

**Nova Scotia Securities Commission**

**Rule 23-101(Amendment)  
Trading Rules**

**-and-**

**Amendments to National Instrument 23-101  
Trading Rules**

**-and-**

**Amendments to  
Companion Policy 23-101CP to  
National Instrument 23-101 Trading Rules**

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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 23-101 Trading Rules and Amendments to Companion Policy 23-101CP to National Instrument 23-101 Trading Rules, copies of which are attached hereto and are hereinafter called the "Rule" and "Companion Policy", respectively, have been made 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;

(b) pursuant to the authority contained in section 19 of the Act and subject to publication in the *Royal Gazette*, issues the Companion Policy as a policy statement of the Commission; 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 **March 5, 2007**, unless the Governor in Council 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 Governor in Council.

IN WITNESS WHEREOF this Instrument has been signed by the Chair and Vice-Chair of the Commission, being the members 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 20<sup>th</sup> day of December, 2006.

"H. Leslie O'Brien"  
H. Leslie O'Brien, Q.C.

"R. Daren Baxter"  
R. Daren Baxter

Attachments

## AMENDMENTS TO NATIONAL INSTRUMENT 23-101 TRADING RULES

### PART 1 AMENDMENTS

#### 1.1 Amendments

- (1) This Instrument amends National Instrument 23-101 *Trading Rules*.
- (2) Part 3 is amended by repealing subsection 3.1(2) and substituting the following:

“In Alberta, British Columbia, Ontario, Québec and Saskatchewan, instead of subsection (1), the provisions of the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the *Securities Act* (Ontario), the *Securities Act* (Québec) and *The Securities Act, 1988* (Saskatchewan), respectively, relating to manipulation and fraud apply.”
- (3) Part 7 is amended by
  - a. striking out “recognized exchange and its members” and substituting “members of a recognized exchange” in subsection 7.2(a); and
  - b. striking out “recognized quotation and trade reporting system and its users” and substituting “users of a recognized quotation and trade reporting system” in subsection 7.4(a).
- (4) Part 11 is amended by
  - a. adding subsection 11.1(2):

A dealer or inter-dealer bond broker is exempt from this Part if the dealer or inter-dealer bond broker complies with similar requirements, for any securities specified, established by a regulation services provider and approved by the applicable securities regulatory authority.
  - b. in subsection 11.2(1), by striking out “Immediately following the receipt or origination of an order for securities” and substituting “Immediately following the receipt or origination of an order for equity, fixed income and other securities identified by a regulation services provider”;
  - c. in subsection 11.2(1)(q), striking out the word “and”;
  - d. in subsection 11.2(1)(r), striking out “an insider marker” and adding “an insider marker; and”;
  - e. adding the following subsection 11.2(1)(s): “any other markers required by a regulation services provider.”;
  - f. deleting subsection 11.2(5) and substituting:

**“Transmittal of Order Information** – A dealer and inter-dealer bond broker shall record and shall transmit within 10 business days to a securities regulatory

authority or a regulation services provider the information required by the securities regulatory authority or the regulation services provider, in electronic form, as required by the securities regulatory authority or the regulation services provider.”;

- g. deleting subsection 11.2(6) and substituting the following:

**“Electronic Form** – The record kept by the dealer and inter-dealer bond broker under subsections (1) through (4) and the transmission of information to a securities regulatory authority or a regulation services provider under subsection (5) shall be in electronic form by January 1, 2010.”; and

- h. adding subsection 11.2(7):

**“Record preservation requirements** – A dealer and an inter-dealer bond broker shall keep all records for a period of not less than seven years from the creation of the record referred to in this section, and for the first two years in a readily accessible location.”