

Appendix 3 – Impact Assessment

Description of Proposed Amendment	Related intended benefits	Impact on clients	Impact on issuers	Impact on Participants or Access Persons	Impact on Marketplaces	Impact on CIRO
Adding a definition of <i>U.S. inter-listed security</i> to UMIR 1.1	<p>Proposed Amendment would support the harmonization of the applicable trading increment for certain securities that are inter-listed in the U.S., with the applicable trading increment for those securities as established by Rule 612 of Reg NMS.</p> <p>The primary intended benefit of the Proposed Amendment is to ensure that the Canadian market remains competitive relative to the U.S. We expect this will generally be a positive impact on the Canadian market as a whole and all market participants.</p>	<i>Positive</i> – Clients may benefit from narrower spreads in certain U.S. inter-listed securities.	<i>Neutral</i> – Proposed Amendment is not expected to have a material impact on issuers.	<i>Positive</i> – Participants or Access Persons may benefit from narrower spreads in certain U.S. inter-listed securities.	<i>Neutral to Positive</i> – Proposed Amendment is not expected to materially impact marketplaces, other than ensuring that the Canadian market remains competitive and that trading activity in certain U.S. inter-listed securities is not incentivized to move to the U.S.	<i>Neutral</i> – CIRO is not expected to be materially impacted by the Proposed Amendment.
Amending UMIR 6.1 to	Proposed Amendment would support the	<i>Positive</i> – Clients may benefit	<i>Unknown</i> – While the	<i>Positive</i> – Participants or	<i>Neutral to Positive</i> – Proposed Amendment	<i>Neutral</i> – CIRO is not expected to be

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<p>distinguish between the applicable trading increments for U.S. inter-listed securities and securities that are not U.S. inter-listed securities.</p>	<p>harmonization of the applicable trading increment for certain securities that are inter-listed in the U.S., with the applicable trading increment for those securities as established by Rule 612 of Reg NMS.</p> <p>The primary intended benefit of the Proposed Amendment is to ensure that the Canadian market remains competitive relative to the U.S. We expect this will generally be a positive impact on the Canadian market as a whole and all market participants.</p>	<p>from narrower spreads in certain U.S. inter-listed securities.</p>	<p>impact of the Proposed Amendment on issuers is unknown, it is not expected to have a material impact.</p>	<p>Access Persons may benefit from narrower spreads in certain U.S. inter-listed securities.</p> <p><i>Negative</i> – Participants or Access Persons may need to engage in significant educational outreach to ensure that clients are aware of the changes, in particular, that trading increments may change on a semi-annual basis. Participants or Access Persons may also incur significant technology / systems costs associated with the changes. These technology costs may result from both changes to trading increments (e.g.,</p>	<p>is not expected to materially impact marketplaces, other than ensuring that the Canadian market remains competitive and that trading activity in certain U.S. inter-listed securities is not incentivized to move to the U.S.</p> <p><i>Negative</i> – Marketplaces may also incur significant technology / systems costs associated with the changes.</p>	<p>materially impacted by the Proposed Amendment, other than the resources that will be required for the ongoing publication of a technical rules bulletin that establishes the applicable trading increment for U.S. inter-listed securities.</p> <p>With the expected increase in order and trade information, CIRO may be required to undertake systems work to accommodate technology impacts of the Proposed Amendments.</p>

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				trading systems and related technology), as well as upgrades to system capacity due to an increase in order and trade information.		