

13.2.2 TriAct Canada Marketplace LP (MATCH Now) – Notice of Proposed Changes

TRIACT CANADA MARKETPLACE LP (MATCH NOW) NOTICE OF PROPOSED CHANGES

MATCH Now has announced plans to implement the changes described below. 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 Heather Killian, Chief Operating Officer:
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Description of Proposed Changes and Reasons for Changes

Midpoint Only Order Type

MATCH Now plans to introduce a Midpoint Only order type. A Midpoint Only order will allow liquidity providers the option to trade only at the midpoint, both with other Liquidity Providing (LP) orders and with Marketflow (MF) orders. The reason for this new order type is to address customer demand. The option to always trade midpoint will reduce market impact resulting from post-trade information. In addition, it will provide MF orders with greater price improvement when available *prior* to trading at the current 80:20 split.

Anonymous Order Handling

MATCH Now plans to change the handling of anonymous orders such that they are first matched with the same (underlying) broker number prior to participating among other brokers. Unattributed trades will continue to be reported with broker #001. The benefit of allowing anonymous order flow to match within a broker's own order flow is a reduction in execution fees for MATCH Now subscribers.

Expected Impact

Midpoint Only Order Type

Subscribers will be able to send orders to the liquidity destination opting to trade at the midpoint for all executions. The matching algorithm will be modified to introduce an extra level of tiering to give preference to orders which choose to trade at the midpoint. This tiering will apply to matches occurring between LP orders and MF orders. LP orders offering midpoint will receive priority in the match cycle. LP orders which are not midpoint only will execute after midpoint orders have been satisfied.

Anonymous Order Handling

Anonymous orders will participate first against order flow from the same broker number before executing among all other brokers.