

B.11.2.3 Canadian Securities Exchange – Trading Rule 4 – Odd Lots – Notice of Housekeeping Rule Amendments

CANADIAN SECURITIES EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO CSE TRADING RULE 4

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to its recognition order (the "Protocol"), CNSX Markets Inc., operator of the Canadian Securities Exchange ("CSE" or "Exchange") has adopted Amendments to CSE Trading Rule 4-113(3) (the "Amendments"). The Amendments have been classified as Housekeeping Rules and as such have not been published for comment. Staff of the British Columbia Securities Commission ("BCSC") and the Ontario Securities Commission ("OSC") have not disagreed with this classification.

DESCRIPTION OF THE AMENDMENTS

The Amendments correct Trading Rule 4-113(3) ("Rule") to reflect the approved operations of the Exchange.

More specifically, the current Rule states that for a mixed lot order, the odd lot portion is filled only after the board lot portion of that order. On [September 14, 2017](#), CSE made changes to the CSE market making program. As part of that change mixed lot orders were separated into odd lots and board lots when received by the exchange. As a result, the odd lot may, in fact, trade even if the board lot does not. This functionality change was first described in the [Request for Comment](#) published on May 11, 2017, but the Rule was not changed.

The Amendments do not amend the actual functionality of the system but correct the Rule to reflect the functionality described above which was [approved](#) on Jun 22, 2017.

A blackline of the Rule showing the Amendments is attached as Appendix A to this Notice.

EFFECTIVE DATE

The Amendments will be effective immediately.

CLASSIFICATION

The Amendments have been classified as housekeeping and were not published for comment.

QUESTIONS

Questions regarding this notice may be directed to:

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APPENDIX A

Text of Amendments to CSE Trading Rules

CSE Trading Rules

RULE 4
TRADING OF SECURITIES

[...]

MARKET MAKERS

[...]

4-113 Commitments and Performance

[...]

(3) Odd Lots. A better priced limit order or market order that is for a volume less than a Board Lot, or the portion of a tradable order that is less than a Board Lot, shall be filled automatically by the Market Maker ~~provided that the Board Lot portion of such an order is filled first.~~

[...]