

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.