

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendment to “Short Marking Exempt Order” Definitions – Notice of Commission Approval

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENT TO “SHORT MARKING EXEMPT ORDER” DEFINITION

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved an amendment to the definition of “short marking exempt order” in IIROC Universal Market Integrity Rule 1.1. In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities have approved or not objected to the amendments.

The amendment broadens the definition of “short-marking exempt order” to specifically include an order for an Exempt Exchange-traded Fund (“ETF”) or one of its underlying securities for the principal account of a Participant that is related to the Participant’s Marketplace Trading Obligations or where the Participant has entered into an agreement with an ETF issuer to maintain a continuous distribution of the ETF. The amendment will promote the uniform use of short-marking exempt orders for all ETF market makers engaging in similar activities.

The proposed amended definition was published for comment on July 16, 2015. 3 comments were received.

The amended definition will be effective on April 11, 2016. A copy of the IIROC Notice, including IIROC’s responses to the comment letters, can be found on our website at <http://www.osc.gov.on.ca>.