

## B.11.2 Marketplaces

### B.11.2.1 Cboe Canada Inc. – Housekeeping Rule Amendment to the Trading Policies and Listing Manual – Notice

#### CBOE CANADA INC.

#### NOTICE OF HOUSEKEEPING RULE AMENDMENT TO THE TRADING POLICIES AND LISTING MANUAL

##### Introduction

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Cboe Canada Inc. (“**Cboe Canada**” or the “**Exchange**”) is proposing to adopt certain amendments to its trading rules (the “**Trading Policies**”) and its listing rules (the “**Listing Manual**”) that are of a housekeeping nature (collectively, the “**Housekeeping Rule Amendment**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendment comprises the amendments described below.

##### Housekeeping Rule Amendment and Rationale for Classification

The Housekeeping Rule Amendment is reflected in amendments to:

- the Trading Policies: Sections 5.06(4), 5.06(5) (commentary only), 13.03(1) and 13.03(2); and
- the Listing Manual: Sections 6.01(2), 6.02(2), 6.02(4), 7.09(4), and 7.15(2).

Please note that the Housekeeping Rule Amendment includes certain typographical corrections (in the commentary under Section 5.06(5) and in Section 13.03 of the Trading Policies).

A blackline of the above-listed amendments to the Trading Policies and Listing Manual is provided as Appendix A.

The Housekeeping Rule Amendment is being made in response to the industry shift to a cycle where settlement occurs one trading day after the trade date (“**T+1**”). See, e.g., CSA Staff Notice 24-318 – *Preparing for the Implementation of T+1 Settlement*. As such, it is “necessary to conform to applicable regulatory or other legal requirements” as contemplated in subparagraph 6.1(5)(b)(iv) of the Companion Policy to National Instrument 21-101 *Marketplace Operation* and, therefore, it is considered to be of a “housekeeping” nature.

The Housekeeping Rule Amendment will be effective on May 27, 2024.

Once the amendments have become effective, the amended Trading Policies and Listing Manual will be available at: <https://www.cboe.ca/en/resources>.

**APPENDIX A**  
**BLACKLINE OF**  
**HOUSEKEEPING RULE AMENDMENT**

**Cboe Canada Trading Policies****5.06 Cancellation, Amendment, and Corrections of Trades by the Exchange**

[...]

- (4) *Requests for trade cancellations or amendments on T+1 ~~and T+2~~.* Members must send requests for trade cancellations or amendments on T+1 ~~or T+2~~, for trades executed on T, directly to the Clearing Corporation, with a copy to the Exchange. The Exchange cannot process these requests but must be made aware of them.
- (5) The Exchange assumes no responsibility or liability for trades that are cancelled, amended, or corrected.

**Commentary**

*Decisions may require consultation with and instructions by the Market Regulator, the Clearing Corporation, and/or other marketplaces and the counterparties of the trade.*

*It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from the Market Regulator regarding whether the latter will permit a cancellation or amendment in accordance with the time limits prescribed by its rules or guidance.*

**13.03 Settlement of the Exchange Trades of Listed Securities**

- (1) Unless otherwise provided by the Exchange or the parties to the trade by mutual agreement, trades of Listed Securities on the Exchange must settle on the ~~second~~first sSettlement ~~d~~Day following the trade.
- (2) Notwithstanding Section 13.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:
- (a) trades in Listed Securities made on a when issued basis:
- (i) prior to the ~~second~~ trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and
- (ii) on ~~or after~~ the ~~second~~ trading day before the anticipated date of issue of the security must settle on the ~~second~~first sSettlement ~~d~~Day after the trade date,
- provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;
- (b) trades in Listed Securities that are rights, warrants, and instalment receipts:
- ~~(i) on the second trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;~~
- (i) ~~(ii)~~ on the ~~first~~ trading day before the expiry or payment date, must be made as cash trades for ~~next~~same day settlement,
- (ii) ~~(iii)~~ on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and
- (iii) ~~(iv)~~ selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;
- (c) cash trades in Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first sSettlement ~~d~~Day following the trade; and

[...].

## Cboe Canada Listing Manual

### 6.01 Dividends or Other Distributions

[...]

- (2) The Exchange may use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., ~~one trading day before~~ the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date. See section 6.02.

### 6.02 Due Bill Trading

[...]

- (2) Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence ~~one trading day prior to~~ the Record Date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

[...]

- (4) The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., ~~one trading day before~~ the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

### 7.09 Rights Offerings

[...]

- (4) A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities regulatory authorities at least seven trading days prior to the Record Date for a rights offering. "Ex" trading will begin ~~two trading days prior to~~ on the Record Date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of "ex" trading in the Listed Securities. If insufficient notice is given, the Exchange will require the Listed Issuer to delay the Record Date. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See section 6.02.

### 7.15 Stock Subdivisions (Stock Splits)

[...]

- (2) Subject to section 7.15(3), the securities will begin trading on a split basis ~~one trading day prior to~~ the Record Date for a stock subdivision accomplished by stock dividend.