

**BLOOMBERG TRADEBOOK CANADA COMPANY**

**NOTICE OF PROPOSED CHANGE AND REQUEST FOR COMMENT**

Bloomberg Tradebook Canada Company (“**Tradebook Canada**”) is publishing this Notice of Proposed Change and Request for Comment in accordance with the “Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto” (the “**ATS Protocol**”). Market participants are invited to provide the Ontario Securities Commission (the “**OSC**”) with comments on the proposed changes.

Comments on the proposed changes should be in writing and submitted by July 18, 2022 to:

Market Regulation Branch  
Ontario Securities Commission  
22nd Floor  
20 Queen Street West Toronto, Ontario  
M5H 3S8  
Fax: (416) 595-8940

E-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

And to:

Soh Bridgeford, Chief Compliance Officer  
Bloomberg Tradebook Canada Company  
Brookfield Place – TD Canada Trust Tower  
161 Bay Street, Suite 4300  
Toronto, Ontario M5J 1G3

Email: [sbridgeford@bloomberg.com](mailto:sbridgeford@bloomberg.com)

Comments received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm approval by the OSC and to specify the intended implementation date of the change.

If you have any questions concerning the information below, please contact Soh Bridgeford, Chief Compliance Officer, at (212) 617-4865.

1. **Access to additional asset classes for negotiation on the system operated by Bloomberg Tradebook Singapore Pte Ltd**

A. **Description of the proposed change**

**Background**

Under its current approvals, Tradebook Canada is the operator of an alternative trading system (“**ATS**”) in Alberta, Nova Scotia, Ontario, Québec and Saskatchewan (collectively referred to as the “**ATS Jurisdictions**”) that provides Canadian Participants (as defined below) located in an ATS Jurisdiction with access to the multilateral trading facilities operated by Tradebook Canada’s affiliated entities, Bloomberg Trading Facility Limited (“**BTFL**”) and Bloomberg Trading Facility B.V. (“**BTF BV**”), and the organised market operated by its affiliated entity, Bloomberg Tradebook Singapore Pte Ltd (“**Tradebook Singapore**”) (each a “**Marketplace System**” and collectively referred to as the “**Marketplace Systems**”), to trade Canadian Debt Securities (as defined below).

With respect to the Marketplace System operated by Tradebook Singapore only, Tradebook Canada has provided Canadian Participants located in the Canadian Jurisdictions with access to negotiate trades in (1) IRS, CDS, Canadian Debt Securities and Foreign Debt Securities (as defined below) under a per-transaction fee model that commenced on September 13, 2021, and (2) FX (as defined below) that commenced on October 4, 2021.

**Canadian Participants**

Canadian Participants are participants that (1) are located in an ATS Jurisdiction, including participants with their headquarters or legal address in an ATS Jurisdiction (as indicated by a participant’s Legal Entity Identifier (“**LEI**”)) and all traders conducting transactions on its behalf, regardless of the traders’ physical location (inclusive of non-ATS Jurisdiction branches of ATS Jurisdiction legal entities), as well as any trader physically located in an ATS Jurisdiction who conducts transactions on behalf of any other entity, and (2) qualify as “institutional customers” as defined in Rule 1201(2) of the Investment Industry Regulatory Organization of Canada Rules.

**Asset Classes Traded through Tradebook Canada**

Tradebook Canada supports the trading of:

1. any unlisted debt securities, as that term is defined in National Instrument 21-101 *Marketplace Operation* (“**NI 21-101**”), and any debt securities denominated in Canadian dollars (“**Canadian Debt Securities**”);
2. interest rate swaps, as defined in section 1a(47) of the U.S. Commodity Exchange Act (“**IRS**”);
3. credit default swaps, as defined in section 1a(47) of the U.S. Commodity Exchange Act (“**CDS**”) and single-name security (credit default) swaps;
4. foreign exchange swaps<sup>1</sup>, as defined in section 1a(47) of the U.S. Commodity Exchange Act (but without regard to any exclusions from the definition) (“**FX**”);
5. any debt security (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”)) that is a foreign security (as defined in NI 31-103) or a debt security that is denominated in a currency other than the Canadian dollar (“**Foreign Debt Securities**”<sup>2</sup>), including:
  - (a) debt securities issued by the U.S. government (including agencies or instrumentalities thereof);
  - (b) debt securities issued by a foreign government;
  - (c) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and
  - (d) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies.

**Proposed Change**

Tradebook Canada proposes to provide Canadian Participants with access to the Marketplace System operated by Tradebook Singapore for purposes of negotiating trades in Foreign Non-Debt Securities (as defined below).

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<sup>1</sup> “FX” includes FX spot, deposits, trade finance and precious metals swaps for Tradebook Singapore only under the arrangement described above.

<sup>2</sup> For greater certainty, “Foreign Debt Securities” includes convertible debt securities and the following money market instruments (U.S. and foreign): commercial paper, agency discount notes, government treasury bills, certificates of deposit, bankers’ acceptances, promissory notes and bearer deposit notes.

“**Foreign Non-Debt Securities**” are any foreign securities (as defined in NI 31-103) that are not debt securities (as defined in NI 31-103), including:

- (a) securities of foreign exchange-traded funds, which refers to a fund in continuous distribution that is incorporated, formed or created under the laws of a foreign jurisdiction; and
- (b) stock loans, which refer to securities lending arrangements in which securities are temporarily transferred from one party (the lender) to another party (the borrower) in return for a fee. Under the lending arrangement, the borrower is obliged to redeliver to the lender the securities or identical securities to those that were transferred or lent, either on demand or at the end of the loan term.

The proposed change is a significant change subject to public comment under the ATS Protocol. Tradebook Canada has filed with the OSC an amendment to its Form 21-101F2 *Information Statement – Alternative Trading System* (“**Form 21-101F2**”) in respect of the proposed change.

**B. The expected date of implementation**

Tradebook Canada is aiming to implement the proposed change in Q3, 2022, after regulatory approval of the proposed change is granted.

**C. Rationale for the proposed change**

The proposed change will provide Canadian Participants with the ability to negotiate trades in additional asset classes via the Tradebook Singapore Marketplace System and will harmonize the trading functionality available to Canadian Participants through Tradebook Canada with the functionality currently offered by Tradebook Singapore to clients in Singapore and other foreign jurisdictions.

**D. Expected impact of the proposed change on market structure, subscribers, investors and capital markets**

Tradebook Canada does not foresee any impact on market structure, subscribers, investors or the capital markets because of the proposed change. The proposed change is consistent with the existing regulatory framework within Canada and will provide Canadian Participants with the ability to trade additional asset classes.

**E. Expected impact of the proposed change on Tradebook Canada’s compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly market**

Tradebook Canada foresees no negative impact with respect to compliance with Ontario securities law and the requirements for fair access and the maintenance of a fair and orderly market. With regard to fair access, the proposed change will allow all Canadian Participants to trade additional asset classes, so there are no apparent fair-access concerns.

**F. Consultations undertaken in formulating the proposed change, including internal governance followed**

Tradebook Canada consulted with certain customers, including Canadian banks, before proceeding with the proposed change. The proposed change was approved by the management of Tradebook Canada.

**G. For a Proposed Fee Change**

N/A.

**H. Whether the proposed change will require subscribers and vendors to modify their own systems**

The proposed change does not constitute a material change to “technology requirements regarding interfacing with or accessing the marketplace” within the meaning of Part 12.3 of NI 21-101 because subscribers and service vendors will not be required to do any work to modify their systems. It will not have any effect on existing subscribers and service vendors of Tradebook Canada or existing clients of Tradebook Singapore.

**I. Where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment**

N/A.

**J. Alternatives considered**

No alternatives to the proposed change were considered.

**K. Whether the proposed change would introduce a feature that currently exists in other markets or jurisdictions**

The proposed change introduces a feature that is currently offered by Tradebook Singapore in Singapore and other foreign jurisdictions.