B.11.2.3 Instinet Canada Cross Ltd. – Change to Instinet Canada Cross Trading System – Notice of Proposed Change and Request for Comment

INSTINET CANADA CROSS LTD.

NOTICE OF PROPOSED CHANGE AND REQUEST FOR COMMENT

CHANGE TO INSTINET CANADA CROSS TRADING SYSTEM

Instinet Canada Cross (**ICX**) plans to implement the changes described below subject to approval by the Ontario Securities Commission (the **OSC**). ICX is publishing this Notice of Proposed Change and Request for Comment in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto" which ICX is required to follow. Market participants are invited to provide the OSC with comments on the proposed change.

Feedback on the proposed change should be in writing and submitted by January 16, 2023 to:

Market Regulation Branch
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, Ontario M5H 3S8
e-mail: marketregulation@osc.gov.on.ca

And to:

Jonathan Sherwin
Chief Compliance Officer
Instinet Canada Cross Ltd.
121 King Street West, Suite 1770
Toronto, ON M5H 3T9
e-mail: jonathan.sherwin@instinet.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 OSC staff's review and to specify the intended implementation date of the change.

If you have any questions concerning the information below, please contact Jonathan Sherwin, Chief Compliance Officer of ICX, at 647-280-7856.

Introduction of Two Classes of Conditional Order Types and Matching Instruction Functionality

A.   Detailed description of the proposed change

Overview

ICX proposes the following changes:

1)   Adding two classes or types of Conditional Orders, **Manual Conditional Orders** and **Algorithmic Conditional Orders**, that may be submitted by ICX Subscribers (**Subscribers**) to the ICX Conditional Order Book. Manual Conditional Orders and Algorithmic Conditional Orders are collectively referred to in this notice as "**Conditional Orders**". The purpose of the proposed change is to facilitate block size interactions for both automated order systems as well as market participants that may not utilize automated order systems.

Electronic messaging, order interaction, and matching of Conditional Orders will differ between the two types of Conditional Orders, as described in greater detail below.

2)   ICX also intends to offer its Subscribers a new feature (the **Match Instruction**) to enhance its Conditional Order functionality. The Match instruction feature will allow a firm order resting in the ICX Order Book (**Firm Order**) to automatically generate a firm-up invitation for a Conditional Order where the ICX system detects a potential match. Match Instruction will facilitate large-sized trades, as it will only (a) be available as an option to Firm Orders with a minimum order size of either (i) at least 51 standard trading units and $30,000 in notional value, or (ii) at least $100,000 in notional value and (b) only interact with contra side Conditional Orders with a minimum order size of either (i) at least 51 standard trading units and $30,000 in notional value, or (ii) at least $100,000 in notional value.

ICX will continue to operate through two main components (1) a "FIX" (or Financial Information exchange) electronic gateway system that allows Subscribers to enter, revise, and cancel orders (both Firm and Conditional Orders are supported); and (2) a

proprietary matching engine. The ICX Conditional Order Book is made available for Canadian symbols tradeable on ICX through the Conditional Order engine, which also facilitates the resulting firm-up process for Conditional Orders. While the ICX Conditional Order Book is distinct from the ICX Order Book, Subscribers submit and manage Conditional Orders on the ICX Conditional Order Book, via FIX, in the same manner they may submit and manage orders transmitted to the ICX Order Book. Subscribers transmitting Conditional Orders on the ICX Conditional Order Book or orders to the ICX Order Book will continue to be responsible for complying with UMIR requirements including any risk or other market access controls related to any Direct Electronic Access or other routing arrangements they may provide to their clients. ICX only accepts Firm or Conditional Orders from ICX Subscribers; ICX does not accept orders directly from the clients or customers of Subscribers (i.e. "sponsored access").

ICX will generate firm up messages for Conditional Orders where contra-side interest is eligible to match within the Canadian Best Bid and Offer (**CBBO**) by price, broker and time priority. Unmarketable Conditional Orders or those not in accordance with any Subscriber-selected minimum quantity requirements are not eligible to generate a firm-up message.

Subscribers with Conditional Orders in the ICX Conditional Order Book will be invited by ICX to "firm-up" their trading interest when contra-side Conditional Orders in the ICX Conditional Order Book or Firm Orders in the ICX Order Book are available subject to the order interaction methodologies described below. Subscribers may then choose to transmit an executable order to the ICX Order Book for potential matching and execution, which is commonly known as a "firm-up". The Conditional Orders that generate firm-up requests to trade will be cancelled on the ICX Conditional Order Book. Subscribers can re-enter a new Conditional Order after they receive the invitation. These processes, and an associated compliance mechanism designed to limit potential information leakage, are described in further detail below.

Workflow examples of order flows are set out in the attached Appendix.

1.   Description of Algorithmic and Manual Conditional Orders

There will be two new classes of Conditional Orders: Algorithmic Conditional Orders and Manual Conditional Orders. ICX Subscribers may transmit either or both types of Conditional Orders. During the setup, configuration, and testing process related to Conditional Orders, ICX Subscribers will be asked to identify whether they are utilizing automated order systems to transmit Conditional Orders. ICX will classify Algorithmic Conditional Orders as orders transmitted by automated order systems, and ICX will classify Manual Conditional Orders as orders that do not originate from automated order systems. ICX Subscribers utilizing both types of systems may transmit both types of Conditional Orders, utilizing a FIX tag to identify the type of Conditional Order the Subscriber is transmitting. Upon Subscriber setup and on an ad hoc basis afterwards, to the extent that a Subscriber's firm up response times or rates differ from the expected response times or rates of the applicable class of Conditional Orders, ICX may discuss this with the relevant Subscriber, and/or request that the Subscriber modify the Conditional Order classification utilized by the Subscriber.

Both classes of Conditional Orders may also include the following order instructions:

- Minimum Executable Quantity

- Time in Force (Day, Immediate or Cancel)

- Limit or Market Price instruction

2.   Description of the Match Instruction

ICX proposes the introduction of a new FIX Tag to facilitate Subscribers' Match Instruction(s) by transmitting an alphanumeric value on the firm order message sent to ICX. A Match Instruction allows Subscribers to make their firm orders eligible to generate invitations to firm up for eligible contra side Conditional Orders.

While Subscribers may utilize the Match Instruction to limit their potential interactions with contra-side Conditional Orders, Subscribers are not able to limit the interactions of their Firm Orders with respect to contra-side Firm Orders. When a Subscriber transmits a Firm Order to ICX, whether as a result of an invitation to firm up or independent of any such invitation, the Firm Order will trade with any matching contra side Firm Order(s), without regard to whether those orders originated from a firm up invitation.

Subscribers may elect that their Firm Orders (including Firm Orders in response to an invitation) interact with, (1) both Algorithmic and Manual Conditional orders or (2) no Conditional Orders. Absent an affirmative Match Instruction, Firm Orders (including Firm Orders in response to an invitation) will be ineligible to interact with Conditional Orders. Subscribers submitting Conditional Orders cannot elect that their orders interact with Algorithmic and Manual Conditional orders, or Firm orders. Conditional Orders may interact with all other Conditional Orders and Firm orders that have elected to interact with Conditional Orders. In addition to a Match Instruction, for a firm up to occur between a Conditional Order and a Firm Order, both the Conditional and Firm Orders must meet certain minimum size thresholds. To be eligible to firm up, both the Conditional and Firm Orders must have a minimum order size of either (a) at least 51 standard trading units and $30,000 in notional value, or (b) at least $100,000 in notional value.

When the Match Instruction has been elected and ICX identifies a potential contra-side Conditional Order, the Subscriber with the relevant eligible Conditional Orders will receive an invitation to firm-up, as described below. Such invitation will only provide the symbol and side (i.e., buy or sell) of the trading opportunity but will not display the size, the limit price, the type of order, whether the contra side liquidity is immediately actionable or the counterparty identity of the contra. Similarly, any pricing instruction of the contra may be inferred to be at or better than the CBBO mid-point, but the actual contra's limit may not be inferred.

3.   Order Interaction, Matching and Execution

If the proposed change is approved, ICX will offer the following types of Conditional Order interactions:

- Algorithmic to Algorithmic (this interaction is identical to the current ICX Conditional Order offering);

- Manual to Manual; and

- Algorithmic to Manual or Manual to Algorithmic.

Additionally, if the proposed change is approved the following types of interactions may occur between Conditional Orders and Firm Orders that have elected to interact with Conditional Orders:

- Algorithmic to Firm Order (with elected Match Instruction)

- Manual to Firm Order (with elected Match Instruction)

Because of the differences between the Subscriber systems or processes that transmit Algorithmic Conditional Orders as opposed to Manual Conditional Orders (i.e., Algorithmic Conditional Orders are transmitted by automated order systems and typically respond in sub-second increments whereas Manual Conditional Orders will often originate from human traders who will not typically respond in sub-second time increments), ICX proposes to introduce differing message sequences and expected response times depending upon the types of contra side Conditional Orders that are involved in a potential match. These different message sequences are designed to facilitate and improve operational processes for both types of Conditional Orders, including by providing human traders additional time to respond to a potential trading opportunity than would be needed by an automated system, as described in greater detail below.

For Algorithmic to Algorithmic Conditional Order interactions, the process will be as follows:

Invitations to firm up will be transmitted simultaneously to both Subscribers. Upon receiving an invitation to firm up, Algorithmic Subscribers are expected to respond in five seconds or less. Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order.

If a Subscriber rejects the notification, (whether by affirmatively declining the trading opportunity or allowing the invitation to time out) the Subscriber's Conditional Order will already have been cancelled and the Subscriber will not receive a trade. If a Subscriber accepts the notification, the Subscriber submits a Firm Order to the ICX Order Book providing information that references the Subscriber's original Conditional Order. Subscribers may also include additional instructions (e.g., specify a time in force, such as Day or Immediate or Cancel) for their Firm Order. Once a Subscriber routes a Firm Order in response to an invitation to the ICX Order Book, the order is immediately eligible for matching and execution with contra side Firm Orders in accordance with existing ICX matching and execution logic, including with any other Firm Orders (e.g. Firm Orders related to Manual or Algorithmic Conditional Orders as well as Firm Orders unrelated to Conditional Orders) that may be resting on the ICX Order Book. However, a Firm Order transmitted in response to an invitation to firm up following a match with a contra side Algorithmic Conditional Order will not interact with any other contra side Conditional Orders in the ICX Conditional Order Book until the sooner of (i) 5 seconds from the time of the invitation; or (ii) when the contra has responded. After 5 seconds have elapsed or when the contra side has responded, if sooner, a Firm Order that remains unexecuted and has not been cancelled may interact with another Conditional Order, resulting in an invitation to firm up to the contra side Conditional Order, as described in detail below. All executions on ICX are done at the CBBO mid-point.

For Manual to Manual Conditional Order interactions, the process will be as follows:

Invitations to firm up will be transmitted simultaneously to both Subscribers. Upon receiving the notification to firm up, Manual Subscribers are expected to respond within 30 seconds. Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order.

If a Subscriber rejects the notification, (whether by affirmatively declining the trading opportunity or allowing the invitation to time out) the Subscriber's Conditional Order will already have been cancelled and the Subscriber will not receive a trade. If a Manual Subscriber accepts the invitation to firm up, the Subscriber may do so by:

(1)   Routing a Firm Order to the ICX Order Book providing information that references the Subscriber's original Conditional Order. Subscribers may also include additional instructions (e.g., specify a time in force, such as

Day or Immediate or Cancel) for their Firm Order. Once a Subscriber routes a Firm Order in response to an invitation to the ICX Order Book, the order is immediately eligible for matching and execution with contra side Firm Orders in accordance with existing ICX matching and execution logic, including with any other Firm Orders (e.g. Firm Orders related to Manual or Algorithmic Conditional Orders as well as Firm Orders unrelated to Conditional Orders) that may be resting on the ICX Order Book. However, a Firm Order transmitted in response to an invitation to firm up following a match with a contra side Manual Conditional Order will not interact with any other contra side Conditional Orders in the ICX Conditional Order Book until the sooner of (i) 30 seconds have elapsed from the time of the invitation; or (ii) the time when the contra side has responded. All executions on ICX are done at the CBBO mid-point.

Or

(2) Utilizing an automated order system to submit an Algorithmic Conditional Order (referencing the Subscriber's original Manual Conditional Order) which will rest on the ICX Conditional Order Book. This process allows a Subscriber, in the event contraside activity is identified in response to a Manual Conditional Order, to automate its response to future invitations to firm up. For a period of 30 seconds from the time of the initial invitation or when the contra has responded, if sooner, Conditional Orders transmitted in response to an invitation to firm up following a match with a contra side Manual Conditional Order will only interact with a contra side Firm or Conditional Order related to the initial match. Algorithmic Conditional Orders transmitted in response to an invitation to Firm Up will not interact with any unrelated contra side Conditional Orders until 30 seconds have elapsed from the time of the initial invitation or when the contra has responded, if sooner. If both Manual Subscribers transmit Algorithmic Conditional Orders, ICX will follow the process as described above for Algorithmic to Algorithmic Conditional Order interactions. In the event one Manual Subscriber transmits a Firm Order and the other Manual Subscriber transmits an Algorithmic Conditional Order, ICX will follow the process as described below for Algorithmic to Firm Order (with elected Match Instruction) interactions.

Because manual workflows can take more time to respond than automated systems, utilizing workflow (2) above may allow Manual Subscribers to respond with an Algorithmic Conditional Order that will immediately respond with a firm order, if there is a contra at the time the Subscriber chooses to respond. If there is no contra, the Algorithmic Conditional order will not be invited to send a firm order. Responding with an Algorithmic Conditional Order also allows the Subscriber to automate the response of subsequent alerts and minimize missed trading opportunities with Algorithmic Conditional orders or Firm Orders (with elected Match Instruction) that may only be available for short duration.

For Algorithmic to Manual or Manual to Algorithmic Conditional Order interactions, the process will be as follows:

If a match occurs between an Algorithmic and Manual Conditional Order, ICX will first transmit an invitation to firm up to the Subscriber that transmitted the Manual Conditional Order. Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order. The Subscriber that transmitted the Manual Conditional Order is expected to respond within 30 seconds. If the Subscriber accepts the invitation to firm up via the methods described below, ICX will then transmit an invitation to firm up to the Subscriber who submitted the paired Algorithmic Conditional Order Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order.

The Manual Subscriber may accept or reject the notification (whether by affirmatively declining the trading opportunity or allowing the invitation to time out). If the Manual Subscriber rejects the notification, the Subscriber's Conditional Order will already have been cancelled and no invitation to firm up will be sent to the Algorithmic Conditional Order. If the Manual Subscriber chooses to accept the notification, the Manual Subscriber may do so by:

(1) Routing a Firm Order to the ICX Order Book providing information that references the Subscriber's original Conditional Order. Subscribers may also include additional instructions (e.g., specify a time in force such as Day or Immediate or Cancel) for their Firm Order. Once a Subscriber routes a Firm Order in response to an invitation to the ICX Order Book, the order is immediately eligible for matching and execution with contra side Firm Orders in accordance with existing ICX matching and execution logic, including with any other Firm Orders (e.g. Firm Orders related to Manual or Algorithmic Conditional Orders as well as Firm Orders unrelated to Conditional Orders) that may be resting on the ICX Order Book. Following the receipt of a Firm Order, ICX will transmit an invitation to firm up to the Subscriber who submitted the paired Algorithmic Conditional Order and follow the process as described below for Algorithmic to Firm Order (with elected Match Instruction) interactions. A Firm Order transmitted in response to an invitation to firm up following a match with a contra side Algorithmic Conditional Order will not interact with any other contra side Conditional Orders in the ICX Conditional Order Book until 5 seconds have elapsed from the time of the invitation or when the contra has responded, if sooner. All executions on ICX are done at the CBBO mid-point,

Or

(2) Utilizing an automated order system to submit an Algorithmic Conditional Order (referencing the Subscriber's original Manual Conditional Order) which will rest on the ICX Conditional Order Book. This process allows a Subscriber, in the event contraside activity is identified in response to a Manual Conditional Order, to automate its response to future invitations to firm up. For a period of 5 seconds from the time of the initial invitation or when the contra has responded, if sooner, Conditional Orders transmitted in response to an invitation to firm up following a match with a contra side Algorithmic Conditional Order will only interact with a contra side Firm or Conditional Order related to the initial match. During this period, ICX will follow the process as described above for Algorithmic to Algorithmic Conditional Order interactions.

Additionally, if the proposed change is approved the following types of interactions may occur between Conditional Orders and Firm Orders that have elected to interact with Conditional Orders:

- For Algorithmic to Firm Order (with elected Match Instruction), the process will be as follows:

An invitation to firm up will be transmitted to the Subscriber that transmitted the Algorithmic Conditional Order. The Subscriber receiving the invitation is expected to respond within 5 seconds. Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order.

A Subscriber may accept or reject the notification (whether by affirmatively declining the trading opportunity or allowing the invitation to time out). If a Subscriber rejects the notification, the Subscriber's Conditional Order will already have been cancelled and the Subscriber will not receive a trade. In the event a Subscriber chooses to accept the notification, the Subscriber submits an order to the ICX Order Book providing information that references the Subscriber's original Conditional Order. Throughout this process, the Firm Order generating the invitation to firm up will remain eligible to match with other Firm Orders, but will not interact with additional contra side Conditional Orders. The Firm Order will be ineligible to interact with other Conditional Orders in the ICX Conditional Order Book while the invitation to firm up is outstanding for a period of 5 seconds or when the contra has responded, if sooner. Subscribers may also include additional instructions (e.g., specify a time in force, such as Day or Immediate or Cancel) for their Firm Order. Once a Firm Order is routed to ICX Order Book, the order is eligible for matching and execution in accordance with existing ICX matching and execution logic. All executions on ICX are done at the CBBO mid-point.

- For Manual to Firm Order (with elected Match Instruction), the process will be as follows:

An invitation to firm up will be sent to the Subscriber that transmitted the Manual Conditional Order. The Manual Subscriber is expected to respond within 30 seconds. Upon transmission of an invitation to firm up, ICX will cancel the associated Conditional Order.

The Manual Subscriber may accept or reject the notification (whether by affirmatively declining the trading opportunity or allowing the invitation to time out). If the Manual Subscriber rejects the notification, the Manual Subscriber's Conditional Order will already have been cancelled and the Manual Subscriber will not receive a trade. Throughout this process, the Firm Order generating the invitation to firm up will remain eligible to match with other Firm Orders, but will not interact with additional contra side Conditional Orders. The Firm Order will be ineligible to match with other Conditional Orders in the ICX Conditional Order Book while the invitation to firm up is outstanding for a period of 30 seconds or when the contra has responded, if sooner.

If the Manual Subscriber chooses to accept the notification, the Manual Subscriber may do so by:

(1) Routing a Firm Order to the ICX Order Book providing information that references the Subscriber's original Conditional Order. This order is eligible for matching and execution in accordance with existing ICX matching and execution logic. Subscribers may also include additional instructions (e.g., specify a time in force, such as Day or Immediate or Cancel) for their Firm Order. All executions on ICX are done at the CBBO mid-point.

Or

(2) Utilizing an automated order system to submit an Algorithmic Conditional Order (referencing the Subscriber's original Manual Conditional Order) which will rest on the ICX Conditional Order Book. Such orders are eligible for matching and execution in accordance with existing ICX matching and execution logic and the processes described herein. This process allows a Subscriber, in the event contraside activity is identified in response to a Manual Conditional Order, to automate its response to future invitations to firm up. In such an event, ICX will follow the process as described above for Algorithmic to Firm Order (with elected Match Instruction) interactions.

4. Compliance Mechanism

As part of this proposed change, ICX will modify the existing compliance mechanism for Conditional Orders, which is intended to limit information leakage. ICX will continue to monitor Conditional Orders transmitted and related firm-up rates for each Subscriber in order to limit a Subscriber's ability to receive information about potential trading interest within the ICX without transmitting related Firm Orders to ICX. Subscribers transmitting Algorithmic Conditional Orders will be evaluated as to whether they transmit a Firm Order in a five second time period.

In the event that a Subscriber's individual user ID or connection firm-up rate drops below 50% for the relevant trade date, provided that no less than 10 firm up notifications have been sent, ICX will manually suspend such a Subscriber's ability to send new Conditional Orders for the duration of that trading day.

At the time such restriction is implemented, ICX personnel will attempt to contact or notify the relevant Subscriber on a best efforts basis. At the start of each subsequent trading day, the restriction will be lifted. On a periodic basis (e.g., monthly), ICX personnel will review each Subscriber's firm-up rate and group Subscribers into quartiles based upon their firm-up rates over the relevant time period. Subscribers that are grouped into the lowest quartile based upon their firm-up rate in three consecutive periods will be further reviewed for their fall down rates. ICX personnel will inquire as to the reason for the relatively high fall-down rates and use this information to determine whether additional action is necessary. ICX will temporarily prohibit a Subscriber user ID from submitting additional Conditional Orders when that Subscriber user ID or connection is associated with less than 50% firm-up rates over the three periods. The compliance system is predicated on the premise that Subscribers can use multiple venues for their conditional orders and ICX may experience lower than anticipated firm-up rates depending on how the Subscribers integrate the various competing venue offerings and options. The bottom quartile is being used to identify a population of Subscribers that consistently demonstrates low firm-ups rates that may decrease the quality and experience by other Subscribers that have consistently higher firm-up rates. ICX believes this compliance mechanism will encourage higher firm-up rates and more liquidity and is reasonably designed to allow for compliance with Ontario securities law, as explained in Section E below.

5.   Fees

Current ICX fees will apply to trades resulting from a Conditional Order. If, in the future, one or more new fees are determined to be appropriate with respect to trades that result from a Conditional Order, ICX will file a fee change amendment to our Form 21-101F2 at such future time.

B.   *Expected Implementation Date*

The Proposed Change is expected to be implemented 60 days after approval by OSC Staff.

C.   *Rationale for the proposed change*

The proposed changes will allow ICX to add liquidity and value by improving its current order offerings.

The Match Instruction feature and the different Conditional Order classes will promote fair-access by allowing Subscribers to ICX the opportunity to interact with greater levels of large size orders without impacting the pricing mechanisms of existing marketplaces in Canada. Features similar to the proposed Match Instruction are already in use on marketplaces in Canada, and in the United States and Europe.

The different Conditional Order classes will facilitate block size interactions for both automated order systems as well as market participants that may not utilize automated order systems.

D.   *Expected impact of the proposed change on Market Structure, Subscribers, Investors and the capital markets*

The proposals described in this letter are expected to have positive impacts on market structure, subscribers, investors and capital markets by expanding the liquidity and price improvement options for large-sized orders in Canada. The proposed classes of Conditional Orders and the Match Instruction feature are substantially similar to other conditional order types and features currently offered by other Canadian marketplaces such as MatchNow. ICX expects to continue to operate as a non-displayed dark market. Conditional Orders will be handled as described above and will not be displayed.

ICX believes that the addition of different Conditional Order classes will encourage block size trading and benefit Canadian investors. Specifically, the proposed changes will permit ICX Subscribers to utilize proprietary systems to submit Automated Conditional Orders as well as to allow human traders to enter and interact with block size trading interest in ICX via Manual Conditional Orders. Subscribers may also choose whether to integrate their systems with third party order management systems utilized by their customers when facilitating block sized transactions in ICX in a manner that complies with UMIR requirements. Other marketplaces support a sponsored access model; ICX believes its different workflows and classes of Conditional Orders will provide an alternative.

E.   *Expected impact of the proposed change on ICX's compliance with Ontario securities law and the requirements of fair access and the maintenance of a fair and orderly market*

We foresee no negative impact with respect to compliance with Ontario securities law and the requirements for fair access.

In particular, the proposed Match Instruction and Conditional Order types would be optional and would be made available to all ICX Subscribers. All ICX Subscribers would be permitted to use any order type they wished to utilize, based upon their operational workflows and the systems they utilize to transmit orders to ICX. All marketplace participants will be subject to the same rules and conditions; no individual or group will have any unfair advantage or disadvantage relative to other parties. All Firm Orders from all

ICX Subscribers will continue to execute via an identical protocol. All order types are available for all Subscribers. We believe these factors are in accordance with the "fair access" requirements set out in section 5.1 of National Instrument 21-101 - *Marketplace Operation* ("**NI 21-101**").

While optional, ICX believes that the addition of a flexible Conditional workflows in furtherance of block size trading will benefit Canadian investors and contribute to fair and orderly markets. As described above, Subscribers may choose whether to integrate their systems with third party order management systems utilized by their customers when facilitating block sized transactions in ICX in a manner that complies with UMIR requirements. Other marketplaces support a sponsored access model; ICX believes its different workflows and classes of Conditional Orders will provide an alternative that is beneficial to Canadian investors.

ICX will take reasonable steps to monitor order entry and trading activity through the proposed Conditional Order types for compliance with ICX's operational policies and procedures, as well as to encourage compliance with securities laws and the rules of ICX's regulatory services provider (IIROC), just as it does for all order types, in accordance with the "fair and orderly markets" requirements set out in section 5.7 of NI 21-101 and subsections 7.6(2) and (3) of the Companion Policy to NI 21-101 ("**21-101CP**").

Subsection 7.1(1) of NI 21-101 requires that a marketplace that "displays" orders of exchange-traded securities to a person or company provide accurate and timely information regarding orders for the exchange-traded securities displayed by the marketplace to an information processor (the "**Pre-Trade Information Transparency Requirement**"). Section 1.1 of NI 21-101 defines the term "order" as a firm indication by a person or company, acting as either principal or agent, of a willingness to buy or sell a security. Subsection 5.1(2) of 21-101CP notes that the Canadian securities regulatory authorities will consider an indication to be 'firm' (and therefore to constitute an 'order') if it is actionable i.e., it can be executed without further discussion between the person or company entering the indication and the counterparty. A Firm Order interacting with a Conditional Order could be considered actionable.

Under the Match Instruction feature, the invitation sent to the Conditional Order could be considered to be a "display" of the Firm Order that generated it, and would require ICX to provide the order information to the information processor pursuant to subsection 7.1(1) of NI 21-101 —something that ICX, as a "dark" marketplace, does not do.

For this reason, ICX has separately applied to the securities regulatory authority or regulator in Ontario, Quebec, Alberta, Manitoba and British Columbia for an order granting ICX exemptive relief from the Pre-Trade Transparency Requirement pursuant to section 15.1 of NI 21-101. The considerations that ICX has articulated in support of its exemptive relief application may be summarized as follows:

(1)   The Match Instruction feature will facilitate large-sized trades, as only Firm Orders that meet the designated threshold (51 standard trading units and $30,000 or $100,000) may opt in to interact with Conditional Orders, which will also be required to meet the same threshold.

(2)   The Match Instruction Feature only becomes available if a Subscriber takes the affirmative action of designating that its Firm Orders interact with Conditional Orders (on an order-by-basis, or as a "default" for all the Subscriber's Firm Orders).

(3)   When a Firm Order so designated offers contra-side liquidity for a Conditional Order, the invitation to firm up sent to the Subscriber that placed the Conditional Order will only provide the symbol and side (i.e., buy or sell) of the Firm Order. The size of the Firm Order may be inferred since the Match Instruction interaction will be limited to the minimum size requirements set out above. Similarly, the contra-side's price may be inferred since it will be at or better than the Canadian Best Bid and Offer mid-point.

(4)   When a Firm Order so designated offers contra-side liquidity for a Conditional Order, the Subscriber that placed the Conditional Order and that is receiving the invitation to firm up will be unable to determine whether the contra side order is another Conditional Order or a Firm Order.

(5)   There can be no guarantee that the Subscriber who entered the Conditional Order will 'firm up' the invitation in a Match Instruction interaction. In the meantime, the Firm Order remains eligible to trade with other Firm Orders on the ICX Order Book.

F.   *Summary of consultations undertaken in formulating the proposed change and the internal governance process followed to approve it*

ICX discussed the proposed change with several Subscribers and received supportive responses. The Proposed Change was approved by the management of ICX.

G. **If the proposed change will require subscribers or service vendors to modify their systems after implementation, the expected impact on the systems of subscribers and service vendors together with an estimate of the amount of time needed to perform the necessary work and how the estimated amount of time was deemed reasonable in light of the expected impact of the proposed change on ICX, its market structure, subscribers, investors or the Canadian capital markets**

The proposed change will require some work by existing Subscribers to modify their own systems, but only insofar as they wish to utilize Conditional Orders, because this is optional functionality.

ICX could not make a reasonable estimate of the time needed for Subscribers to modify their own systems as a result of the proposed change, as this will depend on the specific circumstances of each Subscriber.

ICX will update its FIX specification document and make it publicly available, including to ICX Subscribers no fewer than 45 days prior to implementing the proposed changes. ICX personnel will support client testing related to the changes and assist Subscribers in their efforts to utilize the new functionality.

H. **Where the proposed change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment**

Not applicable.

I. **Alternatives Considered**

None.

J. **If applicable, whether the proposed Significant Change would introduce a feature that currently exists in other markets or jurisdictions**

Both the implementation of two conditional order types (Manual and Algorithmic) and the potential for matching and execution between firm and conditional orders are features that ICX affiliates currently offer market participants in the United States and Europe. Many of the components of the proposed change described above are similar to features of the BlockCross ATS (United States)[1] and BlockMatch (Europe).[2]

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[1]   Offered by Instinet, LLC.
[2]   Offered by Instinet Europe Limited.

Appendix: Workflow examples

Example 1: Algorithmic to Algorithmic Conditional Interaction – Time Priority

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	100,000	Buy	MidPeg	50.02	9:32 AM	Broker B	Algo
Conditional Order 3	40,000	Sell	MidPeg	50.01	9:33 AM	Broker C	Algo

Step 1

Conditional Order 1 is invited to Firm Up; Conditional Order 1 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 2 remains open on ICX Conditional Order Book

Step 2

Broker A sends Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This order is eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when the Broker C responds, if sooner.

Broker C sends Firm Order to sell 40,000 shares @ 50.01 referencing Conditional Order 3. This order is eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner.

Step 3

Broker A gets a fill for 40,000 shares @ 50.015 and the 10,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX Firm orders and contra side Conditional Orders until canceled or expired

Broker C gets a fill for 40,000 shares @ 50.015.

Example 2: Algorithmic to Algorithmic Conditional Interaction – Time Priority with Price and Quantity Adjustment in Firm Up

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	100,000	Buy	MidPeg	50.02	9:32 AM	Broker B	Algo
Conditional Order 3	40,000	Sell	MidPeg	50.01	9:33 AM	Broker C	Algo

Step 1

Conditional Order 1 is invited to Firm Up; Conditional Order 1 is cancelled on the ICX Conditional Order Book (9:33 AM)

Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book (9:33 AM)

Conditional Order 2 remains open on ICX Conditional Order Book

Step 2

Broker A sends Firm Order to buy 60,000 shares @ 50.04 referencing Conditional Order 1. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker C responds, if sooner.

Broker C sends Firm Order to sell 30,000 shares @ 50.01 referencing Conditional Order 3. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner.

Step 3

Broker A gets a fill for 30,000 shares @ 50.015 and the 30,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired.

Broker C gets a fill for 30,000 shares @ 50.015.

Example 3: Algorithmic to Algorithmic Conditional Interaction – Time Priority and subsequent Conditional Interaction

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	100,000	Buy	MidPeg	50.02	9:32 AM	Broker B	Algo
Conditional Order 3	80,000	Sell	MidPeg	50.01	9:33 AM	Broker C	Algo

Step 1

Conditional Order 1 is invited to Firm Up; Conditional Order 1 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 2 remains open on ICX Conditional Order Book

Step 2

Broker A sends a Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker C responds, if sooner. (9:33:01 AM)

Broker C sends Firm Order to sell 80,000 shares @ 50.01 referencing Conditional Order 3. Broker 3 has also elected for the Firm order to interact with Conditional Orders. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner. (9:33:02 AM)

Step 3

Broker A gets a fill for 50,000 shares @ 50.015.(9:33:02 AM)

Broker C gets a fill for 50,000 shares @ 50. 015 and the 30,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired. (9:33:02 AM)

Step 4

Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book (9:33:02 AM).

Step 5

Broker B sends a Firm Order to buy 100,000 shares @ 50.02 referencing Conditional Order 2. This order is immediately eligible to interact with any resting Firm orders in ICX.

Step 6
Broker B gets a fill for 30,000 shares @ 50.015 and the 70,000 share balance of their Firm order rests in the ICX order book.

Broker C gets a fill for 30,000 shares @ 50. 015.

Example 4: Algorithmic to Algorithmic Conditional Interaction – Firm Up Order is not eligible to trade at CBBO midpoint

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	100,000	Buy	MidPeg	50.02	9:32 AM	Broker B	Algo
Conditional Order 3	40,000	Sell	MidPeg	50.01	9:33 AM	Broker C	Algo

Step 1
Conditional Order 1 is invited to Firm Up; Conditional Order 1 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book (9:33:00 AM)

Conditional Order 2 remains open on ICX Conditional Order Book

Step 2
Broker A sends Firm Order to buy 50,000 shares @ 50.01 referencing Conditional Order 1. This order is eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker C responds, if sooner.

Broker C sends Firm Order to sell 40,000 shares @ 50.01 referencing Conditional Order 3. This order is eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 5 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner.

Step 3
No trade occurs as the CBBO midpoint (50.015) is above the limit price of Broker A's Firm Order.

Example 5: Manual to Manual Conditional interaction; Firm Order responses, no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Manual
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	Manual

Step 1
Conditional Order 1 is invited to Firm Up; Conditional order 1 is cancelled on the ICX Conditional Order Book

Conditional Order 2 is invited to Firm Up; Conditional order 2 is cancelled on the ICX Conditional Order Book

Step 2
Broker A sends Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 30 seconds after the invitation to firm up was sent, or when Broker B responds, if sooner.

Broker B sends Firm Order to sell 25,000 shares @ 50.01 referencing Conditional Order 2. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 30 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner.

Step 3
Broker A gets a partial fill for 25,000 shares @ 50.015 and the 25,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Example 6: Manual to Manual Conditional interaction; Algorithmic Conditional Order responses, no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Manual
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	Manual

Step 1
Conditional Order 1 is invited to Firm Up; Conditional order 1 is cancelled on the ICX Conditional Order Book

Conditional Order 2 is invited to Firm Up; Conditional order 2 is cancelled on the ICX Conditional Order Book

Step 2
Broker A sends Algorithmic Conditional Order (Conditional Order 3) to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This Conditional order is eligible to interact immediately with a contra side Conditional Order or Firm Order related to the Conditional Order 2 but is ineligible to interact with unrelated contra side Firm or Conditional Orders for 30 seconds after the initial invitation to Firm Up, or when Broker B responds, if sooner. (9:32:05 AM)

Broker B sends Algorithmic Conditional Order (Conditional Order 4) to sell 25,000 shares @ 50.01 referencing Conditional Order 2. This Conditional order is eligible to interact immediately with a contra side Conditional Order or Firm Order related to the Conditional Order 1 but is ineligible to interact with unrelated contra side Firm or Conditional Orders for 30 seconds after the initial invitation to Firm Up, or when Broker A responds, if sooner. (9:32:10 AM)

Step 3
Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book (9:32:10 AM)

Conditional Order 4 is invited to Firm Up; Conditional Order 4 is cancelled on the ICX Conditional Order Book (9:32:10 AM)

Step 4
Broker A sends Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 3. This order is eligible to interact immediately with a contra side Firm Order but is ineligible to interact with unrelated contra side Conditional Orders for 5 seconds after the second invitation to Firm Up, or when Broker B responds, if sooner. (9:32:11 AM)

Broker B sends Firm Order to sell 25,000 shares @ 50.01 referencing Conditional Order 4. This order is eligible to interact immediately with a contra side Firm Order but is ineligible to interact with unrelated contra side Conditional Orders for 5 seconds after the second invitation to Firm Up, or when Broker A responds, if sooner. (9:32:12 AM)

Step 5
Broker A gets a partial fill for 25,000 shares @ 50.015 and the 25,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired.

Broker C gets a fill for 25,000 shares @ 50.015.

Example 7: Algo to Manual Conditional interaction; Algo Conditional Order response from the Manual Conditional Order, no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	Manual

Step 1

Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book

Step 2

Broker B sends an Algorithmic Conditional Order (Conditional Order 3) to sell 25,000 shares @ 50.01 referencing Conditional Order 2. This order is eligible to interact immediately with a contra side Conditional Order or Firm Order related to the Conditional Order 1 but is ineligible to interact with unrelated contra side Firm or Conditional Orders for 5 seconds after the initial invitation to Firm Up, or when Broker A responds, if sooner.

Step 3

Conditional Order 1 is invited to Firm Up; Conditional Order 1 is cancelled on the ICX Conditional Order Book

Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book

Step 4

Broker A sends Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This order is eligible to interact immediately with a contra side Firm Order but is ineligible to interact with unrelated contra side Conditional Orders for 5 seconds after the invitation to Firm Up, or when Broker B responds, if sooner.

Broker B sends Firm Order to sell 25,000 shares @ 50.01 referencing Conditional Order 3. This order is eligible to interact immediately with a contra side Firm Order but is ineligible to interact with unrelated contra side Conditional Orders for 5 seconds after the second invitation to Firm Up or when Broker A responds, if sooner.

Step 5

Broker A gets a partial fill for 25,000 shares @ 50.015 and the balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Example 8: Algo to Manual Conditional interaction; fall down by Manual Conditional Order.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Algo
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	Manual

Step 1

Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book

Step 2

Broker B does not send either an Algorithmic Conditional Order or a Firm Order in response.

Conditional Order 1 remains open on the ICX Conditional Order Book

Example 9: Algorithmic Conditional Order to Firm Order (with elected Match Instruction), no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	MatchInstruction	Manual / Algorithmic / Firm
Firm Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Interact with Conditional Orders (7098=B)	Firm
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	N/A	Algo

Step 1
Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book

Step 2

Broker B sends Firm Order 3 to sell 25,000 shares @ 50.01 referencing Conditional Order 2.

Step 3
Broker A gets a partial fill for 25,000 shares @ 50.015 and the balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Example 10: Algorithmic Conditional Order to Firm Order (without elected Match Instruction).

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	MatchInstruction	Manual / Algorithmic / Firm
Firm Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	None specified	Firm
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	N/A	Algo

Step 1
There is no match because the Firm order is ineligible to match with the Conditional Order

Example 11: Manual Conditional Order to Firm Order (with elected Match Instruction), no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	MatchInstruction	Manual / Algorithmic / Firm
Firm Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Interact with Conditional Orders (7098=B)	Firm
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	N/A	Manual

Step 1
Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book

Step 2
Broker B sends Firm Order 3 to sell 25,000 shares @ 50.01 referencing Conditional Order 2.

Step 3
Broker A gets a partial fill for 25,000 shares @ 50.015 and the balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Example 12: Manual Conditional Order to Firm Order (with elected Match Instruction), Algo Conditional Response, no fall down.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	MatchInstruction	Manual / Algorithmic / Firm
Firm Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Interact with Conditional Orders (7098=B)	Firm
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	N/A	Manual

Step 1
Conditional Order 2 is invited to Firm Up; Conditional Order 2 is cancelled on the ICX Conditional Order Book

Step 2
Broker B sends Algo Conditional Order 3 to sell 25,000 shares @ 50.01 referencing Conditional Order 2

Step 3
Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book

Step 4
Broker B sends Firm Order 4 to sell 25,000 shares @ 50.01 referencing Conditional Order 3

Step 5
Broker A gets a partial fill for 25,000 shares @ 50.015 and the balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Example 13: Manual to Manual Conditional interaction; Firm Order responses, no fall down; residual Firm Order then interacts with another Conditional Order.

CBBO: 50.01 by 50.02

Order	Quantity	Side	Type	Price	Time	Broker	Manual / Algorithmic / Firm
Conditional Order 1	50,000	Buy	MidPeg	50.02	9:31 AM	Broker A	Manual
Conditional Order 2	25,000	Sell	MidPeg	50.01	9:32 AM	Broker B	Manual
Conditional Order 3	25,000	Sell	MidPeg	50.01	9:32 AM	Broker C	Manual

Step 1
Conditional Order 1 is invited to Firm Up; Conditional order 1 is cancelled on the ICX Conditional Order Book at 9:32:00.

Conditional Order 2 is invited to Firm Up; Conditional order 2 is cancelled on the ICX Conditional Order Book at 9:32:00.

Step 2
Broker A sends Firm Order to buy 50,000 shares @ 50.02 referencing Conditional Order 1. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 30 seconds after the invitation to firm up was sent, or when Broker B responds, if sooner.

Broker B sends Firm Order to sell 25,000 shares @ 50.01 referencing Conditional Order 2. This order is immediately eligible to interact with any resting Firm orders in ICX but is ineligible to interact with contra side conditional orders for 30 seconds after the invitation to firm up was sent, or when Broker A responds, if sooner.

Step 3
Broker A gets a partial fill for 25,000 shares @ 50.015 and the 25,000 share balance of their Firm order rests in the ICX order book and is eligible to interact with other ICX orders and contra side Conditional Orders until canceled or expired.

Broker B gets a fill for 25,000 shares @ 50.015.

Step 4
Conditional Order 3 is invited to Firm Up; Conditional Order 3 is cancelled on the ICX Conditional Order Book.

Step 5
Broker C sends Firm Order to sell 25,000 shares @ 50.01 referencing
Conditional Order 3.

Step 6
Broker A gets a fill for 25,000 shares @ 50.015.

Broker C gets a fill for 25,000 shares @ 50.015.