

Regulation to amend National Instrument 23-101 Trading Rules

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (2), (3), (8), (9.1), (11), (15), (26), (32) and (34))

1. The title of National Instrument 23-101 Trading Rules is replaced with the following:

“Regulation 23-101 respecting Trading Rules”.

2. Section 1.1 of the National Instrument is repealed.

3. Section 1.2 of the National Instrument is replaced with the following:

“**1.2 Interpretation** - Terms defined or interpreted in Regulation 21-101 respecting Marketplace Operation, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001, and used in this Regulation have the respective meanings ascribed to them in Regulation 21-101 respecting Marketplace Operation.”.

4. Section 2.1 of the National Instrument is amended by replacing the word “Instrument” with the word “Regulation” and the words “the rules, policies and other similar instruments” with the words “similar requirements”.

5. Section 3.1 of the National Instrument is amended by replacing paragraph (2) with the following:

“(2) In Alberta, British Columbia, Ontario, Québec and Saskatchewan, instead of subsection (1), the provisions of the Securities Act (R.S.A. 2000, c. S-4), the Securities Act (R.S.B.C. 1996, ch. 418), the Securities Act (R.S.O. 1990, c. S.5), the Securities Act (R.S.Q., c.V-V-1.1) and The Securities Act, 1988 (S.S. 1988-89, c. S-42.2), respectively, relating to manipulation and fraud apply.”.

6. Section 7.2 of the National Instrument is amended by replacing, in paragraph (a), “recognized exchange and its members” with “members of a recognized exchange”.

7. Section 7.4 of the National Instrument is amended by replacing, in paragraph (a), “recognized quotation and trade reporting system and its users” with “users of a recognized quotation and trade reporting system”.

8. Section 8.4 of the National Instrument is amended by inserting, in paragraph (c), the words “in its capacity as a regulation services provider” after the words “orders or directions made by the regulation services provider”.

9. Section 8.5 of the National Instrument is repealed.

10. Section 9.3 of the National Instrument is amended by deleting paragraph (2).

11. Section 10.3 of the National Instrument is repealed.

12. Section 11.1 of the National Instrument is amended:

(1) by inserting “1)” before the words “Application of this part”;

(2) by inserting the following paragraph:

“(2) A dealer or inter-dealer bond broker is exempt from this Part if the dealer or inter-dealer bond broker complies with similar requirements, for any securities specified, established by a regulation services provider and approved by the applicable securities regulatory authority.”.

13. Section 11.2 of the National Instrument is amended:

(1) in paragraph 1:

(a) by replacing “for securities” with “for equity, fixed income and other securities identified by a regulation services provider”;

(b) by inserting the following subparagraphs at the end and making the necessary changes:

“(r) an insider marker; and

(s) any other markers required by a regulation services provider.”;

(2) by replacing paragraphs (5) and (6) with the following:

“(5) **Transmittal of Order Information** – A dealer and inter-dealer bond broker shall record and shall transmit within 10 business days to a securities regulatory authority or a regulation services provider the information required by the securities regulatory authority or the regulation services provider, in electronic form, as required by the securities regulatory authority or the regulation services provider.

(6) **Electronic Form** – The record kept by the dealer and inter-dealer bond broker under subsections (1) through (4) and the transmission of information to a securities regulatory authority or a regulation services provider under subsection (5) shall be in electronic form by January 1, 2010.

(7) **Record preservation requirements** – A dealer and an inter-dealer bond broker shall keep all records for a period of not less than seven years from the creation of the record referred to in this section, and for the first two years in a readily accessible location.”.

14. The National Instrument is amended by replacing, everywhere they appear, the words “this Instrument” with the words “this Regulation”, and making the necessary changes.

15. The National Instrument is amended by replacing, everywhere they appear, the words “NI 21-101” with the words “Regulation 21-101”, and making the necessary changes.

16. This Regulation comes into force on the day of its publication in the *Gazette officielle du Québec*.