

AMENDMENTS TO NATIONAL INSTRUMENT 23-101 TRADING RULES

PART 1 AMENDMENTS

1.1 Amendments

- (1) This Instrument amends National Instrument 23-101 Trading Rules.
- (2) Part 2 is amended by striking out “the rules, policies and other similar instruments” in section 2.1 and substituting “similar requirements”.
- (3) Part 8 is amended by:
 - (a) amending subsection 8.4(c) by adding “in its capacity as a regulation services provider” after “directions made by the regulation services provider”; and
 - (b) repealing section 8.5.
- (4) Part 9 is amended by repealing subsection 9.3(2).
- (5) Part 10 is amended by repealing section 10.3.
- (6) Part 11 is amended by:
 - (a) striking out “and” at the end of paragraph 11.2(1)(p);
 - (b) striking out “.” and adding “; and” at the end of paragraph 11.2(1)(q);
 - (c) adding the following paragraph:

“(r) an insider marker.”;
 - (d) adding in subsection 11.2(5) “a securities regulatory authority or” before “a regulation services provider”;
 - (e) adding in subsection 11.2(5) “the securities regulatory authority or” before each reference to “the regulation services provider”;
 - (f) striking out “After December 31, 2003,” in subsection 11.2(6);
 - (g) adding in subsection 11.2(6) “a securities regulatory authority or” before “a regulation services provider”; and
 - (h) striking out “.” in subsection 11.2(6) after “form” and adding the following:

“by the earlier of January 1, 2007 and the date on which a self-regulatory entity or a regulation services provider implements a rule, policy or other similar instrument to which the dealer is subject that requires transmission of the record in electronic form.”.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This Instrument comes into force on December 31, 2003.

AMENDMENTS TO COMPANION POLICY 23-101CP – TO NATIONAL INSTRUMENT 23-101 TRADING RULES

PART 1 AMENDMENTS TO COMPANION POLICY 23-101CP TRADING RULES

1.1 Amendments

- (1) This Amendment amends Companion Policy 23-101CP.
- (2) Section 2.1 is amended by:
 - (a) striking out, in the first sentence, “rules, policies and other similar instruments” and substituting “similar requirements”; and
 - (b) striking out, in the second sentence, “rules, policies and other similar instruments” and substituting “requirements”.
- (3) Part 7 is amended by:
 - (a) adding the following in section 7.3 after the sentence ending with “set by the regulation services provider.”:

“However, section 9.3 of the Instrument provides inter-dealer bond brokers with an exemption from sections 9.1 and 9.2 of the Instrument if the inter-dealer bond broker complies with the requirements of IDA Policy No. 5 Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets, as amended, as if that policy was drafted to apply to the inter-dealer bond broker.”; and
 - (b) adding the following section:

“7.5 Regulation Services Provider for Unlisted Debt Securities – At this time, the IDA qualifies as a regulation services provider for marketplaces that trade unlisted debt securities, inter-dealer bond brokers and dealers executing trades of unlisted debt securities outside of a marketplace.”.
- (4) Part 8 is amended by:
 - (a) adding in section 8.2 “the securities regulatory authority or” before each reference to “the regulation services provider” in the first and second sentences;
 - (b) deleting “information services provider” in the first sentence of section 8.2 and substituting “regulation services provider; and
 - (c) adding the following section:

“8.3 Electronic Audit Trail – Subsection 11.2(6) of the Instrument requires dealers and inter-dealer bond brokers to transmit certain information to a securities regulatory authority or a regulation services provider in electronic form by the earlier of January 1, 2007 and the date on which a self-regulatory entity or a regulation services provider implements a rule requiring the transmission in electronic form. The Canadian securities

regulatory authorities and the self-regulatory entities are working with the industry to develop standards for these electronic transmission requirements.”.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This Amendment comes into force on December 31, 2003.