

TORONTO STOCK EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO THE RULES OF TORONTO STOCK EXCHANGE

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the "Protocol"), TSX Inc. ("TSX") has adopted, and the Ontario Securities Commission has approved, amendments (the "Amendments") to the TSX Rule Book. The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendments as Housekeeping Rules.

Reasons for the Amendments

The Amendments are being made to (i) conform to applicable amendments being made by CDS Clearing and Depository Services Inc. ("CDS") to move to a cycle where settlement occurs two trading days after the trade date ("T+2"), and (ii) fix a typographical error.

Summary of the Amendments

Rules 5-103(1), 5-103(2)(a)(i), 5-103(2)(a)(ii), 5-103(2)(b)(i), 5-103(2)(b)(ii), and 5-301(2) are being amended to conform to applicable amendments being made by CDS to move to T+2.

Rule 5-103(2)(d) is being amended to fix a typographical error.

Text of the Amendments

The Amendments are set out as blacklined text at Appendix A.

Timing

The Amendments become effective September 5, 2017.

APPENDIX A
AMENDMENTS TO TORONTO STOCK EXCHANGE RULE BOOK

Rule 5-103 Settlement of Exchange Trades

- (1) Exchange trades in securities shall settle on the ~~third~~second Settlement Day after the trade date, unless otherwise provided by the Exchange or the parties to the trade by mutual agreement.
- (2) Notwithstanding Rule 5-103(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:

(a) trades on a when issued basis made:

- i. prior to the ~~second~~first Trading Day before the anticipated date of issue of the security shall be settled on the anticipated date of issue of such security, and
- ii. on or after the ~~second~~first Trading Day before the anticipated date of issue of the security shall settle on the ~~third~~second settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall be settled on the date that the security is actually issued;

(b) trades for rights, warrants and installment receipts made:

~~(i) — on the third Trading Day before the expiry or payment date shall be for special settlement on the Settlement Day before the expiry or payment date,~~

(i) ~~(ii)~~ on the second and first Trading Day before the expiry or payment date, shall be cash trades for next day settlement, and

(ii) ~~(iii)~~ on expiry or payment date shall be cash trades for immediate settlement and trading shall cease at 12:00 Noon (unless the expiry or payment time is set prior to the close of business in which case trading shall cease at the close of business on the first Trading Day preceding the expiry or payment), provided selling Participating Organizations must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;

[...]

- (d) cash trades in securities that have been designated by the Exchange for same day settlement shall be settled by over-the-counter delivery no later ~~that~~ than 2:00 p.m. on the trade day.

[...]

[Amended \(September 5, 2017\)](#)

Rule 5-301 Buy-Ins ~~(Amended)~~

[...]

(2) Security Loans

In the absence of any agreement to the contrary, a loan of securities between Participating Organizations may be called through service of notice in writing of termination of the loan to the borrowing Participating Organization and the borrowing Participating Organization shall return securities of the same class as those loaned in the specified quantity by the close of business on the ~~third~~second Settlement Day following the date of receipt of such notice.

[Amended \(September 5, 2017\)](#)