

EQUITIES TRADING NOTICE

TSX Alpha Exchange Update

This notice is to provide TSX Alpha Exchange (“Alpha”) members details related to the planned changes to the new Alpha model that were approved by the Ontario Securities Commission as announced in [Equity Trading Notice 2015-008](#) published April 21, 2015. The new TSX Alpha Exchange is scheduled to launch **Monday September 21, 2015**.

TSX Alpha Exchange Features and Functionality

TSX Alpha Exchange is designed to be a premium trading destination for retail and institutional orders for securities listed on Toronto Stock Exchange and TSX Venture Exchange. Intended to provide superior, domestic execution for active natural order flow, TSX Alpha Exchange will also provide an attractive trading environment for liquidity providers willing to commit to a minimum order size.

An updated [Order Type and Functionality guide](#) describing the features of the new Alpha model effective September 21 is available on the Alpha website.

Minimum Posting Sizes for Post Only Orders

As previously outlined in [Equity Trading Notice # 2015-026](#) all Post Only orders are subject to a minimum size requirement. The intention is for these orders to contribute to greater volume at the best bid/offer, translating to larger trade sizes and better fill rates for natural active orders.

The following table provides a guideline for the determination of the minimum posting size requirement for each symbol eligible to trade on TSX Alpha Exchange. The minimum posting size for a symbol is generally based on the historical trading price for the symbol, and whether or not it is considered a ‘higher volume’ security for which an increased size requirement is applicable (i.e., a ‘Size Plus’ security).

TSX ALPHA EXCHANGE MINIMUM POSTING SIZES		
Price range of security*	Size Plus Securities**	All Other Securities
Under \$ 0.10	20,000	
\$ 0.10 - \$ 0.99	10,000	
\$ 1.00 - \$ 4.99	5,000	3,000
\$ 5.00 - \$ 9.99	3,500	1,500
\$10.00 - \$24.99	1,000	700
\$25.00 and over	500	

* Price ranges are guidelines only. Participants should rely on beginning of day symbol status messages to identify minimum posting sizes applicable on any given day.

** Size Plus securities are generally intended to reflect higher volume symbols (e.g., top 25% of market-wide average daily volume as measured over the preceding three month period).

For more information on Alpha's minimum posting sizes, please refer to the Documentation links provided below.

Client Testing and Connectivity

- TSX Alpha Exchange functionality is currently available in the Gateway Testing Environment.
- Distribution of Production Order Entry sessions to clients commenced the week of August 10th, 2015, allowing for validation of client internal firewall changes and session authentication in a controlled fashion.
- Test Stocks are available for the sole purpose of validating order entry. Prior to sending any test orders, you will need to contact Market Operations at 416-947-4357. Test stocks will need to be uninhibited. Performance testing will not be allowed.

Production Roll-Out

Symbols trading on existing Alpha will be migrated to the new TSX Alpha Exchange in one phase. Effective Monday September 21st, 2015 all existing Alpha symbols, with the exception of debentures, will commence trading on the new TSX Alpha Exchange. Debentures will not be eligible to trade on TSX Alpha Exchange at this time.

- Friday, September 18th - close of business, all open orders on existing Alpha will be purged
- Saturday, September 19th - final Connectivity and Application validation. Any orders entered will be removed as part of the Saturday clean-up exercise. Details around timing specific to Saturday's validation activities will be provided in a subsequent notice
- Monday, September 21st - TSX Alpha Exchange opens at 8:00 a.m. as an unprotected market with an empty order book with the inclusion of the order processing delay, odd lot auto-fills at the better of the Alpha BBO or NBBO,

minimum post-only size requirement and with revised functionality on the TMX Quantum XA platform. New orders may be re-entered at this time.

Handling of Order Book (Open Orders) and Order Status (Removed Orders) messages

- since all open orders are being purged after close of business on Friday September 18th, there will be no Order Book messages on either Saturday or Monday
- orders purged as part of Friday's End of Day batch (including all expired orders) will be reflected in the Order Status on the existing Alpha feed on both Saturday and Monday morning.

Market Data Feeds

There will be new versions of all Alpha Market Data feeds. New Alpha feeds will have new Multicast IPs and Ports, as well as Recovery IPs and Ports. All current recipients of Alpha Market Data have been permissioned for the equivalent New Alpha Feed(s). Equivalent Recovery sessions will be created and sent to all customers. Clients can establish multicast joins and receive heartbeats to validate connectivity to the New Alpha multicast feeds.

New Alpha IP and Port information is available in the updated technical specifications as detailed below.

TSX Alpha Exchange Documentation

Specifications and documentation pertaining the new TSX Alpha Exchange may be accessed through the following links:

Document
Product Sheet
Order Type and Functionality Guide
Technical Specifications Portal

TSX Alpha Exchange Fee Model

Details of the inverted pay to post fee model for the new TSX Alpha Exchange will be published closer to launch once approved by the applicable securities regulators.

For additional information regarding this announcement, please contact the Account Management Team.

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