

**For Immediate Release
June 28, 2012**

**Canadian Securities Regulators Establish Regulatory Framework to
Manage Electronic Trading Risks**

Toronto – The Canadian Securities Administrators (CSA) announced today it is proceeding with the implementation of NI 23-103 *Electronic Trading*, which establishes a regulatory framework for the oversight and management of the risks associated with the use of electronic trading on Canadian marketplaces.

The framework is designed to address certain risks to Canadian markets related to the speed and automation of electronic trading, and ensure that marketplaces and marketplace participants are actively monitoring and managing these risks. Specifically, the framework will require, among other things, marketplace participants who enter orders electronically to maintain policies, procedures and controls to manage the risks associated with accessing the markets in this manner.

“Establishing the right regulatory framework to oversee and manage the risks of electronic trading is a priority for the CSA,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “The regulatory obligations in this new rule provide better protection for investors and support the integrity of Canada’s capital markets by outlining the obligations required when participating in this activity.”

The rule was developed following consultations with marketplaces, marketplace participants and service vendors, and is consistent with international approaches to regulating electronic trading. The CSA acknowledge and thank the staff of the Investment Industry Regulatory Organization of Canada for their work on this initiative and note that a package of related Universal Market Integrity Rule amendments is being published for comment today that supports various provisions of NI 23-103.

A copy of NI 23-103 and its related Companion Policy are available on the websites of various CSA members. Subject to ministerial approval, the policy will come into effect on March 1, 2013.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinate and harmonize regulation for the Canadian capital markets.

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