

## APPENDIX A

SUMMARY OF COMMENT AND RESPONSE  
PREPARED BY TRIACT CANADA MARKETPLACE LP

## List of Comments:

Trading Issues Committee of the Canadian Securities Traders Association Inc. (CSTA) only comment on the second proposed change

Summary of Comments Received	TriAct Response
<p>Commenter believes that expanding the list of securities that can trade at the Canadian Best Bid Offer (CBBO) on MATCH Now to all common equities could have a potentially damaging effect on the lit market.</p>	<p>In the request for comments, TriAct proposed to introduce a limited subset of inter-listed securities for a six-month pilot. The purpose of the pilot is to show that this change will not have a negative impact on Canadian Capital Markets and Investors. TriAct does acknowledge that expanding this change to lower priced or illiquid securities could have some unintended consequences and will only consider expanding to all symbols if it can be demonstrated that this change benefits investors without a negative impact on the price discovery process. TriAct will use feedback generated by the initial six-month pilot study to determine which symbols should be included on a go forward basis.</p>
<p>The “large” trade definition (50 board lot or \$100,000 value threshold) represents far too low a barrier for orders to trade at the CBBO on MATCH Now (a fully dark marketplace). CSTA proposes that another formula be used for low priced securities such as a sliding scale or requiring the value to be at least \$100,000, disregarding the share amount.</p>	<p>The “large” definition proposed by TriAct is the same threshold used by UMIR. All marketplaces that include dark orders use this threshold. TriAct also believes that it is better to use a threshold well understood by the trading community for the six-month pilot study. In the pilot study, TriAct will focus on the most active inter-listed securities where the vast majority of them would exceed the value constraint instead of the share constraint. TriAct has not ruled out setting value constraints for stocks under \$20 but that will require a new 21-101F2 filing with a review and comment process. If TriAct were to adopt value constraints, the trading community would have to be educated on the filing. This would also be a marked difference from the single threshold used by UMIR. This would introduce complexity to the market and on a clients’ infrastructure thus potentially detracting from the appeal of keeping large block trading in Canada. As such, TriAct will move cautiously if value constraints prove necessary.</p>
<p>Suggest that the concept of a “large” order in UMIR Rule 6.6, Provision of Price Improvement by a Dark Order, be reviewed to ensure that the spirit of the rule is being preserved and is promoting visible passive liquidity in low-priced securities,</p>	<p>If the current threshold for “large” orders needs to be changed due to market integrity issues, then IIROC and the CSA should do so with the appropriate industry consultation and analytics.</p>