

TMX Equities Trading Notice

TSX DRK Announces Fee Changes and Introduction of Liquidity Provision Program

TSX DRK is pleased to announce changes to the TSX and TSXV fee schedule. The changes described below are designed to further improve the execution quality for the DRK seeking Canadian investment community through incentivizing additional TSX DRK liquidity provision, while continuing to offer the lowest fee in Canada for liquidity seeking dark executions. The fee changes remain subject to regulatory approval, and are expected to be effective July 1st, 2020.

TSX DRK Liquidity Provision Programs:

TSX DRK has observed a significant increase in the systematic utilization of its Seek-DRK-Liquidity (SDL) order type which has seen growth of approximately 300% over the past 12 months. In order to keep pace with this increase and provide expanded and consistent price improving executions to SDL users, TSX DRK will implement a DRK provision program. This will provide participating organizations ("POs"), and direct electronic access clients of POs, with an opportunity to earn per share passive rebates for providing liquidity on TSX DRK when meeting specified dark market share volume thresholds. TSX DRK offers two separate TSX DRK LP programs – one applicable to ETF securities only and a second applicable to non-ETFs. The TSX DRK LP programs will be applicable to TSX-listed securities only.

The proposed incentive tiers and rebates are as follows:

	Tier 1	Tier 2
Dark Market Share For Non-ETF	2.50%	4.25%

Dark Market Share For ETF	8.00%	12.50%
Per share rebate for Equities & ETF \$1 - \$4.99	\$0.0001	\$0.0002
Per share rebate for >\$5 Equities & ETF	\$0.0002	\$0.0004

We believe that the TSX DRK LP programs will foster improved interactions for clients and lower costs for the investment community. For additional information detailing the eligibility criteria and volume threshold calculations please reference the “TSX DRK - Liquidity Provision Program” section of the updated TSX fee schedule linked [here](#).

SDL over \$5

Continuous trading fees for the active side of trades that remove dark liquidity will be increased from \$0.0002 / share to \$0.0004 / share where the active order contains the SDL order tag or involves a pegged dark order type in combination with an IOC / FOK instruction.

Currently, TSX DRK is the only venue among its direct competitors that does not distinguish by execution fees between trades that occur on equities at a price equal to or above \$5, and trades that occur between \$1-\$4.99. Increasing fees in this category affords TSX DRK the capability of offering more meaningful discounts through the TSX DRK LP programs, while maintaining the lowest cost active dark executions among our dark competitors.

Fee Cap:

Continuous trading fees for the active side of trades that remove dark liquidity where the active order contains the SDL order tag or involves a pegged dark order type with an IOC / FOK instruction will be limited to a maximum execution fee of \$5 per trade per side. Implementing a fee cap will ensure that TSX DRK SDL offers the lowest active dark execution cost regardless of trades size when compared to direct competitors.

The changes to the DRK execution fees are expected to lead to increased low cost, price-improving executions on TSX DRK, Canada’s fastest growing dark pool. For additional details please see the updated fee schedules linked here ([TSX](#) and [TSXV](#)).

For more information regarding this notice, please contact the Account Management Team.

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