

IN THE MATTER OF  
NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION  
AND NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM FOR  
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF INSTINET CORPORATION

AND

IN THE MATTER OF INSTINET CANADA LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces British Columbia, Alberta, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from Instinet Corporation ("Instinet US") and Instinet Canada Limited ("ICL") for decisions under section 15.1 of National Instrument 21-101 Marketplace Operation ("NI 21-101") and section 12.1 of National Instrument 23-101 Trading Rules ("NI 23-101" together with NI 21-101, the "ATS Rules") that the requirement to comply with the ATS Rules will not apply to Instinet US until May 1, 2002, and Part 8 of NI 23-101 will not apply to ICL so long as ICL remains a participating organization of The Toronto Stock Exchange ("TSE");

AND WHEREAS pursuant to the Mutual Reliance Review System (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Instinet US and ICL have represented to the Decision Makers that:

1. Instinet US is registered in Ontario as an international dealer and in British Columbia as a securities dealer;
2. ICL is a participating organization of The Toronto Stock Exchange ("TSE") and a member of the Investment Dealers Association of Canada ("IDA");
3. Instinet US is a corporation organized under the laws of Delaware, United States;
4. Instinet US and ICL operate an alternative trading system (the "Instinet ATS") to facilitate trading of equity securities between institutional investors and investment dealers in the

Jurisdictions;

5. prior to the introduction of the ATS Rules, Instinet US and ICL operate the Instinet ATS in the Jurisdictions either in reliance on registrations in the case of Ontario and British Columbia or in reliance on available registration exemptions in the other Jurisdictions;

6. Instinet US and ICL have agreed to a realignment (the "Instinet Realignment") of their business so that ICL becomes the operator in Canada of the Instinet ATS system and will need to take certain steps to effect the Instinet Realignment;

7. Instinet US needs a period of relief from the requirements of the ATS Rules to continue to operate the Instinet ATS pending the implementation of the Instinet Realignment;

8. ICL has applied to the Pacific, Quebec District and Prairie District Councils of the IDA to become a member thereof and has applied, or will apply, to be registered as an investment dealer in each of the Jurisdictions;

9. in British Columbia, Instinet US restricts its clients to such categories of clients as are permitted under its international dealer registration in Ontario;

10. during any period of relief from the the ATS Rules Instinet US will continue to operate the Instinet ATS in the Jurisdictions either subject to the terms and conditions of its registration in those Jurisdictions where it is registered or in reliance on available registration exemptions in those Jurisdictions where it is not registered;

11. upon implementation of the Instinet Realignment, ICL will be subject to the requirements of the TSE and Instinet US will cease to operate the Instinet ATS in the Jurisdictions; and

12. as a member of the TSE, ICL is exempt from the requirements of NI 21-101 but it is not exempt from Part 8 of NI 23-101;

AND WHEREAS pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the ATS Rules that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that Instinet US shall be exempt from the requirements of the ATS Rules until May 1, 2002;

AND THE DECISION OF THE Decision Makers is that ICL shall be exempt from the requirements of Part 8 of NI 23-101 for so long as ICL remains a participating organization of the TSE.

Dated this 19th day of April, 2002.

David M. Gilkes