

# Notice to Members

November 30, 2011

2011-069

## TSX Venture Exchange Market on Close and Extended Trading Session

- Revised Implementation Date
- Symbols Eligible for TSXV MOC
- TSXV MOC Volatility Parameters
- Fee Schedule

### Revised Implementation Date

This notice is to announce a revised implementation date for the introduction of the Market on Close (MOC) facility and an Extended Trading session on TSX Venture Exchange (TSXV) as initially announced in PO Notice 2011-047 published on August 26, 2011. The new implementation date is **December 12, 2011**. The revised date will enable a bundled release of the TSXV MOC and Extended Trading features with the upcoming trading enterprise enhancements for 2011. (Previously outlined in PO Notice 2011-055, published on October 14, 2011)

The MOC facility is a value added service which provides equal access and opportunity in setting the closing price, increased price discovery efficiency, and reduced volatility of the closing price for symbols eligible for the MOC facility. The TSXV MOC facility will have the same structure and employ the same rules as the Toronto Stock Exchange (TSX) MOC facility with the exception of the volatility parameters detailed below.

To aid participants in performing index and portfolio rebalancing activities at the closing price, once the closing price has been established through MOC, an extended trading session will be available on TSX Venture Exchange. Trades in the Extended Trading Session will be at the last sale price for each security. The last sale price for MOC securities will be the final Calculated Closing Price (CCP) and the last sale price for other securities will be the price of the last sale on TSX Venture Exchange during the regular session.

### Symbols Eligible for TSXV MOC

All stocks included in the S&P/TSX Venture 30 Index will initially be added to the TSXV MOC facility. Additional symbols may be added when new indexes are created or through participant demand or feedback as is the current practice for the TSX MOC facility. Please see Appendix 1 for a list of the S&P/TSX Venture 30 Index constituents to become MOC eligible on December 12, 2011. (Note: constituents that have graduated to TSX will become immediately MOC eligible in the TSX market. The constituents which have graduated are identified in Appendix 1)

## **TSXV MOC Volatility Parameters**

### *Price Movement Extension (PME) Parameter*

The Price Movement extension parameter is used to determine whether or not the CCP at the end of the continuous trading session is acceptable. The PME will allow a **5%** range from the VWAP of the last 20 minutes of regular market trading and the last board-lot trade price from the continuous market.

### *Closing Price Acceptance (CPA) Parameter*

The Closing Price Acceptance parameter is used to determine whether or not the CCP at the end of the price movement extension is acceptable. The CPA will allow a **15%** range from the VWAP of the last 20 minutes of regular market trading and the last board-lot trade price from the continuous market.

## **TSXV MOC and Extended Trading Fees**

Consistent with the existing fee model for the MOC and Extended trading session on TSX, the TSXV MOC fees will be aligned with the Opening fees on TSX Venture where both sides of the trade will be charged \$0.0012 per active share up to a maximum of \$60 per side. Trades executed during the Extended Trading session will be charged \$0.0002 per side. (Please see Appendix 2 for an updated Fee schedule)

## **TSXV MOC Website enhancements**

Information pertaining to the TSXV MOC facility and intraday TSXV MOC related data will be available on [www.tmx.com](http://www.tmx.com).

### *TSXV MOC Imbalances, CCP and VWAP*

TSXV MOC imbalances will be available on the website shortly after they have been disseminated on the TSXV data feeds. The CCP and VWAP will be displayed shortly after 4:00pm only when a stock has violated the price movement extension parameter.

### *TSXV MOC Eligible symbols*

The symbols which are eligible for the MOC facility will be made available on the website and will be updated as symbols are added or removed from the MOC facility.

Participating Organizations should contact their 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, TMX Select, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Shorcan Energy, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S. markets (Houston, Boston and Chicago) as well as in London and Beijing. 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).

## Appendix 1

### S&P/TSX Venture 30 Index constituents

Symbol	Issue Name	Listing Market
AAA	Allana Potash Corp.	TSX
ARN	Arcan Resources Ltd	TSXV
ATC	ATAC Resources Ltd.	TSXV
AUN	Aurcana Corporation	TSXV
BCM	Bear Creek Mining Corporation	TSXV
CAN	Canaco Resources Inc.	TSXV
EAS	East Asia Minerals Corporation	TSXV
GCU	Gold Canyon Resources Inc.	TSXV
GWG	Great Western Minerals Group Ltd	TSXV
HMG	Hana Mining Ltd	TSXV
INT	Intertainment Media Inc	TSXV
IAE	Ithaca Energy Inc	TSX
NML	New Millennium Iron Corp.	TSX
NVS	Novus Energy Inc	TSXV
ORT	Orbite Aluminae Inc.	TSX
OK	Orko Silver Corp	TSXV
PPY.A	Painted Pony Petroleum Ltd cl A	TSXV
PEA	Petrolia Inc.	TSXV
PRY	Pinecrest Energy Inc	TSXV
QRM	Quest Rare Minerals Ltd	TSXV
RR	Rainy River Resources Ltd.	TSX
RPL	Renegade Petroleum Ltd	TSXV
RIO	Rio Alto Mining Limited	TSXV
SSL	Sandstorm Gold Ltd	TSXV
SNM	ShaMaran Petroleum Corp	TSXV
HRE	Stans Energy Corp	TSXV
SLG	Sterling Resources Ltd.	TSXV
SGY	Surge Energy Inc.	TSX
TRR	Trelawney Mining And Exploration Inc.	TSXV
WSX	Wild Stream Exploration Inc.	TSXV

## Appendix 2

### Equity Trading Fee Schedule Effective December 12, 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 \$0.00015 per active share Credit \$0.00015 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>For a Market Maker other than an ETF Market Maker, the first \$20,000 of net monthly fee generated on trading in its symbol of responsibility will be waived.<sup>1</sup></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>	

- Charge per active share for Low Priced Equities is reduced to \$0.0001 if traded against passive Dark Order volume
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#### Symbol Credits

A Tier B symbol credit of \$100 per symbol of responsibility per month is awarded to Market Makers who meet their monthly performance scores

A Market Maker symbol credit of \$20 per symbol of responsibility per month is awarded to all Market Makers. This \$20 credit is in addition to the above Tier B symbol credit.

#### Minimum Guaranteed Fill (MGF) Cancellations:

\$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

#### Basic Fee:

\$750 per month per member

#### Opening Trades:

\$0.0012 / share / side up to a maximum of \$60 per side  
Monthly fee cap at maximum \$55,000 per firm

#### Market on Close (MOC):

\$0.0012 / share / side up to a maximum of \$60 per side

#### Extended Trading:

\$0.0002 / share / 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	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
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Monthly active volume: $X \leq 250\text{MM}$ shares	\$0.0035
Monthly active volume: $X > 250\text{MM}$ shares	\$0.0034
Monthly active volume: $X > 250\text{MM}$ 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: $X \leq 250\text{MM}$ shares	\$0.0031
Monthly passive volume: $X > 250\text{MM}$ shares	\$0.0031
Monthly passive volume: $X > 250\text{MM}$ 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

#### NEX

#### Fee

#### Trades

\$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

For Dark Orders where the trade price per-share is less than \$1:

## Taking Dark Liquidity

Charge \$0.0001 per active share trading against Dark Order volume

## Taking Displayed Liquidity

Charge \$0.0002 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

Product	TSX	TSXV	TSX and TSXV
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