

# Notice to Participating Organizations and Members

March 16, 2011

2011-022

## EQUITY TRADING FEE CHANGE NOTICE

TMX Group Inc. is pleased to announce adjustments to its Equity Trading Fee Schedule, effective April 1, 2011, subject to regulatory approval.

These changes have been made following consultation with market participants and provide cost savings to participants that trade equities where the trade price per-share is lower than \$1 ("Low Priced Equities"). With these changes, TMX offers the lowest active fee on Low Priced equities in the Canadian market, representing up to a 50% reduction in fees charged to active traders.

### Low Priced Equities

The fee per share to remove liquidity ("active trade") on Post-Open Continuous Markets Trades for all Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSXV") for low priced equities will be reduced to \$0.0002 from \$0.0003. The passive rebate will continue to be \$0.0001 per share. With these changes, the net fee, or active/passive spread, will be reduced from \$0.0002 to \$0.0001.

### TMX Customer Rewards Program on Low Priced Equities

The existing TMX Customer Rewards Program is being expanded to include a reduced Rewards Tier rate for active trades on Low Priced Equities. These additional cost savings are designed to reward those that continue to recognize the benefits of trading on TSX/TSXV and contribute liquidity to these securities.

A Participating Organization/Member qualifies for the Rewards Tier rate if its monthly volume in Low Priced equity continuous trading is greater by 20 Million shares or more than its Q4 2010 average monthly volume in Low Priced equity continuous trading. The Rewards Tier rate of \$0.00015 per share will be applied to active volume that is in excess of the average monthly active volume from Q4 2010.

For example, in Q4 2010, a participant's average monthly volume in Low CLOB trading is 200 Million shares, of which 120 Million is active. In April 2011 the participant's monthly volume in Low CLOB trading is 220 Million shares, of which 130 Million is active. The participant would qualify for the Rewards Tier in April 2011 and the \$0.00015 Rewards Tier rate would be applied to 10 Million shares. The participant would qualify again in May if its monthly Low CLOB volume continued to be 220 Million shares or greater.

All Participating Organizations/Members are eligible to qualify for the Rewards Tier rate and TMX will automatically apply these savings to the monthly invoice for qualifying Participants/Members.

## **Market Makers – Low Priced Equities**

A change to Market Maker rates in Low Priced Equities is also being made to align these rates with the new Low Priced Equities Post-Open Continuous Market rates. The active fee per share and the passive rebate per share will both be reduced from \$0.0003 to \$0.00015.

In order to continue recognizing the contribution of Market Makers in these securities, additional incentives for market making in low priced stocks are being considered and will be announced in the near future after further consultation with market participants.

Please refer to the attached Equity Trading Fee Schedule which reflects all changes effective April 1, 2011. Please contact your TMX account manager with 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.tmx.com](http://www.tmx.com).

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

## Equity Trading Fee Schedule

### Effective April 1, 2011

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

Toronto Stock Exchange	Fee
<b>Application Fee:</b>	\$5,000
<b>Registration Fee (trading applicant):</b>	\$60,000
\$45,000 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
\$45,000 will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$45,000 of the registration upgrade fee will be applied as a credit towards the first year's trading fees	
TSX Venture Exchange	Fee
<b>Application Fee:</b>	\$1,000
<b>Registration Fee (trading applicant):</b>	\$30,000
\$22,500 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
\$22,500 will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$22,500 of the registration upgrade 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 Monthly fee cap at maximum \$100,000 per firm
<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 <b>\$0.00015</b> per active share Credit <b>\$0.00015</b> per passive share
	<ul style="list-style-type: none"> <li>Fees waived for Opening trades</li> <li>MOC and Extended Trading billed at the normal rate for each product</li> <li>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</li> <li>Net Market maker charges under the active/passive schedule will apply if such charges are in excess of \$20,000 per symbol per month</li> <li>ETF Market Makers will be credited an additional \$0.001 per passive share (for equities over \$1) to help offset trading fees incurred from active ETF hedging activities</li> <li>Charge per active share for High Priced Equities is reduced to \$0.0010 if traded against passive Dark Order volume.</li> </ul>
<b>Minimum Guaranteed Fill (MGF) Cancellations:</b>	\$100 per cancellation Attributed to the participant responsible for causing an MGF trade to be cancelled
<b>MGF and Odd Lot Fill:</b>	\$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 Monthly fee cap at maximum \$55,000 per firm

#### 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	Fee / Share
Base Tier	\$0.0002
Rewards Tier <sup>1</sup>	\$0.00015

Liquidity Provider Credit	Credit / Share
Base Tier	\$0.0001

<sup>1</sup>TMX Customer Reward Tier rate applies when all Rewards Program Qualification Criteria are met:

- A firm's monthly volume in Low Priced equity Post-Open Continuous trading is greater by 20 million shares or more than the firm's average monthly volume in Low Priced equity Post-Open Continuous trading in Q4 2010
- The Rewards Tier rate will be applied to active volume that is in excess of the average monthly active volume from Q4 2010.
- Refer to 'Notice to Participating Organizations & Members' #2011-022 for an example of the application of the Rewards Tier rate

##### 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>2</sup>	Fee / Share
Monthly active volume: X ≤ 250MM shares	\$0.0035
Monthly active volume: X > 250MM shares	\$0.0034
Monthly active volume: X > 250MM shares <sup>3</sup>	\$0.0033
Active volume traded against Dark Order volume	\$0.0010

Liquidity Provider Credit <sup>2</sup>	Credit / Share
Monthly passive volume: X ≤ 250MM shares	\$0.0031
Monthly passive volume: X > 250MM shares	\$0.0031
Monthly passive volume: X > 250MM shares <sup>3</sup>	\$0.0032

<sup>2</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

<sup>3</sup> TMX Customer Reward Tier rate applies when all Rewards Program Qualification Criteria are met:

- A minimum of 80% of all executed volume, including Dark Order volume, across all Canadian marketplaces must be on TMX.
- Qualification for this reward tier is based on meeting the trading threshold for a preceding 6 month period. The discount for the customer reward tier rates will be calculated and accumulated monthly and paid initially after the first six month period, and thereafter will be paid monthly subject to continuing qualification.

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, Dark Order volume, volume traded against Dark Order volume, and Jitney volume are not included in the determination of the volume thresholds for post-open continuous market trades.
- A firm-wide net post-open continuous market credit will first be applied to offset the firm's other trading charges. Any remaining net credit will be paid out to the firm.

**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

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

#### **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>4</sup>  
Credit \$0.0032 per passive share<sup>4</sup>

<sup>4</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. Dark Orders are excluded from the ELP program and qualification criteria, and are billed at the Dark Order Type rates. Charge per active share for High Priced Equities is reduced to \$0.0010 if traded against Dark Order volume.

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 of a Participating Organization that undertakes proprietary trading or proprietary traders within a Participating Organization may be assigned a unique ELP-eligible Trader ID. 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.

#### **Toronto Stock Exchange and TSX Venture Exchange Dark Order Types (Mid-Point, Dark Limit)**

Dark Order volume for all TSX and TSXV equities is excluded from the calculation of post-open continuous market fees.

For Dark Orders where the trade price per-share is \$1 or over:

**Taking Dark Liquidity** Charge \$0.0010 per active share trading against Dark Order volume  
**Taking Displayed Liquidity** Charge \$0.0035 per active share trading against displayed order volume

**Providing Dark Liquidity** **FREE** - no fee or rebate for passive shares

#### **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.

#### **Other Fees**

<b>Product</b>	<b>TSX</b>	<b>TSXV</b>	<b>TSX and TSXV</b>
Connectivity (LANX)			No Charge <sup>5</sup>
New STAMP / FIX certification			\$3,000
Session bundle set-up			\$500 per bundle
Broadcast Feeds (TBF / CBF):			
Participating Organization/Member <sup>5</sup>	\$9,000 per month	\$6,000 per month	\$12,500 per month
Vendor	\$10,000 per month	\$6,500 per month	\$14,500 per month
Additional broadcast feeds <sup>6</sup>			\$600 per port
Base amount for weekend tests			\$2,500 per test
GTE only			\$2,000 per month

<sup>5</sup> Vendor and participating organization/member are responsible for carrier communications costs

<sup>6</sup> For standard 2 port set-up, limit 2 connections per port

All fees are in Canadian dollars and are subject to applicable tax