

Notice to Participating Organizations and Members

October 18, 2013

2013-036

TMX Group equity exchanges confirm the HST/GST treatment on trading execution fees

In February 2011, TMX Group (TMX) notified all Participating Organizations, of both Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV), that they will cease charging HST/GST on all trading execution fees¹. As well, TMX Select, which began operations in July 2011 has never charged HST/GST on its trading execution fees.

During 2011, TMX submitted tax ruling requests to the Canada Revenue Agency (CRA) on behalf of all three marketplaces asking that CRA confirm that trading execution fees charged by TSX, TSXV and TMX Select are exempt financial services for the purposes of section 1 of Part VII of Schedule V to Part IX of the Excise Tax Act. TMX has now received the requested rulings from CRA confirming that trading execution fees are exempt financial services and thus are not subject to HST/GST.

In the rulings, CRA noted that a person who pays an amount as or on account of tax in error (e.g., an amount described as HST/GST paid on an exempt supply), may claim a rebate for tax paid in error. Those of you that filed timely protective rebate claims on this basis may now wish to contact your tax advisors to follow-up on the status of your claims.

It is expected that redacted copies of the rulings will appear on public databases in the next several months. For your reference the case numbers assigned by CRA to each ruling are as follows:

TSX – 136550
TSX Venture – 136532
TMX Select – 136544

In addition to the above-noted rulings, TMX also submitted comparable ruling requests to Revenue Quebec. We have yet to receive these rulings. We will provide a subsequent notice once we receive the respective rulings from Revenue Quebec.

If you have any questions please do not hesitate to contact Michael Vivaldi at 416-947-4696 or your TMX account manager.

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¹ TMX Group will continue to apply HST/GST on all application fees and monthly access fees. This change does not apply to any other products or services provided by the TMX Group or any of its affiliates.



About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets and clearinghouses for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Alpha Group, The Canadian Depository for Securities, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, BOX Options Exchange, Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, depository services, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S. markets (New York, Houston, Boston and Chicago) as well as in London, Beijing and Sydney. For more information about TMX Group, visit our website at www.tmx.com. Follow TMX Group on Twitter at <http://twitter.com/tmxgroup>.

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