

## NEW CANADIAN REGULATIONS ON DARK POOLS PROTECT INSTITUTIONAL INVESTORS

### REGULATIONS SUPPORT EXISTING STRUCTURE OF LIQUIDNET

**Toronto, April 16, 2012**

Liquidnet, the global institutional trading network, welcomes the decision by the Canadian regulators, released on Friday (4/13), to ensure that the new Canadian rules on dark pools preserve appropriate protections for institutions seeking to execute large block orders. These protections reflect the existing structure of Liquidnet's offering to pension and other large, long-term investors. The regulations confirm the growing importance of an institutional network to execute large block trades anonymously, securely and without market impact.

"The decision to maintain protections for large block orders directly benefits retirees and millions of other Canadian investors who invest through pension funds and similar investment vehicles. Under the new regulations, institutional investors can continue to benefit from systems like Liquidnet that provide a safe venue for executing large block orders without market impact," said Robert Young, CEO, Liquidnet Canada.

Three key changes of the new regulations include:

- Visible order priority – Visible orders will have execution priority over dark orders on the same marketplace at the same price;
- Meaningful price improvement - For an order below block size to trade with a dark order, the dark order must provide an execution price better than the displayed quote by one trading increment (typically one cent).
- Minimum size – IIROC has the ability to designate a minimize size for dark orders. CSA and IIROC will monitor market developments closely to consider whether and when IIROC should implement a minimum size.

#### **About Liquidnet**

Liquidnet is the global institutional trading network that connects equity investors with the liquidity they need— in size, at any time, from anywhere. We go beyond what the retail market can provide by defending and securing the integrity and the anonymity of the block trade. We do this while continuously looking for ways to bring in new sources of safe, actionable liquidity from asset management firms, exchanges, brokers and corporations. Since we launched in 2001, our ability to anticipate and meet institutional demand has allowed us to extend trading to 39 equity markets across five continents for asset management firms who collectively manage US\$12.4 trillion. For more information on the Liquidnet community, its liquidity, block executions, and additional investment capabilities, visit [www.liquidnet.com](http://www.liquidnet.com).

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