

APPENDIX B

SUMMARY OF THE ATS RULES

Type of Security	Who will trade?	Transparency Requirements	Market Regulation
Exchange-traded securities <ul style="list-style-type: none"> • equity • options • debt 	Marketplaces <ul style="list-style-type: none"> • Exchange • ATS • Quotation and trade reporting system (QTRS) • Dealer that executes trades of exchange-traded securities outside of a marketplace 	Marketplaces provide <ul style="list-style-type: none"> • order information • trade information to an information processor in real-time Exemption if the marketplace provides information to an information vendor <ul style="list-style-type: none"> • exemption does not apply after December 31, 2003 	Exchange and QTRS <ul style="list-style-type: none"> • directly • indirectly by a regulation services provider ATS <ul style="list-style-type: none"> • by a regulation services provider Audit trail requirements
Over-the-counter equity securities	Dealers	None	In Ontario, trade reporting to CUB (section 154 of Ontario Regulations) In Ontario, surveillance of CUB done by CDNX Audit trail requirements
Foreign exchange-traded securities <ul style="list-style-type: none"> • equity • options • debt 	Marketplace (ATS)	Marketplaces (ATS) provide <ul style="list-style-type: none"> • order information • trade information to an information processor in real-time Exemption if the marketplace provides	ATS <ul style="list-style-type: none"> • by a regulation services provider Audit trail requirements

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		information to an information vendor <ul style="list-style-type: none"> • exemption does not apply after December 31, 2003 Dealers – no requirements	
Government debt securities	Marketplace (ATS) Inter-dealer bond broker Dealer executing trades outside of a marketplace	Marketplace (ATS) provide <ul style="list-style-type: none"> • order information • trade information to an information processor in real-time Inter-dealer bond brokers provide <ul style="list-style-type: none"> • order information • trade information on certain benchmarks and designated government debt securities to an information processor in real-time Dealers - no requirements	ATS Inter-dealer bond broker Dealer executing trades of unlisted debt securities outside of a marketplace <ul style="list-style-type: none"> • by a regulation services provider Exemption if the ATS, IDB or dealer complies with IDA Policy No. 5 <ul style="list-style-type: none"> • exemption does not apply after December 31, 2003 Audit trail requirements
Corporate debt securities	Marketplace (ATS) Inter-dealer bond broker Dealer executing trades outside of a marketplace	ATSS provide <ul style="list-style-type: none"> • order information • trade information to an information processor in real-time Inter-dealer bond brokers and Dealers provide <ul style="list-style-type: none"> • trade information on certain designated corporate debt	ATS Inter-dealer bond broker Dealer executing trades of unlisted debt securities outside of a marketplace <ul style="list-style-type: none"> • by a regulation services provider Exemption provided that the ATS, IDB or dealer complies with IDA Policy No. 5 <ul style="list-style-type: none"> • exemption does not apply after December

Type of Security	Who will trade?	Transparency Requirements	Market Regulation
		securities to the information processor within one hour of the trade Volume disseminated <ul style="list-style-type: none"> • Investment grade - \$2 million /\$2million+ • Non-investment grade - \$200,000/\$200,000+ 	31, 2003 Audit trail requirements