

Gouvernement du Québec

**O.C. 800-2015**, 9 September 2015

Supplemental Pension Plans Act  
(chapter R-15.1)

**Supplemental pension plans**  
— **Amendment**

Regulation to amend the Regulation respecting supplemental pension plans

WHEREAS the Régie des rentes du Québec may make regulations concerning the matters mentioned in the first paragraph of section 244 of the Supplemental Pension Plans Act (chapter R-15.1);

WHEREAS, under the fourth paragraph of that section, such a regulation, to the extent that it relates to the application, with or without amendment, of a standard of practice of the Canadian Institute of Actuaries, is not subject to the requirements of sections 8 and 17 of the Regulations Act (chapter R-18.1) as regards publication and the date of coming into force;

WHEREAS, on 19 June 2015, the Régie made the Regulation to amend the Regulation respecting supplemental pension plans, in respect of a standard of practice of the Canadian Institute of Actuaries, attached to this Order in Council;

WHEREAS, under the fifth paragraph of section 244 of the Supplemental Pension Plans Act, the regulations of the Régie shall be submitted to the Government for approval;

WHEREAS it is expedient to approve the Regulation;

IT IS ORDERED, therefore, on the recommendation of the Minister of Labour, Employment and Social Solidarity:

THAT the Regulation to amend the Regulation respecting supplemental pension plans, attached to this Order in Council, be approved.

JUAN ROBERTO IGLESIAS,  
*Clerk of the Conseil exécutif*

**Regulation to amend the Regulation respecting supplemental pension plans**

An Act respecting supplemental pension plans  
(chapter R-15.1, s. 244, 1st and 4th pars.)

**1.** Section 4 of the Regulation respecting supplemental pension plans (chapter R-15.1, r. 6) is amended by striking out “according to the revised version approved on 3 June 2010 by the Actuarial Standards Board of the Canadian Institute of Actuaries,” in the part preceding paragraph 1.

**2.** Section 67.4 is amended by replacing the first paragraph by the following:

“**67.4.** The assumptions referred to in the first paragraph of section 61 of the Act are those described in subsections 3530 and 3540 of the Standards of Practice of the Canadian Institute of Actuaries. The mortality table promulgated by the Actuarial Standards Board of the Institute on 9 June 2015, whose date of coming into force is 1 October 2015, must be used. The mortality table must be sex-specific.”

**3.** This Regulation comes into force on 1 October 2015.

102276

**M.O., 2015-11**

**Order number V-1.1-2015-11 of the Minister of Finance dated 9 September 2015**

Securities Act  
(chapter V-1.1)

CONCERNING the Regulation to amend Regulation 21-101 respecting marketplace operation and the Regulation to amend Regulation 23-101 respecting trading rules

WHEREAS subparagraphs 1, 2, 3, 9.1, 19, 32, 32.0.1 and 34 of section 331.1 of the Securities Act (chapter V-1.1) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act provide that a draft regulation shall be published in the *Bulletin de l’Autorité des marchés financiers*, accompanied with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the Regulation 21-101 respecting marketplace operation was made by decision no. 2001-C-0409 dated August 28, 2001 (*Bulletin hebdomadaire* vol. 32, no. 35, dated August 31, 2001);

WHEREAS the Regulation 23-101 respecting trading rules was made by decision no. 2001-C-0411 dated August 28, 2001 (*Bulletin hebdomadaire*, vol. 32, no 35, dated August 31, 2001);

WHEREAS there is cause to amend those regulations;

WHEREAS the draft Regulation to amend Regulation 21-101 respecting marketplace operation and the draft Regulation to amend Regulation 23-101 respecting trading rules were published in the *Bulletin de l'Autorité des marchés financiers*, vol. 11, no. 16 of April 24, 2014;

WHEREAS the *Autorité des marchés financiers* made, on August 11, 2015, by the decision no. 2015-PDG-0122, Regulation to amend Regulation 21-101 respecting marketplace operation and, by the decision no. 2015-PDG-0123, Regulation to amend Regulation 23-101 respecting trading rules;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation to amend Regulation 21-101 respecting marketplace operation and the Regulation to amend Regulation 23-101 respecting trading rules appended hereto.

9 September 2015

CARLOS LEITÃO,  
*Minister of Finance*

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**REGULATION TO AMEND REGULATION 21-101 RESPECTING  
MARKETPLACE OPERATION**

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (2), (3), (9.1), (32) and (32.0.1))

1. Section 1.1 of Regulation 21-101 respecting Marketplace Operation is amended:

(1) by inserting, in paragraph (c) of the definition of the expression “government debt security” and after the words “public body”, the words “in Canada”;

(2) by inserting, in the definition of the expression “information processor” and after the words “Form 21-101F5”, “and, in Québec, that is a recognized information processor”;

(3) by inserting, after the definition of the expression “order”, the following:

““participant dealer” means a participant dealer as defined in Part 1 of Regulation 23-103 respecting Electronic Trading and Direct Electronic Access to Marketplaces (chapter V-1.1, r. 7.1);”.

2. Section 3.2 of the Regulation is amended:

(1) by replacing, in paragraph (1), the words “in the manner set out in the Form” with the words “in the manner set out in the applicable form”;

(2) by inserting, after paragraph (1), the following:

“(1.1) A marketplace that has entered into an agreement with a regulation services provider under Regulation 23-101 respecting Trading Rules must not implement a significant change to a matter set out in Exhibit E – Operation of the Marketplace of Form 21-101F1 or Exhibit E – Operation of the Marketplace of Form 21-101F2 as applicable, or Exhibit I – Securities of Form 21-101F1 or Exhibit I – Securities of Form 21-101F2 as applicable, unless the marketplace has provided the applicable exhibit to its regulation services provider at least 45 days before implementing the change.”;

(3) by replacing, in paragraph (3), the words “the information provided in the Form” with the words “the information provided in the applicable form”;

(4) by inserting, after paragraph (3), the following:

“(4) The chief executive officer of a marketplace, or an individual performing a similar function, must certify in writing, within 30 days after the end of each calendar year, that the information contained in the marketplace’s current Form 21-101F1 or Form 21-101F2, as applicable, including the description of its operations, is true, correct, and complete and that the marketplace is operating as described in the applicable form.

“(5) A marketplace must file an updated and consolidated Form 21-101F1 or Form 21-101F2, as applicable, within 30 days after the end of each calendar year.”.

3. Section 4.1 of the Regulation is amended by replacing, in subparagraph (c) of paragraph (1), the words “auditor’s report” with the words “unmodified auditor’s report”.

4. Section 5.10 of the Regulation is amended by inserting, after paragraph (1), the following:

“(1.1) Despite subsection (1), a marketplace may release a marketplace participant’s order or trade information to a person if the marketplace

(a) reasonably believes that the information will be used solely for the purpose of capital markets research,

(b) reasonably believes that if information identifying, directly or indirectly, a marketplace participant or a client of the marketplace participant is released,

(i) it is required for the purpose of the capital markets research, and

(ii) that the research is not intended for the purpose of

(A) identifying a particular marketplace participant or a client of the marketplace participant, or

(B) identifying a trading strategy, transactions, or market positions of a particular marketplace participant or a client of the marketplace participant;

(c) has entered into a written agreement with each person that will receive the order and trade information from the marketplace that provides that

(i) the person must

(A) not disclose to or share any information with any person if that information could, directly or indirectly, identify a marketplace participant or a client of the marketplace participant without the marketplace’s consent, other than as provided under subparagraph (ii) below,

(B) not publish or otherwise disseminate data or information that discloses, directly or indirectly, a trading strategy, transactions, or market positions of a marketplace participant or a client of the marketplace participant,

(C) not use the order and trade information, or provide it to any other person for any purpose other than capital markets research,

(D) keep the order and trade information securely stored at all times,

(E) keep the order and trade information for no longer than a reasonable period of time after the completion of the research and publication process, and

(F) immediately inform the marketplace of any breach or possible breach of the confidentiality of the information provided,

(ii) the person may disclose order or trade information used in connection with research submitted to a publication if

(A) the information to be disclosed will be used solely for the purposes of verification of the research carried out by the person,

(B) the person must notify the marketplace prior to disclosing the information for verification purposes, and

(C) the person must obtain written agreement from the publisher and any other person involved in the verification of the research that the publisher or the other person will

(I) maintain the confidentiality of the information,

(II) use the information only for the purposes of verifying the research,

(III) keep the information securely stored at all times,

(IV) keep the information for no longer than a reasonable period of time after the completion of the verification, and

(V) immediately inform the marketplace of any breach or possible breach of the agreement or of the confidentiality of the information provided, and

(iii) the marketplace has the right to take all reasonable steps necessary to prevent or address a breach or possible breach of the confidentiality of the information provided or of the agreement.

“(1.2) A marketplace that releases a marketplace participant’s order or trade information under subsection (1.1) must

(a) promptly inform the regulator or, in Québec, the securities regulatory authority, in the event the marketplace becomes aware of any breach or possible breach of the confidentiality of the information provided or of the agreement, and

(b) take all reasonable steps necessary to prevent or address a breach or possible breach of the confidentiality of the information provided or of the agreement.”.

**5.** Section 5.12 of the Regulation is amended:

(1) by deleting, in the part preceding paragraph (a), “:” after the words “the marketplace must”;

(2) by replacing, in paragraphs (b) and (c), the words “key services and systems” with the words “key services or systems”;

(3) by deleting, in paragraph (e), “,” after the words “on behalf of the marketplace”.

6. The Regulation is amended by inserting, after section 5.12, the following:

**“5.13. Access Arrangements with a Service Provider**

If a third party service provider provides a means of access to a marketplace, the marketplace must ensure the third party service provider complies with the written standards for access that the marketplace has established pursuant to paragraph 5.1(2)(a) when providing the access services.”.

7. Section 6.7 of the Regulation is amended, in the French text, by replacing subparagraph (a) of paragraph (1) with the following:

“a) au cours d’au moins 2 des 3 derniers mois d’exploitation, la valeur totale en dollars du volume des opérations sur tout type de titre effectuées sur le SNP pendant un mois atteint au moins 10 % de la valeur totale en dollars du volume des opérations effectuées au cours du mois sur ce type de titre sur tous les marchés au Canada;”.

8. Section 7.1 of the Regulation is amended:

(1) by replacing, in paragraph (1), the word “shall” with the word “must”;

(2) by inserting, after paragraph (2), the following:

“(3) A marketplace that is subject to subsection (1) must not make the information referred to in that subsection available to any person before it makes that information available to an information processor or, if there is no information processor, to an information vendor.”.

9. Section 7.2 of the Regulation is replaced with the following:

**“7.2. Post-Trade Information Transparency – Exchange-Traded Securities**

(1) A marketplace must provide accurate and timely information regarding trades for exchange-traded securities executed on the marketplace to an information processor as required by the information processor or, if there is no information processor, to an information vendor that meets the standards set by a regulation services provider.

(2) A marketplace that is subject to subsection (1) must not make the information referred to in that subsection available to any person before it makes that information available to an information processor or, if there is no information processor, to an information vendor.”.

**10.** Section 10.1 of the Regulation is amended:

- (1) by replacing the part preceding paragraph (a) with the following:

“A marketplace must publicly disclose, on its website, information reasonably necessary to enable a person to understand the marketplace’s operations or services it provides, including, but not limited to, information related to”;

- (2) by inserting, after paragraph (h), the following, and making the necessary changes:

“(i) any access arrangements with a third party service provider, including the name of the third party service provider and the standards for access to be complied with by the third party service provider, and

“(j) the hours of operation of any testing environments provided by the marketplace, a description of any differences between the testing environment and production environment of the marketplace and the potential impact of these differences on the effectiveness of testing, and any policies and procedures relating to a marketplace’s use of uniform test symbols for purposes of testing in its production environment.”.

**11.** Section 11.2.1 of the Regulation is replaced with the following:

**“11.2.1. Transmission in Electronic Form**

A marketplace must transmit

(a) to a regulation services provider, if it has entered into an agreement with a regulation services provider in accordance with Regulation 23-101 respecting Trading Rules (chapter V-1.1, r. 6), the information required by the regulation services provider within 10 business days, in electronic form and in the manner requested by the regulation services provider; and

(b) to the securities regulatory authority the information required by the securities regulatory authority under securities legislation within 10 business days, in electronic form and in the manner requested by the securities regulatory authority.”.

**12.** Section 11.3 of the Regulation is amended, in paragraph (1):

(1) by replacing, in the part preceding subparagraph (a), the word “shall” with the word “must”;

(2) by inserting, after subparagraph (g), the following, and making the necessary changes:

“(h) a copy of any agreement referred to in section 5.10; and

(i) a copy of any agreement referred to in paragraph 5.12(c).”.

13. The Regulation is amended by replacing section 12.1 with the following:

**“12.1. System Requirements**

For each system, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, a marketplace shall

(a) develop and maintain

(i) an adequate system of internal control over those systems,

and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually,

(i) make reasonable current and future capacity estimates,

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the regulator or, in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any material systems failure, malfunction, delay or security breach and provide timely updates on the status of the failure, malfunction, delay or security breach, the resumption of service and the results of the marketplace’s internal review of the failure, malfunction, delay or security breach.

**“12.1.1. Auxiliary Systems**

For each system that shares network resources with one or more of the systems, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, that, if breached, would pose a security threat to one or more of the previously mentioned systems, a marketplace must

(a) develop and maintain an adequate system of information security controls that relate to the security threats posed to any system that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, and

(b) promptly notify the regulator, or in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any material security breach and provide timely updates on the status of the breach, the resumption of service, where applicable, and the results of the marketplace’s internal review of the security breach.”.



**14.** Section 12.2 of the Regulation is replaced with the following:

**“12.2. System Reviews**

(1) A marketplace must annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards to ensure that the marketplace is in compliance with

- (a) paragraph 12.1(a),
- (b) section 12.1.1, and
- (c) section 12.4.

(2) A marketplace must provide the report resulting from the review conducted under subsection (1) to

(a) its board of directors, or audit committee, promptly upon the report's completion, and

(b) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30<sup>th</sup> day after providing the report to its board of directors or the audit committee or the 60<sup>th</sup> day after the calendar year end.”.

**15.** Section 12.3 of the Regulation is amended:

(1) by replacing, in paragraphs (1) and (2), the word “shall” with the word “must”;

(2) by replacing paragraph (3) with the following:

“(3) A marketplace must not begin operations before

(a) it has complied with paragraphs (1)(a) and (2)(a),

(b) its regulation services provider, if applicable, has confirmed to the marketplace that trading may commence on the marketplace, and

(c) the chief information officer of the marketplace, or an individual performing a similar function, has certified in writing to the regulator, or in Québec, the securities regulatory authority, that all information technology systems used by the marketplace have been tested according to prudent business practices and are operating as designed.

“(3.1) A marketplace must not implement a material change to the systems referred to in section 12.1 before

(a) it has complied with paragraphs (1)(b) and (2)(a), and

(b) the chief information officer of the marketplace, or an individual performing a similar function, has certified in writing to the regulator, or in Québec, the securities regulatory authority, that the change has been tested according to prudent business practices and is operating as designed.”;

(3) by replacing, in paragraph (4), the words “Paragraphs 12.3(1)(b) and 2(b) do” with the words “Subsection (3.1) does”.

16. The Regulation is amended by inserting, after section 12.3, the following:

**“12.3.1. Uniform Test Symbols**

A marketplace must use uniform test symbols, as set by a regulator, or in Québec, the securities regulatory authority, for the purpose of performing testing in its production environment.”.

17. Section 12.4 of the Regulation is replaced with the following:

**“12.4. Business Continuity Planning**

(1) A marketplace must

(a) develop and maintain reasonable business continuity plans, including disaster recovery plans, and

(b) test its business continuity plans, including disaster recovery plans, according to prudent business practices on a reasonably frequent basis and, in any event, at least annually.

(2) A marketplace with a total trading volume in any type of security equal to or greater than 10% of the total dollar value of the trading volume in that type of security on all marketplaces in Canada during at least two of the preceding three months of operation must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, and trade clearing, can resume operations within two hours following the declaration of a disaster by the marketplace.

(3) A recognized exchange or quotation and trade reporting system, that directly monitors the conduct of its members or users and enforces requirements set under section 7.1(1) or 7.3(1) of Regulation 23-101 respecting Trading Rules (chapter V-1.1, r. 6), must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the marketplace, that is critical and supports real-time market surveillance, can resume operations within two hours following the declaration of a disaster at the primary site by the exchange or quotation and trade reporting system.

(4) A regulation services provider, that has entered into a written agreement with a marketplace to conduct market surveillance for the marketplace, must establish, implement, and maintain policies and procedures reasonably designed to ensure that each system, operated by or on behalf of the regulation services provider, that is critical and supports real-time market surveillance can resume operations within two hours following the declaration of a disaster at the primary site by the regulation services provider.”.

18. The Regulation is amended by inserting, after section 12.4, the following:

**“12.4.1. Industry-Wide Business Continuity Tests**

A marketplace, recognized clearing agency, information processor, and participant dealer must participate in all industry-wide business continuity tests, as determined by a regulation services provider, regulator, or in Québec, the securities regulatory authority.”.

19. Section 13.1 of the Regulation is amended:

1° by replacing, in paragraph (1), the word “shall” with the word “must”;

2° by replacing, in paragraphs (2) and (3), the word “shall” with the word “must”, wherever it appears, and the words “and settled” with the words “to a clearing agency”.

20. The Regulation is amended by inserting, after section 13.1, the following:

**“13.2. Access to Clearing Agency of Choice**

(1) A marketplace must report a trade in a security to a clearing agency designated by a marketplace participant.

(2) Subsection (1) does not apply to a trade in a security that is a standardized derivative or an exchange-traded security that is an option.”.

21. Section 14.4 of the Regulation is amended:

(1) par replacing, in paragraphs (1) to (3), the word “shall” with the word “must”;

(2) by replacing, in paragraph (4), the words “shall establish in a timely manner an electronic connection” with the words “must establish in a timely manner an electronic connection or changes to an electronic connection”;

(3) by replacing, wherever it appears in paragraph (5), the word “shall” with the word “must”;

(4) by inserting, after paragraph (6), the following:

“(6.1) If an information processor is operated as a division or unit of a person, the person must file the income statement and the statement of cash flow of the information processor and any other information necessary to demonstrate the financial condition of the information processor within 90 days after the end of the financial year of the person.”;

(5) by inserting, after paragraph (7), the following:

“(7.1) If an information processor is operated as a division or unit of a person, the person must file the financial budget relating to the information processor within 30 days of the start of the financial year of the person.”.

22. Section 14.5 of the Regulation is amended:

(1) by replacing, in the part preceding paragraph (a), the word “shall” with the word “must”;

(2) by replacing, in the French text of subparagraph (ii) of paragraph (b), the words “tests aux marges” with the words “simulations de crise”;

(3) by replacing subparagraph (ii) of paragraph (d) with the following:

“(ii) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30<sup>th</sup> day after providing the report to its board of directors or the audit committee or the 60<sup>th</sup> day after the calendar year end, and”.

23. Section 14.6 of the Regulation is replaced with the following:

**“14.6. Business Continuity Planning**

An information processor must

(a) develop and maintain reasonable business continuity plans, including disaster recovery plans,

(b) test its business continuity plans, including disaster recovery plans, according to prudent business practices and on a reasonably frequent basis and, in any event, at least annually, and

(c) establish, implement, and maintain policies and procedures reasonably designed to ensure that its critical systems can resume operations within one hour following the declaration of a disaster by the information processor.”.

24. Section 14.7 of the Regulation is amended by replacing, in the part preceding paragraph (a), the words “with this Regulation, or other than a securities regulatory authority, unless” with the words “with this Regulation or a securities regulatory authority, unless”.

25. Form 21-101F1 of the Regulation is amended:

(1) by inserting, in the section “**Type of filing**” and after the words “**AMENDMENT**”, the words “; **AMENDMENT No.**”;

(2) by inserting, in paragraph (2) of Exhibit C and after the words “including their mandates”, the words “and the Board mandate”;

(3) by replacing, in the paragraph under “**EXHIBITS**”, the word “shall” with the word “must”;

(4) in Exhibit E:

(a) by replacing the second sentence of the first paragraph with the following:

“This must include, but is not limited to, a description of the following:”;

(b) by replacing, in items 7, 8, 9 and 10, the word “Description” with the words “A description”;

(c) by inserting, at the end of this exhibit, the following sentence:

“The filer must provide all material contracts related to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.”;

(5) by inserting, after paragraph (3) of Exhibit F, the following:

4. A copy of the marketplace’s policies and procedures for the selection of service providers to which key services and systems may be outsourced and for the evaluation and approval of such outsourcing arrangements that are established and maintained pursuant to paragraph 5.12(a) of Regulation 21-101 respecting Marketplace Operation.

5. A description of any conflicts of interest between the marketplace and the service provider to which key services and systems are outsourced and a copy of the policies and procedures to mitigate and manage such conflicts of interest that have been established pursuant to paragraph 5.12(b) of Regulation 21-101 respecting Marketplace Operation.

6. A description of the measures the marketplace has taken pursuant to paragraph 5.12(f) of Regulation 21-101 respecting Marketplace Operation to ensure that the service provider has established, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan.

7. A description of the measures the marketplace has taken pursuant to paragraph 5.12(g) of Regulation 21-101 respecting Marketplace Operation to ensure that the service provider protects the proprietary order, trade or any other confidential information of the participants of the marketplace.

8. A copy of the marketplace’s processes and procedures to regularly review the performance of a service provider under an outsourcing arrangement that are established pursuant to paragraph 5.12(h) of Regulation 21-101 respecting Marketplace Operation.”;

(6) by replacing Exhibit G with the following:

**“Exhibit G – Systems and Contingency Planning**

*General*

Provide:

1. A high level description of the marketplace’s systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing,

2. An organization chart of the marketplace’s information technology group unless otherwise provided as part of the report required by subsection 12.2(1) of the Regulation.

*Business Continuity Planning*

Please provide a description of the marketplace's business continuity and disaster recovery plans that includes, but is not limited to, information regarding the following:

1. Where the primary processing site is located.
2. What the approximate percentage of hardware, software and network redundancy is at the primary site.
3. Any uninterruptible power source (UPS) at the primary site.
4. How frequently market data is stored off-site.
5. Any secondary processing site, the location of any such secondary processing site, and whether all of the marketplace's critical business data is accessible through the secondary processing site.
6. The creation, management, and oversight of the plans, including a description of responsibility for the development of the plans and their ongoing review and updating.
7. Escalation procedures, including event identification, impact analysis, and activation of the plans in the event of a disaster or disruption.
8. Procedures for internal and external communications, including the distribution of information internally, to the securities regulatory authority, and, if appropriate, to the public, together with the roles and responsibilities of marketplace staff for internal and external communications.
9. The scenarios that would trigger the activation of the plans.
10. How frequently the business continuity and disaster recovery plans are tested.
11. Procedures for record keeping in relation to the review and updating of the plans, including the logging of tests and deficiencies.
12. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace and the service level to which such systems are to be restored.
13. Any single points of failure faced by the marketplace.

*Systems Capacity*

Please provide information regarding:

1. How frequently future market activity is evaluated in order to adjust processing capacity.
2. The approximate excess capacity maintained over average daily transaction volumes.
3. How often or at what point stress testing is performed.

*Systems*

Please provide information regarding:

1. Whether the trading engine was developed in-house or by a commercial vendor.
2. Whether the trading engine is maintained in-house or by a commercial vendor and provide the name of the commercial vendor, if applicable.
3. The marketplace's networks. Please provide a copy of a high-level network diagram of the systems referred to in section 12.1 of the Regulation, as applicable, together with a description of the external points of contact for the marketplace's networks.
4. The message protocols supported by the marketplace's systems.
5. The transmission protocols used by the marketplace's systems.

*IT Risk Assessment*

Please describe the IT risk assessment framework, including:

1. How the probability and likelihood of IT threats are considered.
2. How the impact of risks are measured according to qualitative and quantitative criteria.
3. The documentation process for acceptable residual risks with related offsets.
4. The development of management's action plan to implement a risk response to a risk that has not been accepted.”;

(7) by replacing, in paragraph 1 of Exhibit J, the words “described in Exhibit E.4” with the words “described in Exhibit E item 4”;

(8) by replacing item 4 of Exhibit K with the following:

“4. The class of participation or other access. Please identify if the marketplace participant accesses the marketplace through co-location.”;

(9) by inserting, in item 2 of Exhibit M, the words “a copy of” after the words “and its members, provide”, and by deleting “.” after the words “the regulation services provider”.

**26.** Form 21-101F2 of the Regulation is amended:

(1) by replacing, in the title, the words “**INITIAL OPERATION REPORT**” with the words “**INFORMATION STATEMENT**”;

(2) by inserting, in the section “**TYPE OF FILING**” and after the words “**AMENDMENT**”, the words “; **AMENDMENT No.**”;

(3) by inserting, in item 12, the words “name of” before the words “regulation services provider”;

(4) by replacing, in the first paragraph under “**EXHIBITS**”, the word “shall” with the word “must”;

(5) in Exhibit E:

(a) by replacing the second sentence in the part preceding paragraph 1 with the following:

“This must include, but is not limited to, a description of the following.”;

(b) by replacing, in items 7, 8, 9 and 10, the word “Description” with the words “A description”;

(c) by inserting, at the end of the exhibit, the following sentence:

“The filer must provide all material contracts relating to order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing.”;

(6) in Exhibit F:

(a) by replacing, in the part preceding paragraph 1, the words “the routing, trading, execution, clearing and settlement,” with the words “routing, trading, execution, clearing and settlement, data”;

(b) by inserting, after paragraph 3, the following:

“4. A copy of the marketplace’s policies and procedures for the selection of service providers to which key services and systems may be outsourced and for the evaluation and approval of such outsourcing arrangements that are established and maintained pursuant to subsection 5.12(a) of Regulation 21-101 respecting Marketplace Operation.

5. A description of any conflicts of interest between the marketplace and the service provider to which key services and systems are outsourced and a copy of the policies and procedures to mitigate and manage such conflicts of interest that have been established pursuant to subsection 5.12(b) of Regulation 21-101 respecting Marketplace Operation.



6. A description of the measures the marketplace has taken pursuant to subsection 5.12(f) of Regulation 21-101 respecting Marketplace Operation to ensure that the service provider has established, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan.

7. A description of the measures the marketplace has taken pursuant to subsection 5.12(g) of Regulation 21-101 respecting Marketplace Operation to ensure that the service provider protects the proprietary order, trade or any other confidential information of the participants of the marketplace.

8. A copy of the marketplace's processes and procedures to regularly review the performance of a service provider under an outsourcing arrangement that are established pursuant to subsection 5.12(h) of Regulation 21-101 respecting Marketplace Operation.”;

(7) by replacing Exhibit G with the following:

**“Exhibit G – Systems and Contingency Planning**

*General*

Provide:

1. A high level description of the marketplace's systems that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing.

2. An organization chart of the marketplace's information technology group unless otherwise provided as part of the report required by subsection 12.2(1) of the Regulation.

*Business Continuity Planning*

Please provide a description of the marketplace's business continuity and disaster recovery plans that includes, but is not limited to, information regarding the following:

1. Where the primary processing site is located.
2. What the approximate percentage of hardware, software and network redundancy is at the primary site.
3. Any uninterruptible power source (UPS) at the primary site.
4. How frequently market data is stored off-site.
5. Any secondary processing site, the location of any such secondary processing site, and whether all of the marketplace's critical business data is accessible through the secondary processing site.
6. The creation, management, and oversight of the plans, including a description of responsibility for the development of the plans and their ongoing review and updating.

7. Escalation procedures, including event identification, impact analysis, and activation of the plans in the event of a disaster or disruption.

8. Procedures for internal and external communications, including the distribution of information internally, to the securities regulatory authority, and, if appropriate, to the public, together with the roles and responsibilities of marketplace staff for internal and external communications.

9. The scenarios that would trigger the activation of the plans.

10. How frequently the business continuity and disaster recovery plans are tested.

11. Procedures for record keeping in relation to the review and updating of the plans, including the logging of tests and deficiencies.

12. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the marketplace and the service level to which such systems are to be restored.

13. Any single points of failure faced by the marketplace.

#### *Systems Capacity*

Please provide information regarding:

1. How frequently future market activity is evaluated in order to adjust processing capacity.

2. The approximate excess capacity maintained over average daily transaction volumes.

3. How often or at what point stress testing is performed.

#### *Systems*

Please provide information regarding:

1. Whether the trading engine was developed in-house or by a commercial vendor.

2. Whether the trading engine is maintained in-house or by a commercial vendor and provide the name of the commercial vendor, if applicable.

3. The marketplace's networks. Please provide a copy of a high-level network diagram of the systems referred to in section 12.1 of the Regulation, as applicable, together with a description of the external points of contact for the marketplace's networks.

4. The message protocols supported by the marketplace's systems.

5. The transmission protocols used by the marketplace's systems.

*IT Risk Assessment*

Please describe the IT risk assessment framework, including:

1. How the probability and likelihood of IT threats are considered.
2. How the impact of risks are measured according to qualitative and quantitative criteria.
3. The documentation process for acceptable residual risks with related offsets.
4. The development of management's action plan to implement a risk response to a risk that has not been accepted.”;

(8) by inserting, in Exhibit I, the word “list” after the words “If this is an initial filing.”;

(9) in Exhibit J:

(a) by replacing, in paragraph 1, the words “described in Exhibit E.4” with the words “described in Exhibit E item 4”;

(b) by deleting, in paragraph 2, “,” after the word “institution”;

(10) by replacing item 4 of Exhibit K with the following:

“4. The class of participation or other access. Please identify if the marketplace participant accesses the marketplace through co-location.”.

**27.** Form 21-101F3 of the Regulation is amended:

(1) in section A:

(a) by replacing items 4 to 7 with the following:

“4. A list of all amendments in the information in Form 21-101F1 or 21-101F2 that were filed with the Canadian securities regulatory authorities and implemented during the period covered by the report. The list must include a brief description of each amendment, the date filed and the date implemented.

5. A list of all amendments in the information in Form 21-101F1 or 21-101F2 that have been filed with the Canadian securities regulatory authorities but not implemented as of the end of the period covered by the report. The list must include a brief description of each amendment, the date filed and the reason why it was not implemented.

6. Systems - If any outages occurred at any time during the period for any system relating to trading activity, including trading, routing or data, provide the date, duration, reason for the outage and its resolution.

7. Systems Changes – A brief description of any significant changes to the systems and technology used by the marketplace that support order entry, order routing, execution, trade reporting, trade comparison, data feeds, co-location and if applicable, market surveillance and trade clearing that were planned, under development, or implemented during the quarter. Please provide the current status of the changes that are under development.”;

(b) be deleting item 8;

(2) in section B:

(a) by replacing, in item 1 of Section 1, the word “should” with the words “must”;

(b) by replacing Chart 2 of Section 1 with the following:

**“Chart 2 – Crosses**

<b>Types of Crosses</b>	<b>Volume</b>	<b>Value</b>	<b>Number of Trades</b>
1. Intentional Crosses <sup>1</sup>			
2. Internal crosses			
3. Other crosses			

”;

(c) by replacing Chart 3 of Section 1 with the following:

**“Chart 3 – Order information**

<b>Types of Orders</b>	<b>Number of Orders</b>	<b>Orders Executed</b>	<b>Orders Cancelled<sup>2</sup></b>
1. Anonymous <sup>3</sup>			
2. Fully transparent			
3. Pegged Orders			
4. Fully hidden			
5. Separate dark facility of a transparent market			
6. Partially hidden (reserve)			
7. Total number of orders entered during the quarter			

”;

(d) by replacing, wherever it appears in item 5 of Section 1, the word “should” with the word “must”;

(e) by deleting item 7 of Section 1;

(f) by adding, in item 1 of Section 2, the words “during the quarter” after the words “regular trading hours”;

(g) by replacing item 2 and Chart 8 of Section 2 with the following:

**“2. Trading by security** – Provide the details requested in the form set out in Chart 8 below for each fixed income security traded on the marketplace (during regular trading hours during the quarter. Enter “None”, “N/A”, or “0” where appropriate.

Chart 8 – Traded fixed income securities

Category of Securities	Value Traded	Number of Trades
Domestic Unlisted Debt Securities - <b>Government</b> 1. Federal [Enter issuer, maturity, coupon]		
2. Federal Agency [Enter issuer, maturity, coupon]		
3. Provincial and Municipal [Enter issuer, maturity, coupon]		
Domestic Unlisted Debt Securities – <b>Corporate</b> [Enter issuer, maturity, coupon]		
Domestic Unlisted Debt Securities – <b>Other</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Government</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Corporate</b> [Enter issuer, maturity, coupon]		
Foreign Unlisted Debt Securities – <b>Other</b> [Enter issuer, maturity, coupon]		

”;

(h) by replacing, in item 3 of Section 2, the word “should” with the word “must”;

(i) by replacing, wherever it appears in items 1 and 2 of Section 4, the word “should” with the word “must”;

(j) by replacing Chart 15 of Section 4 with the following:

**“Chart 15 – Trades resulting from pre-negotiation discussions**

<b>Type of Trade</b>	<b>Volume</b>	<b>Number of Trades</b>
<b>Futures Products</b>		
A. Cross		
B. Pre-arranged		
C. Block		
D. Exchange for physical		
E. Exchange for risk		
F. Riskless basis cross		
G. Others, please specify		
<b>Options Products</b>		
A. Cross		
B. Pre-arranged		
C. Block		
D. Others, please specify		

”;

(k) by replacing, in item 3 of Section 4, the word “should” with the word “must”;

(l) by replacing Chart 16 of Section 4 with the following:

“Chart 16 – Order information

Type of Orders	Volume	Number of Trades
1. Anonymous		
2. Fully transparent		
3. Pegged orders		
4. Fully hidden		
5. Separate dark facility of a transparent market		
6. Partially hidden (reserve, for example, iceberg orders)		

”;

(m) by replacing, wherever it appears in items 4 and 5 of Section 4, the word “should” with the word “must”;

(n) by deleting item 6 of Section 4.

**28.** Form 21-101F5 of the Regulation is amended:

(1) by replacing, in the title, the words “**INITIAL OPERATION REPORT FOR**” with the words “**INFORMATION STATEMENT**”;

(2) by inserting, in section “**TYPE OF FILING**” and after the word “**AMENDMENT**”, the words “; **AMENDMENT No.**”;

(3) under “**EXHIBITS**”:

(a) by replacing, in the first paragraph, the word “shall” with the word “must”;

(b) by inserting, in the second paragraph, “,” before the words “provide a description”;

(4) by inserting, in item 1 of Exhibit C, “,” after the words “standing committees of the board” and “previous year”;



- (5) in Exhibit G:
- (a) in paragraph 1:
- (i) by replacing the word “should” with the word “must”;
- (ii) by replacing, in item 5, the word “Description” with the words “A description”;
- (b) by replacing, in paragraph 3, the word “should” with the word “must”;
- (c) by replacing, in the French text of paragraph 10, the words “tests aux marges” with the words “simulations de crise”;
- (6) by replacing paragraph 2 of Exhibit J with the following:
- “2. Where arrangements exist to share revenue from the sale of data disseminated by the information processor with marketplaces, inter-dealer bond brokers and dealers that provide data to the information processor in accordance with Regulation 21-101 respecting Marketplace Operation, provide a complete description of the arrangements and the basis for these arrangements.”;
- (7) by replacing, in paragraph 3 of Exhibit K, the word “who” with the word “that”;
- (8) by replacing, wherever it appears in Exhibit M, the word “should” with the word “must”.

**29.** The Regulation is amended by replacing, wherever it appears, the word “should” with the word “must”.

**30.** This Regulation comes into force on October 1, 2015.

## **REGULATION TO AMEND REGULATION 23-101 RESPECTING TRADING RULES**

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (2), (9.1), (32) and (32.0.1))

1. Section 5.1 of Regulation 23-101 respecting Trading Rules is amended by replacing the words “no person shall” with the words “a person must not”.
2. Section 6.7 of the Regulation is amended by replacing the words “No person shall” with the words “A person must not”.
3. Section 6.8 of the Regulation is replaced with the following:

### **“6.8. Application of this Part**

In Québec, this Part, except for paragraph 6.3(1)(c), does not apply to standardized derivatives.”.

4. Section 7.1 of the Regulation is amended by adding, after paragraph (2), the following:

“(3) If a recognized exchange has entered into a written agreement under section 7.2, the recognized exchange must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized exchange and the conduct of the exchange’s members, and that enable the regulation services provider to effectively monitor trading on the exchange and across marketplaces.”.

5. Section 7.2 of the Regulation is replaced with the following:

### **“7.2. Agreement between a Recognized Exchange and a Regulation Services Provider**

A recognized exchange that monitors the conduct of its members indirectly through a regulation services provider shall enter into a written agreement with the regulation services provider which provides that the regulation services provider will:

- (a) monitor the conduct of the members of the recognized exchange,
- (b) monitor the compliance of the recognized exchange with the requirements set under subsection 7.1(3), and
- (c) enforce the requirements set under subsection 7.1(1).”.

6. The Regulation is amended by inserting, after section 7.2, the following:

**“7.2.1. Obligations of a Recognized Exchange to a Regulation Services Provider**

A recognized exchange that has entered into a written agreement with a regulation services provider must

(a) transmit to the regulation services provider the information required under Part 11 of Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5) and any information reasonably required by the regulation services provider in the form and manner requested by the regulation services provider to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.1(1), and

(ii) the conduct of the recognized exchange, including the compliance of the recognized exchange with the requirements set under subsection 7.1(3); and

(b) comply with all orders or directions made by the regulation services provider.”.

7. Section 7.3 of the Regulation is amended by adding, after paragraph (2), the following:

“(3) If a recognized quotation and trade reporting system has entered into a written agreement under section 7.4, the recognized quotation and trade reporting system must adopt requirements, as determined necessary by the regulation services provider, that govern the recognized quotation and trade reporting system and the conduct of the quotation and trade reporting system’s users, and that enable the regulation services provider to effectively monitor trading on the recognized quotation and trade reporting system and across marketplaces.”.

8. Section 7.4 of the Regulation is replaced with the following:

**“7.4. Agreement between a Recognized Quotation and Trade Reporting System and a Regulation Services Provider**

A recognized quotation and trade reporting system that monitors the conduct of its users indirectly through a regulation services provider must enter into a written agreement with the regulation services provider which provides that the regulation services provider will

(a) monitor the conduct of the users of the recognized quotation and trade reporting system,

(b) monitor the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3), and

(c) enforce the requirements set under subsection 7.3(1).”.

9. The Regulation is amended by inserting, after section 7.4, the following:

**“7.4.1. Obligations of a Quotation and Trade Reporting System to a Regulation Services Provider**

A recognized quotation and trade reporting system that has entered into a written agreement with a regulation services provider must

(a) transmit to the regulation services provider the information required under Part 11 of Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5) and any information reasonably required by the regulation services provider in the form and manner requested by the regulation services provider to effectively monitor:

(i) the conduct of and trading by marketplace participants on and across marketplaces, including the compliance of marketplace participants with the requirements set under subsection 7.3(1), and

(ii) the conduct of the recognized quotation and trade reporting system, including the compliance of the recognized quotation and trade reporting system with the requirements set under subsection 7.3(3); and

(b) comply with all orders or directions made by the regulation services provider.”.

10. Section 10.2 of the Regulation is amended by replacing, in the part preceding paragraph (a), the word “shall” with the word “must” and the words “an agreement” with the words “a written agreement”.

11. The Regulation is amended by replacing, wherever it appears, the word “shall” with the word “must”.

12. This Regulation comes into force on October 1, 2015.