

May 11, 2018
2018-014



TMX Equities Trading Notice

Implementation of CMO Order Type

The Contra Midpoint Only (CMO) order type previously announced in Equities Trading Notices [2018-004](#) and [2017-042](#) will be implemented on TSX and TSXV on June 4, 2018. In connection with the planned launch, we are pleased to announce the applicable fees and initial minimum size requirements.

Fees for CMO trades

TSX and TSXV will offer a highly competitive symmetrical pricing model for CMO trades, whereby both sides of the trade will be charged the same low fee. Fees will also be subject to per trade caps in order to promote the entry of larger-sized orders. Unintentional crosses involving CMO orders will also be free.

The following reflects the fees for CMO trades that will take effect as of the CMO launch date of June 4, 2018 (subject to regulatory approval):

	Where trade price per share is:			
	<\$1.00	Equities		ETFs
		\$1.00 - \$4.99	≥\$5.00	≥\$1.00
Regular CMO trades				
Fee / share / side	\$0.00005	\$0.00025	\$0.0005	\$0.0002
Max / trade / side	\$5	\$10	\$10	\$5
Unintentional CMO crosses				
Fee / share / side	\$0	\$0	\$0	\$0

Full details of the changes are available in the blacklined fee schedule posted on our [website](#).

Minimum sizes applicable to the entry of CMO orders

In our published [request for comments](#), we had indicated that a minimum size restriction applicable to the entry of CMO orders may be imposed to promote larger-sized executions and reduce the potential for information leakage.

After consulting further with the buy-side and sell-side institutional trading community, the majority view reflected a preference for no minimum size requirements. While some had suggested setting the minimum at the current UMIR 'large size threshold' of 50 board lots, most were concerned that doing so would limit their ability to use CMO for higher-priced stock. The majority view was also that a minimum was not required to manage information leakage concerns, given that any such concerns can be effectively managed through the use of the existing Minimum Quantity (MinQty) and Minimum Interaction Size (MIS) features.

For more information regarding this notice, please contact the [Account Management Team](#).

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