

TMX Equities Trading Notice

Q2 2019 Trading Enhancements

TMX Group is pleased to provide technical details relating to a number of enhancements to trading functionality on the Toronto Stock Exchange (TSX), TSX Venture Exchange (TSXV) and TSX Alpha Exchange (TSXA), as well as proposed enhancements to the TSX and TSXV Market on Close (“MOC”) facility, which were previously communicated in Equities Trading Notice [2018-034](#). The proposed MOC enhancements remain subject to regulatory approval.

The scheduled deployment to our Gateway Testing Environment is scheduled for December 7, 2018. Pending regulatory approval, the changes are scheduled for Production in Q2 2019. A subsequent notice will be issued announcing the Production deployment date.

Updated order entry and feed specifications reflecting these enhancements are now available through the [TMX Webstore](#).

An updated Order Type and Functionality Guide will be published in the coming weeks to reflect these changes where necessary.

Market on Close Enhancements:

The introduction of the Closing Offset order will afford participants the option to provide additional liquidity in the close by enabling them to participate only against a remaining imbalance in the closing auction. Likewise, allowing dark limit orders that are resting in the regular TSX / TSXV order book to participate in the closing auction will help to improve the efficiency of the close and dampen price volatility.

Mixed lot order entry on SDL, Dark IOC and Iceberg order types:

Changes are being made to remove the restriction whereby order entry on certain order types is restricted to a minimum of one board lot. This change will allow participants the ability to enter

an order with a mixed lot volume on SDL orders and unpegged Dark IOC only orders. Similarly, the board lot restriction on Iceberg order types will be removed to allow mixed lot order entry.

These changes will better align functionality on TMX markets with other Canadian marketplaces.

Summary of Key Technical Changes:

Feature	Description
Introduction of a new Closing Offset order type (CO)	<p>Added new field: . TSXMarketInst - Instructions to the Exchange to identify certain order types. FieldIdentifier = 7739 ; TSX and TSXV MarketInst = 2 Alphanumeric; no default "CO" = Closing Offset</p> <ul style="list-style-type: none"> • CO orders can be entered between 7am and 4pm., and only on symbols that are MOC eligible; • Can be entered on either side of the book, with no restriction on volume; • Must contain a limit price; • Will not contribute to the published imbalance at 3:40 p.m.; • Will only trade if offsetting an imbalance, and will only trade in the MOC closing allocation; • At 4:00 p.m., CO orders that are priced more aggressively than the same side TSX Best-Bid-and-Offer ("TBBO") will be repriced to the TBBO; and • Will match last in priority within each price level, behind all CLOB and dark limit orders.
Inclusion of unpegged Dark limits in the closing auction	<p>Unpegged Dark Limit orders resting in the CLOB will be enabled to participate in the closing auction. These orders do not contribute to the published imbalance at 15:40, and will execute behind visible orders, but ahead of any Closing Offset orders.</p>
Boardlot restriction removal to allow mixed lot order entry on certain order types	<p><u>SDL</u> Mixed lot orders may be entered with order duration IOC or FOK, with no changes to current IOC functionality. Only the Boardlot portion of an FOK SDL mixed lot order is eligible to trade.</p> <p><u>Dark</u> Mixed lot order entry will only be allowed on unpegged dark limit orders with a duration of IOC. All other functionality remains unchanged.</p> <p><u>Iceberg</u> Functionality of the Iceberg order remains unchanged, with the exception</p>

	that the oddlot portion of a mixed lot Iceberg will be refreshed only after the boardlot portion is completely filled.
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For more information regarding this notice, please contact the [Account Management Team](#).

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