



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

Notice of Technical Corrections to Amendments to National Instrument 23-101 *Trading Rules*

18 December 2009

I. Introduction

The Canadian Securities Administrators (the CSA or we) published on November 13, 2009 amendments (November 13 Amendments) to the following instruments:

1. National Instrument 21-101 *Marketplace Operation* and related Companion Policy 21-101CP; and
2. National Instrument 23-101 *Trading Rules* (NI 23-101) and related Companion Policy 23-101CP (23-101 CP)

The key part of the November 13 Amendments introduces a framework to require all visible, immediately accessible, better-priced limit orders to be filled before other limit orders at inferior prices, regardless of the marketplace where the order is entered (Order Protection Rule). Other parts of the November 13 Amendments include a prohibition on market participants intentionally entering an order that locks or crosses the market.

II. Technical Corrections

The technical corrections are to the provisions in NI 23-101 and 23-101CP concerning locked and crossed orders (Locked and Crossed Order Provisions). The provisions prohibit a marketplace participant from intentionally locking or crossing a market by entering a protected order to buy a security at the same price or higher than the best protected offer or entering a protected order to sell a security at the same price or lower than the best protected bid.

The CSA intended to have the Locked and Crossed Order Provisions come into force on January 28, 2010. However, the November 13 Amendments contain a drafting error that does not implement this intention. Consequently, we have corrected this drafting error. As well, certain definitions in NI 23-101 and 23-101CP found in the November 13 Amendments will also be in force on January 28, 2010. The revised amendments are in Appendix A to this Notice.

There is no impact on the implementation date of the Order Protection Rule which remains February 1, 2011.

In Ontario, this corrected version of the Amendments was delivered by the Ontario Securities Commission to the Minister of Finance for approval on Monday, December 13, 2009.

III. Questions

Questions may be referred to any of:

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