

**NOTICE OF PROPOSED AMENDMENTS AND REQUEST FOR COMMENTS**

**ALPHA EXCHANGE INC.**

**Exchange**

**Amendments**

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**OSC**

**Background, Outline and Rationale for the Amendments**

**UMIR**

*Provision of Price Improvement by a Dark Order*



*Alpha DRK*

<b>ALPHA DRK</b>	<b>If NBBO (National Best Bid Offer) spread is 1 tick</b>	
	<b>Existing Behaviour</b>	<b>Proposed Behaviour</b>
	<b>(Aggressive)</b>	<b>(Aggressive)</b>
<b>Small Order / Large Order</b>	<b>IF NBBO is 1 tick</b>	<b>(NBBO) Rests at</b>

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*Proposed Methodology Example 1: DRK Limit Large Order (Scenario 1 tick spread)*

Protected NBBO	NBB	NBBO
	10	10.01
Step 1		
Step 2		
Step 3		
Step 4		
Step 5		

*Proposed Methodology Example 2: DRK Limit Small Order (Scenario 1 tick spread)*

Protected NBBO	NBB	NBBO
	11	11.01
Step 1		
Step 2		
Step 3		
Step 4		
Step 5		

*Proposed Methodology Example 3: DRK Limit Large Order (Scenario 2 ticks spread)*

<b>Protected NBBO</b>	<b>NBB</b>	<b>NBBO</b>
		<b>10</b>
<b>Step 1</b>		
<b>Step 2</b>		
<b>Step 3</b>		
<b>Step 4</b>		
<b>Step 5</b>		

(iii) *Impact on Clients and Service Vendors*

**Consultations undertaken in formulating the Amendments**