

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Triact Canada Marketplace LP — Notice of Proposed Changes and Request for Comment — Change to the MATCHNow Trading System

**TRIACT CANADA MARKETPLACE LP
NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT
CHANGE TO THE MATCHNOW TRADING SYSTEM**

TriAct Canada Marketplace LP ("TriAct" also known as "MATCHNow") has announced plans to implement the change described below 90 days following approval by the Ontario Securities Commission (the OSC). TriAct is publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto". Market participants are invited to provide the OSC with comments on the proposed change.

Feedback on the proposed change should be in writing and submitted by **April 25, 2016** to:

Market Regulation Branch
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: marketregulation@osc.gov.on.ca

And to:
Kuno Tucker
Chief Compliance Officer
TriAct Canada Marketplace LP
The Exchange Tower
130 King Street West, Suite 1050
Toronto, Ontario M5X 1B1
Fax: (416) 874-0690
e-mail: kuno.tucker@matchnow.ca

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of OSC staff's review and to specify the intended implementation date of the changes.

If you have any questions concerning the information below, please contact Kuno Tucker, Chief Compliance Officer for TriAct, at (416) 874-0830.

A. Detailed description of the proposed change to the MATCHNow trading system

TriAct is proposing to modify the timing of MATCHNow's call auction, which currently searches for matches among Liquidity Providing (LP) buy/sell orders at the midpoint every 5 seconds (randomized with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), to a new range of between 1 and 3 seconds, which will also apply on a randomized basis.

Currently, MATCHNow searches for matches among LP orders every 5 seconds (randomized, with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), at the mid-market price, saving each liquidity provider 50% of the Canadian Best Bid or Offer spread. TriAct has the ability to adjust trading from continuous matching to a specific call auction frequency through defined parameters. At this time, TriAct is proposing a change to improve the frequency of LP order matching at the midpoint by reducing the duration of each call auction cycle for LP orders from 5 seconds (randomized, with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), to a range of 1 to 3 seconds, on a randomized basis.

B. Expected implementation date

The proposed change is expected to be implemented 90 days following approval by the OSC.

C. Rationale for the proposed change and any supporting analysis

The rationale for the proposed change is to enhance the efficiency of the MATCHNow marketplace by increasing the frequency of potential LP order matching. In addition, the proposed change has the advantage of simplifying the terminology used to describe the duration of the MATCHNow call auction for LP orders.

D. The expected impact of the proposed change on market structure, subscribers, and, if applicable, investors and capital markets

The proposed change is not expected to cause any significant changes to market structure or to Canada's capital markets more generally, other than to enhance market efficiency for the subscribers and investors whose orders are being routed through MATCHNow.

E. Expected impact of the proposed change on MATCHNow's compliance with Ontario securities law, including the requirements of fair access and the maintenance of fair and orderly markets

As noted above, the proposed change will increase the frequency of potential LP order matching and thereby enhance market efficiency. As such, the impact of the proposed change will be to maintain TriAct's compliance with Ontario securities law.

F. Consultation done with the industry regarding the proposed change

The proposed change was widely communicated to TriAct's subscribers through TriAct's User Advisory Committee, which is open to all MATCHNow subscribers. Meetings of the User Advisory Committee at which the proposed change was discussed were well attended, and the feedback that TriAct received from subscribers regarding the proposed change was uniformly favorable.

G. Whether the proposed change requires subscribers and service vendors to modify their systems after its implementation

TriAct believes that the proposed change will not require subscribers or service vendors to make any modifications to their operational systems following implementation.

H. If applicable, whether the proposed change would introduce a feature that currently exists on other Canadian marketplaces

Not applicable. TriAct is not aware of any other Canadian marketplace that features a call auction whose timing is specifically in the 1 to the 3-second range, randomized.