

# Notice to Participating Organizations and Members

October 17, 2013

2013-034

## Equity Trading Fee Change Notice

TMX Group Inc. is pleased to announce changes to its Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) Equity Trading Fee Schedule, effective November 1, 2013. The fee changes and the effective date are subject to regulatory approval.

### Exchange Traded Fund (ETF) Trading

The rates for ETF Trading on TSX are changing as follows:

- An active charge of \$0.0030 per share and a passive rebate to \$0.0026 per share<sup>1</sup> will apply to ETF Post-Open Continuous Trades. TSX ETF Post-Open Continuous trade volume will continue to be included in the high priced equities Post-Open Continuous trade monthly active volume tier threshold calculation of 250 Million shares.
- The rates applicable to ETF trading for the ELP program, ETF Dark Orders, and ETF Market Makers will also change in order to appropriately align these rates with the new ETF Post-Open Continuous Trade rates:
  - ELP Program : An active charge of \$0.0029 per share and passive rebate of \$0.0026 per share will apply to ETFs traded under the ELP program.
  - ETF Dark Orders : An active charge of \$0.0030 per share will apply to active Dark Orders that trade against passive ETF displayed volume.
  - ETF Market Makers : An active charge of \$0.0028 per share and a passive rebate of \$0.0038 per share will apply to ETF Market Makers trading their stocks of responsibility.

### Equities where the trade price is < \$1 (Low Priced Equities)

The rates for TSX and TSXV Equities where the trade price is under \$1 are changing as follows:

- Introduction of an additional price tier below \$0.10 for Post-Open Continuous Equities Trades. TSX and TSXV are introducing price tiers for equities where the trade price is under \$0.10, and for equities where the trade price is \$0.10 or over and under \$1. Offering different rates for securities under these different price tiers is intended to better align the trading fees for securities trading under \$1 with the value of the transaction.
- Change to the TSX and TSXV Post-Open Continuous Trades fee model from maker-taker to symmetrical (charge both sides):

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<sup>1</sup> Active trade is fee per share to remove liquidity; Passive trade is fee per share to add liquidity

- For Equities where the trade price is under \$0.10 both active and passive sides of the trade, including the passive undisclosed portion of an iceberg, will be charged \$0.000025 per share.
- For Equities where the trade price is \$0.10 or over and under \$1 both active and passive sides of the trade, including the passive undisclosed portion of an iceberg, will be charged \$0.000075 per share.
- The rates applicable to TSX and TSXV Dark Orders, TSX Market Makers, and TSXV Odd Lot Dealers for stocks where the trade price is under \$1 will also change in order to appropriately align these rates with the new Post-Open Continuous Trade rates for Equities where the trade price is under \$1 :
  - Dark Orders : For securities where the trade price is under \$0.10, both the active and passive side of a Dark Order trade will be charged \$0.000025 per share. For securities where the trade price is \$0.10 or over and under \$1, both the active and passive side of a Dark Order trade will be charged \$0.000075 per share.
  - TSX Market Makers and TSXV Odd Lot Dealers : For TSX Market Makers and TSXV Odd Lot Dealers trading symbols of responsibility where the trade price per share is under \$1, no active charge will be applied, and a passive rebate of \$0.00005 per share will be provided.

### **Elimination of TSX/TSXV Customer Rewards Tiers**

TMX is eliminating the Customer Rewards Tiers for both High Priced Equities and Low Priced Equities which were introduced in April 2010 and April 2011 respectively. Given the minimal number of qualifying participants, and in the context of the fee changes applicable to equities trading under \$1, TSX/TSXV does not believe the Rewards Tiers are an effective program, and their retention would add unnecessary complexity to the fee schedule.

### **Reformatting of the TSX and TSXV Trading Fee Schedules**

The Trading Fee Schedules for TSX and TSXV are being reformatted in order to consolidate the presentation of Post-Open Continuous Trading, ELP, Dark Order, and undisclosed iceberg fees, to better differentiate the fees applicable to TSX and TSXV trading, and to revise some terminology and descriptions to provide additional clarity to the schedule.

Please refer to the attached reformatted TSX/TSXV Equity Trading Fee Schedule where all fees changes outlined in this noticed are highlighted.

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 and clearinghouses for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Alpha Group, The Canadian Depository for Securities, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, BOX Options Exchange, Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, depository services, 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, Beijing and Sydney. 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>.

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).

**TSX and TSXV Trading Fee Schedule**  
**Effective November 1, 2013 – Subject to Regulatory Approval**

**Toronto Stock Exchange (TSX)**

**TSX One Time Set-Up Fees for New Participating Organizations**

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<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 Trading Fees<sup>1</sup>**

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<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 / trade / side Monthly fee cap at maximum \$100,000 per firm
<b>Must Be Filled (MBF):</b>	\$0.0030 / share / side up to a maximum of \$90 / trade / side
<b>Market on Close (MOC):</b>	\$0.0030 / share / side up to a maximum of \$30 / trade / side
<b>Extended Trading:</b>	\$0.0010 / share / side
<b>Minimum Guaranteed Fill (MGF) and Odd Lot Fill:</b>	\$0.0010 per share where trade price is under \$1 \$0.0039 per share where trade price is \$1 or over Applies to trades executed against the Market Maker guaranteed fill service
<b>MGF Cancellations:</b>	\$100 per cancellation Attributed to the participant responsible for causing an MGF trade to be cancelled
<b>Special Settlement Terms:</b>	\$0.0010 / share / side up to a maximum of \$100 / trade / side
<b>Cross Printing Facility:</b>	Free Unintentional crosses are billed according to fees for Post-Open Continuous trades
<b>Specialty Crosses:</b>	Free Basis, VWAP, Contingent, Special Trading Session, Internal crosses
<b>Rights/Warrants:</b>	Active side - charged 1/40 <sup>th</sup> of 1% of the value traded up to a maximum of \$50 / trade / side, minimum charge \$0.50 / trade / side 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
<b>Notes/Debentures:</b>	\$0.10 per \$1000 par value / side
<b>Exchangeables:</b>	\$2 flat fee / trade /side (including intentional crosses)

<sup>1</sup> based on share volume executed unless otherwise noted

## Toronto Stock Exchange (TSX)

### TSX Post-Open Continuous Trades<sup>1</sup> - Equities and Exchange Traded Funds (ETFs):

#### Equities and ETFs:

##### Equities where trade price per share is under 10 cents:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0.000025
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	\$0.000025

##### Equities where trade price per share is 10 cents or over and under \$1:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0.000075
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	\$0.000075

##### Equities where trade price per share is \$1 or over:

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume:	
Monthly active volume <sup>2</sup> ≤ 250MM shares	\$0.0035
Monthly active volume <sup>2</sup> > 250MM shares	\$0.0034
ELP Program <sup>3</sup>	\$0.0034
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	(\$0.0031)
Providing undisclosed iceberg volume	(\$0.0002)
Providing Dark Order volume	\$0

#### ETFs

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume:	
Monthly active volume <sup>2</sup> ≤ 250MM shares	\$0.0030
Monthly active volume <sup>2</sup> > 250MM shares	\$0.0029
ELP Program <sup>3</sup>	\$0.0029
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	(\$0.0026)
Providing undisclosed iceberg volume	(\$0.0002)
Providing Dark Order volume	\$0

<sup>1</sup> Rates are based on share volume executed. A firm-wide net credit for Post-Open Continuous trades will first be applied to offset the firm's other trading charges. Any remaining net credit will be paid out to the firm.

<sup>2</sup> Monthly active volume threshold is calculated based on Post-Open Continuous trades in TSX/TSXV equities where price per share is \$1 or over and ETFs. Undisclosed iceberg, Dark Order volume, volume traded against Dark Orders, jitney volume as well as any volume in Rights, Warrants, Notes, Debentures and Exchangeables is excluded from the calculation.

<sup>3</sup> Electronic Liquidity Provider (ELP) Program applies to qualifying and pre-approved ELPs for trades in ELP-eligible securities as specified by TSX. An ELP qualifies for ELP rates if at least 65% of volume in ELP-eligible securities, excluding Dark Order volume, is traded passively with a minimum daily average of 500,000 passive shares within 25 or more ELP-eligible securities in a month. Participation in the ELP program is subject to the ELP subscriber agreement and proven experience in conducting high-frequency electronic trading.

## Toronto Stock Exchange (TSX)

### TSX Market Maker Trading Fees on Symbols of Responsibility

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Post Open Continuous Trades<sup>5, 6</sup>:

Equities where trade price per share is under \$1:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	(\$0.00005)

Equities where trade price per share is \$1 or over:

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume	\$0.0033
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	(\$0.0033)
Providing undisclosed iceberg volume	(\$0.0002)
Providing Dark Order volume	\$0

ETFs:

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume:	\$0.0028
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	( \$0.0038)
Providing undisclosed iceberg volume	( \$0.0002)
Providing Dark Order volume	\$0

<sup>5</sup> Fees waived for opening, Rights, Warrants, Notes, Debentures and Exchangeable trades. All other products are billed at regular rates for each product.

<sup>6</sup> For a Market Maker other than an ETF Market Maker, the first \$20,000 of net monthly fee generated on trading in its symbols of responsibility will be waived.

### 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 and who have at least one execution during the month on their symbol of responsibility.

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.

## TSX Venture Exchange (TSXV)

### TSXV One Time Set-Up Fees for New Members

<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	

### TSXV Trading Fees

<b>Basic Fee:</b>	\$750 per month per Member
<b>Opening Trades:</b>	\$0.0012 / share / side up to a maximum of \$60 / trade / side Monthly fee cap at maximum \$55,000 per firm
<b>Market on Close (MOC):</b>	\$0.0012 / share / side up to a maximum of \$60 / trade / side
<b>Extended Trading:</b>	\$0.0002 / share / side
<b>Cross Printing Facility:</b>	Free Unintentional crosses are billed according to Post-Open Continuous fees
<b>Internal Crosses:</b>	Free
<b>NEX Trades</b>	\$0.0005 / share / side \$3 / trade / side minimum, \$50 / trade / side maximum

### TSX Venture Post-Open Continuous Trades <sup>7</sup> – Equities, Notes and Debentures:

#### Trades where trade price per share is under 10 cents:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0.000025
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	\$0.000025

#### Trades where trade price per share is 10 cents or over and under \$1:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0.000075
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	\$0.000075

#### Trades where price per share is \$1 or over:

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume:	
Monthly active volume <sup>8</sup> ≤ 250MM shares	\$0.0035
Monthly active volume <sup>8</sup> > 250MM shares	\$0.0034
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	(\$0.0031)
Providing undisclosed iceberg volume	(\$0.0002)
Providing Dark Order volume	\$0

<sup>7</sup> Rates are based on share volume executed. A firm-wide net credit for Post-Open Continuous trades will first be applied to offset the firm's other trading charges. Any remaining net credit will be paid out to the firm.

<sup>8</sup> Monthly active volume threshold is calculated based on Post-Open Continuous trades in TSX/TSXV equities where price per share is \$1 or over and ETFs. Undisclosed iceberg, Dark Order volume, volume traded against Dark Orders, jitney volume as well as any volume in Rights, Warrants, Notes, Debentures and Exchangeables is excluded from the calculation.

## TSX Venture Exchange (TSXV)

### TSX Venture Odd Lot Dealer Fees on Symbols of Responsibility

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Post Open Continuous Trades<sup>10</sup>:

Equities where trade price per share is under \$1:

Active	Fee / Share/Side
Removing displayed, undisclosed iceberg and Dark Order volume	\$0
Passive	Fee / Share/Side
Providing displayed, undisclosed iceberg and Dark Order volume	(\$0.00005)

Equities where trade price per share is \$1 or over:

Active	Fee / Share/Side
Removing displayed and undisclosed iceberg volume	\$0.0033
Removing Dark Order volume	\$0.0010
Passive	Fee / Share/Side
Providing displayed volume	(\$0.0033)
Providing undisclosed iceberg volume	(\$0.0002)
Providing Dark Order volume	\$0

<sup>10</sup> All other product billed at regular rates for each product.

#### Symbol Credits

A symbol credit of \$40 per symbol of responsibility per month is awarded to Odd Lot Dealers on their symbol of responsibility.



## Other Fees (Monthly Charges, except as otherwise stated)

Product	TSX	TSXV	TSX and TSXV
1 Gb Connectivity (Demarcation) <sup>11</sup>			No Charge
10 Gb Connectivity (Demarcation) <sup>11</sup>			\$1,500 for first primary connection \$1,000 for additional primary connection \$1,000 for disaster recovery connection
New STAMP / FIX certification			\$3,000 (one-time)
Session bundle set-up			\$500 per bundle (one-time)
Broadcast Feeds (TBF / CBF) <sup>11</sup> :			
Participating Organization/Member Firm	\$9,000	\$6,000	\$12,500
Access Vendor	\$10,000	\$6,500	\$14,500
Additional broadcast feeds <sup>12</sup>			\$600 per port
Base amount for weekend tests			\$2,500 per test
General Test Environment (GTE) only			\$2,000

<sup>11</sup> Vendor and participating organization/member are responsible for carrier communications costs

<sup>12</sup> For standard 2 port set-up, limit 2 connections per port

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