

# Notice to Participating Organizations and Members

May 24, 2012

2012-029

## Dark Order Types Update

### **All listed symbols on Toronto Stock Exchange and TSX Venture Exchange to be enabled for Dark Orders**

This notice is to announce that **effective June 1, 2012**, all debentures, rights, warrants, notes and exchangeables will be enabled for Dark orders on the Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV). Once these security types are enabled, all listed securities on TSX and TSXV will be enabled for Dark orders.

Please note that Dark transactions involving debentures, rights, warrants, notes and exchangeables will be billed as per the existing TSX security categories and not as per the Toronto Stock Exchange and TSX Venture Exchange Dark Order types fee schedule.

### **TSX/TSX Venture Dark Order Types**

The Toronto Stock Exchange and TSX Venture Exchange's current offering of Dark order types include Dark mid-point orders and Dark limit orders. These order types are introduced as native order features available in the displayed order book.

Dark mid-point orders always provide meaningful price improvement of at least a full trading increment unless the NBBO spread is one trading increment. In this case the price improvement provided will be half a trading increment. Dark limit orders will generally offer price improvement however may trade at the NBBO. Dark orders interact with displayed orders as well as other Dark orders through one allocation sequence ensuring the priority of displayed orders over Dark orders at a price level.

There is no pre-trade transparency of Dark orders meaning order responses and changes in order attributes are not disseminated publicly. All order responses are fully encrypted in the broadcast feed. There is full post-trade transparency of Dark execution prices which will update the last sale price and be provided to the TMX information processor's Consolidated Last Sale (CLS) feed, however all Dark tag details are classified as private content and therefore fully encrypted. As Dark orders are fully hidden they do not contribute to the symbol's quote.

Participating Organizations and Members 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 Brokers, 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 (New York, 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). Follow TMX Group on Twitter at <http://twitter.com/tmxgroup>.

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