

**For Immediate Release
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CSA Publishes Proposed Amendments to Order Protection Rule for Comment

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 23-101 *Trading Rules* (NI 23-101). These proposals follow a review of the Order Protection Rule (OPR) framework and seek to address certain costs and inefficiencies related to the current application of OPR, as well as concerns related to trading fees and market data fees.

“The primary objective of OPR is to promote confidence in the fairness and integrity of the market by supporting both liquidity and efficiency of the price discovery process,” said Bill Rice, Chair of the CSA and President and Chief Executive Officer of the Alberta Securities Commission. “After identifying a number of issues associated with the current framework, the proposed amendments are intended to strike a better balance between costs and benefits, while reaffirming the CSA’s commitment to investor protection, innovation and a competitive trading environment.”

OPR in its current form was finalized in 2009 and implemented in 2011 in response to the rapid evolution of the Canadian equity market. Throughout the current review, concerns were raised by market participants that the costs and inefficiencies of the current OPR framework outweighed the benefits of full protection of displayed orders across all Canadian marketplaces.

Under the proposed amendments, orders would be protected where displayed on a marketplace that has met certain criteria set out in the Notice, and interim trading fee caps would be introduced. The CSA is also proposing changes intended to address certain concerns related to market data fees, and is planning to introduce a pilot study prohibiting the payment of rebates by marketplaces under the maker-taker fee model.

Proposed amendments at a glance:

OPR

- Establish a market share threshold of five per cent, at or above which a marketplace’s displayed orders are protected under OPR.
- Exchanges that do not meet the threshold will be protected only for their listed securities.
- Introduce new requirements that would mandate specific dealer disclosure relating to best execution policies.

Trading Fees

- Interim measure to cap trading fees.

- For equities and exchange-traded funds (ETFs) trading at prices greater than or equal to \$1.00, the cap will be set at the same level as in the United States (\$0.0030 per share). A lower cap is proposed for equities and ETFs trading at prices less than \$1.00.
- Introduce a pilot study to examine the impact of disallowing the payment of rebates by marketplaces (“maker-taker” pilot study).

Data Fees

- Implement transparent methodology to assess the reasonableness of real-time market data fees for professional market data subscribers.
- Require marketplaces to seek re-approval of these fees on an annual basis.
- Consider additional action in relation to real-time market data fees for non-professional market data subscribers.

The CSA has worked closely with staff of the Investment Industry Regulatory Organization of Canada (IIROC) in developing the proposed amendments, and thank them for their participation. IIROC will be publishing amendments to the Universal Market Integrity Rules (UMIR) to reflect and support the proposed amendments.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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