

IIROC NOTICE

Rules Notice Notice of Withdrawal UMIR

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17-0146

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Withdrawal of Proposed Dark Rules Anti-Avoidance Provision

Summary

IIROC has withdrawn from consideration for approval by the applicable securities regulatory authorities a proposed amendment to UMIR 6.3 *Exposure of Client Orders* (**Proposed Anti-Avoidance Provision**)¹. The Proposed Anti-Avoidance Provision would have limited a Participant's ability to execute a client order of 50 standard trading units or less on a foreign organized regulated market (**FORM**), unless the order was:

- entered on a market that displays order information (and the order is either displayed or executed on entry), or
- executed at a "better price"².

In IIROC Notice 15-0277 *Proposed Amendments Respecting Best Execution*, we stated that we would withdraw the Proposed Anti-Avoidance Provision upon the implementation of the best execution amendments as we believe that the best execution amendments address many of the concerns that the Proposed Anti-Avoidance Provision was intended to address.³

The amendments respecting best execution will be implemented on January 2, 2018.

¹ IIROC [Notice 15-0023](#) – *Re-Publication of Proposed Dark Rules Anti-Avoidance Provision* (January 29, 2015)

² A "better price" is defined in UMIR as price improvement of at least one trading increment except when the difference between the best ask price and the best bid price is a single trading increment, then price improvement of at least a half increment.

³ IIROC [Notice 15-0277](#) – *Proposed Provisions Respecting Best Execution* (December 10, 2015)



Specifically, the best execution amendments:

- clarify that sending client orders in listed securities in bulk to a foreign intermediary for execution outside of Canada, without considering other liquidity sources, including liquidity sources in Canada, is not in compliance with achieving best execution
- require the disclosure of best execution policies and procedures, which will help clients understand how, and under what circumstances, orders are being routed outside of Canada.

Please see [IIROC Notice 17-0137](#) *Amendments Respecting Best Execution* for more information regarding the best execution amendments.

Withdrawal

IIROC has informed the CSA of its withdrawal of the Proposed Anti-Avoidance Provision.

Questions may be referred to:

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