

Universal Market Integrity Rules

Proposed Amendments to Accommodate the Introduction of Multiple Marketplaces

The Universal Market Integrity Rules are amended as follows:

1. Rule 1.1 is amended by:
 - (a) deleting in the definition of “best ask price” the phrase “Special Terms Order” and substituting “Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order”.
 - (b) deleting in the definition of “best bid price” the phrase “Special Terms Order” and substituting “Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order”.
 - (c) inserting in the definition of “last sale price” the phrase “, Last Sale Price Order” after “Call Market Order”.
 - (d) adding the following definition of “Last Sale Price Order”:

“Last Sale Price Order” means an order for the purchase or sale of a listed security or a quoted security entered on a marketplace and subject to the condition that the order trade at the last sale price of that security on that marketplace.
 - (e) inserting at the end of the definition of “Opening Order” the phrase “provided an order shall cease to be an Opening Order if the order does not trade at the opening of trading of that security on that marketplace on that trading day”; and
 - (f) replacing the definition of “Special Terms Order” with the following:

“Special Terms Order” means an order for the purchase or sale of a security:

 - (a) for less than a standard trading unit;
 - (b) the execution of which is subject to a condition other than as:
 - (i) to price,
 - (ii) to the date of settlement; or

(iii) imposed by the marketplace on which the order is entered as a condition for the entry or execution of the order; or

(c) that on execution would be settled on a date other than:

(i) the third business day following the date of the trade, or

(ii) any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS,

but does not include an order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order or Volume-Weighted Average Price Order.

2. Clause (f) of subsection (2) of Rule 3.1 is amended by:

(a) deleting the word “or” at the end of subclause (iii);

(b) inserting the phrase “, or” after the word “Order” in subclause (iv); and

(c) adding the following as subclause (v):

(v) a Last Sale Price Order.

3. Clause (c) of subsection (2) of Rule 5.2 is amended by:

(a) deleting the word “or” at the end of subclause (iv);

(b) inserting the phrase “, or” after the word “Order” in subclause (v); and

(c) adding the following as subclause (vi):

(vi) a Last Sale Price Order.

4. Clause (b) of subsection (1) of Rule 6.2 is amended by adding the following as subclause (v.2):

(v.2) a Last Sale Price Order.

5. Subsection (1) of Rule 6.3 is amended by inserting the phrase “that displays orders in accordance with Part 7 of the Marketplace Operation Instrument” after the first occurrence of the word “marketplace”.

6. Clause (h) of subsection (1) of Rule 6.3 is amended by:
 - (a) deleting the word “or” at the end of subclause (v);
 - (b) inserting the phrase “, or” after the word “Order” in subclause (vi); and
 - (c) adding the following as subclause (vii):
 - (vii) a Last Sale Price Order.

7. Subsection (2) of Rule 8.1 is amended by:
 - (a) deleting the word “or” at the end of clause (d);
 - (b) inserting the phrase “; or” after the word “Order” in clause (e); and
 - (c) adding the following as clause (f):
 - (f) a Last Sale Price Order.

The Policies under the Universal Market Integrity Rules are amended as follows:

1. Clause (d) at the end of Part 1 of Policy 2.1 is deleted and the following substituted:
 - (d) when trading a security on a marketplace that is subject to Market Maker Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the Market Maker to:
 - (i) execute with one or more of the orders, or
 - (ii) purchase at a higher price or sell at a lower price with one or more of the orders

in accordance with the Market Maker Obligations that would not be imposed on the Market Maker if the orders had been entered on the marketplace as a single order or entered at the same time.