

# Notice to Participating Organizations and Members



August 14, 2009

2009-032

## EQUITY TRADING FEE CHANGE NOTICE

TMX Group Inc. is pleased to announce changes to the Equity Trading Fee Schedule effective October 1, 2009. In response to customer feedback, the fee changes are designed to provide cost savings for all market participants on Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSX Venture") for stocks trading under \$1, and to support the continued evolution of the Electronic Liquidity Provider (ELP) Program.

In response to industry concerns over the rising cost of liquidity taking trades, the revised fee schedule provides an average 24% reduction in active trading fees for all participants on stocks trading less than \$1 in the Post-Open Continuous Market. The active fee per share has been reduced by \$0.0001 at the top and mid volume tiers, and by \$0.0002 for the base tier. The passive trade credits have also been reduced by \$0.0001 for all tiers. The overall spread between active and passive rates for stocks trading less than \$1 has been reduced at the base volume tier for all participants.

In addition, the ELP Program fees have been replaced by a single tier model which reduces the rates for all ELP Program participants.

These fee changes allow TMX to remain a highly competitive marketplace for trading fees. Please refer to the attached Schedule of Fees which reflects all changes effective October 1, 2009. Please contact your TMX Group account manager if you have any questions.

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### **About TMX Group (TSX-X)**

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, Montreal Exchange, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Equicom and other TMX Group companies provide trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto with offices in Montreal, Calgary and Vancouver. For more information about TMX Group, visit our website at [www.tsx.com](http://www.tsx.com).

A French version of this notice is available on our web site at [www.tsx.com](http://www.tsx.com). Une version française de cet avis est disponible sur notre site Web à l'adresse [www.tsx.com](http://www.tsx.com).



Toronto Stock  
Exchange

TSX Venture  
Exchange

## Equity Trading Fee Schedule Effective October 1, 2009

### One Time Set-Up Fees for New Participating Organizations and Members

Toronto Stock Exchange	Fee
<b>Application Fee:</b>	\$5,000 plus GST
<b>Registration Fee (trading applicant):</b>	\$60,000 plus GST
\$45,000 plus GST of the registration fee will be applied as a credit towards the first year's trading fees	
<b>Registration Fee(non-trading applicant):</b>	\$15,000 plus GST
\$45,000 plus GST will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$45,000 plus GST of the registration fee will be applied as a credit towards the first year's trading fees	
TSX Venture Exchange	Fee
<b>Application Fee:</b>	\$1,000 plus GST
<b>Registration Fee (trading applicant):</b>	\$30,000 plus GST
\$22,500 plus GST of the registration fee will be applied as a credit towards the first year's trading fees	
<b>Registration Fee (non-trading applicant):</b>	\$7,500 plus GST
\$22,500 plus GST will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$22,500 plus GST of the registration fee will be applied as a credit towards the first year's trading fees	

### Trading Fees (volume-based, except as otherwise stated)

Toronto Stock Exchange	Fee
<b>Basic Fee:</b>	\$1,500 per month per participating organization
<b>Opening Trades:</b>	\$0.0030 / share / side up to a maximum of \$30 per side
<b>Must Be Filled (MBF):</b>	\$0.003 / share / side up to a maximum of \$90 per side
<b>Market on Close (MOC):</b>	\$0.003 / share / side up to a maximum of \$30 per side
<b>Extended Trading:</b>	\$0.001 / share / side
<b>Market Makers:</b>	Applies to symbols of responsibility
High Priced Equities	Charge \$0.0033 per active share Credit \$0.0033 per passive share
Low Priced Equities	Charge \$0.0003 per active share Credit \$0.0003 per passive share
	Fees waived for Opening trades MOC and Extended Trading billed at the normal rate for each product Net Market Maker credits will be applied to offset the firm's other trading charges and any residual credit will be rebated back to the firm Net Market Maker charges under the active/passive schedule will be capped at \$0.00 per trader ETF Market Makers will be credited an additional \$0.001 per passive share to help offset trading fees incurred from active ETF hedging activities
<b>Minimum Guaranteed Fill (MGF) Cancellations:</b>	\$100 per cancellation Attributed to the participant responsible for causing an MGF trade to be cancelled

**MGF and Odd Lot Fill:** \$0.0039 per share for High Priced Equities  
 \$0.0010 per share for Low Priced Equities  
 Applies to trades executed against the Market Maker guaranteed fill service

**Special Settlement Terms:** \$0.001 / share / side up to a maximum of \$100 per side

The following TSX security categories are excluded from the calculation of post-open continuous market fees, and are billed as follows:

**Rights/Warrants:** Active side - charged 1/40<sup>th</sup> of 1% of the value traded up to a maximum of \$50 / trade, minimum charge \$0.50 / trade  
 Passive side - no charge  
 Intentional crosses and opening trades - charged 1/80<sup>th</sup> of 1% of the value / side up to a maximum of \$50 / trade

**Notes/Debentures:** \$0.10 per \$1000 par value / side

**Exchangeables:** Each trade (including intentional crosses) charged a flat fee of \$2/ side

TSX Venture Exchange	Fee
<b>Basic Fee:</b>	\$750 per month per member
<b>Opening Trades:</b>	\$0.0012 / share / side up to a maximum of \$60 per side

#### **Toronto Stock Exchange and TSX Venture Exchange Post-Open Continuous Market Fees**

##### **Low Priced Equity Fee:**

Post-Open Continuous Market Trades for all TSX/TSXV equities where the trade price per-share is under \$1:

Fees to Take Liquidity <sup>2</sup>	Fee / Share
Monthly active volume: $X \leq 62.5\text{MM}$ shares <sup>3</sup>	\$0.0006
Monthly active volume: $62.5\text{MM} < X \leq 125 \text{MM}$ shares	\$0.0006
Monthly active volume: $X > 125\text{MM}$	\$0.0005

<sup>2</sup> Applies to active shares only.

<sup>3</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

Liquidity Provider Credit <sup>4</sup>	Credit / Share
Monthly passive volume: $X \leq 62.5\text{MM}$ shares <sup>5</sup>	\$0.0000
Monthly passive volume: $62.5\text{MM} < X \leq 125 \text{MM}$ shares	\$0.0001
Monthly passive volume: $X > 125 \text{MM}$ shares	\$0.0002

<sup>4</sup> Applies to passive shares only.

<sup>5</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

##### **High Priced Equity Fee:**

Post-Open Continuous Market Trades for all TSX/TSXV equities where the trade price per-share is \$1 or over:

Fees to Take Liquidity <sup>6</sup>	Fee / Share
Monthly active volume: $X \leq 125\text{MM}$ shares <sup>7</sup>	\$0.0037
Monthly active volume: $125\text{MM} < X \leq 250 \text{MM}$ shares	\$0.0035
Monthly active volume: $X > 250\text{MM}$ shares	\$0.0033

<sup>6</sup> Applies to active shares only.

<sup>7</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

Liquidity Provider Credit <sup>8</sup>	Credit / Share
Monthly passive volume: $X \leq 125\text{MM}$ shares <sup>9</sup>	\$0.0029
Monthly passive volume: $125\text{MM} < X \leq 250 \text{MM}$ shares	\$0.0030
Monthly passive volume: $X > 250\text{MM}$ shares	\$0.0031

<sup>8</sup> Applies to passive shares only

<sup>9</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

- Orders marked Jitney are not volume activity billed as post-open continuous market trades, and are billed at the base rate.
- Where liquidity is provided by the undisclosed portion of an iceberg during the post-open continuous market the credit is capped at a credit of \$0.0002 per share for equities where the trade price per-share is \$1 or over, or capped at \$0.000 for equities where the trade price per-share is under \$1, for such undisclosed volume.
- Undisclosed iceberg volume and Jitney volume are not included in the determination of the volume thresholds for post-open continuous market trades.
- Any net post-open continuous market credit will be applied to offset the firm's other trading charges.

**Cross Printing Facility:** **FREE**  
Unintentional crosses are billed according to post-open continuous market fees

**Specialty Crosses:** **FREE**  
Basis, VWAP, Contingent, Special Trading Session, Internal crosses charged.

NEX	Fee
<b>Trades</b>	\$0.0005 / share / side \$3.00 per side minimum / \$50 per side maximum

#### **TSX Venture Exchange Listing Incentive Program**

For details on the TSX Venture Exchange Listing Incentive Program refer to '[Notice to Participating Organizations & Members](#)' #2008-011.

#### **Toronto Stock Exchange's Electronic Liquidity Provider (ELP) Program**

Post-Open Continuous Market Trades for all TSX equities specified by TSX for pre-approved qualifying ELPs where the trade price per-share is \$1 or over:

Charge \$0.0033 per active share<sup>9</sup>  
Credit \$0.0032 per passive share<sup>9</sup>

<sup>9</sup> Applies to standard **continuously traded** active and passive shares only. Volume based on activity generated by the ELP as standard post-open continuous market trades.

Each individual ELP within a Participating Organization or its direct market access customer must be pre-qualified based on its proven experience in conducting high-frequency electronic trading. Once pre-qualified, each direct market access customer of a Participating Organization that undertakes proprietary trading or proprietary traders within a Participating Organization may be assigned a unique ELP-eligible TraderID. The above ELP rates will apply individually to each pre-qualified ELP that has traded ELP-eligible securities at least 65% passively with a minimum daily average of 500,000 passive shares within 25 or more ELP-eligible equities in a month. Participation in the ELP program is subject to an ELP subscriber agreement.

#### **TMX ETF Options Market Maker Rebate**

Designated ETF Options Market Makers on Bourse de Montreal trading in their symbol of responsibility can generate fee credits to offset equity trading fees on TSX.

Each ETF options contract traded by its market maker generates 60 credits of \$0.0035 each that are applied to offset underlying ETF trading fees on TSX.

The TMX ETF options Market Maker Rebate credits generated from the hedging activities on TSX will be included on the Bourse de Montreal Trading Invoice for the ETF options Market Maker's firm.

#### **Other Fees**

Product	TSX	TSXV	TSX and TSXV
Connectivity (LANX)			No Charge <sup>10</sup>
New STAMP / FIX certification			\$3,000



Toronto Stock  
Exchange

TSX Venture  
Exchange

Session bundle set-up	\$500 per bundle		
Broadcast Feeds (TBF / CBF):			
Participating Organization/Member <sup>10</sup>	\$9,000 per month	\$6,000 per month	\$12,500 per month
Vendor <sup>11</sup>	\$10,000 per month	\$6,500 per month	\$14,500 per month
Additional broadcast feeds			\$600 per port
Base amount for weekend tests			\$2,500 per test
GTE only			\$2,000 per month

<sup>10</sup> Vendor and participating organization/member are responsible for carrier communications costs  
<sup>11</sup> For standard 2 port set-up, limit 2 connections per port

All fees are in Canadian dollars