DEFERRAL OF IMPLEMENTATION DATE FOR THE REPORTING OF EXTENDED FAILED TRADES AND TRADE VARIATIONS AND CANCELLATIONS

On October 15, 2008, the Investment Industry Regulatory Organization of Canada (“IIROC”) published notice of the approval by the applicable securities regulatory authorities of various amendments to the Universal Market Integrity Rules (“UMIR”) respecting short sales and failed trades. Among the approved amendments were requirements that:

- notice be provided to a Market Regulator if, after the execution of a trade, the trade is varied (with respect to price, volume or settlement date) or cancelled; and
- a report of a “failed trade” be made to a Market Regulator if the reason for the failure is not resolved within ten trading days following the original settlement date of the trade.

While these amendments relating to the filing of a report or notice to IIROC were effective on October 15, 2008, the implementation date for these amendments was set as March 1, 2009. This Rules Notice confirms that the implementation date will be deferred until a future date to be determined by IIROC. The future date will be announced by IIROC through the issuance of a Rules Notice at least 90 days in advance of the date that IIROC would expect reports and notices to be filed with IIROC.

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Since the publication of the notice of approval of the amendments, staff of IIROC has been dealing with a working group of the Financial Administrators Section established to provide additional input on the implementation of these amendments ("Working Group"). The goal of both IIROC and the Working Group has been to devise a reporting system that will provide IIROC with the necessary information on extended failed trades in a form and format that imposes the least administrative burden on Participants. IIROC anticipates that the reporting system will be web-based and will permit a Participant or Access Person to either complete the report on-line or to upload a file that contains the same information that has been prepared in a standardized format.