



### **New Rules Regarding Transactions in Canadian Securities in the Canadian Marketplace**

On **October 15, 2012**, the Investment Industry Regulatory Organization of Canada (“IIROC”) is scheduled to implement amendments to certain order marking rules for securities that are listed and traded on a Canadian marketplace<sup>1</sup> (“Canadian Securities”). Specifically, an account will need to be marked with a new account type indicator called “short-marking exempt” if it is:

- An arbitrage account (as defined by IIROC) which makes a usual practice of buying and selling securities in different markets to take advantage of differences in prices;
- An account of a person with Canadian Marketplace Trading Obligations (e.g. an account of a dealer registered in Canada with Canadian market maker obligations);
- An account (i) for which order generation and entry from the account is fully-automated and (ii) which, in the ordinary course, does **not** have at the end of each trading day, more than a nominal position, whether short or long, in a particular security; or
- A principal account of a Canadian dealer or its affiliate that has acquired during a trading day a position in a particular security in a transaction with a client that is unwound during the balance of the trading day such that, in the ordinary course, the account does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security.

Beginning October 15, 2012 **ALL** orders (long sale, short sale and purchase orders) routed to the Canadian marketplace from accounts that meet the “short-marking exempt” criteria will be required to be marked “short-marking exempt”. “Short-marking exempt” accounts are still required to mark their sell orders as long or short sales.

**If you believe any of your Goldman Sachs accounts that you use for orders in Canadian Securities should be marked “short-marking exempt”, please notify your Goldman Sachs representative as soon as possible.**

**If we do not hear from you, we will assume that none of your Goldman Sachs accounts meet the criteria for the “short-marking exempt” order marker.**

Please speak with your legal advisor or your Goldman Sachs representative if you have any questions about the “short-marking exempt” designation or whether your accounts may qualify to be so marked.

See definition of “short-marking exempt” in IIROC Notice 12-0078 available here: [http://iiroc.ca/Documents/2012/7026f168-80c3-45ea-a635-55b8802dbbaf\\_en.pdf](http://iiroc.ca/Documents/2012/7026f168-80c3-45ea-a635-55b8802dbbaf_en.pdf)

IIROC has published draft interpretive guidance on the Amendments, available here: [http://www.iiroc.ca/Documents/2012/9e24a94c-7276-479e-b313-184917525010\\_en.pdf](http://www.iiroc.ca/Documents/2012/9e24a94c-7276-479e-b313-184917525010_en.pdf)

---

<sup>1</sup> Including the Toronto Stock Exchange, TSX Venture Exchange, Alpha Exchange and Canadian ATSS.