

B.11.2.2 Toronto Stock Exchange – Housekeeping Amendments to the Rules of Toronto Stock Exchange – Notice of Housekeeping Rule Amendments

TORONTO STOCK EXCHANGE
NOTICE OF
HOUSEKEEPING RULE AMENDMENTS
HOUSEKEEPING AMENDMENTS TO
THE RULES OF TORONTO STOCK EXCHANGE

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the “**Protocol**”), TSX Inc. (“**TSX**”) has adopted, and the Ontario Securities Commission (the “**OSC**”) has approved, amendments (the “**Amendments**”) to the TSX Rule Book. The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The OSC has not disagreed with the categorization of the Amendments as Housekeeping Rules. In accordance with Section 5 of the Protocol, TSX has obtained a waiver from the OSC in connection with the requirements to obtain approval by the board of directors of TSX.

Reasons for the Amendments

The Amendments are being made in response to industry changes in North America to move to a cycle where settlement occurs one trading day after the trade date (“**T+1**”), as set out in CSA Staff Notice 24-318 – Preparing for the Implementation of T+1 Settlement (the “**CSA Staff Notice**”).

Summary of the Amendments

Amendments to Rules 5-103(1), 5-103(2)(a)(i), 5-103(2)(a)(ii), 5-103(2)(b)(i), 5-103(2)(b)(ii), 5-103(2)(c), 5-301(2), and 5-301(9) are being made to conform to applicable amendments being made in North America to move to T+1 as set out in the CSA Staff Notice.

Text of the Amendments

The Amendments are set out as blacklined text at Appendix A. For ease of reference, a clean version of the Amendments is set out at Appendix B.

Timing

The Amendments become effective May 27, 2024.

APPENDIX A

BLACKLINE OF
HOUSEKEEPING AMENDMENTS TO
TORONTO STOCK EXCHANGE RULE BOOK

Rule 5-103 Settlement of Exchange Trades

- (1) Exchange trades in securities shall settle on the ~~second~~first Settlement Day after the trade date, unless otherwise provided by the Exchange or the parties to the trade by mutual agreement.
- (2) Notwithstanding Rule 5-103(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:
 - (a) trades on a when issued basis made:
 - (i) prior to the first Trading Day ~~before of~~ the anticipated date of issue of the security shall be settled on the anticipated date of issue of such security, and
 - (ii) on or after the first Trading Day before the anticipated date of issue of the security shall settle on the ~~second~~first settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall be settled on the date that the security is actually issued;
 - (b) trades for rights, warrants and installment receipts made:
 - (i) ~~on the second and first Trading Day before the expiry or payment date, shall be cash trades for next day settlement, and~~ Repealed (May 27, 2024)
 - (ii) on expiry or payment date shall be cash trades for immediate settlement and trading shall cease at 12:00 Noon (unless the expiry or payment time is set prior to the close of business in which case trading shall cease at the close of business on the first Trading Day preceding the expiry or payment), provided selling Participating Organizations must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale; and
 - (c) ~~cash trades in securities for next day delivery shall be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over the counter, by noon of the first settlement day following the trade; and~~ Repealed (May 27, 2024)
 - (d) cash trades in securities that have been designated by the Exchange for same day settlement shall be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.
- (3) Notwithstanding Rule 5-103(1), an Exchange Contract may specify delayed delivery which shall provide the seller with the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery shall take place at the option of the seller within thirty days from the date of the trade unless the parties by mutual agreement specify a delivery date more than thirty days from the date of the trade.

Amended (September 5, 2017 and May 27, 2024)

[...]

DIVISION 3 - CLOSING OUT CONTRACTS

Rule 5-301 Buy-Ins

[...]

(2) Security Loans

In the absence of any agreement to the contrary, a loan of securities between Participating Organizations may be called through service of notice in writing of termination of the loan to the borrowing Participating Organization and the borrowing Participating Organization shall return securities of the same class as those loaned in the specified quantity by the close of business on the ~~second~~first Settlement Day following the date of receipt of such notice.

[...]

(9) Settlement

Unless otherwise required or agreed to by the Exchange, a buy-in shall be executed ~~on a cash basis~~ for ~~cash same~~next day delivery.

Amended (April 18, 2019 and May 27, 2024)

APPENDIX B

CLEAN VERSION OF
HOUSEKEEPING AMENDMENTS TO
TORONTO STOCK EXCHANGE RULE BOOK

Rule 5-103 Settlement of Exchange Trades

- (1) Exchange trades in securities shall settle on the first Settlement Day after the trade date, unless otherwise provided by the Exchange or the parties to the trade by mutual agreement.
- (2) Notwithstanding Rule 5-103(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:
 - (a) trades on a when issued basis made:
 - (i) prior to the first Trading Day of the anticipated date of issue of the security shall be settled on the anticipated date of issue of such security, and
 - (ii) on or after the first Trading Day before the anticipated date of issue of the security shall settle on the first settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall be settled on the date that the security is actually issued;
 - (b) trades for rights, warrants and installment receipts made:
 - (i) **Repealed (May 27, 2024)**
 - (ii) on expiry or payment date shall be cash trades for immediate settlement and trading shall cease at 12:00 Noon (unless the expiry or payment time is set prior to the close of business in which case trading shall cease at the close of business on the first Trading Day preceding the expiry or payment), provided selling Participating Organizations must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale; and
 - (c) **Repealed (May 27, 2024)**
 - (d) cash trades in securities that have been designated by the Exchange for same day settlement shall be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.
- (3) Notwithstanding Rule 5-103(1), an Exchange Contract may specify delayed delivery which shall provide the seller with the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery shall take place at the option of the seller within thirty days from the date of the trade unless the parties by mutual agreement specify a delivery date more than thirty days from the date of the trade.

Amended (September 5, 2017 and May 27, 2024)

[...]

DIVISION 3 - CLOSING OUT CONTRACTS

Rule 5-301 Buy-Ins

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- (2) Security Loans

In the absence of any agreement to the contrary, a loan of securities between Participating Organizations may be called through service of notice in writing of termination of the loan to the borrowing Participating Organization and the borrowing Participating Organization shall return securities of the same class as those loaned in the specified quantity by the close of business on the first Settlement Day following the date of receipt of such notice.

- (9) Settlement

Unless otherwise required or agreed to by the Exchange, a buy-in shall be executed for cash same day delivery.

Amended (April 18, 2019 and May 27, 2024)