

[Translation]

Order n° 2014-PDG-0168

This December 3<sup>rd</sup> 2014

**IN THE MATTER OF**

the Securities Legislation of

**Québec  
Manitoba  
New Brunswick  
Newfoundland and Labrador  
Northwest Territories  
Nova Scotia  
Nunavut  
Prince Edward Island  
Saskatchewan  
Yukon**

(Individually a “Jurisdiction” and collectively the “Jurisdictions”)

and

**the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

**Aequitas Innovations Inc. (“Aequitas”) and Aequitas Neo Exchange Inc.  
 (“Aequitas Neo Exchange”)**

(Aequitas and Aequitas Neo Exchange are collectively referred to as the “Filers”)

**DECISION**

**PREAMBLE**

The securities regulatory authority or regulator in each of the Jurisdictions (individually an “Exempting Regulator” and collectively the “Exempting Regulators”) has received from Aequitas Neo Exchange an application for coordinated relief dated June 6, 2014, as amended as at July 16, 2014 to include Aequitas as an applicant (the “Exemptive Relief Application”) under National Policy 11-203 - *Process for Exemptive Relief Applications in Multiple Jurisdictions* (or, in Québec, *Policy Statement 11-203 respecting Process for Exemptive Relief Applications in Multiple Jurisdictions*) (“NI 11-203”) for a decision under the securities legislation of the Exempting Regulators (the “Legislation”) for an exemption from the requirement for each of the Filers to be recognized as a stock exchange, an exchange, or a self regulatory organization (the “Exemptive Relief Sought”), the whole as set out in Schedule A.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions for a coordinated review application and in accordance with NI 11-203:

- (a) The Autorité des marchés financiers (the “AMF” or the “Principal Exempting Regulator”, as the case may be) is the principal exempting regulator for the Exemptive Relief Application; and
- (b) This decision is the decision of the Principal Exempting Regulator and evidences the decision of each other Exempting Regulator.

## **INTERPRETATION**

Terms defined in National Instrument 14-101 – *Definitions* (or, in Québec, *Regulation 14-101 respecting Definitions*) have the same meaning if used in this decision, unless otherwise defined hereinafter.

In this decision,

“Aequitas Issuer” means an issuer with one or more classes of securities listed in accordance with and subject to the requirements set out in the Rules;

“Aequitas Member” means a member approved by Aequitas Neo Exchange to access the “Exchange Systems” (as such term is defined in the Rules), provided such access has not been terminated.

“Rule” means a rule, policy, or other similar instrument of Aequitas Neo Exchange, including but not limited to, trading policies and listing manual.

## **BACKGROUND**

The *Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems* among Alberta Securities Commission, AMF, British Columbia Securities Commission, Manitoba Securities Commission, Ontario Securities Commission (the “OSC”) and Financial and Consumer Affairs Authority of Saskatchewan came into effect on January 1, 2010 (the “MOU”).

Aequitas and Aequitas Neo Exchange have filed with the OSC an application dated June 4, 2014 requesting recognition of each of Aequitas and Aequitas Neo Exchange as an exchange (the “Recognition Application”).

On July 17, 2014, the Principal Exempting Regulator published the Exemptive Relief Application in the Bulletin of the Autorité des marchés financiers [(2014) Vol. 11, No. 28, B.A.M.F., section 7.1] and invited interested parties to make comments in writing. This publication evidenced the fulfillment of all requirements for publication pursuant to the Legislation.

On November 17, 2014, the OSC issued an order dated November 13, 2014 recognizing each of Aequitas and Aequitas Neo Exchange as an exchange, subject to the terms and conditions set out in the recognition order (the “Recognition Order”). The Recognition Order will be effective as of March 1, 2015.

Under the MOU, the OSC is designated lead regulator for the Filers.

## **REPRESENTATIONS**

This decision is based on the following representations of the Filers:

- Aequitas and Aequitas Neo Exchange will be carrying on exchange activities in Canada;
- At the time of granting this decision, Aequitas is the sole shareholder of Aequitas Neo Exchange, and BCE Inc., Barclays Corporation Limited, Brilliant Orange Holdings Ltd., CI Investments Inc., IGM Financial Inc., ITG Canada Corp., OMERS OCM Investments II Inc., PSP Public Markets Inc. and RBC Dominion Securities Inc. are each shareholders in Aequitas;
- Near the time of the launch of Aequitas Neo Exchange, Aequitas will conduct a financing whereby additional voting shares will be issued to buy-side institutions, issuers and sell-side firms;
- As long as it will be necessary under applicable Canadian securities Laws, before approving an issuer to be listed on its market, Aequitas Neo Exchange will obtain from that issuer a copy of the undertaking that it signed in favour of the relevant Exempting Regulator (the "Issuer Undertaking");
- The issuer will file the Issuer Undertaking on SEDAR;
- Aequitas Neo Exchange has offices in Toronto, Ontario and does not have offices in any of the Jurisdictions;
- Aequitas Neo Exchange agrees to be subject to the oversight program established by the OSC from time to time in accordance with the provisions set forth in the MOU and to comply with the terms and conditions of the Recognition Order;
- Aequitas Neo Exchange will offer a wide range of services, in French and in English, to Aequitas Issuers and Aequitas Members; and
- The Filers are neither in default of the Legislation in any Jurisdiction nor of the securities legislation of Ontario.

## **DECISION**

Each of the Exempting Regulators is satisfied that the decision meets the test set out in the Legislation for each Exempting Regulator to render this decision.

The decision of the Exempting Regulators under the Legislation is that the Exemptive Relief Sought is granted provided that:

## **1. CORPORATE GOVERNANCE**

- a) The Filers will ensure fair, meaningful and diverse representation on the governing body (the “Board”) and any committees of the Board, including:
  - (i) Appropriate representation of independent directors; and
  - (ii) A proper balance among the interests of the different persons or companies using the services and facilities of the Aequitas Neo Exchange, including regional interests.

## **2. CONTINUING RECOGNITION**

The Filers will continue to be recognized as an exchange by the OSC and to comply with the terms and conditions of the Recognition Order.

## **3. OVERSIGHT OF THE EXCHANGE**

Aequitas Neo Exchange will be subject to the oversight program established by the OSC from time to time in accordance with the provisions of the MOU.

## **4. REVIEW AND APPROVAL OF RULES**

- a) The review and approval of the Rules will be subject to the following procedure:
  - (i) All proposed amendments to the Rules filed with the OSC by Aequitas Neo Exchange will be concurrently filed with the Principal Exempting Regulator;
  - (ii) All proposed amendments to the Rules that are made public for comments will be concurrently made public in English and in French by Aequitas Neo Exchange; and
  - (iii) The final versions of the Rules will be filed with the Principal Exempting Regulator and be approved by the OSC in English and in French.
- b) The Rules will be available in English and in French on the website of Aequitas Neo Exchange.

## **5. LISTING ACTIVITIES**

- a) As long as it will be necessary under applicable Canadian securities Laws, before approving an issuer to be listed on its market, Aequitas Neo Exchange will obtain from that issuer a copy of the Issuer Undertaking.
- b) The Issuer Undertaking may be modified from time to time by each Exempting Regulator.

## 6. ADDITIONAL INFORMATION

- a) The Filers shall file with the Principal Exempting Regulator any related information concerning Aequitas Neo Exchange that is required pursuant to National Instrument 21-101 - *Marketplace Operation* (or, in Québec, *Regulation 21-101 respecting Marketplace Operations*).
- b) Aequitas Neo Exchange shall file with the Principal Exempting Regulator copies of its annual assessment of the performance by the Investment Industry Regulatory Organization of Canada ("IIROC") of the regulation services it provides to Aequitas Neo Exchange, and of its self-assessment of the performance by Aequitas Neo Exchange of any regulation functions not performed by IIROC, and of the report provided to the Board, together with any recommendations for improvements. Aequitas Neo Exchange shall also file with the Principal Exempting Regulator a copy of any proposed actions arising therefrom and provided to the OSC.
- c) Aequitas Neo Exchange shall concurrently file with the Principal Exempting Regulator copies of these documents filed with the OSC:
  - (i) On a quarterly basis, reports summarizing all exemptions or waivers granted pursuant to the Rules to any Aequitas Issuer or Aequitas Member during the period. This summary must include the following information:
    - a. The name of the Aequitas Issuer or Aequitas Member;
    - b. The type of exemption or waiver granted during the period;
    - c. The date of the exemption or waiver; and
    - d. A description of Aequitas Neo Exchange staff's reasons for the decision to grant the exemption or waiver.
  - (ii) On a quarterly basis, reports containing the following information:
    - a. The number of listing applications filed;
    - b. The number of listing applications that were accepted;
    - c. The number of listing applications that were rejected and the reasons for rejection, by Listing Market; and
    - d. The number of listing applications that were withdrawn or abandoned and, if known, the reasons why the application was withdrawn or abandoned, by Listing Market.
  - (iii) Press releases setting out the reasons for the suspension of trading or delisting of an Aequitas Issuer's listed securities.

## 7. ACTIVITIES

- a) Aequitas Neo Exchange will communicate and offer a wide range of services in English and in French to Aequitas Issuers and Aequitas Members, including listing, continued listing and follow-up services, as well as membership services, of a quality equivalent to those offered in Ontario.

- b) Aequitas Neo Exchange must publish concurrently in English and in French each document issued to the public at large or generally to any Aequitas Member or Aequitas Issuer and must provide the document to the Principal Exempting Regulator immediately upon publication, including forms, releases, notices and other documents issued to Aequitas Members, Aequitas Issuers or to the public.
- c) The French version of the Web site of Aequitas Neo Exchange must be updated at the same time as the English version and must be comprised solely of French documents.

## **8. ACCESS TO INFORMATION**

- a) Subject to the terms of the MOU, Aequitas Neo Exchange will promptly provide the Exempting Regulators when requested either directly or through the OSC, as the case may be, any information in the custody or control of Aequitas Neo Exchange or its affiliated entities, relating to Aequitas Members, Aequitas Issuers, the Filers' shareholders, the market operations of Aequitas Neo Exchange, and compliance with this decision including but not limited to, member lists, products, trading information and disciplinary decisions, the whole in accordance with the provisions set out in the Legislation, privacy legislation, as well as in any other laws pertaining to the collection, use and disclosure of information and the protection of personal information applicable in the Jurisdictions.
- b) The Filers shall protect the confidentiality of the information provided to them in connection with their operations, in accordance with applicable laws in the Jurisdictions.

If the Filers fail to comply with one or more of the conditions set forth in this decision applicable to them, the Exempting Regulators may review or revoke this decision.

This decision will become effective as of March 1, 2015.

Louis Morisset  
President and Chief Executive Officer  
Autorité des marchés financiers

## SCHEDULE A

<b>Exempting Regulators</b>	<b>Sections in Legislation: (a) Exemptive Relief Sought (b) Exempting provisions</b>
Autorité des marchés financiers	(a) Title VI, section 169 (b) Section 263
Manitoba Securities Commission	(a) Part XIV, section 139(1) (b) Section 20(1)
Financial and Consumer Services Commission (New-Brunswick)	(a) Section 36 (b) Section 195.4
Northwest Territories Superintendent of Securities	(a) Section 70 (b) Section 16(1)
Nova Scotia Securities Commission	(a) Section 30 (b) Section 151A
Nunavut Superintendent of Securities	(a) Part 7, section 70 (b) Part 2, section 16(1)
Prince Edward Island Registrar of Securities	(a) Part 7, section 70 (b) Section 16(1)
Financial and Consumer Affairs Authority of Saskatchewan	(a) Section 21.1 (b) Section 147.41
Newfoundland and Labrador Superintendent of Securities	(a) Part VIII, section 24(1) (b) Sections 138.19 and 142.1
Yukon Superintendent of Securities	(a) Part 7, Division 1, section 70 (b) Part 2, Division 2, section 16(1)

