

Nova Scotia Securities Commission

**Rule 21-101 (Amendment)
Marketplace Operation**

-and-

**Amendments to National Instrument 21-101
Marketplace Operation**

-and-

**Amendments to
Companion Policy 21-101CP - to
National Instrument 21-101 Marketplace Operation**

WHEREAS:

1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the "Act"), the Nova Scotia Securities Commission (the "Commission") has power to make rules subject to compliance with the requirements of the Act;
2. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. Amendments to National Instrument 21-101 Marketplace Operation and Amendments to Companion Policy 21-101CP - to National Instrument 21-101 Marketplace Operation, copies of which are attached hereto and are hereinafter called the "Rule" and "Companion Policy", respectively, have been adopted as a rule by one or more of the Canadian securities regulatory authorities; and
4. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby:

- (a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act approves the Rule and makes the same a rule of the Commission

except insofar as the Rule contains coming into force or effective date provisions;

(b) pursuant to the authority contained in section 19 of the Act and subject to publication in the *Royal Gazette* or the Commission's website, issues the Companion Policy as a policy statement of the Commission except insofar as the Companion Policy contains coming into force or effective date provisions; and

(c) declares that the rule approved and made pursuant to clause (a) and the policy statement issued pursuant to clause (b) shall both take effect on **October 13, 2008**, unless the Minister disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule and the policy statement shall not be effective until the rule is approved by the Minister.

IN WITNESS WHEREOF this Instrument has been signed by the Chair of the Commission, being the member of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 30th day of July, 2008.



H. Leslie O'Brien, Q.C.

Attachments

**AMENDMENTS TO NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION**

PART 1 AMENDMENT

1.1 Amendment

- (1) This Instrument amends National Instrument 21-101 *Marketplace Operation*.
- (2) Section 1.1 is amended:
 - (a) in the definition of “foreign exchange-traded security”:
 - (i) by striking out “only” wherever it appears; and
 - (ii) by adding “and is not listed on an exchange or quoted on a quotation and trade reporting system in Canada” after “International Organization of Securities Commissions”;
 - (b) by repealing the definition of “member” and substituting the following:

““member” means, for a recognized exchange, a person or company

 - (a) holding at least one seat on the exchange, or
 - (b) that has been granted direct trading access rights by the exchange and is subject to regulatory oversight by the exchange,

and the person or company’s representatives;”;
 - (c) in paragraph (b) of the definition of “recognized exchange” by adding “or authorized by the securities regulatory authority” after “as a self-regulatory organization”;
 - (d) in the definition of “subscriber” by adding “, and the person or company’s representatives” after “orders on the ATS”;
 - (e) in the definition of “transaction fee” by striking out “transaction” and substituting “trading”; and
 - (f) in the definition of “user” by adding “, and the person or company’s representatives” after “on the recognized quotation and trade reporting system”.
- (3) Section 7.5 is amended by striking out “and timely” and by adding “in real-time” after “consolidated feed”.
- (4) Part 8 is amended:
 - (a) in section 8.3 by striking out “a” after “produce” and substituting “an accurate”; and
 - (b) by repealing section 8.5 and substituting:

“8.5 Filing Requirements for the Information Processor

 - (1) The information processor shall file, within 30 days after the end of each calendar quarter, the process and criteria for the selection of government debt securities, as applicable, and designated corporate debt securities and the list of government debt securities, as applicable, and designated corporate debt securities.
 - (2) The information processor shall file, within 30 days after the end of each calendar year, the process to communicate the designated securities to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by the Instrument, including where the list of designated securities can be found.”
- (5) Part 10 is amended:
 - (a) in the title by striking out “Transaction Fees” and substituting “Trading Fees”, and
 - (b) by repealing section 10.1 and substituting the following:

10.1 Disclosure of Trading Fees by Marketplaces — A marketplace shall make its schedule of trading fees publicly available.

- (6) Part 11 is amended:
- (a) in section 11.1 by adding "in electronic form" after "business";
 - (b) in subsection 11.2(1),
 - (i) by striking out "In addition to" and substituting "As part of";
 - (ii) by striking out "keep" and substituting "include"; and
 - (iii) by adding "in electronic form" after "information";
 - (c) in paragraph 11.2(1)(b) by striking out ", in electronic form,";
 - (d) by repealing subsections 11.2(2) and 11.2(3); and
 - (e) by adding the following section after section 11.2:

"11.2.1 Transmission in Electronic Form – A marketplace shall transmit

 - (a) to a regulation services provider, if it has entered into an agreement with a regulation services provider in accordance with NI 23-101, the information required by the regulation services provider, within ten business days, in electronic form; and
 - (b) to the securities regulatory authority the information required by the securities regulatory authority under securities legislation, within ten business days, in electronic form."
- (7) Section 12.2 is amended by striking out "Paragraphs 12.1(b) and 12.1(c) do" and substituting "Paragraph 12.1(b) does".

1.2 Effective Date – This Instrument comes into effect on September 12, 2008.

**AMENDMENTS TO COMPANION POLICY 21-101CP – TO NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION**

PART 1 AMENDMENT

1.1 Amendment

- (1) This amends Companion Policy 21-101CP – to National Instrument 21-101 *Marketplace Operation*.
 - (2) Section 1.2 is amended by striking out the last sentence and substituting “A security that is listed on a foreign exchange or quoted on a foreign quotation and trade reporting system, and is not listed or quoted on a domestic exchange or quotation and trade reporting system, falls within the definition of “foreign exchange-traded security”.”.
 - (3) Subsection 5.1(3) is amended by striking out the last sentence and substituting the following:

“For the purpose of sections 7.1, 7.3, 8.1 and 8.2 of the Instrument, the Canadian securities regulatory authorities do not consider special terms orders that are not immediately executable or that trade in special terms books, such as all-or-none, minimum fill or cash or delayed delivery, to be orders that must be provided to an information processor or, if there is no information processor, to an information vendor for consolidation.”.
 - (4) Part 9 is amended by repealing subsections 9.1(3) and 9.1(4).
 - (5) Section 12.1 is amended by:
 - (a) striking out all references to “transaction fees” and substituting “trading fees”; and
 - (b) adding after the first sentence “The schedule should include all trading fees and provide the minimum and maximum fees payable for certain representative transactions.”.
- 1.2 Effective Date – This policy comes into effect on September 12, 2008.**