



Allocation Priority where No Long Life Order	Allocation Priority where Long Life Order is Entered
<ol style="list-style-type: none"> <li>1. Price - best price gets priority, i.e. highest bid and lowest offer</li> <li>2. Broker - buy and sell orders from the same broker get preference</li> <li>3. Time - orders entered first get priority over orders entered after them</li> </ol>	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Broker</li> <li>3. Long Life</li> <li>4. Time</li> </ol>

This adjustment from the traditional Price/Broker/Time priority scheme (see column 1 above) specifically rewards those participants who contribute to market stability through Long Life orders, effectively promoting a more predictable and less volatile trading environment.

In addition, amendments or cancellations of Long Life orders that have met the minimum 1 second resting time requirement are currently subject to an additional randomized delay between 5 to 10 milliseconds before the amendments or cancellations is effected. The aim of this restriction was to further discourage the use of Long Life orders by those employing latency-sensitive trading strategies (i.e. those participants that have the fastest access to the markets and are able to receive market data first and take favourable action).

Despite the benefits of the Long Life order, TSXV recognizes the importance of flexibility in order type management, especially in response to the fast-paced and ever-changing market dynamics. Based on participant feedback of clients who represent more than 45% of all Long Life order users on TSXV and Toronto Stock Exchange, TSXV is proposing to remove the additional delay imposed when a Long Life order is canceled (the “**Cancellation Delay**”). Feedback from participants indicated that, after the obligatory resting period of 1 second has passed, participants should not face any additional delays or penalties for canceling their orders. In addition, participants should maintain the flexibility to cancel their orders promptly, without facing further limitations that could restrict their ability to respond to market changes or new information. The proposal to remove Cancellation Delay, applicable only after the required 1 second resting period, seeks to balance the promotion of market stability with the provision of the operational flexibility essential for effective trading strategies. Please note, however, that the delay on amendments to Long Life orders will remain unchanged at this time (i.e. the delay will remain for amendments to Long Life orders) and are not part of the Amendments due to the potential misuse of Long Life orders by participants if this delay was also removed.

**Text of the Proposed Amendments**

The Amendments are set out as blacklined text at Appendix A. For ease of reference, a clean copy of the Proposed Amendments is set out at Appendix B.

## **Analysis of Impact**

### *(i) Impact on Market*

TSXV anticipates that the Amendments will have a positive impact on the market structure, members, investors, issuers or the capital markets. TSXV believes that the Amendments are fair and reasonable, and will not create barriers to access.

### *(ii) Impact on Clients and Service Vendors*

Clients will be required to update their routing methodology and trading strategies to take the

## APPENDIX A

### BLACKLINED VERSION OF TSXV RULES REFLECTING THE AMENDMENTS

#### RULE A. 100 - INTERPRETATION

##### A1.01 - Definitions

[...]

Í @b[ @ZYcfXYfî means a board lot or board lot portion of a mixed lot market or limit order that is: (a) entered for a security that has been identified by the Exchange as being Long Life Eligible; (b) identified by the participant as a Long Life order upon entry in the manner specified by the Exchange; and (c) is subject to Long Life Restrictions.

**Added (November 16, 2015)**

Í @b[ @ZYF Ygf]Wjcbgî means Exchange prescribed restrictions, applicable to a Session as specified by the Exchange, which prevent the amendment or cancellation of an order during the minimum fixed resting time ~~for a period of time~~ as specified by the Exchange. All amendments of Long Life orders for which the minimum fixed resting time has elapsed are subject to an additional variable delay that is randomized.

~~Added (November 16, 2015)~~ Amended (X, 2024)

## APPENDIX B

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##### Amended (X, 2024)