

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX Inc. – Conditional Order Facility – Notice of Approval

TSX INC.

NOTICE OF APPROVAL

CONDITIONAL ORDER FACILITY

In accordance with the Process for the Review and Approval of the Information Contained in Form 21-101F1 and the Exhibits Thereto, the Ontario Securities Commission (“**OSC**”) has approved amendments to the TSX Inc. (“**TSX**”) Rule Book and Form 21-101F1 to reflect the introduction of a conditional order facility on TSX.

In conjunction with approving the amendments to the Rule Book and Form 21-101F1, the OSC granted TSX’s application for exemptive relief from the pre-trade transparency requirements in subsection 7.1(1) of National Instrument 21-101 *Marketplace Operation* with respect to a Dark Order Interaction (as defined in the Notice of Proposed Amendments and Request for Comments published on May 20, 2021). The decision granting exemptive relief will be separately published on the OSC website.

Summary of the Amendments

TSX will be amending the TSX Rule Book and certain TSX marketplace functionality (collectively, the “**Amendments**”) to introduce a conditional order facility.

A copy of the Amendments can be found at www.osc.ca.

Comments Received

The Amendments were published for comment on May 20, 2021 and one comment letter was received. A summary of the comment submitted, together with TSX’s response, is attached as Appendix A. TSX thanks the commenter for its feedback.

Effective Date

The Amendments will be effective November 22, 2021.

Appendix A

Summary of Comment and Response

List of Commenters:

The Canadian Security Traders Association, Inc.

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the Notice of Proposed Amendments and Request For Comments published on May 20, 2021.

<i>Summary of Comment Received</i>	<i>TSX Response</i>
<p>The commenter was generally supportive of the proposal. The commenter noted that conditional orders come with their own set of risks that mostly arise from the embedded optionality within the conditional firm up process, and encouraged TSX to establish a robust process to monitor the conditional firm up rates.</p>	<p>TSX thanks the commenter for its input. As noted, and more fully described, in TSX's Notice of Proposed Amendments and Request For Comments, TSX will have the ability to suspend a participant's ability to enter Conditional Orders if TSX determines, in its sole discretion, that Conditional Orders are being misused. Commencing on the date of implementation of Conditional Orders, TSX will undertake a 90-day assessment period whereby it will use such time to analyze usage and patterns of Conditional Orders to better calibrate and balance its enforcement of Conditional Orders.</p>