved by either the Alberta Stock Exchange or the Vancouver Stock Exchange which had been place before a prior committee of the TSX Venture Exchange where not approved. The only issue before the current Committee was the appropriateness of the penalty to be levied against Global.* *Held - The fact that Global suffered a loss of approximately $1.7 million as a result of the conduct of the investment advisors was not in the view of the Committee a factor of significant weight. In considering an appropriate penalty, the Committee looked at earlier unrelated settlement agreements.* *Comparable UMIR Provision – Rule 10.5* *Sanction - $135,000 fine and costs of $12,000; disgorgement of $4,330 in profits*
Disciplinary Proceedings:	***In the Matter of Global Securities Corporation ("Global"), Robert Semple ("Semple"), Robert Tassone ("Tassone") and Bruce McConnachie ("McConnachie") (January 5, 2004) Decision 2004-001*** *Facts - Between November 1994 and August 1996, Semple and Tassone, while approved persons at Global failed to ensure that their recommendations were suitable for their clients and also provided advice respecting options trading without being qualified. McConnachie, who was the Branch Manager, failed to diligently supervise the trading that was carried out by Semple and Tassone in the clients' accounts. Semple and Tassone repaid all of the commissions and losses, with interest and penalty, to the clients, and have been placed under strict supervision for a period of seven years. They have also paid significant legal fees in connection with the related civil action launched by the clients. Based on the above, they submit that they should not have to pay the additional fines levied by the Canadian Venture Exchange.* *Held – In light of the adverse impact of being under strict supervision, damage to their reputations, and other factors which Tassone and Semple have suffered as a result of this matter, the Panel ordered that the sanctions imposed on both men be reduced. Due to unrelated personal matters affecting McConnachie, his fine was also reduced.* *Comparable UMIR Provision – Rule 10.5* *Sanction –* *Semple - $15,000 fine and costs of $10,000; successful rewrite of the Conduct and*

	Practices Handbook examination
Tassone -	*$10,000 fine and costs of $10,000; successful rewrite of the Conduct and Practices Handbook examination*
McConnachie -	*$20,000 fine and costs of $5,000; successful rewrite of the Branch Manager's Examination*

10.6 Exercise of Authority - Repealed

Defined Terms:	*UMIR section 1.1 – "hearing", "Hearing Panel" and "Market Regulator"*
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to repeal and replace Rule 10.6 that came into force June 1, 2006. See Footnote 1 of Status of Amendments. Prior to that date, Rule 10.6 read as follows:* *(1) A Hearing Panel shall make any determination, hold any hearing and make any order or interim order required or permitted of a Market Regulator under this Part.* *(2) A member of the Hearing Committee shall not be a member of any Hearing Panel with respect to any matter if the member:* *(a) is an officer, partner, director, employee or an associate of any person that is a subject of the hearing, order or interim order; and* *(b) has such other relationship to the person or matter as may be reasonably considered to give rise to a potential conflict of interest.* *Effective September 1, 2016, the applicable securities commissions approved an amendment to repeal Rule 10.6 of UMIR as it will be replaced by consolidated rules 8203 and 8205. See IIROC Notice 16-0122 –* ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*

10.7 Assessment of Expenses - Repealed

Defined Terms:	*UMIR section 1.1 – "Market Regulator" and "Regulated Person"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*Effective January 30, 2004, the applicable securities commissions approved an amendment to subsection (2) of Rule 10.7 to add the phrase "acting reasonably," before the word "determines". See Market Integrity Notice 2004-005 – "**Administrative and Editorial Amendments**" (January 30, 2004).* *Effective September 1, 2016, the applicable securities commissions approved an amendment to repeal Rule 10.7 of UMIR as it will be replaced by consolidated rule 8214. See IIROC Notice 16-0122 – **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).*

10.8 Practice and Procedure - Repealed

POLICY 10.8 - PRACTICE AND PROCEDURE - REPEALED

Defined Terms:	*UMIR section 1.1 – "document", "employee", "Market Regulator", "Policy", "Requirements" and "UMIR"* *UMIR section 1.2(2) – "person"* *UMIR Policy 10.8 section 1.1 – "applicant", "electronic hearing", "oral hearing", "party", "Secretary" and "written hearing"*
Regulatory History:	*Effective January 30, 2004, the applicable securities commissions approved amendments to Policy 10.8 to add subsections (1), (2) and (3) of section 9.7 of Policy 10.8. See Market Integrity Notice 2004-004 – "**Public Access to Hearings**" (January 30, 2004).* *Effective January 7, 2005, the applicable securities commissions approved amendments to Policy 10.8. See Market Integrity Notice 2005-002 – "**Practice and Procedure**" (January 7, 2005).* *Effective March 11, 2005, the applicable securities commissions approved amendments to Policy 10.8 to repeal the definition of "document". See Market Integrity Notice 2005-008 – "**Provisions Respecting Impeding or Obstructing a Market Regulator**" (March 11, 2005). Prior to that date, the definition provided:* *"document" includes a sound recording, videotape, film, photographs, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device.* *In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Policy 10.8 that came into force on June 1, 2008. See Footnote 1 of Status of Amendments.* *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).* *Effective September 1, 2016, the applicable securities commissions approved amendments to Rule 10.8 and Policy 10.8, which include the repeal of Rule 10.8, as it will be replaced by consolidated rule 8401. See IIROC Notice 16-0122 – **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).* *Effective November 16, 2017, the applicable securities commissions approved housekeeping amendments to Policy 10.8, which include the repeal of Policy 10.8. See IIROC Notice 17-0224 – "**Housekeeping amendments to the IIROC Consolidated Enforcement, Examination and Approval Rules**" (November 16, 2017).*
Disciplinary Proceedings:	***In the Matter of Steven James Regoci ("Regoci") and David Stanley Chernoff ("Chernoff") (April 21, 2004) Decision 2004-003*** *Facts - On July 16, 2003, TSX Venture Exchange Inc. (TSXV") released a Notice of Hearing which named Regoci and Chernoff. The purpose of the hearing was to determine whether Chernoff and Regoci contravened Vancouver Stock Exchange Rules ("VSE") and Alberta Stock Exchange ("ASE") By-Laws. During the relevant period, both Regoci and Chernoff were within the jurisdiction of the VSE and ASE. The jurisdictions of those bodies was assumed, effective November 29, 1999, by the Canadian Venture Exchange Inc. (now TSXV). After a pre-hearing conference and prior to the hearing date, the TSX withdrew its Notice of Hearing and took the position that the subject matter of the allegations would be referred to the British Columbia Securities Commission. Counsel for Chernoff objected, asserting that the TSXV could not unilaterally withdraw the Notice of hearing and that the panel should instead dismiss the matter.* *Held – Subject to specific circumstances, which are satisfied in this matter, the TSXV has the authority to unilaterally withdraw a Notice of Hearing.* *Comparable UMIR Provision – Rule 10.8.*

10.9 Power of Market Integrity Officials

(1) A Market Integrity Official may, in governing trading in securities or derivatives on the marketplace:

(a) delay, halt or suspend trading in a security or a derivative at any time and for such period of time as such Market Integrity Official may consider appropriate in the interest of a fair and orderly market;

(b) refuse to allow any bid price or ask price to be recorded at any time if, in the opinion of such Market Integrity Official, such quotation is unreasonable or not in compliance with UMIR or any Policy;

(c) settle any dispute arising from trading in securities or derivatives on the marketplace where such authority is not otherwise provided for in any requirement governing trading on the marketplace;

(d) vary or cancel any trade which, in the opinion of such Market Integrity Official, is unreasonable or not in compliance with UMIR or any Policy;

(e) vary or cancel any trade upon application of the buyer and seller provided such application has been made by the end of trading on the day following the day on which the trade was made or such earlier time as may be established in any Marketplace Rule of the marketplace on which the trade was executed;

(f) in respect of any trade which has not complied with the requirements of Part 5, correct the price of the trade to a price at which the trade would have complied with such requirement, or

(g) require the Participant or Access Person to satisfy any order included in the disclosed volume if the trade by the Participant or Access Person failed to comply with requirements of section 6.4 of the Trading Rules;

(g.1) in respect of any trade of a principal order or non-client order that has not complied with the requirements of Rule 5.3, require the Participant to satisfy the client order at the price and up to the volume of the trade which failed to comply with the requirements of Rule 5.3.

(h) provide to any person an interpretation of any provision of UMIR and any Policy in accordance with the purpose and intent of the provision and shall ensure that any such interpretation is observed by such person;

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

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

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

(l) exercise such powers as are specifically granted to a Market Regulator or Market Integrity Official by UMIR and any Policy; and

(m) exercise such powers as are specifically granted to the Market Regulator by the marketplace where the marketplace is entitled to grant such powers.

(2) In determining whether any quotation or trade in a security is unreasonable, the Market Regulator shall consider:

(a) prevailing market conditions;

(b) the last sale price of

(i) the security as displayed in a consolidated market display, or

(ii) the derivative as displayed on a marketplace;

(c) patterns of trading in the security or derivative on the marketplace including volatility, volume and number of transactions;

(d) whether material information concerning the security or underlying security of a derivative is in the process of being disseminated to the public; and

(e) the extent of the interest of the person for whose account the order is entered in changing the price or quotation for the security or derivative.

(3) In connection with the exercise of a power under this Rule, upon the verbal, written or electronic request of the Market Integrity Official, the Subject Person shall, within the time period specified by the Market Integrity Official:

(a) provide any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to the exercise of a power by the Market Regulator and such information, document or records shall be provided in such manner and form, including electronically, as may be required by the Market Regulator; and

(b) allow the inspection of, and permit copies to be taken of, any information, document or records in the possession or control of the person that the Market Regulator determines may be relevant to the exercise of a power by the Market Regulator.

(4) If a Market Integrity Official has provided notice to a Subject Person pursuant to subsection (3), the Subject Person shall, notwithstanding any policy or procedure of the Subject Person with respect to the retention of information, documents or records, retain any document or record in the possession or control of the Subject Person that is relevant to the exercise of the power by the Market Integrity Official for a period of 30 days from the date of the notice or such other period as may be specified by the Market Regulator.

Defined Terms:	*NI 21-101 section 1.1 - "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "client order", "consolidated market display", "derivative" "disclosed volume", "document", "last sale price", "listed derivative", "Market Integrity Official", "Market Regulator", "marketplace", "Marketplace Rules", "non-client order", "Participant", "Policy", "principal order", "Subject Person" and "UMIR"
	UMIR section 1.2(2) – "person" and "trade"
Regulatory History:	*Effective March 11, 2005, the applicable securities commissions approved amendments to section 10.9 to add subsections (3) and (4). See Market Integrity Notice 2005-008 – Notice of Amendment Approval – "**Provisions Respecting Impeding or Obstructing A Market Regulator**" (March 11, 2005).*
	Effective March 9, 2007, the applicable securities commissions approved an amendment to subsection

	*(1) of Rule 10.9 to replace the word "disallow" with the word "vary" in clause (d) and to add clause (g.1). See Market Integrity Notice 2007-002 – "**Provisions Respecting Competitive Marketplaces**" (February 26, 2007).*
	*Effective May 16, 2008, the applicable securities commissions approved an amendment to clause (g) of subsection (1) of Rule 10.9 to replace the phrase "volume of the trade which" with "disclosed volume if the trade". See Market Integrity Notice 2008-008 – "**Provisions Respecting "Off-Marketplace" Trades**" (May 16, 2008).*
	*Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 - "**Rules Notice – Notice of Approval and Implementation – UMIR – Amendments to the French version of UMIR**" (December 9, 2013).*
	*Effective September 18, 2015, the applicable securities commissions approved an amendment to clause (g) of subsection (1) of Rule 10.9. See IIROC Notice 15-0211 - Notice of Approval – **"Provisions Respecting Unprotected Transparent Marketplaces and the Order Protection Rule"** (September 18, 2015).*
	*Effective September 1, 2016, the applicable securities commissions approved an amendment to make editorial changes to Rule 10.9. See IIROC Notice 16-0122 – **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 10.9. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*
Guidance:	*See IIROC Notice 12-0040 - **"Guidance Note – UMIR - Guidance Respecting the Implementation of Single-Stock Circuit Breakers"** (February 2, 2012).*
Guidance:	*See IIROC Notice 12-0258 - **"Rules Notice – Guidance Note – UMIR – Guidance on Regulatory Intervention for the Variation or Cancellation of Trades"** (August 20, 2012).*
***Guidance**:*	*See IIROC Notice 13-0297**– "Variation and Cancellation of Odd Lot Trades"** (December 10, 2013).*
Partially Repealed Guidance:	*See IIROC Notice 14-0170 - **"Guidance Respecting the Expansion of Single-Stock Circuit Breakers"** (July 10, 2014), which repeals and replaces IIROC Notice 12-0040. The method IIROC uses to determine an actively-traded security set out in the "securities covered" section of Notice 14-0170 was repealed and replaced by IIROC Notice 20-0009 – "**Additional Guidance Respecting Securities Covered by Single-Stock Circuit Breakers**" (January 14, 2020).*
Guidance:	*See IIROC Notice 20-0009 – "**Additional Guidance Respecting Securities Covered by Single-Stock Circuit Breakers**" (January 14, 2020).*

10.10 Report of Short Positions

(1) A Participant shall calculate, as of 15th day and as of the last day of each calendar month, the aggregate short position of each individual account in respect of each listed security and quoted security.

(2) Unless a Participant maintains the account in which an Access Person has the short position in respect of a listed security or quoted security, the Access Person shall calculate, as of the 15th day and as of the last day of each calendar month, the aggregate short position of the Access Person in respect of each listed security and quoted security.

(3) Unless otherwise provided, each Participant and Access Person required to file a report in accordance with subsection (1) or (2) shall file a report of the calculation with a Market Regulator in such form as may be required by the Market Regulator not later than two trading days following the date on which the calculation is to be made.

Defined Terms:	*UMIR section 1.1 – "Access Person", "listed security", "Market Regulator", "Participant", "quoted security" and "trading day"*
Repealed Guidance:	*Market Integrity Notice 2003-011 - "**Short Position Reports**" (May 27, 2003) pertained to the reporting of short positions as required under Rule 10.10. This Notice was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – **"Guidance - Short Position Calculation and Reporting"** (October 29, 2007).*
Repealed Guidance:	*Market Integrity Notice 2003-016 - "**Short Position Reports**" (August 13, 2003) pertained to the reporting of short positions as required under Rule 10.10. This Notice was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – **"Guidance - Short Position Calculation and Reporting"** (October 29, 2007).*
***Guidance**:*	*The reports of the adjustments to the Consolidated Short Position Reports were issued as Market Integrity Notice 2003-019 - "**Adjustments to Consolidated Short Position Report**" (September 4, 2003) for the report on the period ending August 31, 2003 and as Market Integrity Notice 2003-020 - "**Additional Adjustments to Consolidated Short Position Report**" (September 23, 2003) for the report on the period ending September 15, 2003.*
Repealed Guidance:	*Market Integrity Notice 2004-029 - "**Short Position Reports – Canadian Trading and Quotation System Inc.**" (November 8, 2004) pertained to the reporting of short positions for securities listed for trading on the Canadian Trading and Quotation System Inc. ("CNQ"). This Notice was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 **– "Guidance - Short Position Calculation and Reporting"** (October 29, 2007).*
Repealed Guidance:	*Market Integrity Notice 2004-032 - **"Submission of Short Position Reports to Canadian Trading and Quotation System Inc."** (December 14, 2004) pertained to the reporting of short positions in CNQ securities. This Notice was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – **"Guidance – Short Position Calculation and Reporting"** (October 29, 2007).*
Repealed Guidance:	*See Market Integrity Notice 2007-022 - **"Guidance - Short Position Calculation and Reporting"** (October 29, 2007), effective November 1, 2007, which provides guidance on the procedures for filing Short Position Reports electronically with the Toronto Stock Exchange, TSX Venture Exchange, and Canadian Securities Exchange) as a result of the discontinuance of REGNET and the introduction of Echoworx™ Encrypted Message eXchange or EMX™ for secure electronic regulatory communications. This Notice was repealed and replaced effective November 30, 2018 by IIROC Notices 17-0241 – "**Guidance on Short Position Calculation and Reporting**" (December 15, 2017) and 18-0062 – "**Short Position Calculation and Reporting**" (March 22, 2018).*
Guidance:	*See IIROC Notices 17-0241 – "**Guidance on Short Position Calculation and Reporting**" (December 15,*

	2017).
Guidance:	*See IIROC Notice 18-0062 – "**Short Position Calculation and Reporting**" (March 22, 2018).*

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 the derivative or a related security or a related derivative 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.

Defined Terms:	*NI 21-101 section 1.1 – "order"*
	NI 21-101 section 1.4 – Interpretation -- "security"
	UMIR section 1.1 – "Access Person", "derivative", "Exchange", "listed security", "Market Regulator", "marketplace", "Participant", "QTRS", "quoted security", "related derivative", "related security" and "Trading Rules"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*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 Status of Amendments.*
	*Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 10.11. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*
Guidance:	*Market Integrity Notice 2003-006 - "**Electronic Audit Trails**" (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.*
Repealed Guidance:	*Market Integrity Notice 2005-031 - "**Guidance – Disclosure of Marketplaces on Trade Tickets and Confirmations**" (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 12-0236 - **"Guidance on Marketplace Disclosure for Trade Confirmations"** (July 27, 2012).*
Guidance:	*IIROC Notice 12-0236 - **"Guidance on Marketplace Disclosure for Trade Confirmations"** (July 27, 2012) provides guidance related to marketplace disclosure on trade confirmations.*
General Commentary:	*Joint CSA/SRO Notice 23-304 – 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.*
General Commentary:	*Joint CSA/SRO Notice 23-305 – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS) was issued on October 20, 2006to update Joint CSA/SRO Notice 23-304 – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS).*
Disciplinary Proceedings:	***In the Matter of Research Capital Corporation ("Research") (June 24, 2002) OOS 2002-001***
	Facts – 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.
	Disposition – Between November 23, 1998 and March 4, 1999, Research failed to keep proper

	records. *Requirements Considered – TSX General By-law 16.03. Comparable UMIR Provision – Rule 10.11* *Sanction - $15,000 fine and costs of $2,500*
Disciplinary Proceedings:	*Rule 10.11(3) was considered* ***In the Matter of UBS Securities Canada Inc. ("UBS Canada") (October 8, 2004) SA 2004-006.*** *See Disciplinary Proceedings under Rule 2.2.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Credit Suisse First Boston Canada Inc. ("CSFB") (December 3, 2004) SA 2004-007.*** *See Disciplinary Proceedings under Rule 6.4.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Salman Partners Inc. ("Salman"), Sameh Magid ("Magid"), William Burk ("Burk") and Ian Todd ("Todd") (February 18, 2005) SA 2005-001.*** *See Disciplinary Proceedings under Rule 3.1.*
Disciplinary Proceedings:	*Rule 10.11 was considered* ***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.*** *See Disciplinary Proceedings under 5.3.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Zoltan Horcsok ("Horcsok") (July 18, 2005) SA 2005-003.*** *See Disciplinary Proceedings under 7.1.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Glen Grossmith ("Grossmith") (July 18, 2005) SA 2005-004.*** *See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.11 was considered* ***In the Matter of Union Securities Ltd. ("Union") (April 18, 2006) DN 2006-004.*** *See Disciplinary Proceedings under Rule 6.2.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Raymond James Ltd. ("Raymond James") and Marc Deslongchamps ("Deslongchamps") (June 30, 2006) DN 2006-006.*** *See Disciplinary Proceedings under Rule 5.3.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of TD Securities Inc. ("TDSI") (July 5, 2006) DN 2006-007.*** *See Disciplinary Proceedings under Rule 5.1.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***In the Matter of Golden Capital Securities Ltd. ("Golden"), Jack Finkelstein ("Finkelstein") and Jeff Rutledge ("Rutledge") (November 23, 2007)) DN 2007-004.*** *See Disciplinary Proceedings under Rule 6.2.*
Disciplinary Proceedings:	*Rule 10.11(1) was considered* ***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****. See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.11was considered* ***In the Matter of M Partners Inc. ("M Partners") (February 27, 2015) DN 15-0054.*** *See Disciplinary Proceedings under Rule 7.1.*
Disciplinary Proceedings:	*Rule 10.11 was considered* ***In the Matter of M Partners Inc. ("M Partners") and Steven Isenberg ("Isenberg") (July 12, 2018) DN 18-0133.*** *See Disciplinary Proceedings under Rule 7.1.*

10.12 Retention of Records and Instructions

(1) A Participant shall retain:

(a) the record of each order as required by Rule 10.11; and

(b) sufficient information to identify the beneficial owner of each account for which a record of an order is retained,

for a period of not less than seven years from the creation of the record of the order, and for the first two years, such record and information shall be kept in a readily accessible location.

(2) An Access Person shall keep information respecting an order on the marketplace:

(a) of which the Access Person is a subscriber; or

(b) on which the order of the Access Person was executed,

during the period of not less than seven years from the date of the origination of the order, and for the first two years, such information shall be kept in a readily accessible location.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	NI 21-101 section 1.1 – "order", "member", "subscriber" and "user"
	UMIR section 1.1 – "Access Person", "Market Regulator", "marketplace", and "Participant"
Regulatory History:	*Effective September 1, 2016, the applicable securities commissions approved amendments to repeal those portions of Rule 10.12 of UMIR that relate to the requirement to permit inspection of records by IIROC as this obligation will be included in the consolidated enforcement investigations and compliance examinations rules. See IIROC Notice 16-0122 –* ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*
Guidance:	*Market Integrity Notice 2002-005 - "****Evidence of Beneficial Ownership of Accounts****" (April 10, 2002) pertains to the interpretation of Rule 10.12(1)(b).*
Disciplinary Proceedings:	*Rule 10.12(1) was considered* ***In the Matter of Zoltan Horcsok ("Horcsok") (July 18, 2005) SA 2005-003.*** *See Disciplinary Proceedings under 7.1.*
Disciplinary Proceedings:	*Rule 10.12(1) was considered* ***In the Matter of TD Securities Inc. ("TDSI") (July 5, 2006) DN 2006-007.*** *See Disciplinary Proceedings under Rule 5.1.*

10.13 Exchange and Provision of Information by Market Regulators

Each Market Regulator shall provide information and other forms of assistance for market surveillance, investigative, enforcement and other regulatory purposes including the administration and enforcement of UMIR to:

(a) a self-regulatory entity;

(b) a self-regulatory organization in a foreign jurisdiction;

(c) a securities regulatory authority;

(d) a securities regulatory authority in a foreign jurisdiction; and

(e) another Market Regulator.

Defined Terms:	*NI 14-101 section 1.1(3) – "foreign jurisdiction"* *NI 21-101 section 1.1 – "self-regulatory entity"* *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 10.13 that came into force on June 1, 2008 to replace the phrase "these Rules" with "UMIR". See Footnote 1 in Status of Amendments.*

10.14 Synchronization of Clocks

Each marketplace and each Participant shall synchronize the clocks used for recording the time and date of any event that must be recorded pursuant to UMIR to the clock used by the Market Regulator for this purpose.

Defined Terms:	*UMIR section 1.1 – "Market Regulator", "marketplace", "Participant" 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 10.14 that came into force on June 1, 2008 to replace the phrase "these Rules" with "UMIR". See Footnote 1 in Status of Amendments.*
Repealed Guidance:	*See Market Integrity Notice 2002-007 – Guidance - "**Time Synchronization**" (May 6, 2002). This Notice was repealed and replaced by Market Integrity Notice 2008-007 – **"Guidance – Time Synchronization"** (April 11, 2008). This Notice was repealed and replaced by IIROC Notice 16-0022 – **"Guidance on Time Synchronization"** (February 4, 2016).*
Guidance:	*See Market Integrity Notice 16-0022 **– "Guidance on Time Synchronization"** (February 4, 2016).*

10.15 Assignment of Identifiers and Symbols

(1) The Market Regulator shall assign a unique identifier to:

(a) a marketplace for trading purposes upon the Market Regulator being retained as the regulation services provider for the marketplace.

(2) A marketplace, upon granting access to the trading system of the marketplace to a Participant or Access Person, shall assign a unique identifier to the Participant or Access Person for trading purposes.

(3) An Exchange upon listing of a security or a derivative, a QTRS upon quoting of a security and a marketplace upon commencement of trading of a foreign exchange-traded security shall assign a unique symbol for trading purposes.

(4) The Market Regulator in assigning an identifier pursuant to subsection (1) or an Exchange, QTRS or marketplace in assigning an identifier or symbol pursuant to subsection (2) or (3) shall not assign an identifier or symbol that is:

(a) different from the identifier or symbol previously assigned to the marketplace, Participant, security or derivative if such previously assigned identifier or symbol will continue to be used in respect of that marketplace, Participant, security or derivative;

(b) the same as an identifier or symbol assigned to another marketplace, Participant, security or derivative if such previously assigned identifier or symbol will continue to be used in respect of that other marketplace, Participant, security, or derivative;

(c) not in compliance with the provisions of any agreement made in accordance with section 7.5 of the Trading Rules for the co-ordination and monitoring and enforcement between each regulation services provider, Exchange and QTRS; or

(d) in a form or of a type that is not generally supported by the systems of market participants as defined for the purposes of applicable securities legislation.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"* *NI 21-101 section 1.1 – "foreign exchange-traded security" and "regulation services provider"* *NI 21-101 section 1.4 – Interpretation -- "security"* *NI 31-103 section 1.1 – "investment dealer"* *UMIR section 1.1 – "Access Person", "derivative", "direct electronic access", "Exchange", "foreign dealer equivalent", "Market Regulator", "marketplace", "Participant", "QTRS", "routing arrangement" and "Trading Rules"*
Regulatory History:	*Effective June 26, 2009, the applicable securities commissions made an amendment to Rule 10.15. Specifically, the provision below was repealed and replaced:* *(1) Each Participant and marketplace shall be assigned a unique identifier for trading purposes.* *(2) Unless otherwise provided pursuant to an agreement made in accordance with section 7.5 of the Trading Rules, the Toronto Stock Exchange shall assign each identifier for the purposes of subsection (1) after consultation with each Exchange and QTRS.*

	(3) Each security that trades on a marketplace shall be assigned a unique symbol for trading purposes. *(4) Unless otherwise provided pursuant to an agreement made in accordance with section 7.5 of the Trading Rules, the Toronto Stock Exchange shall assign each symbol for the purposes of subsection (3) after consultation with each Exchange and QTRS.* *See IIROC Notice 09-0191 - "**Provisions Respecting the Assignment of Identifiers and Symbols**" (June 26, 2009).* *On July 4, 2013 the applicable securities commissions approved, effective March 1, 2014, amendments to subsections (1) and (2) to require identifiers for parties that access marketplaces using forms of third-party electronic access. See IIROC Notice 13-0184 **– "Provisions Respecting Third-Party Electronic Access to Marketplaces"** (July 4, 2013).* *Effective July 26, 2021, the applicable securities commissions approved amendments to sections 1.1, 6.2, 7.13 and 10.15 to add identifier and/or designation requirements for clients on orders sent to a marketplace. See IIROC Notice 19-0071 – "**Amendments Respecting Client Identifiers**" (April 18, 2019).* *Effective December 14, 2022, the applicable securities commissions approved amendments to UMIR 10.15. See IIROC Notice 22-0140– "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*
Guidance:	*See IIROC Notice 13-0185 **– "Guidance Respecting Third-Party Electronic Access to Marketplaces"** (July 4, 2013).*

10.16 Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons

(1) An officer, director, partner or employee of a Participant shall forthwith report to their supervisor or the compliance department of the Participant upon becoming aware of activity in a principal, non-client or client account of the Participant or a related entity that the officer, director, partner or employee believes may be a violation of:

(a) Subsection (1) of Rule 2.1 respecting specific unacceptable activities;

(b) Rule 2.2 respecting manipulative and deceptive activities;

(c) Rule 2.3 respecting improper orders and trades;

(d) Rule 4.1 respecting frontrunning;

(e) Part C of Corporation Rule 3100 – Best Execution of Client Orders respecting best execution of client orders;

(f) Rule 5.3 respecting client priority;

(g) Rule 6.4 respecting trades to be on a marketplace; and

(h) Any Requirement that has been designated by the Market Regulatory for the purposes of this subsection.

(2) An officer, director, partner or employee of an Access Person shall forthwith report to their supervisor or the compliance department of the Access Person upon becoming aware of activity by the Access Person or a related entity that the officer, director, partner or employee believes may be a violation of:

(a) Subsection (2) of Rule 2.1 respecting specific unacceptable activities;

(b) Rule 2.2 respecting manipulative and deceptive activities;

(c) Rules 2.3 respecting improper orders or trades; and

(d) any Requirement that has been designated by the Market Regulator for the purposes of this subsection.

(3) If a supervisor or compliance department of a Participant or Access Person receives a report pursuant to subsection (1) or (2), the supervisor or compliance department shall diligently conduct a review in accordance with the policies and procedures of the Participant adopted in accordance with Rule 7.1 or in accordance with the ordinary practices of the Access Person.

(4) If the review conducted by the supervisor or compliance department concluded that there may be a violation, the supervisor or compliance department shall:

(a) make a written record of the report by the officer, director, partner or employee and the review conducted in accordance with subsection (3);

(b) diligently investigate the activity that is the subject of the report and review;

(c) make a written record of the findings of the investigation; and

(d) report the findings of the investigation to the Market Regulator if the finding of the investigation is that a violation of an applicable provision of UMIR has occurred and such report shall be made not later than the 15th day of the month following the month in which the findings are made.

(5) Each Participant and Access Person shall with respect to the records of the report, the review and the findings required by subsection (4):

(a) retain the records for a period of not less than seven years from the creation of the record; and

(b) allow the Market Regulator to inspect and make copies of the records at any time during ordinary business hours during the period that such record is required to be retained in accordance with clause (a).

(6) The obligation of a Participant or an Access Person to report findings of an investigation under subsection (4) is in addition to any reporting obligation that may exist in accordance with applicable securities legislation, the requirements of any self-regulatory entity and any applicable Marketplace Rules.

POLICY 10.16 – GATEKEEPER OBLIGATIONS OF DIRECTORS, OFFICERS AND EMPLOYEES OF PARTICIPANTS AND ACCESS PERSONS

Part 1 – The Gatekeeper Obligation

Rule 10.16 requires a Participant or Access Person to conduct further investigation or review where the Participant or Access Person has reason to believe that there may have been a violation of one of the provisions enumerated in Rule 10.16. A Participant or Access Person cannot ignore "red flags" which may be indicative of improper behaviour by a client, director, officer, partner or employee of the Participant, Access Person or related entity.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation"*
	NI 21-101 section 1.1 – "order" and "self-regulatory entity"
	UMIR section 1.1 – "Access Person", "client order", "employee", "Market Regulator", "marketplace", "Marketplace Rules", "Participant", "principal account", "related entity", "Requirements" and "UMIR"
	UMIR section 1.2(2) – "trade"
Regulatory History:	*Effective April 1, 2005, the applicable securities commissions approved an amendment to add Rule 10.16 and Part 1 of Policy 10.16. See Market Integrity Notice 2005-011 – "**Notice of Amendment Approval - Provisions Respecting Manipulative and Deceptive Activities"** (April 1, 2005).*
	*Effective February 1, 2011, the applicable securities commissions approved an amendment to delete clause (f) of subsection (1) of Rule 10.16 as a result of the repeal of Rule 5.2 and to renumber the remaining clauses accordingly. See Notice 11-0036 - "**Provisions Respecting the Implementation of the Order Protection Rule**" (January 28, 2011).*
	*Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See Notice 13-0294 "**Amendments to the French version of UMIR**" (December 9, 2013).*
	*Effective September 1, 2016, the applicable securities commissions approved amendments to make editorial changes to Rule 10.16. See IIROC Notice 16-0122 – **"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"** (June 9, 2016).*

	*Effective January 2, 2018, the applicable securities commissions approved amendments to update the rule reference to the best execution obligation in Rule 10.16. See IIROC Notice 17-0137 - "**Amendments Respecting Best Execution**" (July 6, 2017).*
	*Effective December 31, 2021, the applicable securities commissions approved housekeeping amendments to replace rule references to the Dealer Member Rules with provisions of the IIROC Rules. See IIROC Notice 20-0042 - Rules Notice – Notice of Approval – UMIR - **Housekeeping amendments to UMIR Following Implementation of IIROC Rules** (March 5, 2020).*
Guidance:	*See Market Integrity Notice 2006-007 - "**Guidance – Gatekeeper Reporting Obligation**" (February 24, 2006). The procedure for filing a Gatekeeper Report was updated as of June 1, 2008, see Market Integrity Notice 2008-011 – "**New Procedures for Gatekeeper Reports"** (May 16, 2008).*
Guidance:	*See Market Integrity Notice 2007-012 - "**Guidance – Feedback on Gatekeeper Reports**" (April 27, 2007). The procedure for filing a Gatekeeper Report was updated as of June 1, 2008, see Market Integrity Notice 2008-011 –"**New Procedures for Gatekeeper Reports**" (May 16, 2008).*
Guidance:	*See Market Integrity Notice 2008-011 - "**Guidance – New Procedures for Gatekeeper Reports**" (May 16, 2008).*
Disciplinary Proceedings:	*Rule 10.16 was considered **In the Matter of Dominick & Dominick Securities Inc. ("Dominick") (December 19, 2002) OOS 2002-009.** See Disciplinary Proceedings under Rule 7.1.*
Disciplinary Proceedings:	*Rule 10.16 was considered **In the Matter of Luke Roger Beresford Smith ("Smith") (October 24, 2002) OOS 2002-011.** See Disciplinary Proceedings: under Rule 2.1*
Disciplinary Proceedings:	*Rule 10.16 was considered **In the Matter of Douglas Francis Corrigan ("Corrigan") (May 28, 2003) OOS 2003-002.** See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.16 was considered **In the Matter of Tony D'Ugo ("D'Ugo") (April 6, 2010) DN 10-0093**. See Disciplinary Proceedings under Rule 2.1.*
Disciplinary Proceedings:	*Rule 10.16 was considered **In the Matter of Francesco Mauro ("Mauro") and Scott Fraser Harding ("Harding") (May 25, 2010) DN 10-0149**. See Disciplinary Proceedings under Rule 2.2.*

10.17 Gatekeeper Obligations with Respect to Electronic Trading

(1) A Participant that has, under Rule 7.1, authorized an investment dealer to perform on its behalf the setting or adjusting of a specific risk management or supervisory control, policy or procedure or the provision of risk management or supervisory controls, policies and procedures to a third party shall forthwith report to the Market Regulator the fact that:

(a) the written agreement with the investment dealer or third party has been terminated; or

(b) the Participant knows or has reason to believe that the investment dealer or third party has failed to promptly remedy any deficiency identified by the Participant.

Defined Terms:	*UMIR section 1.1 – "Market Regulator" and "Participant".*
Related Provisions:	*UMIR sections 7.1(7) – (10) and UMIR Policy 7.1 Part 7.*
Regulatory History:	*On December 7, 2012, the applicable securities commissions approved an amendment, effective March 1, 2013, to add section 10.17. See IIROC Rules Notice 12-0363 – "**Provisions Respecting Electronic Trading**" (December 7, 2012).*

10.18 Gatekeeper Obligations with Respect to Access to Marketplaces

(1) A marketplace that has provided access to a Participant or Access Person shall forthwith report to the Market Regulator the fact that the marketplace:

(a) has terminated the access of the Participant or Access Person to the marketplace; or

(b) knows or has reason to believe that the Participant or Access Person has or may have breached a material provision of any Marketplace Rule or agreement pursuant to which the Participant or Access Person was granted access to the marketplace.

(2) A Participant that has provided access to a marketplace pursuant to direct electronic access or through a routing arrangement shall forthwith report to the Market Regulator the fact that the Participant:

(a) has terminated the access of the client under the arrangement for direct electronic access or of the investment dealer or foreign dealer equivalent through a routing arrangement; or

(b) knows or has reason to believe that the client, investment dealer or foreign dealer equivalent has or may have breached a material provision of:

(i) any standard established by the Participant for the granting of direct electronic access or a routing arrangement, or

(ii) the written agreement between the Participant and the client regarding the direct electronic access, or the investment dealer or foreign dealer equivalent regarding a routing arrangement.

Defined Terms:	*NI 31-103 section 1.1 – "investment dealer"* *UMIR section 1.1 – "Access Person", "direct electronic access", "foreign dealer equivalent", "Market Regulator", "marketplace", "Marketplace Rule", "Participant" and "routing arrangement"*
Related Provisions:	*UMIR section 7.13*
Regulatory History:	*On July 4, 2013 the applicable securities commissions approved an amendment, effective March 1, 2014 to add Rule 10.18. See IIROC Notice 13-0184* ***– "Provisions Respecting Third-Party Electronic Access to Marketplaces"*** *(July 4, 2013).*

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.

Defined Terms:	*UMIR section 1.1 – "derivative", "Exchange", "listed derivative", "Market Regulator", "Participant"*
Regulatory History:	*Effective December 14, 2022, the applicable securities commissions approved amendments to add requirements for reporting limits for listed derivatives under UMIR 10.19 See IIROC Notice 22-0140 – "**Amendments Respecting the Trading of Derivatives on a Marketplace"** (September 15, 2022).*

PART 11 – ADMINISTRATION OF UMIR

11.1 General Exemptive Relief

(1) A Market Regulator may exempt a specific transaction from the application of a provision of UMIR, if in the opinion of the Market Regulator, the provision of such exemption:

(a) would not be contrary to the provisions of any applicable securities legislation and the regulation and rules thereunder;

(b) would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and

(c) is warranted after due consideration of the circumstances of the particular person or transaction.

(2) A Market Regulator may, upon approval by the applicable securities regulatory authority, exempt a marketplace or a class of transactions from the application of a provision of UMIR.

(3) The Market Regulator shall amend UMIR to reflect any exemption provided under subsection (2).

Defined Terms:	*NI 14-101 section 1.1(3) – "securities legislation" and "securities regulatory authority"* *UMIR section 1.1 – "Market Regulator", "marketplace" and "UMIR"* *UMIR section 1.2(2) – "person"*
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to make editorial changes. See Footnote 1 in Status of Amendments.* *Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 - "**Rules Notice – Notice of Approval and Implementation – Amendments to the French version of UMIR**" (December 9, 2013).*
***Repealed Guidance**:*	*Market Integrity Notice 2005-020 - **"Guidance – Obtaining a Trading Exemption or Rule Interpretation"** (June 13, 2005) provided guidance on the procedures to obtain an exemption from or a formal rule interpretation of a provision of UMIR. This Notice was repealed by IIROC Notice 12-0029 – **"Obtaining a Trading Exemption or Rule Interpretation"** (January 27, 2012).*
***Repealed Guidance**:*	*IIROC Notice 12-0029 - **"Guidance – Obtaining a Trading Exemption or Rule Interpretation"** (January 27, 2012) provided guidance on the procedures to obtain an exemption from or a formal rule interpretation of a provision of UMIR. This Notice was repealed by IIROC Notice 15-0191 – **"Obtaining a Trading Exemption or Rule Interpretation"** (August 28, 2015).*
Technical Notice:	*See IIROC Notice 15-0191 **– "Obtaining a Trading Exemption or Rule Interpretation"** (August 28, 2015).*

11.2 General Prescriptive Power

(1) A Market Regulator may, from time to time, make or amend a provision of UMIR or Policy.

(2) A provision of UMIR or Policy or an amendment to a provision of UMIR or Policy shall not become effective without the approval of the applicable securities regulatory authority.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	UMIR section 1.1 – "Market Regulator", "Policy" and "UMIR"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 11.2 that came into force on June 1, 2008 to replace the word "Rule" with "provision of UMIR". See Footnote 1 of Status of Amendments.*
	*Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 - "**Rules Notice – Notice of Approval and Implementation – UMIR – Amendments to the French version of UMIR**" (December 9, 2013).*

11.3 Review or Appeal of Market Regulator Decisions

Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	UMIR section 1.1 – " "Market Integrity Official", "Market Regulator" and "UMIR"
	UMIR section 1.2(2) – "person"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to repeal and replace Rule 11.3 that came into force on June 1, 2008. See Footnote 1 in Status of Amendments.*

11.4 Method of Giving Notice

(1) Unless otherwise specifically provided in any Requirement, notice to any person shall be sufficiently given if:

(a) delivered personally to the person to whom it is to be given;

(b) delivered or mailed by pre-paid ordinary mail to the last address of such person as recorded by the Market Regulator or any securities regulatory authority or recognized self-regulatory organization; or

(c) provided by telephone transmission or any other form of transmitted or recorded communication or in any other manner, including electronic means, which may, in all the circumstances, could be reasonably expected to come to the attention of such person.

(2) The Market Regulator may change the address of any person on the records of the Market Regulator in accordance with any information believed by the Market Regulator to be reliable.

(3) A notice delivered in accordance with this section shall be deemed to have been given when the notice is delivered personally or at the address aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been given when delivered to the appropriate communication company or agency or its representatives for dispatch.

***Defined Terms**:*	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	UMIR section 1.1 – "Market Regulator" and "Requirements"
	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 Notice 13-0294 – Notice of Approval and Implementation – "**Amendments to the French version of UMIR**" (December 9, 2013).*

11.5 Computation of Time

(1) In computing the time when a notice must be given or for the doing of anything or taking any proceeding under any provision of a Requirement requiring that a notice be given a specified number of days prior to any meeting, hearing, action or proceeding or that any action be done or proceeding taken within a specified number of days after some event, the date of giving of the notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.

(2) Where the time limited for a proceeding or the doing of anything under any provision of a Requirement expires or falls upon a day that is not a trading day, the time so limited extends to and the thing may be done on the next day following that is a trading day.

Defined Terms:	*UMIR section 1.1 – "Requirements" and "trading day"*
Regulatory History:	*Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See Notice 13-0294 – Notice of Approval and Implementation – "**Amendments to the French version of UMIR**" (December 9, 2013).*

11.6 Waiver of Notice

Any person may waive any notice that is required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which notice is required to be given, shall cure any default in giving such notice.

Defined Terms:	*UMIR section 1.2(2) – "person"*

11.7 Omissions or Errors in Giving Notice

The accidental omission to give any notice to any person or the failure of a person to receive any notice or an error in any notice not affecting the substance of the notice does not invalidate any action founded or taken on the basis of such notice.

Defined Terms:	*UMIR section 1.2(2) – "person"*

11.8 Transitional Provisions - Repealed

Defined Terms:	*N1 21-101 section 1.1 – "regulation services provider"*
	UMIR section 1.1 – "Market Regulator", "marketplace", "Marketplace Rules" and "Trading Rules"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved an amendment to repeal and replace Rule 11.8 that came into force on June 1, 2008. See Footnote 1 in Status of Amendments.*
	Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – Notice of Approval and Implementation – ***"Amendments to the French Version of UMIR"*** *(December 9, 2013).*
	Effective September 1, 2016, the applicable securities commissions approved an amendment to repeal Rule 11.8 of UMIR. See IIROC Notice 16-0122 – ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*

11.9 Non-Application of UMIR

UMIR does not apply to:

(a) any order entered and executed on a marketplace provided the order has been entered and executed in compliance with the Marketplace Rules of that marketplace as adopted in accordance with Part 7 of the Trading Rules; and

(b) any order entered and executed on a marketplace or otherwise provided the order has been entered and executed in compliance with:

(i) the rules of an applicable regulation services provider as adopted in accordance with Part 8, 9 or 10 of the Trading Rules, or

(ii) the terms of an exemption from the application of Part 8, 9 or 10 of the Trading Rules.

Defined Terms:	*NI 21-101 section 1.1 – "order" and "regulation services provider"*
	UMIR section 1.1 – "marketplace", "Marketplace Rules", "Trading Rules" and "UMIR"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments Rule 11.9 that came into force on June 1, 2008 to replace the word "Rules" in the title with "UMIR" and to replace the phrase "These Rules do" with "UMIR does". See Footnote 1 in Status of Amendments.*
	Effective December 9, 2013, the applicable securities commissions approved amendments to the French version of UMIR. See IIROC Notice 13-0294 – Notice of Approval and Implementation – ***"Amendments to the French version of UMIR"*** *(December 9, 2013).*

11.10 Indemnification and Limited Liability of the Market Regulator

(1) To the extent permitted by law, the Market Regulator shall be indemnified and saved harmless by a Subject Person from and against all costs, charges and expenses (including an amount paid to settle an action or satisfy a judgment and including legal and professional fees and out of pocket expenses of attending trials, hearings and meetings), whatsoever that the Market Regulator sustains or incurs in or about any action, suit or proceeding, whether civil, criminal or administrative, and including any investigation, inquiry or hearing, or any appeal or review, that is threatened, brought, commenced or prosecuted against a Protected Party or in respect of which a Protected Party is compelled or requested to participate, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by the Subject Person.

(2) To the extent permitted by law, all costs, charges and expenses in respect of which the Market Regulator is indemnified pursuant to subsection (1) shall be paid to the Market Regulator by the Subject Person within 90 days after receiving the written request of the Market Regulator.

(3) The Market Regulator shall not be liable to any Subject Person for any loss, damage, cost, expense or other liability or claim arising from any:

(a) failure of any system owned, operated or used by the Market Regulator; or

(b) act done in good faith in the exercise or intended exercise of any power or in the performance or intended performance of any duty or for any neglect, default or omission in the exercise or performance in good faith of any such power or duty by a Protected Party.

(4) Subject to subsection (5), no Subject Person shall be entitled to commence or carry on any action or proceeding in respect of any penalty or remedy imposed by an order or interim order or in respect of any act done or omitted under the provisions of and in compliance with, or intended compliance with, UMIR and any Policy as against a Protected Party.

(5) Subsection (4) shall not restrict or limit the ability of any person to apply for a review in accordance with Rule 11.3 of a direction, order or decision of a Market Regulator or Market Integrity Official.

Defined Terms:	*UMIR section 1.1 – "hearing", "Market Integrity Official", "Market Regulator", "Policy", "Protected Party", "Subject Person" and "UMIR"*
	UMIR section 1.2(2) – "person"
Related Provision:	*UMIR section 11.3*
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments Rule 11.10 that came into force on June 1, 2008 to insert the word "for" after the phrase "Regulated Person" in subsection (3) and to replace the phrase "these Rules" in subsection (4) with "UMIR". See Footnote 1 in Status of Amendments.*

Effective September 1, 2016, the applicable securities commissions approved amendments to make editorial changes to Rule 11.10. See IIROC Notice 16-0122 – ***"Implementation of the consolidated IIROC Enforcement, Examination and Approval Rules"*** *(June 9, 2016).*

11.11 Status of UMIR and Policies

In the event of a conflict between a provision of UMIR or any Policy and the provision of a Marketplace Rule or the functionality of the trading system of any marketplace, UMIR shall govern unless otherwise provided by the securities regulatory authority.

Defined Terms:	*NI 14-101 section 1.1(3) – "securities regulatory authority"*
	UMIR section 1.1 – "marketplace", "Marketplace Rules", "Policy" and "UMIR"
Regulatory History:	*In connection with the recognition of IIROC and its adoption of UMIR, the applicable securities commissions approved amendments Rule 11.11 that came into force on June 1, 2008 to replace the word "Rules" in the title with "UMIR" and to replace the phrase "these Rules do" with "UMIR". See Footnote 1 in Status of Amendments.*

Universal Market Integrity Rules

STATUS OF AMENDMENTS

The following table lists the status of all of the amendments which have been proposed or made to a Rule or Policy of the Universal Market Integrity Rules ("UMIR") since the introduction of UMIR effective April 1, 2002.

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "Access Person"	Rule	Expand the definition of "Access Person" to include persons who are given "direct" access to an exchange or QTRS through a systems inter-connection thereby making them subject to the same rules as a subscriber to an ATS.	Withdrawn	2003-014 – June 27/03	2005-005 – Mar. 4/05	
1.1 – Definition of "Access Person"	Rule	Expand the definition of "Access Person" to include a person who has "Dealer-Sponsored Access" to a marketplace.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "Acceptable Foreign Trade Reporting Facility"	Rule	Introduce a new definition of "acceptable foreign trade reporting facility".	Approved	16-0082 – Apr 21/16	18-0154 – Aug. 9/18	Nov. 7/18
1.1 – Definition of "Acceptable Foreign Trade Reporting Facility"	Rule	Replace reference to "IIROC" with "the Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
1.1 – Definition of "applicable market display" / "consolidated market display"	Rule	Revise the definition of "consolidated market display" to reflect changes in National Instrument 23-101 to eliminate the concept of principal market and provide that information vendors must meet the standards established by a regulation services provider.	Withdrawn	2005-018 – June 10/05	2006-021 – Oct. 31/06	
1.1 – Definition of "arbitrage account"	Rule	Amend the definition of "arbitrage account" to include derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Basis Order"	Rule	Provide a definition of a "Basis Order" that specifically recognizes "Basis Trades" as introduced by the TSX in a manner which would be applicable to all marketplaces.	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05
1.1 – Definition of "Basis Order"	Rule	Broaden the definition to specifically include Exempt Exchange-Traded Funds	Approved	14-0077 – Mar. 27/14	15-0098 – April 30/15	Apr. 30/15
1.1 – Definition of "Basis Order"	Rule	Amend the definition of "Basis Order" to replace references to a "derivative instrument" with a "listed derivative"	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "basket trade"	Rule	Provide a definition of a "basket trade" that would be exempt from the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "best ask price"	Rule	Amend the definition of "best ask price" to clarify that "specialty" type orders are excluded from the determination.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "best ask price"	Rule	Amend the definition of "best ask price" to clarify that "specialty" type orders are excluded from the determination.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "best ask price"	Rule	Amend the definition of "best ask price" to restrict the determination to orders on protected marketplaces.	Withdrawn	14-0124 – May 15/14		
1.1 – Definition of "best ask price"	Rule	Amend the definition of "Best ask price" to restrict the determination to orders on protected marketplaces.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept. 18/15
1.1 – Definition of "best ask price"	Rule	Extend the definition of "best ask price" to include the lowest price of an order as displayed on an exchange to sell a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "best bid price"	Rule	Amend the definition of "best bid price" to clarify that "specialty" type orders are excluded from the determination.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "best bid price"	Rule	Amend the definition of "best bid price" to clarify that "specialty" type orders are excluded from the determination.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "best bid price"	Rule	Amend the definition of "best ask price" to restrict the determination to orders on protected marketplaces.	Withdrawn	14-0124 – May 15/14		
1.1 – Definition of "best bid price"	Rule	Amend the definition of "best bid price" to restrict the determination or orders on protected marketplaces.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
1.1 – Definition of "best bid price"	Rule	Amend the definition of "best bid price" to include the highest price of an order as displayed on an exchange to buy a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "best independent bid price"	Rule	Provide definition of the "best independent bid price" for the purposes of price restrictions on certain orders entered by a dealer-restricted person.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "better price"	Rule	Replacing the definition of a "better price" for the purposes of the provisions respecting "Dark Orders" and to clarify the application of Rule 6.3 and Rule 8.1.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
1.1 – Definition of "bundled order"	Rule	Introduce a definition of "bundled order"	Approved	16-0123 – June 9/16	17-0039 – Feb 16/17	Sept 14/17
1.1 – Definition of "bundled order"	Rule	To change non-client order to Dealer Person Related order	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
1.1 – Definition of "bypass order"	Rule	Amend the definition of "bypass order" to take into account unprotected transparent marketplaces.	Withdrawn	14-0124 – May 15/14		

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "bypass order"	Rule	Amend the definition of "bypass order" to take into account unprotected transparent marketplaces.	Approved	15-0129 – June 12/15	15/0211 – Sept 18/15	Sept 18/15
1.1 – Definition of "bypass order"	Rule	Amend the definition of "bypass order" to limit the definition to a listed security.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Canadian account"	Rule	Provide definition of "Canadian account" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "client order"	Rule	Provide definition of client order" to exclude a Dealer Related Person order	Withdrawn	19-0157 – Sept 5, 2019	21-0009 – Jan 14/21	
1.1 – Definition of "client order"	Rule	Amend the definition of "client order" to include an order for the purchase or sale of a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Closing Price Order"	Rule	Provide a definition of a "Closing Price Order" that allows trades at the last sale price of the security in regular trading on that marketplace.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "connected security"	Rule	Provide a definition of a security which is "connected" to that security being offered in a distribution, amalgamation, take-over bid, issuer bid, arrangement or other similar transaction.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "connected security"	Rule	Editorial correction to clarify that satisfaction of any condition in the definition brings a security within the definition.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "connected security"	Policy	Provide as part of the definition of "connected security" that, absent other mitigating factors, a security significantly determines the value of the offered security if it accounts for more than 25% of the value.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "consolidated market display"	Rule	Revise the definition of "consolidated market display" to reflect changes in National Instrument 23-101 to eliminate the concept of principal market and provide that information must be provided to an information vendor in accordance with National Instrument 21-101.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "Dark Order"	Rule	Provide a definition of a "Dark Order" for the purposes of the UMIR provisions regarding the size of "Dark Orders", priority of execution and price improvement requirements.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
1.1 – Definition of "Dealer Related Person account"	Rule	To replace the definition of "non-client order"	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
1.1 – Definition of "Dealer Related Person order"	Rule	Introduce a definition of "dealer Related Person order" to mean an order for a Dealer Related Person account	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "dealer-restricted person"	Rule	Provide a definition of a "dealer-restricted person" that would be subject to the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "dealer-restricted person"	Rule	Amend the definition of "dealer-restricted person" to clarify the level of involvement required when participating in a restricted private placement.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "dealer-restricted person"	Rule	Amend the definition of "dealer-restricted person" to substitute "Market Trading Obligations" for "Market Maker Obligations".	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
1.1 – Definition of "Dealer-Sponsored Access"	Rule	Provide a definition of "Dealer-Sponsored Access" as the right to access trading system of a marketplace granted by a Participant to an institutional client.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "derivative"	Rule	Introduce a definition of "derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "derivative-related cross"	Rule	Introduce a definition of "derivative-related cross".	Approved	16-0123 – June 9/16	17-0039 – Feb 16/17	Sept 14/17
1.1 – Definition of "derivative-related cross"	Rule	Amend the definition of "derivative-related cross" to replace reference to "a related security that is a derivative instrument" with a "related derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "derivatives market maker"	Rule	Amend the definition of "derivatives market maker" to include a person performing Marketplace Trading Obligations in connection with a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Designated Marketplace"	Rule	Provide a definition of a "Designated Marketplace" as any marketplace to which an Access Person has access directly or by means of "Dealer-Sponsored Access".	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "designated trade"	Rule	Provide definition of "designated trade" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "direct electronic access"	Rule	Provide definition of "direct electronic access" to be used in connection with clients accessing markets directly.	Approved	12-0315 – Oct. 25/12	13-0184 – Jul. 4/13	Mar. 1/14
1.1 – Definition of "direct electronic access"	Rule	Amend the definition of "direct electronic access" to include orders relating to a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "disclosed volume"	Rule	Provide definition of "disclosed volume" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "document"	Rule	Provide a definition of a document that must be retained for the purposes of audit trail requirements and produced in connection with an investigation.	Approved	2004-019 – Aug. 13/04	2005-008 – Mar. 11/05	Mar. 11/05
1.1 – Definition of "Electronic Trading Rules"	Rule	Provide definition of "Electronic Trading Rules" to align the requirements of UMIR to National Instrument 23-103 *Electronic Trading* and its Companion Policy.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
1.1 – Definition of "employee"	Rule	Provide that the term "employee" includes a person who has entered into an agency relationship with a Participant in accordance with the terms and conditions established by a self-regulatory entity of which the Participant is a member.	Approved	2002-016 - Sept. 30/02	2003-012 – June 11/03	May 16/03
1.1 – Definition of "equity security"	Rule	Provide a definition of an "equity security" that would be capable of being an "offered security" or "connected security" for the purposes of the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "Exchange-traded Fund"	Rule	Provide a definition of an "Exchange-traded Fund" for the purpose of exemptions from various requirements including the restrictions on short sales.	Approved	2004-012 – Apr. 23/04	2004-023 – Aug. 27/04	Aug. 27/04
1.1 – Definition of "Exchange-traded Fund"	Rule	Repeal the definition to be replaced by "Exempt Exchange-traded Fund".	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "Exchange-traded Fund"	Policy	Provide a listing of factors to be taken into account prior to the designation of a security as an "Exchange-traded Fund".	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "Exempt Exchange-traded Fund"	Rule	Provide a definition of "Exempt Exchange-traded Fund" as a listed or quoted mutual fund that is in continuous distribution unless such fund has been designated as excluded from the definition by the Market Regulator.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "Exempt Exchange-traded Fund"	Policy	Provide the factors which the Market Regulator will consider when designating a security as ineligible to be an "Exempt Exchange-traded Fund.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "failed trade"	Rule	Provide a definition of a trade that shall be considered a "failed trade".	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08
1.1 – Definition of "foreign dealer equivalent"	Rule	Provide definition of "foreign dealer equivalent" to be used in connection with routing arrangements.	Approved	12-0315 – Oct. 25/12	13-0184 – Jul. 4/13	Mar.1/14
1.1 – Definition of "foreign dealer equivalent"	Rule	Amend the definition of "foreign dealer equivalent" to include persons in the business of trading derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "foreign organized regulated market"	Rule	Provide definition of "foreign organized regulated market" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "Global Legal Entity Identifier System"	Rule	Provide definition of "Global Legal Entity Identifier System" for the purpose of providing client identifiers.	Approved	18-0122 – June 28/19	19-0071 – Apr. 18/19	Oct. 18/20
1.1 – Definition of "hearing"	Rule	Repeal the definition concurrent with the introduction of the Consolidated Enforcement Rule	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
1.1 – Definition of "Hearing Committee"	Rule	Repeal the definition concurrent with the introduction of the Consolidated Enforcement Rule	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
1.1 – Definition of "Hearing Panel"	Rule	Repeal the definition concurrent with the introduction of the Consolidated Enforcement Rule	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
1.1 – Definition of "highly-liquid security"	Rule	Provide a definition of a "highly-liquid security" that would be exempt from the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "identified order execution only client"	Rule	Provide a definition of "identified order execution only client" for the purpose of providing client identifiers	Approved	18-0122 – June 28/18	19-0071 – Apr. 18/19	Oct. 18/20
1.1 – Definition of "intentional cross"	Rule	Revise the definition of "intentional cross" to recognize that such a trade may be executed by an Access Person.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "internal cross"	Rule	Revise the definition of "internal cross" to recognize that such a trade may be executed by an Access Person.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "internal cross"	Rule	Revise the definition of "internal cross" to mean an intentional cross in a security.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "issuer-restricted person"	Rule	Provide a definition of an "issuer-restricted person" that would be subject to the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "last independent sale price"	Rule	Provide a definition of a "last independent sale price" setting a maximum price at which a dealer-restricted person may acquire a restricted security during a restricted period.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "last independent sale price"	Rule	Repeal the definition of "last independent sale price".	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "last sale price"	Rule	Provide that a Basis Order, Call Market Order or Volume-Weighted Average Price Order would not set the last sale price.	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "last sale price"	Rule	Amend the definition of "last sale price" to clarify that "specialty" type orders are excluded from the determination.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "last sale price"	Rule	Amend the definition of "last sale price" to clarify that "specialty" type orders are excluded from the determination as well as a Special Terms Order unless it has executed with an order other than another Special Terms Order.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "last sale price"	Rule	Amend the definition of "last sale price" to clarify that the execution price is to be rounded off to the nearest trading increment.	Withdrawn	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12	
1.1 – Definition of "last sale price"	Rule	Amend the definition of "last sale price" to include the price of the last sale of at least one standard trading unit of an option traded on an Exchange.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Last Sale Price Order"	Rule	Provide a definition of a "Last Sale Price Order" that allows "follow-on" trades at the last sale price of the security on that marketplace in a manner applicable to all marketplaces but to encompass the "Special Trading Session" on the TSX and the follow-on session proposed by Markets Inc.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "Legal Entity Identifier"	Rule	Provide a definition of Legal Entity Identifiers for the purpose of client identifiers	Approved	18-0122 – June 28/18	19-0071 – Apr. 18/19	Oct. 18/20
1.1 – Definition of "Legal Entity Identifier System Regulatory Oversight Committee"	Rule	Provide a definition of "Legal Entity Identifier System Regulatory Oversight Committee" for the purpose of client identifiers.	Approved	18-0122 – June 28/19	19-0071 – Apr. 18/19	Oct. 18/20
1.1 – Definition of "limit order"	Rule	Amend the definition of "limit order" to include orders in a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "listed derivative"	Rule	Introduce a definition of "listed derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Market-on-Close Order"	Rule	Revise the definition of "Market-on-Close Order" to clarify that such order is used for the purpose of calculating the closing price.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "Market Maker Obligations"	Rule	Repeal the definition of "Market Maker Obligations".	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
1.1 – Definition of "market order"	Rule	Amend the definition of "market order" to include orders in a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 Definition of "Marketplace"	Rule	Housekeeping amendments to make consequential changes to the definition of a "marketplace" in UMIR to ensure consistency with IIROC By-law No. 1 (the By-law).	Approved		21-0193 – Oct 21/21	Oct. 21/21

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 Definition of "Marketplace"	Rule	Replace reference to "IIROC" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
1.1 – Definition of "Marketplace Eligible Client"	Rule	Provide a definition of "Marketplace Eligible Client" as a client eligible to obtain Dealer-Sponsored Access in accordance with the requirements of the marketplace to which access is to be provided.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "Marketplace Rules"	Rule	Amend the definition of "Marketplace Rules" to exclude rules, policies and other similar instruments related solely to the listing of derivatives on an Exchange.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Marketplace Trading Obligations"	Rule	Provide a definition of "Marketplace Trading Obligations" as obligations imposed by Marketplace Rules or a contract between a marketplace and a member, user or subscriber.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
1.1 – Definition of "Marketplace Trading Obligations"	Rule	Amend the definition of "Marketplace Trading Obligations" to include obligations imposed by Marketplace Rules to guarantee a two-sided market for a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "multiple client order"	Rule	Provide a definition of "multiple client order" for orders sent to a marketplace for more than one client.	Approved	18-0122 – June 28/18	19-0071 – Apr. 18, 2019	Oct. 18/20
1.1 – Definition of "non-Canadian account"	Rule	Provide definition of "non-Canadian account" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "non-client order"	Rule	Amend the definition of "non-client order" to include an order for the purchase or sale of a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "offered security"	Rule	Provide a definition of a security which is being offered in a distribution, amalgamation, take-over bid, issuer bid, arrangement or other similar transaction.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "Opening Order"	Rule	Amend the definition of "Opening Order" to clarify that after the initial trade such orders cease to be an Opening Order.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "Opening Order"	Rule	Amend the definition of "Opening Order" to clarify that the order must be entered prior to the commencement of trading and after the initial trade such orders cease to be an Opening Order.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
1.1 – Definition of "order execution service"	Rule	Provide definition of "order execution service" to be used in connection with third-party electronic access.	Approved	12-0315 – Oct. 25/12	13-0184 – Jul 4/13	Mar. 1/14
1.1 – Definition of "order execution service"	Rule	Housekeeping amendment to align with the final IIROC rules.	Approved	20-0042	20-0042 – Mar 5/20	Mar 5/20

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "order execution service"	Rule	Replace reference to "IIROC" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
1.1 – Definition of "Participant"	Rule	Expand the definition of "Participant" to include a dealer able to act as an intermediary on behalf of clients in respect of securities traded on a marketplace who has "Dealer-Sponsored Access" to a marketplace.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "Participant"	Rule	Expand the definition of "Participant" to include an investment dealer party to a routing arrangement under certain circumstances.	Withdrawn	12-0315 – Oct. 25/12	13-0184 – Jul 4/13	Mar. 1/14
1.1 – Definition of "pre-arranged trade"	Rule	Provide definition of "pre-arranged trade" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "principal order"	Rule	Amend the definition of "principal order" to include an order for the purchase or sale of a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Policy" (French version of UMIR)	Rule	Standardize the use of the term "Policy" in the French version of UMIR.	Approved		2004-031 – Dec. 1/04	Nov. 12/04
1.1 – Definition of "Policy" (French version of UMIR)	Policy	Standardize the use of the term "Policy" in the French version of UMIR.	Approved		2004-031 – Dec. 1/04	Nov. 12/04
1.1 - Definition of "Pre-Borrow Security"	Rule	Provide a definition of a "Pre-Borrow Security" to be used in connection with the interpretation of rules governing "short sales" and "failed trades".	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
1.1 - Definition of "Pre-Borrow Security"	Policy	Add Part 2.1 with respect to the definition of a "Pre-Borrow Security" to be used in connection with the interpretation of rules governing "short sales".	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
1.1 – Definition of "protected marketplace"	Rule	Amend the definition of "protected marketplace" to restrict this designation to those marketplaces that meet the CSA's threshold for purposes of "protected bid" and "protected offer" and to an exchange, with respect to the securities that it lists.	Withdrawn	14-0124 – May 15/14		
1.1 – Definition of "protected marketplace"	Rule	Amend definition of "protected marketplace" to be a marketplace that displays orders that are considered to be "protected orders" for the purposes of the Trading Rules.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
1.1 – Definition of "Regulated Person"	Rule	Extend the definition of "Regulated Person" to include a person subject to the rules of a marketplace (so that persons subject to a marketplace rule but not subject to UMIR may be disciplined in accordance with the UMIR procedure).	Approved	2003-022 – Oct. 24/03	2004-006 – Feb. 6/04	Feb. 6/04

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "Regulated Person"	Rule	Change the defined term from "Regulated Person" to "Subject Person" to reflect the introduction of the term "Regulated Person" in the Consolidated Enforcement Rule[1]	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
1.1 – Definition of "related derivative"	Rule	Introduce a definition of "related derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "related security"	Rule	Amend the definition of a "related security" to remove the concept of derivatives instruments that are related to a particular security.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "Representative"	Rule	Provide a definition of "Representative" as each director, officer or employee of an Access Person who may enter an order to a Designated Marketplace or is responsible to the supervision of the entry of such an order.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
1.1 – Definition of "Requirement"	Rule	Specifically include "applicable securities legislation" as part of the definition of a "Requirement" to which Participants and Access Persons are subject.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
1.1 – Definition of "restricted period"	Rule	Provide a definition of a "restricted period" during which the restrictions and prohibitions regarding market stabilization and market balancing would apply.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "restricted period"	Rule	Amend the definition of "restricted period" to clarify when the restricted period commences in a continuous distribution, non-fixed price distribution or at-the-market distribution and clarifying that the restricted period may end even though "green shoe" options remain outstanding.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "restricted private placement"	Rule	Provide a definition of a "restricted private placement" to which the restrictions and prohibitions regarding market stabilization and market balancing would apply.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.1 – Definition of "restricted private placement"	Rule	Amend the definition of "restricted private placement" to reflect changes in the applicable National Instruments and OSC Rules.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.1 – Definition of "restricted security"	Rule	Provide a definition of a "restricted security" that would be subject to the restrictions and prohibitions regarding market stabilization and market balancing.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05

[1] As a consequence of the change in the defined term from "Regulated Person" to "Subject Person", references in Rules 10.1, 10.5, 10.9 and 11.10 and Policy 10.1 would also be changed. These consequential changes are not separately identified in this table.

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "routing arrangement"	Rule	Provide a definition of "routing arrangement" to be used as part of third-party electronic access to marketplaces.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul 4/13	Mar. 1/14
1.1 – Definition of "routing arrangement"	Rule	Amend the definition of "routing arrangement" to include orders relating to a derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 - Definition of "short marking exempt order"	Rule	Provide a definition of a "short marking exempt order" that would relieve an account from having to mark a sale as being "short".	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
1.1 - Definition of "short marking exempt order"	Rule	Amend the definition of "short marking exempt order" to include an order for an Exempt Exchange Traded Fund or one of its underlying securities for the principal account of a Participant that has Marketplace Trading Obligations for the ETF security or has entered into an agreement with the ETF issuer to maintain a continuous distribution of the ETF.	Approved	15-0159 – July 16/15	16-0028 – Feb. 11/16	Apr. 11/16
1.1 – Definition of "short marking exempt order"	Rule	Amend the definition of "short marking exempt order" to replace non-client with Dealer Related Person	Withdrawn	19-0157 – Sept. 5/19	21-0009 – Jan 14/21	
1.1 - Definition of "short sale"	Rule	Deem a person to be short a security if the contract they hold to acquire the security will not settle within the ordinary settlement period.	Approved	2004-012 – Apr. 23/04	2004-023 – Aug. 27/04	Aug. 27/04
1.1 – Definition of "short sale"	Rule	Clarify the circumstances when a seller is considered to own a security as a result of the conversion or exchange of another security.	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08
1.1 – Definition of "short sale"	Policy	Clarify when an option, right or warrant has been considered to be exercised or a convertible or exchangeable security has been considered to be converted or exchanged.	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08
1.1 – Definition of "Short Sale Ineligible Security"	Rule	Provide a definition of a security which is not eligible to be sold short.	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08
1.1 – Definition of "Short Sale Ineligible Security"	Policy	Specify the factors that a Market Regulator shall consider in making a designation of a security or class of securities which is not eligible to be sold short.	Approved		08-0143 – Oct. 15/08	Oct. 14/08
1.1 – Definition of "Special Terms Order"	Rule	Amend the definition of "Special Terms Order" to exclude other "specialty" orders and to clarify that conditions on the order are other than imposed by a marketplace.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
1.1 – Definition of "Special Terms Order"	Rule	Amend the definition of "Special Terms Order" to exclude other "specialty" orders and to clarify that conditions on the order are other than imposed by a marketplace.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.1 – Definition of "standard trading unit"	Rule	Amend the definition of "standard trading unit" to replace "derivative instrument" with "listed derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.1 – Definition of "trading increment"	Rule	Provide definition of "trading increment" to be used in connection with the interpretation of rules governing the ability to undertake an "off-marketplace" trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
1.1 – Definition of "UMIR"		Replace reference to "Investment Industry Regulatory Organization of Canada" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
1.1 – Definitions (French version of UMIR only)	Rule and Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
1.2 – Interpretation	Rule	Amend section 1.2 to align the requirements of UMIR to National Instrument 23-103 *Electronic Trading* and its Companion Policy.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
1.2(2) – Interpretation – "trade"	Rule	Expand the interpretation of "trade" to include a purchase or acquisition of a derivative for valuable consideration.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.2(2) – Interpretation – "security"	Rule	Provide that a "security" does not include a "derivative".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.2(3) – Interpretation – "value of an order"	Rule	Provide the means for valuing an order to be executed on a foreign organized regulated market.	Approved	09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
1.2(3) – Interpretation – "value of an order"	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
1.2(5) – Interpretation – "Price for Determination of 'standard trading units'"	Rule	Editorial change to confirm industry practice that marketplaces can agree to refer to the listing exchange when measuring the last sale price to determine "standard trading unit"	Withdrawn	14-0124 – May 15/14		
1.2(5) – Interpretation – "Price for Determination of "standard trading unite""	Rule	Editorial change to confirm industry practice that the price of a "standard trading unit" shall be the last sale price of the security on the immediately preceding trading day on the exchange on which the security is listed or the ATRS on which the security is quoted.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
1.2(6) – Interpretation – "restricted period"	Rule	Provide an interpretation of the term "restricted period" as to when selling efforts and stabilization arrangements are considered to be at an end.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.2(6) – Interpretation – "restricted period"	Rule	Expand the interpretation of "restricted period" to provide that if the price of an offering is determined by a formula involving trading	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
		activity, the offering price is considered determined on the first trading day included in the calculation.				
1.2(6) – Interpretation – "restricted period"	Rule	Provide an interpretation of the term "restricted period" to specify when stabilization arrangements are considered to have terminated.	Approved		10-0006 – Jan. 8/10	Jan. 8/10
1.2(7) – Interpretation – "associated entity"	Rule	Provide an interpretation of the term "associated entity" as including the meaning ascribed to "associate" in securities legislation and includes a person holding 10% of voting securities.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.2(8) – Interpretation – "best ask price" and "best bid price"	Rule	Provide that the determination of "best ask price" or "best bid price" is by reference to order in a consolidated market display for a marketplace then open for trading and in respect of which trading has not been halted, suspended or delayed.	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
1.2(8) – Interpretation – "best ask price" and "best bid price"	Rule	Makes a consequential amendment to reflect UMIR changes to align with CSA amendments regarding the order protection rule.	Withdrawn	14-0124 – May 15/14		
1.2(8) – Interpretation – "best ask price" and "best bid price"	Rule	Makes a consequential amendment to reflect that the "best ask price" or "best bid price" is based on orders contained in a consolidated market display for a protected marketplace.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
1.2(8) – Interpretation – "best ask price" and "best bid price"	Rule	Provide that the determination of "best ask price" or "best bid price" is by reference to orders displayed on an Exchange then open for trading with respect to a particular derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
1.2 – Interpretation – Part 1 - "acting jointly or in concert"	Policy	Provide an interpretation of the term "acting jointly or in concert" with respect to determining a dealer-restricted person or an issuer-restricted person that would be subject to prohibitions or restrictions in connection with market stabilization or market balancing activities.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.2 – Interpretation – Part 2 - "selling process has ended"	Policy	Provide an interpretation of the term "selling process has ended" with respect to determining the end of a restricted period in connection with market stabilization.	Approved	2003-018 – Aug. 29/03 2004-024 – Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
1.2 – Interpretation – Part 3 - "ought reasonably to know"	Policy	Adopt an interpretation of the phrase "ought reasonably to know" (which would be applicable to rules on manipulative and deceptive activities).	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
1.2 – Interpretation – Part 4 - "applicable regulatory standards"	Policy	Adopt an interpretation of the phrase "applicable regulatory standards" (which would be applicable to rules governing trading supervision and gatekeeper obligations).	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
1.2 – Parts 1 to 4	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 -0294 - Dec. 9/13	Dec. 9/13

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
1.3 - Transitional Provision	Rule	Provide the New SRO is the Corporation continuing from the amalgamation between IIROC and the MFDA, and to provide for the continued jurisdiction of the New SRO over any persons subject to the IIROC rules before the amalgamation.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
2.1 – Just and Equitable Principles	Rule	Repeal the present provisions concurrent with the introduction of Rule 1402 – Standards of Conduct as part of the Consolidated Enforcement Rule. Replace with a provision "Specific Unacceptable Activities" that is based on current Policy 2.1.[2]	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
2.1 – Just and Equitable Principles	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
2.1 – Just and Equitable Principles	Policy	Provide that a Participant or Access Person who fails to take reasonable efforts to execute as against "better-priced" orders on another marketplace will be considered to have failed to conduct trade openly and fairly. (Proposal withdrawn and replaced with a provision for a specific trade-through obligation as set out in Market Integrity Notice 2005-016.)	Withdrawn	2004-018 – Aug. 20/04	2005-012 – Apr. 29/05	
2.1 – Just and Equitable Principles	Policy	Redefine the parameters for moving the market for a pre-arranged trade or intentional cross to require orders over at least 5 minutes if the price of the intended trade is more than 5% or 10 trading increments below the best bid price or 5% or 10 trading increments above best ask price. The time period would be expanded to 10 minutes if the variation is more than 10%. Provide that the "displacement obligation" for a designated trade is limited to the disclosed volume. Clarify the enumerated examples would not be in compliance with requirement to conduct business openly and fairly and in accordance with just and equitable principles of trade.	Approved	2004-018 – Aug. 20/04 2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
2.1 – Just and Equitable Principles	Policy	Modify the examples of abuse of a market maker to be generic for all marketplaces with a market making system.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
2.1 – Just and Equitable Principles	Policy	Modify the examples of abuse of a market maker to be generic for all marketplaces with a market making system.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
2.1 – Just and Equitable Principles	Policy	Provide that attempts to "re-age" failed trades to avoid reporting requirements shall be considered an unacceptable activity.	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08

[2] As a consequence of the change in the title of Rule 2.1 from "Just and Equitable Principles" to "Specific Unacceptable Activities", references in Rules 10.4, 10.16 and Policy 6.4 would also be changed. These consequential changes are not separately identified in this table.

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
2.1 – Just and Equitable Principles	Policy	Amend Part 1 (d) to refer to Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
2.1 – Just and Equitable Principles	Policy	Repeal the present provisions concurrent with the introduction of Rule 1402 – Standards of Conduct as part of the Consolidated Enforcement Rule. The substance of the Policy will be incorporated in a new Rule 2.1 "Specific Unacceptable Activities".	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
2.1 – Just and Equitable Principles	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
2.1 – Just and Equitable Principles	Policy	Makes a consequential amendment to clarify requirements for the execution of a designated trade, to align with CSA amendments regarding the order protection rule.	Withdrawn	14-0124 – May 15/14		
2.1 – Just and Equitable Principles	Policy	Part 2 of Policy 2.1 was amended to accommodate unprotected transparent marketplaces.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
2.2 – Manipulative and Deceptive Activities	Rule	Rewrite of the existing provisions as required to provide for two separate prohibitions – one being a prohibition against using an manipulative or deceptive method, act or practice and the other being a prohibition against entering an order or executing a trade that creates or could reasonably be expected to create either a false or misleading appearance of trading activity or investor interest in a security or an artificial price.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
2.2 – Manipulative and Deceptive Activities	Rule	Amend subsection (3) to refer to Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
2.2 – Manipulative and Deceptive Activities	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
2.2 – Manipulative and Deceptive Activities	Rule	Amend paragraphs (2)(a) and 2(b) to prohibit certain manipulative and deceptive activities in a derivative, a related security or a related derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
2.2 – Manipulative and Deceptive Activities	Policy	Move the examples of what constitutes a manipulative or deceptive method of trading or an order that may create a false or misleading appearance of trading activity or investor interest in a security or an artificial price from the rule to the policies. Specifically provide that activities known as "free-riding, kiting or debit kiting" will be considered manipulative.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
2.2 – Manipulative and Deceptive Activities	Policy	Delete clause (d) in Part 1.	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
2.2 – Manipulative and Deceptive Activities	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
2.2 – Manipulative and Deceptive Activities	Policy	Amend Parts 1, 2 and 3 of Policy 2.2 to prohibit certain manipulative and deceptive activities in a derivative, a related security and/or a related derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
2.2 – Manipulative and Deceptive Activities	Policy	Amend Part 2 of Policy 2.2 to provide that the prohibition on prearranged trades may not apply to certain prearranged trades as determined by New SRO from time to time.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
2.3 - Improper Orders and Trades	Rule	Provide that a Participant or Access Person may not enter an order or execute a trade if they know or ought to know that the entry or execution of the order would not be in compliance with applicable securities legislation, requirements of a self-regulatory organization of which they are a member, rules of the marketplace on which the order is entered or executed or UMIR.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
2.4 – Trade-Through Obligation	Rule	Provide that Participants and Access Persons must make reasonable efforts to access better-priced orders on a marketplace prior to executing a trade as principal at an inferior price on another market.	Withdrawn	2005-016 – May 12/05	08-0162 – Oct. 27/08	
2.4 – Trade-Through Obligation	Policy	Provide guidance on: the application of the trade-through rule; the determination of "reasonable efforts"; and the impact of orders from market makers in accordance with Marketplace Rules.	Withdrawn	2005-016 – May 12/05	08-0162 – Oct. 27/08	
3.1 – Restrictions on Short Selling	Rule	Provide an exemption from the pricing restrictions for trades in Exchange-traded Funds.	Approved	2004-012 – Apr. 23/04	2004-023 – Aug. 27/04	Aug. 27/04
3.1 – Restrictions on Short Selling	Rule	Change the reference in the exemption from "Exchange-traded Fund" to "Exempt Exchange-traded Fund".	Approved		10-0006 – Jan. 8/10	Jan. 8/10
3.1 – Restrictions on Short Selling	Rule	Provide that a "Basis Order" is exempt from the price restrictions on a short sale.	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05
3.1 – Restrictions on Short Selling	Rule	Provide an exemption from the price restriction on short sales if the sale is being undertaken in accordance with a requirement to move the market to execute a trade at a price lower than the prevailing market.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
3.1 – Restrictions on Short Selling	Rule	Provide that a "Last Sale Price Order" is exempt from the price restrictions on a short sale.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
3.1 – Restrictions on Short Selling	Rule	Provide that a "Closing Price Order" is exempt from the price restrictions on a short sale.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
3.1 – Restrictions on Short Selling	Rule	Repeal the restrictions on the price at which a short sale may be made.	Withdrawn	2007-017 – Sept. 7/07	11-0075 – Feb. 25/11	
3.1 – Restrictions on Short Selling	Rule	Amend subsection (2) to refer to Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
3.1 – Restrictions on Short Selling	Rule	Repeal the Rule in its entirety.	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
3.1 – Restrictions on Short Selling	Policy	Repeal the Policy in its entirety.	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12	Oct. 15/12
3.2 – Prohibition on the Entry of Orders	Rule	Provide that a Participant or an Access Person shall not enter an order on a marketplace that, on execution, would be a short sale unless it is marked as such or it is a Short Sale Ineligible Security and provide for exceptions to the general prohibition.	Approved		08-0143 – Oct. 15/08	Oct. 14/08
3.2 – Prohibition on the Entry of Orders	Rule	Amend subsection (2) and (3) to refer to Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
3.2 – Prohibition on the Entry of Orders	Rule	Amend subsections (1) and (2) in respect of references to ''short-marking exempt orders''.	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12	Oct. 15/12
4.1 – Frontrunning	Rule	Clarify the "markets" in which a Participant may not enter a principal or non-client order in advance of a client order that may affect the price of a security.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
4.1 – Frontrunning	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
4.1 – Frontrunning	Rule	Amendments to 4.1(1) and (2) and to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept. 5/19	21-0009 – Jan 14/21	
4.1 – Frontrunning	Rule and Policy	Amendments to extend the prohibition on frontrunning to orders in a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
4.1 – Frontrunning	Policy	Amendments to Part 2 to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept. 5/19	21-0009 – Jan 14/21	
4.1 – Frontrunning	Policy	Amend Part 1 of Policy 4.1 to include trades in derivatives and to replace "related options or futures contracts" with "related derivatives".	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
5.1 – Best Execution Obligation	Rule	Harmonize the language of the rule to requirements proposed under National Instrument 23-101.	Approved	2007-008 – Apr. 20/07	08-0039 – July 18/08	Sept. 12/08

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
5.1 – Best Execution Obligation	Policy	Provide the factors that the Market Regulator will consider when determining whether a Participant has diligently pursued the best execution of a client order.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
5.1 – Best Execution Obligation	Policy	Harmonize the language of the policy to requirements proposed under National Instrument 23-101 and clarify factors to be taken into consideration.	Approved	2007-008 – Apr. 20/07	08-0039 – July 18/08	Sept. 12/08
5.1 – Best Execution Obligation	Policy	Repeal and replace Part 4 to clarify that the provision of the ‘‘best execution’’ for a client order is subject to compliance with the ‘‘order protection rule’’ under Part 6 of the Trading Rules.	Approved	08-0163 – Oct. 27/08 09-0328 – Nov. 13/09	11-0036 – Jan. 29/11	Feb. 1/11
5.1 – Best Execution Obligation	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
5.1 – Best Execution Obligation	Rule	Best Execution obligations moved from UMIR to the Dealer Member Rules	Approved	15-0277 – Dec. 10/15	17-0137 – July 6/17	Jan. 2/18
5.1 – Best Execution Obligation	Policy	Best Execution obligations moved from UMIR to the Dealer Member Rules	Approved	15-0277 – Dec 10/15	17-0137 – July 6/17	Jan. 2/18
5.2 – Best Price Obligation	Rule	Provide that a “Basis Order” is exempt from the best price obligation.	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05
5.2 – Best Price Obligation	Rule	Provide that a “Last Sale Price Order” is exempt from the best price obligation.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
5.2 – Best Price Obligation	Rule	Provide that a “Closing Price Order” is exempt from the best price obligation.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
5.2 – Best Price Obligation	Rule	Remove the consideration of transaction costs from the calculation of compliance with “best price” obligation.	Approved	2008-009 – May 16/08	09-0107 – Apr. 17/09	May 16/08
5.2 – Best Price Obligation	Rule	Repeal the provision in its entirety.	Approved	08-0163 – Oct. 27/08 09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
5.2 – Best Price Obligation	Policy	Provide a specific mechanism for determining whether a “better price” exists on a marketplace (with the test being the same as adopted under Rule 7.5 for the reporting in Canadian currency internal crosses and intentional crosses that have been negotiated in a foreign currency). Make consequential amendments to refer to “organized regulated markets”.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
5.2 – Best Price Obligation	Policy	Modify the “best price obligation” in recognition of a specific trade-through obligation applicable to Participants when trading as principal or agent.	Withdrawn	2005-016 – May 12/05	08-0162 – Oct. 27/08	

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
5.2 – Best Price Obligation	Policy	Revise the factors that the Market Regulator will consider when determining whether a Participant has used "reasonable efforts" to ensure that a client order receives the best price.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
5.2 – Best Price Obligation	Policy	Expand the factors which may be taken into consideration in determining whether a Participant has taken reasonable efforts to obtain the best price on the execution of an order.	Approved	2008-009 – May 16/08	09-0107 – Apr. 17/09	May 16/08
5.2 – Best Price Obligation	Policy	Repeal the provision in its entirety.	Approved	08-0163 – Oct. 27/08 09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
5.3 – Client Priority	Rule	Provide that a Participant would not have to provide priority to a client order if the client order had been entered "anonymously" on a marketplace directly by a client and the Participant was not aware that the order was a client order until execution of the order.	Approved	2002-015 - Sept. 30/02	2003-024 – Oct. 31/03	Oct. 31/03
5.3 – Client Priority	Rule	Introduce a client priority requirement based on the provision included in the version of UMIR published in October of 2001 that recognizes multiple marketplaces trading the same securities.	Approved	2005-017 – June 10/05	2006-012 – May 26/06	May 26/06
5.3 – Client Priority	Rule	Provide that a "Last Sale Price Order" is exempt from the requirement to provide client priority.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
5.3 – Client Priority	Rule	Provide that a Participant cannot enter on a marketplace a principal order or non-client order that the Participant, based on the information known or reasonably available to the person or persons originating or entering the principal order or non-client order, knows or should have known will execute or have a reasonable likelihood of executing in priority to a client order received by the Participant prior to the entry of the principal or non-client order and the client or is for the same or a better price. In addition, provide that a Participant may rely on the allocations made by the trading system of a marketplace if the client has instructed that the client order is to be entered on a particular marketplace.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
5.3 – Client Priority	Rule	Amend subparagraph (2)(b)(i) to refer to the Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
5.3 – Client Priority	Rule	Amend subsection (1) to refer to a "foreign organized regulated market".	Withdrawn	12-0131 – Apr. 13/12		
5.3 – Client Priority	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
5.3 – Client Priority	Policy	Make consequential amendments to the Policy to reflect changes to the Rule.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
5.3 – Client Priority	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
5.3 – Client Priority	Policy	Makes a consequential amendment to provide an example of intentionally trading ahead of a client, to align with the CSA amendments regarding the order protection rule.	Withdrawn	14-0124 – May 15/14		
5.3 – Client Priority	Policy	Part 4 of Policy 5.3 was amended to accommodate unprotected transparent marketplaces.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
5.3 – Client Priority	Policy	Amendments to address the relocation of the Best Execution obligations to the Dealer Member Rules	Approved	15-0277 – Dec 10, 2015	17-0137 – July 6/17	Jan 2/18
5.3 – Client Priority	Rule	Amendments to 5.3 (1), (2) and (3) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
5.3 – Client Priority	Policy	Amendments to Part 2 and 4 to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
6.1 – Entry of Orders to a Marketplace	Rule	Provide that orders at a price of $0.50 or more may only be entered on a marketplace at penny increments and at half-penny increments below $0.50.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
6.1 – Entry of Orders to a Marketplace	Rule	Provide that orders at a price of $0.50 or more may only be entered on a marketplace at penny increments and at half-penny increments below $0.50.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
6.1 – Entry of Orders to a Marketplace	Rule	Provide new provisions to prohibit order entries by Participants or Access Persons in the event of certain short sales.	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
6.1 – Entry of Orders to a Marketplace	Rule	Provide new subsection (3) to permit the entry of an intentional cross on a marketplace at a price that is a fraction of a trading increment.	Approved		12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
6.1 – Entry of Orders to a Marketplace	Rule	Add new subsections (7), (8) and (9) to prohibit the entry of an order by a Participant or an Access Person or the acceptance of an order by a marketplace unless certain requirements are met. (Renumber the subsection (3) approved Apr. 13/12 as subsection (6).)	Approved	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14
6.1 – Entry of Orders to a Marketplace	Policy	Provide that Basis Orders, Call Market Orders and Volume-Weighted Average Price Orders may be executed and reported at other than the minimum trading increment for the entry of orders.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
6.1 – Entry of Orders to a Marketplace	Policy	Replace Part 1 of Policy 6.1 to provide for the execution and reporting of the execution price of an order at such price increments as established by the marketplace provided, that unless otherwise permitted by the information processor or vendor, the price shall be rounded to the nearest trading increment, or rounded up to the next trading increment if the price results in one-half of a trading increment.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
6.1 – Entry of Order to a Marketplace	Rule	Amendments to 6.1(6) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
6.2 – Designations and Identifiers	Rule	Provide that an order must contain a marker to identify the order as a "Basis Order".	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05
6.2 – Designations and Identifiers	Rule	Provide that a "designated trade" or an order entered on a marketplace to fill an obligation imposed by a Rule or Policy must contain a marker ("bypass marker").	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08[3]
6.2 – Designations and Identifiers	Rule	Provide that an order must contain a marker to identify the order as a "Last Sale Price Order".	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
6.2 – Designations and Identifiers	Rule	Provide that an order must contain a marker to identify the order as a "Closing Price Order".	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
6.2 – Designations and Identifiers	Rule	Provide that an order must contain a marker to identify the order as a "directed action order'' as defined in the Trading Rules.	Approved	09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
6.2 – Designations and Identifiers	Rule	Provide that the unique identifier assigned to a Marketplace Eligible Client is included with each order entered on a marketplace by Dealer-Sponsored Access.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
6.2 – Designations and Identifiers	Rule	Repeal the requirement for a "short exempt" marker because of the repeal on the restrictions on the price at which a short sale may be made.	Approved	2007-017 – Sept. 7/07	11-0075 – Feb. 25/11	
6.2 – Designations and Identifiers	Rule	Provide for the marking of "short orders" and "short-marking exempt orders" and repeal provisions related to "short exempt".	Approved	11-0075 – Feb. 25/11	12-0078 – Mar. 2/12 12-0158 – May 8/12	Oct. 15/12
6.2 – Designations and Identifiers	Rule	Amend clause (a) of subsection (1) to require the provision of an identifier in respect of third-party direct electronic access and routing arrangements.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14

[3] While the effective date of this provision is May 16, 2008, the implementation date is June 1, 2009. Reference should be made to Rules Notice 09-0034 (February 3, 2009).

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
6.2 – Designations and Identifiers	Rule	Amend clause (a) of subsection (1) to require an identifier if the order requires an identifier under Dealer Member Rule 3200.	Approved	13-0255 – Oct. 15/13 14-0101 – Apr. 24/14	14-0263 – Nov. 13/14	June. 1/15
6.2 – Designations and Identifiers	Rule	Add clauses 6.2(1)(b) viii and xviii to includes a derivative-related cross and a bundled order respectively. Also to amend 6.2(6)(a) to exclude a by-pass cross that is not part of a designated trade.	Approved	16-0123 – June 9/16	17-0039 – Feb 16/17	Sept 14/17
6.2 – Designations and Identifiers	Rule	Amend clause 6.2 (1) to required additional client identifiers in the form of legal entity identifiers or account numbers and unique identifiers for foreign dealer equivalents whose clients automatically orders on a predetermined basis.	Approved	18-0122 – June 28/18	19-0071 – Apr. 18/19	Oct. 18/20
6.2 – Designation and Identifiers	Rule	Amend 6.2 (1) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept. 5/19	21-009 – Jan 14/21	
6.2 – Designation and Identifiers	Rule	Housekeeping amendments to align with the final IIROC rules.	Approved		20-0042 – Mar 5/20	Mar. 5/20
6.2 – Designation and Identifiers	Rule	Housekeeping amendments to align with the final IIROC rules	Approved		21-0236 – Dec16/21	Dec. 16/21
6.2 – Designation and Identifiers	Rule	Amend 6.2 (2) to require designations and identifiers for orders in a listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
6.2 – Designation and Identifiers	Rule	Replace reference to “IIROC” with “Corporation” following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
6.3 – Exposure of Client Orders	Rule	Provide that a client order that is a “Basis Order” is exempt from the order exposure requirement.	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05
6.3 – Exposure of Client Orders	Rule	Provide that a client order that is a “Last Sale Price Order” is exempt from the order exposure requirement. Provide that client orders that must be exposed must be entered on a marketplace that displays order information in accordance with Part 7 of National Instrument 21-101.	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
6.3 – Exposure of Client Orders	Rule	Provide that a client order that is a “Closing Price Order” is exempt from the order exposure requirement. Provide that client orders that must be exposed must be entered on a marketplace that displays order information in accordance with Part 7 of National Instrument 21-101.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
6.3 – Exposure of Client Orders	Rule	Clarify that client orders must be entered for display on a marketplace that displays orders.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
6.3 – Exposure of Client Orders	Rule	Delete and substitute clause 6.3(1)(g) to introduce an anti-avoidance provision to the "Order Exposure Rule" to limit the ability of a small client order to be executed on a foreign organized regulated market unless the order had been entered on a market that displays order information (and the order is either displayed or executed on entry) or executed at a better price.	Withdrawn	12-0131 – Apr. 13/12 15-0023 – Jan. 29/15	17-0146 – July 13/17	
6.3 – Exposure of Client Orders	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
6.3 – Exposure of Client Orders	Rule	Amend 6.3(2) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 Sept. 5/19	21-0009 - Jan 14/21	
6.3 – Exposure of Client Orders	Policy	Amend Part 1 to replace non-client order with Dealer Related Person order	Withdrawn	19-0157 Sept. 5/19	21-0009 – Jan 14/21	
6.4 – Trades to be on a Marketplace	Rule	Clarify that a security that has been suspended for failure to meet listing or quotation requirements or in respect of which trading has been delayed or halted for technical reasons may be traded "off-marketplace" if there is not another marketplace on which such security is traded or quoted.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
6.4 – Trades to be on a Marketplace	Rule	Clarify the "markets" on which a trade may be executed outside of Canada (defined as a "foreign organized regulated market").	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
6.4 – Trades to be on a Marketplace	Rule	Provide for a renumbering of the provision and clarify, in furtherance of the order protection rule, that the exemption is unavailable to an order of a Canadian account denominated in Canadian funds in certain cases.	Approved	09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
6.4 – Trades to be on a Marketplace	Rule	Delete and substitute clauses 6.4(1)(g) and (h) and amend clause (i) to replace provisions that permitted or required reports to a marketplace of trades executed off-market either outside of Canada or during certain non-regulatory halts, delays or suspension with an ability to make such reports to IIROC.	Withdrawn	12-0131 – Apr. 13/12		
6.4 – Trades to be on a Marketplace	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
6.4 – Trades to be on a Marketplace	Policy	Clarify the application of the requirements: outside of marketplace hours; to foreign affiliates; non-Canadian accounts; to the reporting of foreign trades. Confirm that certain provisions of UMIR apply to an order that is not entered on a marketplace.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
6.4 – Trades to be on a Marketplace	Policy	Provide for the mechanics of foreign currency translation of the trade price on a foreign organized regulated market.	Approved	09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
6.4 – Trades to be on a Marketplace	Policy	Amend Part 6 for a consequential revision related to the dark anti-avoidance provision and add Parts 7 and 8 to enable reports to a marketplace of trades executed off-market either outside of Canada or during certain non-regulatory halts, delays or suspension to be made to IIROC.	Withdrawn	12-0131 – Apr. 13/12 15-0023 – Jan. 29/15 (re: Part 6)		
6.4 – Trades to be on a Marketplace	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
6.4 – Trades to be on a Marketplace	Policy	Amendments to address the relocation of Best Execution obligations from UMIR to the Dealer Member Rules	Approved	15-0277 – Dec 10/15	17-0137 – July 6/17	Jan. 2/18
6.4 – Trades to be on a Marketplace	Rule	Amended to add Acceptable Foreign Trade Reporting Facility as an exemption when the trade is greater than 50 standard trading units or for more than 100000.00 or a contingent order related to a derivative transaction.	Approved	16-0082 – Apr. 21/16	18-0154 – Aug. 9/18	Nov. 7/18
6.4 – Trades to be on a Marketplace	Policy	Housekeeping amendments to align with the final IIROC rules	Approved		20-0042 – Mar 5/20	Mar. 5/20
6.4 – Trades to be on a Marketplace	Rule	Provide an exemption to allow Participants to trade off-marketplace for securities that are subject to a statutory resale restriction.	Approved	22-0054 – Apr. 14/22	22-0185 – Dec 1/22	Mar. 1/23
6.4 – Trades to be on a Marketplace	Policy	Replace references to “IIROC” with “Corporation” following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
6.5 – Minimum Size Requirements of Certain Orders Entered on a Marketplace	Rule	Add a new section to Part 6 to provide for the prohibition of the entry of a purchase or sale order unless it meets certain minimum size requirements.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
6.6 – Provision of Price Improvement by a Dark Order	Rule	Add a new section to Part 6 to permit execution of a purchase or sale order against a Dark Order in the event of the provision of price improvement.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
6.6 – Dark Order Price Improvement Obligations when trading against an Odd-Lot Order	Rule	Provides that Dark Orders are not required to give price improvement to odd-lot orders.	Approved	15-0045 – Feb. 12/15	15-0168 – July 30/15	July 30/15
6.6 - Provision of Price Improvement by a Dark Order	Rule	Amended to require that an order for less than 30000.00 execute at a better price when trading against a dark order.	Approved	18-0231 – Dec. 13/18	19-0134 – Aug. 8/19	Feb. 4/20

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
7.1 – Trading Supervision	Rule	Clarify that the trading supervision obligation applies on the "acceptance" of an order irrespective of the method that was used to transmit that order to the Participant.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
7.1 – Trading Supervision	Rule	Provide that each ATS must adopt written policies and procedures to monitor orders entered by a subscriber who is an Access Person.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
7.1 – Trading Supervision	Rule	Provide a prohibition against the marking by a Participant or Access Person of a directed action order unless the Participant or Access Person has established, maintained, and ensured compliance with, written policies and procedures reasonably designed to prevent trade-throughs other than those permitted under Part 6 of the Trading Rules.	Approved	09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
7.1 – Trading Supervision	Rule	Amend section 7.1 to add subsections (6), (7), (8), (9) and (10) to expand the existing supervisory requirements for trading to specifically include the establishment and maintenance of risk management and supervisory controls, policies and procedures related to access to one or more marketplaces and/or the use of an automated order system and to permit, in certain circumstances, a Participant to authorize an investment dealer to perform on its behalf the setting or adjustment of a risk management or supervisory control, policy or procedure by a written agreement.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
7.1 – Trading Supervision	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
7.1 – Trading Supervision	Policy	Expand the trading supervision policy to clarify the obligations of Participants with respect to complying market integrity rules in handling client orders including specific procedures respecting manipulative and deceptive activities and reporting and gatekeeper obligations.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
7.1 – Trading Supervision	Policy	Clarify the obligation of a Participant to have a process in place to obtain "best execution" which allows the Participant to evaluate whether "best execution" was obtained.	Approved	2007-008 – Apr. 20/07	08-0039 – July 18/08	Sept. 12/08
7.1 – Trading Supervision	Policy	Provide requirement for compliance procedures applicable to alternative trading systems.	Withdrawn	2007-008 – Apr. 20/07	12-0315 – Oct. 25/12	
7.1 – Trading Supervision	Policy	Provide for the adoption of policies and procedures which must take account of the factors in Policy 5.2 and may take into account other additional factors which are reasonable and of particular importance to the business conducted by the Participant.	Approved	2008-009 – May 16/08	09-0107 – Apr. 17/09	May 16/08

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
7.1 – Trading Supervision	Policy	Repeal specific provisions respecting the "Best Price" Obligation and provide for the adoption of policies and procedures by a Participant or Access Person to prevent an order marked as a directed action order resulting in a trade-through.	Approved	08-0163 – Oct. 27/08 09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11
7.1 – Trading Supervision	Policy	Make consequential amendments to Parts 1, 2 and 3 of, and add Parts 7 and 8 to, Policy 7.1 as a result of the expansion in Rule 7.1 of the existing supervisory requirements for trading to specifically include the establishment and maintenance of risk management and supervisory controls, policies and procedures related to access to one or more marketplaces and/or the use of an automated order system and to permit, in certain circumstances, a Participant to authorize an investment dealer to perform on its behalf the setting or adjustment of a risk management or supervisory control, policy or procedure by a written agreement.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
7.1 – Trading Supervision	Policy	Make consequential amendments to Parts 1 and 2 of, and add Part 9 to, Policy 7.1 to govern the implementation of the provision of third-party direct electronic access and routing arrangements.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul 4/13	Mar. 1/14
7.1 – Trading Supervision	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
7.1 – Trading Supervision	Policy	Consequential amendments to address the relocation of the Best Execution Obligations to the Dealer Member Rules	Approved	15-0277 – Dec. 10/15	17-0189 – Sept 28/17	Mar. 27/18
7.1 - Trading Supervision	Policy	Housekeeping to add references to DMR 3300	Approved		18-0118 – June 21/18	June 21/18
7.1 – Trading Supervision	Policy	Amend Part 4 to replace non-client order with Dealer Related Person order	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
7.1 – Trading Supervision	Policy	Housekeeping amendments to Parts 3 and 4 to align with the final IIROC rules	Approved		20-0042 – Mar 5/20	Mar. 5/20
7.1 – Trading Supervision	Policy	Extend certain requirements on Participants' supervisory systems and policies and procedures under Parts 1, 2, 3 and 5 of Policy 7.1 to the trading of listed derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.1 – Trading Supervision	Policy	Extend requirements for trading supervision related to electronic access under Part 7 to the trading of listed derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.1 – Trading Supervision	Policy	Amend Parts 3 and 10 of Policy 7.1 to ensure the supervision systems of Participants that trade in listed derivatives include the regular review of compliance with respect to audit trail requirements and record retention requirements.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
7.1 – Trading Supervision	Policy	Replace references to "IIROC" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
7.2 – Proficiency Obligations	Rule	Provide training requirements for each Access Person or Representative.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
7.2 – Proficiency Obligations	Rule	Extend proficiency requirements to the trading of derivatives on a marketplace.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.3 – Liability for Bids, Offers and Trades	Rule	Require Participants to be responsible for bids and offers entered on a derivatives exchange.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.4 – Contract Record and Official Transaction Record	Rule	Expand the ambit of the provision to include "orders" as well as trades.	Approved	2002-014 - Sept. 30/02	2004-005 – Jan. 30/04	Jan. 30/04
7.4 – Contract Record and Official Transaction Record	Rule	Extend requirement in UMIR 7.4 to derivatives so that the electronic records provided by a derivatives exchange would be the official transaction record for determining the best ask price, best bid price and last sale price for that listed derivative.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.5 – Recorded Prices	Policy	Provide a specific mechanism for the reporting in Canadian currency internal crosses and intentional crosses that have been negotiated in a foreign currency.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
7.5 – Recorded Prices	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec 9/13	Dec. 9/13
7.7 – Trading During Certain Securities Transactions	Rule	Introduce a market stabilization provision that provides a number of additional exemptions for highly-liquid securities, securities exemption under Regulation M of US securities legislation and Exchange-traded funds and redefines the maximum permitted stabilization price to permit purchases at a price not exceeding the last independent sale.	Approved	2003-018 – Aug. 29/03 2004-024 - Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
7.7 – Trading During Certain Securities Transactions	Rule	Amend the price restrictions to refer to: "best independent bid price" rather than "last independent sale price"; "Exempt Exchange-traded Fund" rather than "Exchange-traded Fund"; and "marketplace or foreign organized regulated market" rather than "market".	Approved	2008-005 – Mar. 21/08	10-0006 – Jan. 8/10	Jan. 8/10
7.7 – Trading During Certain Securities Transactions	Rule	Repeal and replace subsection (7) to reflect the introduction of Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
7.7 – Trading During Certain Securities Transactions	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
7.7 – Trading During Certain Securities Transactions	Policy	Provide additional guidance on the interpretation of exemptions provided including covering of short positions, acceptable research activities and trades pursuant to Market Maker Obligations. Confirm that activities permitted for market stabilization are nonetheless subject to rules on manipulative and deceptive activity.	Approved	2003-018 – Aug. 29/03 2004-024 - Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
7.7 – Trading During Certain Securities Transactions	Policy	Amend Part 3 and Part 5 to reflect the introduction of Marketplace Trading Obligations.	Approved	10-0113 – Apr. 23/10	11-0251 – Aug. 26/11	Aug. 26/11
7.7 – Trading During Certain Securities Transactions	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
7.8 – Restriction on Trading During a Securities Exchange Take-over Bid	Rule	Repeal the provisions related to a securities exchange take-over bid. Expand the ambit of the provision to cover transactions that have a similar "economic impact" as a securities exchange take-over bid (including issuer bids, amalgamations, arrangements where securities of one issuer are offered as part of the consideration for the transaction) and incorporate in Rule 7.7.	Approved	2003-018 – Aug. 29/03 2004-024 - Sept. 10/04	2005-007 – Mar. 4/05	May 9/05
7.8 – Trading in Listed or Quoted Securities by a Derivatives Market Maker	Rule	Renumber the previous Rule 7.9 as Rule 7.8.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
7.9 – Provisions Respecting Dealer-Sponsored Access to Marketplaces	Rule	Provide requirements that a Participant must meet regarding the grant of Dealer-Sponsored Access information to be provided to the Market Regulator.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
7.9 – Trading in Listed or Quoted Securities by a Derivatives Market Maker	Rule	Extend the requirement on Derivatives Market Makers to comply with Marketplace Rules to the trading of listed derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
7.10 – Extended Failed Trades	Rule	Provide a requirement to report a "failed trade" if the reason for failure has not been resolved within 10 trading days following the original settlement date of the trade. (Originally proposed as Rule 7.11).	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08[4]
7.10 – Agreement between a Market Regulator and an Access Person	Rule	Provide that an Access Person must enter into an agreement with a Market Regulator for each Designated Marketplace.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	

[4] While the effective date of this provision is October 14, 2008, the implementation date was deferred. On February 25, 2011, IIROC gave notice that the implementation date for the reporting of certain Extended Failed Trades that settle through the continuous settlement facilities of CDS Clearing and Depository Services Inc. would be June 1, 2011. Reference should be made to Rules Notice 11-0080 (February 25, 2011) and Rules Notice 11-0161 (May 19, 2011).

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
7.10 – Agreement between a Market Regulator and an Access Person	Policy	Prescribed form of agreement to be entered into between an Access Person and a Market Regulator for each Designated Marketplace.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	
7.11 – Variation and Cancellation of Trades	Rule	Require notice be given to a Market Regulator if, after execution, a trade is varied (with respect to price, volume or settlement date) or cancelled. (Originally proposed as Rule 7.12)	Approved	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	Oct. 14/08[5]
7.11 – Variation and Cancellation of Trades	Rule	Amend section 7.11 to clarify the circumstances under which a trade may be cancelled, varied or corrected with notice to, or the consent of, a Market Regulator.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
7.12 – Inability to Rely on Marketplace Functionality	Rule	Provide a prohibition against entering an order on a marketplace if a Participant or Access Person knows or ought reasonably to know that the handling of the order by the marketplace and its trading systems may result in the display or execution of an order not in compliance with applicable UMIR Requirements.	Approved	11-0225 – Jul. 29/11	12-0130 – Apr. 13/12 12-0158 – May 8/12	Oct. 15/12
7.13 – Direct Electronic Access and Routing Arrangements	Rule	Set out provisions governing a Participant providing direct electronic access or in a "routing arrangement" with an investment dealer or foreign dealer equivalent.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14
7.13 – Direct Electronic Access and Routing Arrangements	Rule	Amend 7.13(6) to require that the name of any client not eligible to receive an LEI be provided to IIROC	Approved	18-0122 – June 28/18	19-0071 Apr. 18/19	Oct 18/20
7.14[6] – Direct Electronic Access	Rule	Set out requirements for a Participant providing "direct electronic access".	Withdrawn	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14
7.14 Position limits for listed derivatives	Rule	Require Participants to comply with position limits set by a derivatives exchange and to provide New SRO with the ability to modify position limits set by a derivatives exchange.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
8.1 – Client Principal Trading	Rule	Provide that a principal order or non-client order that executes against a client order need not be done at a better price if the client order has been entered "anonymously".	Approved	2002-015 - Sept. 30/02	2003-024 – Oct. 31/03	Oct. 31/03
8.1 – Client-Principal Trading	Rule	Provide that a Participant is exempt from providing price improvement if a principal order or non-client order executes with a client order that is a "Basis Order".	Approved	2004-030 – Nov. 26/04	2005-010 – Apr. 8/05	Apr. 8/05

[5] While the effective date of this provision is October 14, 2008, the implementation date was deferred. On February 25, 2011, IIROC gave notice that the implementation date for the filing of a Trade Variation or Cancellation Report would be June 1, 2011. Reference should be made to Rules Notice 11-0079 (February 25, 2011) and Rules Notice 11-0160 (May 19, 2011).

[6] Originally proposed as two separate rules, direct electronic access and routing arrangements are covered together in Rule 7.13.

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
8.1 – Client-Principal Trading	Rule	Provide that a Participant is exempt from providing price improvement if a principal order or non-client order executes with a client order that is a "Last Sale Price Order".	Withdrawn	2005-019 – June 10/05	2006-022 – Oct. 31/06	
8.1 – Client-Principal Trading	Rule	Provide that a Participant is exempt from providing price improvement if a principal order or non-client order executes with a client order that is a "Closing Price Order".	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
8.1 – Client-Principal Trading	Rule	Harmonize the language of the rule to requirements proposed under Rule 5.1 on "best execution".	Approved	2007-008 – Apr. 20/07	08-0039 – July 18/08	Sept. 12/08
8.1 – Client Principal Trading	Rule	Amend 8.1(1) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-009 – Jan 14/21	
8.1 – Client-Principal Trading	Policy	Clarify that if a security is traded on more than one marketplace, the client must receive, when the Participant is buying, a higher price than the best bid price, and, if the Participant is selling, the client must pay a lower price than the best ask price.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
8.1 – Client-Principal Trading	Policy	Provide the factors to be taken into account in determining the "best available price".	Approved	2007-008 – Apr. 20/07	08-0039 – July 18/08	Sept. 12/08
8.1 – Client-Principal Trading	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
8.1 – Client-Principal Trading	Policy	Makes a consequential amendment to the "best available price" determination, to align with CSA amendments regarding the order protection rule.	Withdrawn	14-0124 – May 15/14		
8.1 – Client-Principal Trading	Policy	Part 3 of Policy 8.1 was amended to accommodate unprotected transparent marketplaces such that an employee of a firm is required to consider all order information "known and available" to that employee.	Approved	15-0129 – June 12/15	15-0211 – Sept 18/15	Sept 18/15
8.1 – Client-Principal Trading	Policy	Amendments to address the relocation of Best Execution obligations from UMIR to the Dealer Member Rules	Approved	15-0277 – Dec. 10/15	17-0137 – July 6/17	Jan. 2/18
8.1 – Client Principal Trading	Policy	Amend Part 2 and 3 to replace non-client with Dealer Related Person	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
8.1 – Client Principal Trading	Policy	Housekeeping amendments to Part 1 to align with the final IIROC rules	Approved		20-0042 – Mar 5/20	Mar. 5/20
8.1 – Client Principal Trading	Policy	Replace reference to "IIROC" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
9.1 - Regulatory Halts, Delays and Suspensions of Trading	Rule	Permit orders to be entered to a marketplace during a regulatory halt (though prohibition on order execution would continue).	Approved	2004-010 - April 16/04	2004-022 – Aug. 27/04	Aug. 27/04

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
9.1 – Regulatory Halts, Delays and Suspensions of Trading	Rule	Clarify the "markets" outside of Canada on which a trade may be made during a regulatory halt, delay or suspension of trading.	Approved	2005-012 – Apr. 29/05	2008-008 – May 16/08	May 16/08
9.1 – Regulatory Halts, Delays and Suspensions of Trading	Rule	Extend the application of UMIR 9.1 to prevent the trading of a listed derivative while a regulatory halt or suspension is in effect.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
9.1 – Regulatory Halts, Delays and Suspensions of Trading	Rule	Provide Participants with the ability to sell securities subject to a cease trade order on a foreign organized regulated market in a manner that complies with the conditions in the order.	Approved	22-0054 – Apr. 14/22	22-0185 – Dec 1/22	Mar. 1/23
10.1 – Compliance Requirement	Rule	Provide that a Regulated Person shall not, without legal justification, impede or obstruct the ability of a Market Regulator to conduct an investigation or hearing or exercise a power.	Approved	2004-019 – Aug. 13/04	2005-008 – Mar. 11/05	Mar. 11/05
10.1 – Compliance Requirement	Rule	Repeal that portion of the present provisions dealing with interference with investigations concurrent with the introduction of Rule 9105 – Obligations of Regulated Persons and Other Persons as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.1 – Compliance Requirement	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.1 – Compliance Requirement	Policy	Provide guidance on the obligation of the Market Regulator in connection with monitoring for possible violations of securities legislation, marketplace rules or requirements of self-regulatory entities.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
10.1 – Compliance Requirement	Policy	Repeal that portion of the present provisions dealing with interference with investigations concurrent with the introduction of Rule 9105 – Obligations of Regulated Persons and Other Persons as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.1 – Compliance Requirement	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.1 – Compliance Requirement	Policy	Replace reference to "IIROC" with "Corporation" following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
10.2 – Investigations	Rule	Provide that a Regulated Person shall respond to a request of a Market Regulator forthwith "or not later than the date permitted by the Market Regulator as specified in a written request by the Market Regulator". Provide a requirement for a Regulated Person to retain documents for specified periods if the Market Regulator has served notice of an investigation.	Approved	2004-019 – Aug. 13/04	2005-008 – Mar. 11/05	Mar. 11/05

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
10.2 – Investigations	Rule	Repeal the present provisions concurrent with the introduction of Rule 8102 – Conducting Investigations as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.3 – Extension of Responsibility	Rule	Provide that an officer or employee of a Participant or Access Person that engages in conduct that results in the contravention of a Requirement is liable for the conduct.	Approved	2002-014 - Sept. 30/02	2004-005 – Jan. 30/04	Jan. 30/04
10.3 – Extension of Responsibility	Rule	Repeal the present provisions concurrent with the introduction of Rule 1403 – Applicability as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.3 – Extension of Responsibility	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.4 - Extension of Restrictions	Rule	Provide that the rule respecting improper orders and trades applies to directors, officers and employees of Participants, Access Persons and related entities.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
10.4 - Extension of Restrictions	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.5 – Powers and Remedies	Rule	Repeal the present provisions as they relate to the power of a hearing panel concurrent with the introduction of Rule 8209 – Sanctions for Dealer Members as part of the Consolidated Enforcement Rule. The balance of the provisions in the rule would be retitled “Suspension or Restriction of Access”.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.5 – Suspension or Restriction of Access	Rule	Replace reference to “IIROC” with “Corporation” following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
10.6 – Exercise of Authority	Rule	Repeal the present provisions concurrent with the introduction of Rule 8203 – Hearing as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.7 – Assessment of Expenses	Rule	Clarify that the power of the Market Regulator to assess expenses in the event of a “frivolous” complaint by a Regulated Person is subject to the requirement of the Market Regulator to “act reasonably” in making such determination.	Approved	2002-014 - Sept. 30/02	2004-005 – Jan. 30/04	Jan. 30/04
10.7 – Assessment of Expenses	Rule	Repeal the present provisions concurrent with the introduction of Rule 8214 – Costs as part of the Consolidated Enforcement Rule. Replace with a provision “Specific Unacceptable Activities” that is based on current Policy 2.1	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.8 – Practice and Procedure	Rule	Repeal the present provisions concurrent with the introduction of Rule 8400 – Practice and Procedure as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
10.8 – Practice and Procedure	Policy	Clarify that a Notice of Hearing does not need to contain a statement that a party may object to the form of the hearing if the hearing will be an oral hearing and that a Hearing Panel shall be selected upon acceptance of an Offer of Settlement. Use of the term "defendant" has been deleted.	Approved	2002-014 - Sept. 30/02 2004-013 - April 30/04	2005-002 – Jan. 14/05	Jan. 7/05
10.8 – Practice and Procedure	Policy	Provide provision for public access to hearings on a basis similar to that set out in the *Statutory Powers Procedure Act* (Ontario).	Approved	2002-017 – Sept. 30/02	2004-004 – Jan. 30/04	Jan. 30/04
10.8 – Practice and Procedure	Policy	Permit the Secretary to delegate the responsibilities of the Secretary under the Policy to another officer, employee or agent of the Market Regulator. In addition, provide several minor amendments to clarify that: (1) the disclosure obligation does not extend to documents which will not be relied on at a hearing; (2) unless precluded by law, a hearing panel may accept facts set out in a Statement of Allegations if the person served with Notice of a Hearing fails to respond; (3) if a Settlement Hearing is held in camera provide that documents and transcripts will be publicly available only if the settlement is approved; and (4) provisions for quorum of a Hearing Panel.	Approved	2004-013 - April 30/04	2005-002 – Jan. 14/05	Jan. 7/05
10.8 – Practice and Procedure	Policy	Repeal the definition of document in Policy 10.8 upon adoption of an expanded definition of the term in Rule 1.1.	Approved	2004-019 – Aug. 13/04	2005-008 – Mar. 11/05	Mar. 11/05
10.8 – Practice and Procedure	Rule	Repeal the present provisions concurrent with the introduction of Rule 8400 – Practice and Procedure as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.8 – Practice and Procedure	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.9 – Power of Market Integrity Officials	Rule	Clarify the information that a Market Integrity Official may request in connection with the exercise of a power under UMIR and provide for the retention of such information.	Approved	2004-019 – Aug. 13/04	2005-008 – Mar. 11/05	Mar. 11/05
10.9 – Power of Market Integrity Officials	Rule	Makes consequential amendments to the rule to reflect changes to Rule 5.3 to specifically provide the power to order satisfaction of a client order if a principal order or non-client order has failed to comply with client priority requirements.	Approved	2006-019 – Oct. 6/06	2007-002 – Feb. 26/07	Mar. 9/07
10.9 – Power of Market Integrity Officials	Rule	Provide that a Market Integrity Official may cancel a failed trade under certain circumstances.	Withdrawn	2007-017 – Sept. 7/07	08-0143 – Oct. 15/08	
10.9 – Power of Market Integrity Officials	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
10.9 – Power of Market Integrity Officials	Rule	Makes a consequential amendment to reflect UMIR changes to align with CSA amendments regarding the order protection rule.	Withdrawn	14-0124 – May 15/14		
10.9 – Power of Market Integrity Officials	Rule	Permits a Market Integrity Official to require a Participant or Access Person to satisfy any order in the disclosed volume if a trade failed to comply with section 6.4 of the Trading Rules.	Approved	15-0129 – June 12/15	15-0211 – Sept. 18/15	Sept. 18/15
10.9 – Power of Market Integrity Officials	Rule	Amend 10.9(1) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
10.9 – Power of Market Integrity Officials	Rule	Extend certain powers of Market Integrity Officials to the trading of listed derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
10.10 – Report of Short Positions	Rule	Repeal the requirement to prepare and file short position reports.	Withdrawn	2007-017 – Sept. 7/07	11-0075 – Feb. 25/11	
10.11 – Audit Trail Requirements	Rule	Extend requirement on Participants to create and maintain records to orders and trades in listed derivatives.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
10.12 – Retention and Inspection of Records	Rule	Repeal the present provisions as they relate to inspection concurrent with the introduction of Rule 8102 – Conducting Investigations as part of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
10.15 – Assignment of Identifiers and Symbols	Rule	Provide that each marketplace shall assign a unique symbol for each security traded and for each Participant provided access to the marketplace.	Approved	2008-004 – Mar. 14/08	09-0191 – June 26/09	June 26/09
10.15 – Assignment of Identifiers and Symbols	Rule	Provide that unique identifiers be assigned to Access Persons and as part of routing arrangements and the provision of direct electronic access.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14
10.15 – Assignment of Identifiers and Symbols	Rule	To remove the requirements that a unique identifier be assigned by the marketplace for direct electronic access clients.	Approved	18-0122 – June 28/18	19-0071 – Apr. 18/19	Oct. 18/20
10.15 – Assignment of Identifiers and Symbols	Rule	Require Exchanges to assign a unique symbol to a listed derivative for trading purposes.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Provide an obligation of employees of Participants and Access Persons to report suspected violations to supervisors or compliance and provide for an obligation to investigate and resolve all such reports.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Repeal the obligation of employees of Participants and Access Persons to report suspected violations of the best price obligation to supervisors or compliance and renumber the other clauses accordingly.	Approved	08-0163 – Oct. 27/08 09-0328 – Nov. 13/09	11-0036 -- Jan. 28/11	Feb. 1/11

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Policy	Provide guidance on the obligation of a Participant or Access Person not to ignore “red flags” with respect to possible improper behaviour by clients, employees, officers or directors.	Approved	2004-003 – Jan. 30/04 2004-017 - Aug. 13/04	2005-011 – Apr. 1/05	Apr. 1/05
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Policy	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Amendments to address the relocation of Best Execution obligations from UMIR to the Dealer Member Rules	Approved	15-0277 – Dec 10/15	17-0137 – July 6/17	Jan. 2/18
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Amend 10.9(1) to replace non-client order with Dealer Related Person order.	Withdrawn	19-0157 – Sept 5/19	21-0009 – Jan 14/21	
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Housekeeping amendment to align with the final IIROC rules	Approved		20-0042 – Mar 5/20	Mar. 5/20
10.16 - Gatekeeper Obligations of Directors, Officers and Employees of Participants and Access Persons	Rule	Replace reference to “IIROC” with “Corporation” following the amalgamation of IIROC and the MFDA into New SRO.	Approved	25-304- May 1/22	25-307 – Nov. 24/22	Jan. 1/23
10.17 – Gatekeeper Obligations with Respect to Access Persons	Rule	Provide that a Designated Marketplace and a Participant that has provided Dealer-Sponsored Access have an obligation to report to the Market Regulator non-compliance by an Access Person with the agreement with the Market Regulator or applicable provisions of UMIR.	Withdrawn	2007-009 – Apr. 20/07	12-0315 – Oct. 25/12	

UMIR Reference	Rule/ Policy	Summary of Amendment	Status	Rules/Market Integrity Notice		Effective Date
				Request for Comments	Amendment Approval / Withdrawal	
10.17 – Gatekeeper Obligations with Respect to Electronic Trading	Rule	Add section 10.17 to impose specific gatekeeper obligations on a Participant who has authorized an investment dealer to perform on its behalf the setting or adjustment of a risk management or supervisory control, policy or procedure.	Approved	12-0200 – Jun. 28/12	12-0363 – Dec. 7/12	Mar. 1/13
10.18 – Gatekeeper Obligations with Respect to Access to Marketplaces	Rule	Add section 10.18 to provide gatekeeper obligations on a marketplace that provides access to a Participant or Access Person and on a Participant that provides direct electronic access to a client or to an investment dealer or foreign dealer equivalent under a routing arrangement.	Approved	12-0315 – Oct. 25/12	13-0184 - Jul. 4/13	Mar. 1/14
10.19 – Reporting limits for listed derivatives	Rule	Require Participants to file position reports pursuant to the reporting limits set by a derivatives exchange, and to provide New SRO with the ability to modify report limits set by a derivatives exchange.	Approved	20-0202 – Oct. 8/20	22-0140 – Sept. 15/22	Dec. 14/22
11.1 – General Exemptive Relief	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.2 – General Prescriptive Power	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.4 – Method of Giving Notice	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.5 – Computation of Time	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.8 – Transitional Provisions	Rule	Repeal the present provisions as spent in connection with the introduction of the Consolidated Enforcement Rule.	Approved	12-0104 – Mar. 23/12 13-0275 – Nov. 14/13	16-0122 – June 9/16	Sept 1/16
11.8 – Transitional Provisions	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.9 – Non-Application of UMIR	Rule	Housekeeping to French rules only for translation consistency.	Approved		13 - 0294 - Dec. 9/13	Dec. 9/13
11.11 – Status of UMIR and Policies	Rule	Clarify the inter-play between the provisions of UMIR and the terms of any regulation services agreement entered into between a Market Regulator and a marketplace.	Withdrawn	2002-014 - Sept. 30/02	2004-005 - Jan. 30/04	

Notes: The amendments listed in the table do not include various amendments to the Universal Market Integrity Rules approved by the applicable securities regulatory authorities effective June 1, 2008 made in connection with the recognition of the Investment Industry Regulatory Organization ("IIROC") as a self-regulatory entity and the adoption by IIROC of UMIR as the rules of IIROC related to the governing of trading activity on those marketplaces that have retained IIROC as their regulation services provider. These amendments are of an editorial or administrative nature and were approved by the applicable securities regulatory authorities without public comment. Because of the editorial nature of the amendments, certain amendments were made only to the English or to the French version of UMIR. The amendments to the English version are reproduced below:

The Universal Market Integrity Rules are hereby amended as follows:

1. Rule 1.1 is amended by:
   (a) in the opening sentence, deleting the phrase "these Rules" and substituting the word "UMIR";
   (b) in the definition of "bypass order", deleting the phrase "Rule or" and substituting "provision of UMIR or a";

(c) in the definition of “document” deleting the word “photographs” and substituting the word “photograph”;

(d) in the definition of “Hearing Committee”, deleting the phrase “the Policy made under Rule 10.8” and substituting the phrase “Schedule C.1 to the Investment Industry Regulatory Organization of Canada’s Transition Rule 1 – Hearing Committees and Hearing Panels Rule”;

(e) in the definition of “Hearing Panel”, deleting the phrase “the Policy made under Rule 10.8” and substituting the phrase “Schedule C.1 to the Investment Industry Regulatory Organization of Canada’s Transition Rule 1 – Hearing Committees and Hearing Panels Rule”;

(f) in the definition of “Market Integrity Official”, deleting the phrase “these Rules” and substituting the word “UMIR”;

(g) in the definition of “Policy”, deleting the phrase “these Rules” and substituting the word “UMIR”;

(h) in the definition of “Regulated Person” in clauses (c) and (d), deleting the phrase “the Rules” and substituting the word “UMIR”;

(i) in the definition of “Requirements”, deleting the phrase “these Rules” and substituting the word “UMIR”;

(j) deleting the definition of “Rules”; and

(k) inserting the following definition of “UMIR”:

“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.

2. Rule 1.2 is amended by:

(a) in the opening sentence of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”; and

(b) in the opening sentence of subsection (2), deleting the phrase “these Rules” and substituting the phrase “UMIR”.

3. Clause (e) of Rule 2.3 is amended by deleting the phrase “the Rules and” and substituting the word “UMIR and the”.

4. Clause (h) of subsection (2) of Rule 3.1 is amended by deleting the phrase “Rule or” and substituting “provision of UMIR or a”.

5. Rule 7.1 is amended by:

(a) in subsection (1), deleting the phrase “these Rules and” and substituting the word “UMIR”;

(b) in clause (c) of subsection (2), deleting the phrase “these Rules” and substituting the word “UMIR”; and

(c) in subsection (4), deleting the phrase “these Rules” and substituting the word “UMIR”.

6. Rule 7.2 is amended by:

(a) in clause (a) of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”; and

(b) in subsection (2), deleting the phrase “of these Rules and” and substituting the phrase “provisions of UMIR and such”.

7. Rule 7.3 is amended by deleting the phrase “Rules and” and substituting the phrase “provisions of UMIR and the”.

8. Rule 10.4 is amended by:

(a) in clause (a) of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”;

(b) in clause (b) of subsection (1), deleting the phrase “Rules and” and substituting the phrase “provisions of UMIR and the”;

(c) in clause (a) of subsection (2), deleting the phrase “these Rules” and substituting the word “UMIR”;

(d) in clause (b) of subsection (2), deleting the phrase “Rules and” and substituting the phrase “provisions of UMIR and the”; and

(e) deleting subsection (3) and substituting the following:

(3) If, in the opinion of a Market Regulator, a particular person to whom UMIR applies, including any particular person to whom UMIR has been extended in accordance with subsection (1) and (2), has organized their business and affairs for the purpose of avoiding the application of any provision of UMIR, the Market Regulator may designate any person involved in such business and affairs as a person acting in conjunction with the particular person.

9. Rule 10.6 is repealed and the following substituted:

10.6 Exercise of Authority

A Hearing Panel shall make any determination, hold any hearing and make any order or interim order required or permitted of a Market Regulator under this Part.

10. Rule 10.9 is amended by:

(a) in clause (b) of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”;

(b) in clause (d) of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”;

(c) in clause (h) of subsection (1):

(i) deleting the phrase “these Rules” and substituting the word “UMIR”, and

(ii) inserting the word “the” after the phrase “intent of”; and

(d) in clause (i) of subsection (1), deleting the phrase “these Rules” and substituting the word “UMIR”.

11. Rule 10.11 is amended in subsection (4) by deleting the phrase “a Access Person” and substituting the phrase “an Access Person”.

12. Rule 10.13 is amended by deleting the phrase “these Rules” and substituting the word “UMIR”.

13. Rule 10.14 is amended by deleting the phrase “these Rules” and substituting the word “UMIR”.

14. Rule 10.16 is amended by deleting in clause (d) of subsection (4) the word “Rule” and substituting the phrase “provision of UMIR”.
15. Part 11 of the Rules is amended by deleting the word “Rules” in the title to the Part and substituting the word “UMIR”.
16. Rule 11.1 is amended by:
    (a) in subsection (1), deleting the word “Rule” and substituting the phrase “provision of UMIR”;
    (b) in subsection (2), deleting the word “Rule” and substituting the phrase “provision of UMIR”; and
    (c) in subsection (3), deleting the phrase “the Rules” and substituting the phrase “UMIR”.
17. Rule 11.2 is amended by:
    (a) in subsection (1), deleting the word “Rule” and substituting the phrase “provision of UMIR”; and
    (b) in subsection (2), deleting each occurrence of the word “Rule” and substituting the phrase “provision of UMIR”.
18. Rule 11.3 is repealed and the following substituted:

    11.3 Review or Appeal of Market Regulator Decisions

    Any person directly affected by any direction or decision of a Market Integrity Official or a Market Regulator made in connection with the administration of UMIR shall request a review of the direction or decision by an executive officer of the Market Regulator prior to applying to the applicable securities regulatory authority for a hearing and review or appeal.
19. Rule 11.8 is repealed and the following substituted:

    11.8 Transitional Provisions

    Where a marketplace has retained a Market Regulator to be the regulation services provider for that marketplace in accordance with the Trading Rules, any disciplinary proceedings commenced:

    (a) prior to the date the marketplace retained the Market Regulator shall, subject to the terms of any agreement between the Market Regulator and the marketplace entered into in accordance with Part 7 of the Trading Rules, be continued by the marketplace in accordance with the rules, policies, rulings, decisions or directions of the marketplace in effect and applicable to such disciplinary proceedings; and

    (b) on or after the date the marketplace retained the Market Regulator in respect of the breach or failure to comply with any rule, policy, ruling, decision or direction of the marketplace shall be undertaken in accordance with Part 10 and Schedule C.1 to the Investment Industry Regulatory Organization of Canada’s Transition Rule 1 – Hearing Committees and Hearing Panels Rule - and be subject to the imposition of any penalty or remedy under Rule 10.5 as if the breach or failure to comply had been a breach or failure to comply with a Marketplace Rule after the date the marketplace retained the Market Regulator to be the regulation services provider.
20. Rule 11.9 is amended by:
    (a) deleting the word “Rules” in the title of the Rule and substituting the word “UMIR”; and
    (b) deleting the phrase “These Rules do” and substituting the phrase “UMIR does”.
21. Rule 11.10 is amended by:
    (a) inserting in subsection (3) the word “for” after the phrase “Regulated Person”; and
    (b) deleting in subsection (4) of Rule 11.10 is amended by deleting the phrase “these Rules” and substituting the word “UMIR”.
22. Rule 11.11 is amended by:
    (a) deleting the word “Rules” in the title of the Rule and substituting the word “UMIR”; and
    (b) deleting each occurrence of the phrase “these Rules” and substituting the word “UMIR”.

The Policies to Universal Market Integrity Rules are hereby amended as follows:

1. Part 2 of Policy 1.1 is amended by deleting the phrase “the Rule” and substituting the word “UMIR”.
2. Part 3 of Policy 1.2 is amended by deleting the phrase “and the Rules and” and substituting the phrase “, UMIR and the”.
3. Policy 7.1 is amended by:
    (a) in Part 3:
        (i) deleting the phrase “the Rules” and substituting the phrase “provisions of UMIR”,
        (ii) deleting the phrase “relevant Rule” and substituting the phrase “relevant provision of UMIR”, and
        (iii) deleting the phrase “Rules and Policies” in the heading of the chart and substituting the phrase “UMIR and Policies”; and
    (b) in Part 4, deleting the phrases “the Rules” and “the Rule” and substituting the word “UMIR”.
4. Part 1 of Policy 8.1 is amended by deleting the phrase “of less” and substituting the phrase “or less”.
5. Part 1 of Policy 10.1 is amended by deleting each occurrence of the phrase “these Rules” and substituting the word “UMIR”.
6. Policy 10.8 is amended by:
    (a) inserting in subsection (2) of section 1.4 the phrase “of this Policy” after the phrase “section 8.1(1)”;
    (b) inserting in subsection (3) of section 1.5 the word “the” before the word “Secretary”;
    (c) in section 3.2:
        (i) deleting in clause (d) the phrase “upon be” and substituting the phrase “upon by”,
        (ii) deleting in subclause (f)(ii) the phrase “the Rules and” and substituting the phrase “UMIR and the”;
    (d) deleting in section 3.4 the phrase “of three members”;
    (e) in section 4.2:
        (i) deleting in clause (d) the phrase “upon be” and substituting the phrase “upon by”,

(ii) deleting in clause (e) the word “notice” and substituting the word “Notice”, and

(iii) inserting in clause (f) the phrase “of this Policy” after the phrase “section 9.4”;

(f) deleting in clause (c) of section 5.4 the word “ever” and substituting the word “every”;

(g) deleting in the title to section 7.1 the word “Pre-hearing” and substituting the word “Pre-Hearing”;

(h) deleting in the title to section 7.2 the word “Pre-hearing” and substituting the word “Pre-Hearing”;

(i) in section 7.4:

(i) deleting in the title to the section the word “Pre-hearing” and substituting the word “Pre-Hearing”, and

(ii) inserting in subclause (2)(b) the phrase “of this Policy” after the phrase “section 7.5”;

(j) in section 7.7:

(i) deleting in the title to subsection (1) the word “Pre-hearing” and substituting the word “Pre-Hearing”, and

(ii) inserting in subsection (2) the phrase “of this Policy” after the phrase “section 7.5”;

(k) inserting in section 7.10 the phrase “of this Policy” after the phrase “section 7.9”;

(l) inserting in section 8.2 the phrase “of this Policy” after the phrase “section 8.1”;

(m) in subsection 8.3(1):

(i) inserting the phrase “of this Policy” after the phrase “section 8.4”, and

(ii) deleting in clause (a) the word “intend” and substituting the word “intends”;

(n) in section 9.4

(i) deleting each occurrence of the phrase “the Rules” and substituting the word “UMIR”,

(ii) inserting the phrase “of this Policy” after the phrase “section 9.1”, and

(iii) inserting the phrase “of this Policy” after the phrase “section 9.2”;

(o) inserting in clause (b) of section 9.5 the word “the” after the word “providing”;

(p) in section 9.6:

(i) inserting in subsection (2) the phrase “of this Policy” after the phrase “section 1.4”, and

(ii) deleting in subsection (4) the word “and” at the end of clause (b);

(q) deleting in clause (a) of subsection (2) of section 9.7 the phrase “Rule or” and substituting the phrase “provision of UMIR or any”; and

(r) deleting Part 10 and substituting the following:

Part 10 – Selection of Hearing Panels

10.1 Selection of Hearing Panel

Upon the issuance of a Notice of Hearing or upon acceptance of an Offer of Settlement, the Secretary shall select a Hearing Panel in accordance with Schedule C.1 to the Investment Industry Regulatory Organization of Canada’s Transition Rule 1 – Hearing Committee and Hearing Panels Rule.