

## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.2 Marketplaces

#### 13.2.1 Canadian Securities Exchange – Amendments to Trading System Functionality & Features – Oddlot Trading – Notice of Approval

Notice 2017-011  
June 14, 2017

### CANADIAN SECURITIES EXCHANGE

#### NOTICE OF APPROVAL

#### AMENDMENTS TO TRADING SYSTEM FUNCTIONALITY & FEATURES – ODDLOT TRADING

#### INTRODUCTION

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the "Protocol"), CNSX Markets Inc. ("CSE") has adopted, and the Ontario Securities Commission (OSC) has approved, significant changes to the Trading System functionality related to oddlot trading.

On May 12th, 2017, CNSX Markets Inc. ("CSE") published Notice 2017-009 – *Amendments to Trading System Functionality & Features and Request for Comment – Oddlot Trading*. The period for public comment expired on June 12, 2017. No public comment letters were received.

#### DESCRIPTION OF THE AMENDMENTS

For securities with a designated market maker (MM), tradeable oddlot orders currently execute automatically against the market maker's account at the National Best Bid or Offer (NBBO, comprised of protected market quotes). Oddlot orders on securities without a MM will seek out oddlot orders in the book, matching on an "any part" basis (as opposed to the "all-or-none" matching on other marketplaces).

Rather than individual price protection (i.e. "50 tick limit") on oddlot orders, the trading engine will restrict oddlot trades at or in between the NBBO. Oddlot orders will trade or book at or between the NBBO, with better limit orders being repriced to the opposite side. When one or both sides of the NBBO are absent, a Single Oddlot Price ("SOP") will be calculated, and oddlot orders will trade or book at that single price.

The full text of the amendments is available in Notice 2017-009:

<http://thecse.com/en/about/publications/notices/notice-2017-009-amendments-to-trading-system-functionality-features-and>

#### IMPLEMENTATION

The functionality will be introduced to the GTE on July 14, 2017.

Implementation date in the Trading System will be September 14, 2017.

Questions about this notice may be directed to:

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