

13.1.4 Request for Comments – Amendments to the TSX Trading Rules to Update the Order Designation Provisions Including Normal Course Issuer Bid Markers

**REQUEST FOR COMMENTS
AMENDMENTS TO THE TORONTO STOCK EXCHANGE TRADING RULES
TO UPDATE THE ORDER DESIGNATION PROVISIONS INCLUDING NORMAL COURSE ISSUER BID MARKERS**

The Board of Directors of TSX Inc. (TSX) has approved amendments (Amendments) to the Rules of the Toronto Stock Exchange (TSX Rules). The Amendments update the existing order marker requirements in TSX Rule 4-403. The Amendments also introduce a requirement for Participating Organizations (POs) to mark orders when they are entered for the account of an issuer that is purchasing pursuant to a normal course issuer bid (NCIB).

The text of the Amendments, shown as blacklined text, is attached at Schedule A. The Amendments will be effective upon approval by the Ontario Securities Commission (Commission) following public notice and comment. Comments on the proposed amendments should be in writing and delivered by Monday, April 27, 2009 to:

Deanna Dobrowsky
Director, Regulatory Affairs
TMX Group Inc.
The Exchange Tower
130 King Street West, 3rd Floor
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
e-mail: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Manager, Market Regulation
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: marketregulation@osc.gov.on.ca

Terms not defined in this Request for Comments are defined in the TSX Rules.

I. Rationale

NCIBs

Purchases by issuers under an NCIB must be marked as such in order for Toronto Stock Exchange (Exchange) staff to review NCIB trades and monitor for possible violations of the TSX NCIB rules. The NCIB rules are found both in the Exchange Company Manual at Sections 628 and 629, and in Rule and Policy 6-501 of the TSX Rules.

POs had previously been requested to enter “NCIB” into the account ID field when they enter a “buy” order on behalf of an issuer that is operating an NCIB. This requirement had not been formalized into a rule. A dedicated private field for NCIB orders is being enabled for order entry. This should make it easier for traders at a PO to apply the NCIB marker to an order.

In conjunction with the move to a more user-friendly technology application, it is prudent to make the NCIB marker a formal requirement in the TSX Rules. This rule amendment codifies a requirement that exists currently in practice, and is necessary in order for Exchange staff to continue to effectively monitor compliance with the TSX NCIB rules. Without the NCIB order marker, Exchange staff are unable to monitor for compliance with rules such as maximum purchase restrictions, and the prohibition against purchasing on an “uptick”, among others.

Other Updates

TSX Rule 4-403 is out of date. Many of the specific order marker references are no longer valid. This rule is being updated to retain certain order marker requirements, while deleting the specific marker name. The changes will make TSX Rule 4-403 more flexible and less likely to require future updating. The same order reference convention is used in section 6.2 of the Universal Market Integrity Rules - Designations and Identifiers.

II. Description of Amendments

The Amendments confirm that order markers are required for the following types of orders: non-client; principal; market maker; jitney; NCIB purchases; and orders that are part of a program trade. The Amendments delete the specific markers that had been imbedded in Rule 4-403.

III. Consultation and Review

We have discussed the Amendments with staff at the Investment Industry Regulatory Organization of Canada. In drafting the Amendments, TSX did not consult with POs or other market participants; however, POs have been made aware (by PO Notice) that a new dedicated private field is being enabled for future use. The TSX Board of Directors approved the Amendments on November 26, 2008.

IV. Comparable Rules

To our knowledge, other Canadian marketplaces do not have NCIB rules. In the U.S., NCIB rules fall under the jurisdiction of the Securities and Exchange Commission rather than exchange jurisdiction.

V. Impact

The Amendments will codify a practice for NCIB trades that exists currently. The Amendments will benefit marketplace participants by providing clear order marking rules that are up to date. The Amendments will also enable Toronto Stock Exchange to continue to effectively monitor and enforce the NCIB rules.

VI. Alternatives

No significant alternatives were considered.

VII. Public Interest Assessment

We submit that in accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals, the Amendments will be considered "public interest" in nature. The Amendments will become effective following public notice, a comment period and the approval of the Commission.

VIII. Questions

Questions concerning this notice should be directed to Deanna Dobrowsky, Director, Regulatory Affairs, TMX Group Inc. at (416) 947-4361.

IX. Enclosures

The Amendments, shown as blacklined text, are attached as Schedule A.

Schedule A
THE RULES
of
THE TORONTO STOCK EXCHANGE

RULES (AS AT SEPTEMBER 12, 2008, 2009)	POLICIES
<p>4-403 Designating Orders</p> <p>(1) Except as provided below, all non-client orders shall be marked "N" at the time of entry on the Exchange. Each order entered on the Exchange shall contain a designation acceptable to the Exchange if the order is:</p> <p>(2) Orders for Registered Trader accounts shall be marked "R".</p> <p style="padding-left: 20px;">(a) a non-client order,</p> <p style="padding-left: 20px;">(b) for the account of a Responsible Designated Trader at a Market Maker Firm,</p> <p style="padding-left: 20px;">(c) (3) Orders for all other principal accounts shall be marked "NX" order,</p> <p style="padding-left: 20px;">(d) (4) All jitney orders shall be marked "J" order,</p> <p>(5) Orders that constitute part of a program trade shall be marked "PT" for client orders and "PPT" for non-client orders in addition to any other marker required by this Rule.</p> <p style="padding-left: 20px;">(e) part of a program trade, or</p> <p style="padding-left: 20px;">(f) for the account of an issuer that is purchasing pursuant to a normal course issuer bid.</p> <p>(2) (6) The Exchange may from time to time require additional designations for certain orders.</p>	