

B.11.2.2 Canadian Securities Exchange – Significant Change Subject to Public Comment – Introduction of CSE Market-On-Close – Notice of Approval

CANADIAN SECURITIES EXCHANGE
SIGNIFICANT CHANGE SUBJECT TO PUBLIC COMMENT
INTRODUCTION OF CSE MARKET-ON-CLOSE
NOTICE OF APPROVAL

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to its recognition orders (the “Protocol”), CNSX Markets Inc. (“CSE”) has proposed, and the Ontario Securities Commission and British Columbia Securities Commission have approved significant changes (the “Amendments”) to CSE’s Form 21-101F1 to introduce a CSE Market-On-Close (CSE MOC).

Summary of the Amendments

On May 3, 2024, CSE published *Notice 2024-02 – Introduction of CSE Market-On-Close – Notice and Request for Comments*. With the implementation of the Amendments, CSE will introduce the CSE MOC to operate on CSE, CSE’s primary trading book, for select CSE Listed securities.

The CSE MOC will allow for a source of centralized liquidity for eligible CSE Listed securities, with the potential to concentrate liquidity, reduce volatility, and increase the size of execution during the closing auction. The CSE MOC will also increase market stability by offering market participants the opportunity for high quality price discovery based on a closing price supported by a deeper order book with spreads reflective of the information that has become available during the trading day.

Comments

The comment period ended on June 3, 2024. CSE received three comment letters. All three commentors supported the model chosen by the CSE for its MOC and welcomed the introduction of the CSE MOC to the Canadian equity markets. CSE thanks each of the commentors for their support and thanks industry participants for their input on this proposal.

Effective Date

The Amendments will take effect later in Q1 of 2025 and CSE will disseminate a separate notice confirming that date.

Questions

Questions about this notice may be directed to:

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