

**AMENDMENTS TO POLICY STATEMENT TO REGULATION 21-101
RESPECTING MARKETPLACE OPERATION**

1. Section 10.1 of *Policy Statement to Regulation 21-101 respecting Marketplace Operation* is replaced with the following:

“10.1. Information Transparency Requirements for Unlisted Debt Securities

(1) The requirements for pre-trade transparency of orders for unlisted debt securities set out in sections 8.1 and 8.2 of the Regulation have not been implemented by reason of the exception provided for in section 8.6 of the Regulation and the fact that no pre-trade requirements have been set by an information processor for corporate debt securities.

(2) The requirements for post-trade transparency of trades in unlisted debt securities are set out in sections 8.1 and 8.2 of the Regulation. The detailed reporting requirements, determined by the Canadian securities regulatory authorities and implemented through the information processor, such as who must report information, deadlines for reporting, delays in publication of information and caps on displayed volume are articulated in this Policy Statement and in Form 21-101F5.

(3) Sections 8.1 and 8.2 of the Regulation require persons executing trades in unlisted debt securities by or through that person to report these trades to the information processor. Specifically, such persons are currently marketplaces, dealers, inter-dealer bond brokers and banks listed in Schedule I, II and III of the *Bank Act* (S.C., 1991, c. 46).

(4) The detailed reporting requirements for trades in unlisted debt securities include, but are not limited to details as to the type of issuer, coupon and maturity, last traded price, last traded yield, date and time of execution, settlement date, the type of transaction, the volume transacted (subject to volume caps), as required by the information processor.

(5) Details of the volume transacted will be subject to volume caps as follows:

(a) If the total par value of a trade of an investment grade corporate debt security is greater than \$2 million, the information processor will display it as “\$2 million+”. If the total par value of a trade of a non-investment grade corporate debt security is greater than \$200,000, the information processor will display it as “\$200,000+”.

(b) For government debt securities the volume transacted will be displayed by the information processor in accordance with the chart below:

\$10M	\$5M	\$2M	250K
Government of Canada Bills (GoC Bills)	Government of Canada nominal bonds with over 10 years remaining to maturity (GoC>10)	All provincial debt securities including Real Return Bonds, Strip Coupons and Residuals	Québec municipal debt securities
Government of Canada nominal bonds with 10 or less years remaining to maturity (GoC <=10)		All municipal debt securities, except those issued in Québec	
		All other agency debt securities	
All Canada Mortgage		Government of Canada Real Return	

Bonds (CMB)		Bonds	
		Government of Canada Strip Coupons and Residuals	

(6) The information processor may propose changes to its transparency requirements by filing an amendment to Form 21-101F5 with the Canadian securities regulatory authorities pursuant to subsection 14.2(1) of the Regulation. The Canadian securities regulatory authorities will review the amendment to Form 21-101F5 to determine whether the proposed changes are contrary to the public interest, to ensure fairness and to ensure that there is an appropriate balance between the standards of transparency and market quality (defined in terms of market liquidity and efficiency) in each area of the market. Any initial transparency requirements and any proposed changes will be subject to consultation with market participants through a notice and comment process, prior to approval by the Canadian securities regulatory authorities.”.

2. Sections 10.2 of the Policy Statement is repealed.
3. Section 10.3 of the Policy Statement is replaced with the following:

“10.3. Consolidated Feed

Section 8.3 of the Regulation requires the information processor to produce accurate consolidated information on a timely basis showing the information provided to the information processor under sections 8.1 and 8.2 of the Regulation. The Canadian securities regulatory authorities have determined that information about trades in unlisted debt securities should be displayed by the information processor at 5:00 pm the day after the trade was executed by or through a person (T+1 at 5:00 pm ET).”.

4. Section 16.1 of the Policy Statement is amended by replacing, in paragraph (2), the words “marketplaces, inter-dealer bond brokers and dealers” with the word “persons” and the words “marketplace, inter-dealer bond broker or dealer” with the word “person”.

5. Section 16.2 of the Policy Statement is amended:

- (1) by deleting, in paragraph (1), the following sentence:

“In Québec, a person may carry on the activity of an information processor only if it is recognized by the securities regulatory authority.”;

- (2) by adding, after paragraph (3), the following:

“(4) The specific authority of securities regulatory authorities to allow a person to act as an information processor for the purposes of the Regulation may differ, depending on the relevant legislative framework. For instance, in Québec, a person may carry on the activity of an information processor, only if it is recognized or exempted by the securities regulatory authority. In certain other jurisdictions, a person may be designated an information processor, subject to the relevant requirements in securities legislation or may otherwise be allowed to act as an information processor, if it is in the public interest”.

6. Section 16.3 of the Policy Statement is amended:

- (1) by replacing, in paragraph (c), the words “marketplaces, inter-dealer bond brokers and dealers” with the word “persons”;

- (2) by replacing paragraph (k) with the following:

“(k) in the case of an information processor for corporate debt securities or government debt securities, changes to the information referred to in paragraph 14.8(b) of the Regulation.”.