

13.2.2 TriAct Canada Marketplace LP – Notice of Proposed Changes and Request for Feedback – No Self-Trade Feature

TRIACT CANADA MARKETPLACE LP
NOTICE OF PROPOSED CHANGES AND REQUEST FOR FEEDBACK
NO SELF TRADE FEATURE

TriAct Canada Marketplace LP is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703 – *Transparency of the Operations of Stock Exchanges and Alternative Trading Systems*. Pursuant to OSC Staff Notice 21-703, market participants are invited to provide the commission with feedback on the proposed changes.

Feedback on the proposed changes should be in writing and submitted by **March 12, 2012** to:

Market Regulation Branch
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

And to:

Torstein Braaten
Chief Executive Officer
TriAct Canada Marketplace LP
e-mail: tbraaten@triactcanada.com

Feedback 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 the completion of Commission staff's review and to outline the intended implementation date of the changes.

**TRIACT CANADA MARKETPLACE LP
NOTICE OF PROPOSED CHANGES**

TriAct Canada Marketplace LP (Triact) plans to implement the changes described below in Q1 2012. It is publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703.

Any questions regarding these changes should be addressed to Torstein Braaten, Chief Executive Officer, TriAct Canada Marketplace LP: tbraaten@triactcanada.com 416-861-1010 ext 0260

Description of Proposed Changes and Reasons for Changes

Triact's "No Self Trade" feature is an optional designation that suppresses trades from the MATCH Now matching algorithm where orders on both sides of the trade are from the same Subscriber and have been identified by the Subscriber to be excluded from matching with each other. Subscribers will provide Triact with the trading ID(s) that should not trade with each other. The "No Self Trade" feature is intended to only apply to unintentional self trading. The change was introduced to provide Subscribers with similar functionality available on competing marketplaces. The subscriber requesting the "No Self Trade" feature on a trader ID will have to provide notification to TriAct of the affected ID's and confirm that the setting of the "No Self Trade" feature is solely used for preventing unintentional wash trades where there will be no change of beneficial ownership.

Expected Impact of the changes

Subscribers will be able to enter orders into a non-displayed venue with the assurance that they will not create a match that involves no change of beneficial ownership (i.e. wash trade). Those subscribers would also benefit from not requiring the re-entry on orders that would have been filled by an unintentional wash trade. This feature will be made available at the discretion of Subscribers at no additional cost.

Consultations

Triact received requests for this feature from its Subscribers that experienced situations where they executed an unintentional wash trade. Even-though wash trades are not reported to the public market data feeds, those Subscribers still incurred ticket charges. This feature will facilitate firms that want to access dark liquidity when executing different strategies that include the same securities on the opposite side of the market.

Existence of Proposed Change in the Market

Similar designations are currently available in the Canadian capital markets. Some marketplaces allow firms to prevent two orders from same firm from trading against each other based on unique trading keys defined by the firm. MATCH Now already offers a similar feature so that a trade that has occurred between proprietary accounts of the same firm are not publicly reported. The "No Self Trade" feature will become a preventative measure.