

1.1.2 RS Market Integrity Notice – Notice of Amendment Approval – Provisions Respecting Competitive Marketplaces

MARKET REGULATION SERVICES INC.

**AMENDMENT TO THE
UNIVERSAL MARKET INTEGRITY RULES
PROVISIONS RESPECTING
COMPETITIVE MARKETPLACES**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to the following Universal Market Integrity Rules and Policies:

- (a) Rule 1.1, with respect to the definitions of:
 - (i) “Best Bid Price” and “Best Ask Price”;
 - (ii) “Consolidated Market Display”;
 - (iii) “Closing Price Order”;
 - (iv) “Internal Cross” and “Intentional Cross”;
 - (v) “Market-on-Close Order”;
 - (vi) “Last Sale Price”;
 - (vii) “Opening Order”; and
 - (viii) “Special Terms Order”;
- (b) Clause (2)(f) of Rule 3.1 - Restriction on Short Selling;
- (c) Clause (2)(c) of Rule 5.2 – Best Price Obligation;
- (d) Rule 5.3 - Client Priority;
- (e) Subsection (1) of Rule 6.1 – Entry of Orders to a Marketplace;
- (f) Clause (1)(b) of Rule 6.2 – Designations and Identifiers;
- (g) Subsection (1) of Rule 6.3 – Exposure of Client Orders;
- (h) Clause (1)(h) of Rule 6.3 – Exposure of Client Orders;
- (i) Subsection (2) of Rule 8.1 – Client-Principal Trading;
- (j) Subsection (1) of Rule 10.9 – Power of Market Integrity Officials;
- (k) Part 1, clause (d) of Policy 2.1 – Examples of Unacceptable Activity;

- (l) Policy 5.1 – Best Execution of Client Orders;
- (m) Part 1 of Policy 5.2 – Best Price Obligation, Qualification of Obligation;
- (n) Part 2 of Policy 5.3 – Prohibition on Intentional Trading Ahead;
- (o) Part 3 of Policy 5.3 – No Knowledge of Client Order; and
- (p) Part 6 by adding Policy 6.1 – Exceptions for Certain Types of Orders

The other applicable securities regulatory authorities have also approved the amendments. A copy and description of the original amendments were published on October 6, 2006 at (2006) 29 OSCB 7991. Twenty comment letters were received. The final version of the amendments and a summary of the comments received are published in Chapter 13 of this Bulletin.