
A copy should also be provided to:

Market Regulation Branch
Ontario Securities Commission
20 QBDC /756e5on

Expected Date of Implementation

The Amendments will be implemented following receipt of regulatory approval, and TSX anticipates implementing the Amendments as early as Q1 2021.

Expected Impact

TSX does not expect any material impact on market structure, members, investors, issuers or the capital markets as other Canadian marketplaces already offer Broker Preferencing for unattributed dark orders. TSX anticipates a minor positive impact for some members and investors in that they could further benefit from reduced intermediation on their unattributed dark orders. TSX anticipates that the Amendments will increase execution quality and lower trade costs.

Expected Impact of the Amendments on TSX's Compliance with Ontario Securities Law

The Amendments will not impact TSX's compliance with Ontario securities law and in particular the requirements for fair access and maintenance of fair and orderly markets. Broker Preferencing is a common feature for equity marketplaces in Canada, and other Canadian marketplaces already offer Broker Preferencing for anonymous dark orders.

Estimated Time Required by Members and Service Vendors to Modify Their Own Systems after Implementation of the Amendments

There are no expected mandatory technical changes required by members and service vendors since there are no changes to the specification to reflect the Amendments. Notwithstanding, TSX anticipates that at least 60 days will be provided between regulatory approval of the Amendments and implementation, which should be sufficient to allow adoption by those that wish to take full advantage of the Amendments.

Do the Amendments Currently Exist in Other Markets or Jurisdictions

Broker Preferencing for Unattributed dark orders is currently available on NEO Exchange, Canadian Securities Exchange, and MatchNow.

On March 5, 2020, Omega Securities Inc. published a request for comment on, among other things, permitting Broker Preferencing on their lit and hidden orders, for both attributed and anonymous orders.

In addition, on March 10, 2020, the Commission approved changes to the trading rules and policies of Nasdaq Canada to reflect the introduction of Broker Preferencing for unattributed (anonymous) orders.

APPENDIX A
BLACKLINE OF AMENDMENTS TO TSX RULEBOOK

PART 1 - INTERPRETATION

Rule 1-101 Definitions (Amended)

[...]

(2) In all Exchange Requirements, unless the subject matter or context otherwise requires:

[...]

“unattributed order ” means an order ~~which is displayed~~ in the Book without the Participating Organization's trading number.

Amended ([], 2021)

[...]

Rule 4-802 Allocation of Trades

[...]

(3) Subject to Rule 4-801(1), Rule 4-801(2), and any conditions imposed on either the tradeable order or the offsetting order that would otherwise prevent the two orders from executing against each other, a tradeable order that is entered in the Book ~~and is not a Bypass Order~~ shall be executed on allocation in the following sequence:

- (a) to offsetting orders entered in the Book by the Participating Organization that entered the tradeable order according to the time of entry of the offsetting order in the Book, provided that the offsetting order is undisclosed, or in the case where the offsetting order is disclosed, neither the tradeable order nor the offsetting order is an unattributed order; then
- (b) to offsetting orders in the Book according to the time of entry of the offsetting order in the Book; then
- (c) to a Market Maker if the tradeable order is disclosed and is eligible for a Minimum Guaranteed Fill.

Amended (October 23, 2017, ~~and~~ November 27, 2017, and [], 2021)