

13.2 Marketplaces

13.2.1 Nasdaq CXC Limited – Housekeeping Amendments to Trading Rules and Policies – Notice of Housekeeping Rule Amendments

NASDAQ CXC LIMITED

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO TRADING RULES AND POLICIES

Introduction

Nasdaq CXC Limited (**Nasdaq Canada**) has adopted, and the Ontario Securities Commission (**OSC**) has approved, housekeeping amendments (**Amendments**) to the Nasdaq Canada Trading Rules and Policies in accordance with Schedule 4 to its recognition order, as amended (**Protocol**). The Amendments are Housekeeping Rules under the Protocol and as such have not been published for comment. The OSC has not disagreed with the categorization of the Amendments as Housekeeping Rules.

Description of Change

While multiple GEF Members can be assigned responsibility for a GEF Designated Security on CX2, there is a maximum auto-execution size of 50 standard trading units. Currently, a maximum of five GEF Members can be assigned responsibility for each GEF Facility Designated Security. This maximum was introduced arbitrarily when the GEF Facility was first introduced and at a time when it was expected that fewer than five Members would indicate interest in serving as GEF Members. Since the introduction of the GEF Facility Nasdaq Canada has received additional interest from other Members that may want to serve as GEF Members. We are removing this maximum therefore to not limit the number of GEF Members that can be assigned responsibility for a Designated Security (**Housekeeping Change**).

Certain editorial changes have also been made in Amendment 57 including a clarification in sections 5.12 and 7.2 of the Nasdaq Canada Trading Rules and Policies that auto-execution in the GEF Facility is available after all orders (displayed and non-displayed) have been displaced at the NBBO on the CX2 book. This change harmonizes language from section 9.1 of the Nasdaq Canada Functionality Guide.

Expected Date of Implementation

The Amendments will be implemented in the first quarter of 2021.

Any questions regarding these changes should be addressed to Matt Thompson, Nasdaq CXC Limited: matthew.thompson@nasdaq.com, T: 416-647-6242

APPENDIX A

TEXT OF AMENDMENTS TO THE TRADING RULES AND POLICIES

5.9 Order Protection Rule Compliance

In accordance with NI 23-101, the Exchange provides the following OPR prevention features available to Members in order to comply with the Order Protection Rule.

2. **Repricing:** Orders that are sent to the Exchange that would lock or cross the ~~National Best Bid/Offer~~ NBBO and would trade-through a better priced order on a protected market will be automatically re-priced as the NBBO updates to prevent a trade-through or locked market from occurring.

5.12 CX2 Guaranteed Execution Facility

The GEF Facility guarantees fills for the residual portion of GEF Orders at the NBB or NBO after all ~~visible quotes~~ orders at the NBBO have been displaced on CX2. The GEF Facility has the following features:

2. Each Designated Security may be assigned ~~up to five~~ multiple GEF Members.

5.13 Non Compliant Use of the GEF Facility

If the Exchange believes that GEF Orders are being sent to the GEF Facility in non-compliance with the eligibility criteria of GEF Orders it may:

2. Turn off access for a UMIR ID that ~~are~~ is the source of improper orders being entered;

7.2 Ongoing Responsibilities

1. The GEF Member is responsible for guaranteeing fills of at least the size of the GMV for Assigned Securities against any residual portion of GEF Orders at the NBB or NBO after all ~~visible quotes~~ orders at the NBB or NBO have been displaced on CX2.