



# Notice to Members

April 5, 2012

2012-024

**TSX Venture Exchange Trading Rule Amendments to Permit Trading of Securities Listed on other Canadian Exchanges**

## APPENDIX "A"

### RULE A. 1.00 – INTERPRETATION

#### A1.01 – Definitions

In these rules unless the context otherwise requires:

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~~"Arbitrage" is the business of buying or selling securities in one market with the intention of immediately reversing such transactions in another market in order to profit from price differences between such markets if such business is not casual but contains the element of continuity.~~

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"better-priced limit order" means a limit order entered prior to the opening of trading of a ~~listed~~ security to buy at a price that is higher than the opening price, or to sell at a price that is lower than the opening price.

[Amended April 2, 2012](#)

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"Book" means the electronic file of committed orders for a ~~listed~~ security [but does not include the MOC Book](#).

[Amended April 2, 2012](#)

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"calculated opening price" or "COP" is the price of opening trades in a ~~listed~~ security calculated in the manner prescribed by the Board.

[Amended April 2, 2012](#)

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"committed order" means an offer to buy or sell a specific number of shares or units of a ~~listed~~ security at a specific price that is entered in the Book and that is open for acceptance by any other Member.

~~Amended March 10, 2006~~ [Amended April 2, 2012](#)

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"Exchange Contract" means any contract:

(a) to buy and sell any ~~listed~~ security, if such contract is made through the facilities of the Exchange; or

~~(b) (b) for delivery of and payment for any listed security (or security which was a listed security) arising from settlement through the Clearing Corporation.~~  
[security that was posted for trading on the Exchange](#)

[Amended April 2, 2012](#)

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~~"External distribution" means a distribution by a member or affiliated company, with the approval of the Exchange, of a block of stock owned by such member or affiliated company where the securities are qualified under a prospectus or Exchange offering prospectus.~~

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~~"Guaranteeing" includes the becoming liable for, providing for or entering into an agreement (contingent or otherwise) having the effect or result of so becoming liable for or providing security for a person, including an agreement to purchase an investment, property or services, to supply funds, property or services or to make an investment primarily for the purpose of directly or indirectly enabling such person to perform its obligations in respect of such security or investment or assuring the investor of such performance.~~

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~~"Independent member" means a member that is not a related issuer in respect of the member that is acting as an advisor, agent or underwriter or as a member of a selling group with respect to a distribution of securities by an issuer.~~

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"Listed issuer" means an issuer ~~having any~~which has one or more classes of its securities listed for trading ~~on~~by the Exchange.

Amended April 2, 2012

"Listed security" means a security ~~that is~~ listed by the Exchange and posted for trading on the Exchange.

Amended April 2, 2012

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"Opening time" means the time fixed by the Board for the opening of Sessions of trading in ~~listed~~ securities.

Amended April 2, 2012

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~~"Private placement" means an issuance from treasury of securities for cash in reliance on one or more of the exempting provisions from the prospectus requirem~~

## RULE B.1.00 – POWER TO LIST AND DELIST

### B.1.01

- (1) Listing on the Exchange is a privilege, not a right. The decision as to whether an issuer shall have any of its securities listed on the Exchange is in the sole discretion of the Exchange. The Exchange may accept or refuse any application or may impose whatever conditions and restrictions on any Exchange Approval granted as the Exchange, in its sole discretion, considers necessary and advisable in the circumstances.
- (2) The Exchange shall examine all applications for listing and may list for trading such securities and on such tier, as the Exchange, in its sole discretion, may determine appropriate. Applications for listing shall be made in the form and accompanied by such documentation and supporting materials as are prescribed by the Exchange from time to time.
- (3) The fee for the listing of any securities shall be such sum or sums as are prescribed by the Exchange from time to time.
- (4) The Exchange shall have the power and discretion at any time to:
  - (a) suspend trading or delist ~~securities~~ a listed security from the Exchange or to revoke a suspension imposed on any security listed on the Exchange; and
  - (b) impose any conditions or restrictions on any decision made by the Exchange pursuant to section 4(a) above, as deemed necessary and advisable by the Exchange;

where the Exchange, in its discretion, is satisfied that:

- (c) there has been a failure to comply with any of the terms and conditions of listing, including the terms of the Listing Agreement;
- (d) there has been a failure to comply with or the contravention of any Exchange Requirement;
- (e) ~~suspend trading or delist securities from the Exchange or to revoke a suspension imposed on any security listed on the Exchange; and~~ Deleted April 2, 2012
- (f) trading in the issuer's securities has been halted or suspended for a period as specified in the Exchange Requirements; or
- (g) such action is necessary in the public interest.

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## **RULE B.2.00 – SPONSORSHIP AND SPONSOR REPORT**

### **B.2.01**

Sponsorship is required in regard to every application for New Listing, and every application by a Tier 2 [Listed](#) Issuer to conduct a Change of Business. Sponsorship may also be required by the Exchange in regard to other significant transactions by [Listed](#) Issuers where it is considered necessary or advisable by the Exchange. In making a determination as to whether an Issuer meets Exchange Requirements and is suitable for listing on the Exchange, the Exchange will rely heavily upon the fact that a Sponsor has agreed to sponsor the Issuer and has agreed to prepare and submit a Sponsor Report to the Exchange.

Unless otherwise defined, capitalized terms used in this Rule B.2.00 and the accompanying Policy Statements have the meanings set out in Policy 1.1 of the Corporate Finance Manual.

[Amended April 2, 2012](#)

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## RULE C.2.00 – TRADING PROCEDURES AND PRACTICES

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### Opening

#### C.2.04 – Execution of Trades at an Opening

- (1) Subject to Rule C.2.05, ~~listed~~ securities shall open for trading at the opening time and opening trades shall be at the Calculated Opening Price.

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~~Rule C.2.04~~ Amended ~~May 4, 2009~~ [April 2, 2012](#)

#### C.2.05 – Delayed Openings

- (1) A security shall not open for trading if, at the opening time, orders that are guaranteed to be filled pursuant to Rule C.2.04(2) cannot be completely filled by offsetting orders.
- (2) A Market Official may delay the opening of a security for trading on the Exchange if:
  - (a) the Calculated Opening Price exceeds price volatility parameters set by the Exchange; or
  - (b) the opening of another marketplace where the security is traded has been delayed.
- (3) If the opening of the ~~listed~~ security is delayed, a Market Official shall open the security for trading according to Exchange Requirements.

~~Rule C.2.05~~ Amended ~~May 4, 2009~~ [April 2, 2012](#)

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#### C.2.07 – Minimum Quotation Spread

*Unless otherwise fixed by the Board, orders for ~~listed~~ securities shall only be entered on the Exchange at the following price increments:*

<u>Increment</u>	
Selling under \$0.50	\$0.005
Selling at \$0.50 and over	\$0.010

Amended April 2, ~~2003~~ [2012](#)

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#### C.2.10 – Stop Loss Orders

A stop loss order to buy a ~~listed~~ security [on the Exchange](#) becomes a limit order when at least a board lot is traded at or above the stop loss price. A stop loss order to sell a ~~listed~~ security [on the Exchange](#) becomes a limit order when at least a board lot is traded at or below the stop loss price.

[Amended April 2, 2012](#)

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#### **C.2.19 – Trades on a "When Issued" Basis**

~~(1)~~ (1) The Exchange may post any security to trade on a when issued basis if such security is

(3) The Exchange will halt the trading of a posted security if:

(a) the security is subject to a regulatory halt; or

(b) the security is no longer listed by another exchange recognized in a jurisdiction in Canada or is suspended from trading by another exchange recognized in a jurisdiction in Canada.

Rule C.2.56 Added April 2, 2012

**RULE C.3.00 – CLEARING AND SETTLEMENT OF TRADES OF ~~LISTED~~ SECURITIES**

**C.3.01 – Definitions**

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## **RULE D.4.00 – LIMITATION OF LIABILITY AND INDEMNIFICATION**

### **D.4.01 – Definitions**

For the purposes of this section 1 only:

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"Trading system" includes all facilities and services provided by the Designated Markets to facilitate trading, including, but not limited to, electronic, remote or computer-based systems for trading, trade reporting or trade monitoring of ~~listed~~ securities, and over-the-counter securities; data entry, display and printing services; any other computer-based trading, monitoring and control systems and programs; communications facilities operated or maintained by the Designated Markets; trading or order routing systems operated or maintained by a Member or another market in conjunction with or integrated through facilities or systems operated or maintained by the Exchange; and price quotations and other market information provided by or through any of the Designated Markets.

[Amended April 2, 2012](#)

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## **Policy Statement CR11 Odd Lot Trading Policy**

1. Inventory of securities traded in odd lots is considered the property and the responsibility of the Odd Lot Member.
2. The Odd Lot Member may assign one or more of its own Approved Trader employee(s) as its Odd Lot Trader(s).
3. Each Odd Lot Member maloadtunu(b).2o

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