



Toronto Stock  
Exchange

TSX Venture  
Exchange

Select

Alpha

# Notice to Participating Organizations, Members and Subscribers

February 18, 2014

2014-008

## **Toronto Stock Exchange (TSX), TSX Venture Exchange (TSXV), Alpha, and TMX Select Direct Electronic Access (DEA) Client Identifier Management**

The purpose of this Notice is to prepare Participants in advance of amendments to National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (NI 23-103) as well as amendments to the *Universal Market Integrity Rules* (UMIR) respecting requirements for participants providing third party electronic access to Marketplaces (“Amendments”) taking effect March 1, 2014.

As a result of these amendments, Participants are to provide DEA client identifier information to TMX to support compliance by both Participants and TMX with applicable regulatory requirements in preparation for March 1, 2014.

### **Background**

The Amendments, among other things, introduce requirements for:

#### **Participants**

- To provide the Trader ID associated with each third party electronic access client that is used for the purpose of providing DEA to the applicable marketplace as required by Section 4.6 (2) of NI 23-103; and
- To ensure that each DEA client is assigned a DEA Trader ID under NI 23-103 of Section 4.6 (1) and for ensuring that every order entered by a DEA client using DEA includes the appropriate DEA Trader ID under Section 4.6 (4).

#### **Marketplaces**

- To assess and document the adequacy and effectiveness of any risk management and supervisory controls, policies and procedures as required by Section 7 (2) of NI 23-103; and
- To enforce TSX, TSXV, Alpha, and TMX Select Rules in response to the Amendments – please refer to PO Notice 2014-005 available at <http://www.tsx.com/resource/en/1015>

As noted in IIROC Notice # 13-0290 published December 13, 2013, the current practice used for assigning unique identifiers (as designated by the marketplace on which the order is entered) for Direct Market Access clients will be used to support DEA client identifiers. As such, DEA client identifiers are to be included in the “User ID” field associated with an order, commonly referred to as the “Trader ID”.



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For further information please refer to *CSA Notice of Approval – Amendments to National Instrument 23-103 Electronic Trading* dated July 4, 2013, and the Investment Industry Regulatory Organization of Canada (IIROC) Notice #13-0184 and #13-0290, *Provisions Respecting Third-Party Electronic Access to Marketplaces and Gatekeeper and Notice Requirement for Direct Electronic Access and Routing Arrangements*.

### **Participant Impact**

By **February 26, 2014** Participants providing DEA clients access to TSX, TSXV, TMX Select, and/or Alpha must:

1. Provide to TMX Market Operations a request for the creation of any new Trader IDs that are required to ensure DEA clients are assigned a unique Trader ID (i.e. DEA client identifier); and
2. Provide to TMX Market Operations a list of all Trader IDs that are assigned to DEA clients for each applicable TMX Marketplace. This is to ensure that effective March 1, 2014 TMX has a current and accurate list of DEA client identifiers. This information is a sub-set of the information Participants would also be providing to IIROC as per IIROC Notice #13-0290.

Please complete and submit the **DEA Client ID Form** posted at <http://www.tsx.com/resource/en/1053> to TMX Market Operations via email at [trading\\_services@tsx.com](mailto:trading_services@tsx.com) by **February 26, 2014**. This form will be used to manage and track all future DEA client identifier requests.

If you have further questions or need additional information, please contact TMX Market Operations at [trading\\_services@tsx.com](mailto:trading_services@tsx.com) or our Account Management Team.

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### **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](http://www.tmx.com). Follow TMX Group on Twitter at <http://twitter.com/tmxgroup>.

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