



Cboe Canada Inc. – Proposed Significant Change and Fee Change – Dedicated Cores – Request for Comments

Reference ID: C2025100201

Applicable Cboe Exchange: Cboe Canada Inc.

INTRODUCTION

Cboe Canada Inc. (**Cboe Canada** or the **Exchange**) is publishing two proposed changes (the **Significant Change subject to Public Comment** and the **Fee Change subject to Public Comment**) to Cboe Canada's Form 21-101F1 (the **F1**) in accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* (the **Exchange Protocol**), which is attached as Schedule 4 to the Exchange's recognition order, as amended. The Significant Change subject to Public Comment and the Fee Change subject to Public Comment were filed with the Ontario Securities Commission (the **OSC**) and are hereby being published for comment. A description of the Significant Change subject to Public Comment and of the Fee Change subject to Public Comment are set out below.¹

I. SIGNIFICANT CHANGE SUBJECT TO PUBLIC COMMENT – DEDICATED CORES

DESCRIPTION OF THE SIGNIFICANT CHANGE SUBJECT TO PUBLIC COMMENT

The Exchange is proposing to offer Members² a new optional connectivity service known as Dedicated Cores. Historically, and up until the present day, on the Cboe Canada exchange, Central Processing Units (**CPU Cores**) have been shared by Members' logical order entry ports (i.e., multiple logical ports that are respectively associated with multiple Member firms may connect to a single CPU Core at any given time during the trading day). The introduction of Dedicated Cores will allow a Member to assign its selected individual Binary Order Entry (**BOE**) logical order entry ports³ to a single dedicated CPU Core (or **Dedicated**

¹ In the event that the Significant Change subject to Public Comment and the corresponding Fee Change subject to Public Comment are approved, advance written notice of the new fee, as described in the Fee Change subject to Public Comment set out below, will be provided to clients in accordance with the terms of the Exchange's Connectivity Services Agreement, and a revised version of the Connectivity Services Fee Schedule (the **Fee Schedule**), reflecting the new monthly fee and a planned "housekeeping" change to section 1 of the Fee Schedule, will be published by the Exchange on its website on or before implementation.

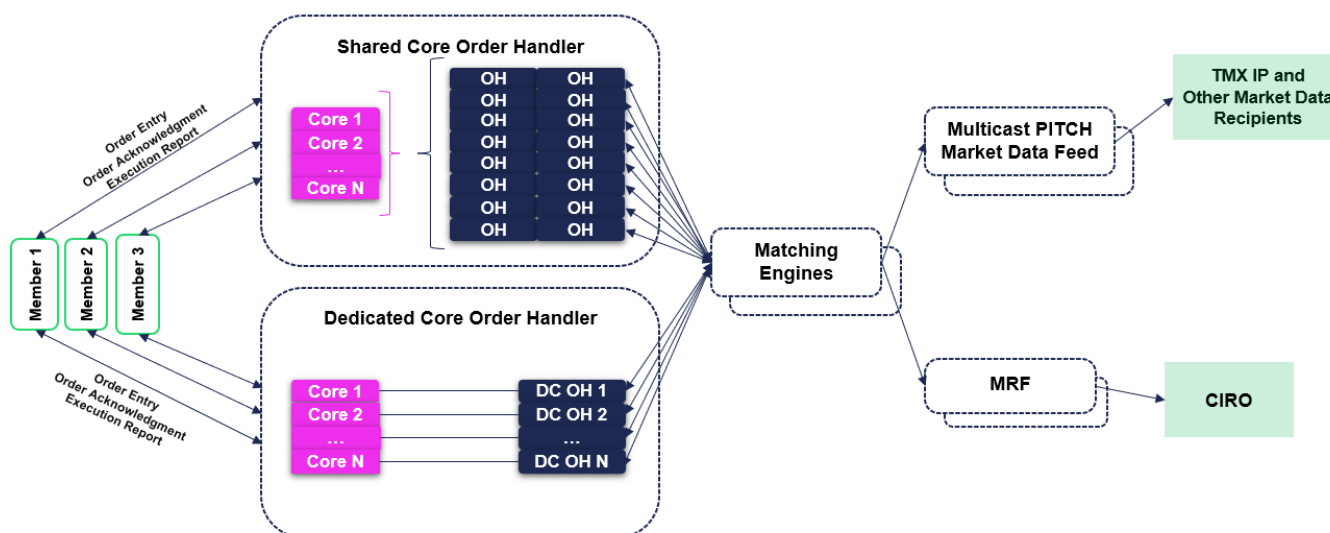
² Capitalized terms used but not defined herein are as defined in Section 1.01 of the Exchange's trading rules (the **Trading Policies**). Please note that the Exchange has used the word "Member" throughout this Request for Comments, as the Exchange anticipates that, in practice, Members are the type of Exchange client most likely to be interested in using Dedicated Cores. However, any party that has entered into a Connectivity Services Agreement with the Exchange could theoretically purchase Dedicated Cores, if this service is approved, and that would include third-party access vendors and DEA Clients. As such, unless the context indicates otherwise, the word "Member" should be interpreted as "Customer" as that word is understood in the Connectivity Services Agreement (which is published within the "Agreements" tab of the "Document Library" page of the Exchange's website at <https://www.cboe.com/ca/equities/support/agreements/>).

³ Members may currently connect to the Exchange using a logical port available through an application programming interface (**API**),

Core).⁴ Use of Dedicated Cores can provide reduced latency, enhanced throughput, and improved performance, since a Member using a Dedicated Core is utilizing the full processing power of that CPU Core, instead of sharing that power with other Members. This offering is completely voluntary and will be available to all Members.⁵

Members will also continue to have the option to utilize BOE logical order entry ports on shared CPU Cores as they do today, either in lieu of, or in addition to, their use of Dedicated Core(s). As such, Members will be able to operate across a mix of shared and dedicated CPU Cores, which the Exchange believes provides additional risk and capacity management, especially during times of market volatility and high message traffic. Dedicated Cores are not required for any Member, nor are they necessary to participate on the Exchange, and as such, Members may opt not to use Dedicated Cores at all.

The following diagram illustrates how Dedicated Cores will fit into the order handling process:



Note that Dedicated Cores will not affect in any way Cboe Canada's Multicast PITCH market data feed (which is how real-time market data from Cboe Canada is simultaneously transmitted to market data recipient customers and the Information Processor), including, in particular, the speed of data transmission via the Multicast PITCH market data feed.

The Significant Change subject to Public Comment will result in the addition of one new sentence describing Dedicated Cores in a required (confidential) exhibit that is part of the F1.

EXPECTED DATE OF IMPLEMENTATION

The Exchange is seeking to implement this Significant Change subject to Public Comment on or around February 2, 2026.

such as the BOE protocol. A BOE logical order entry port is used for order entry. The Exchange also offers Members the option to use FIX logical order entry ports; those ports are unaffected by the proposed Dedicated Cores offering discussed herein.

⁴ The Exchange notes that Members will not have physical access to their Dedicated Core(s) and thus will not be able to make any modifications to any Dedicated Core or server directly. All Dedicated Cores (including servers used for this service) will be owned and operated by the Exchange.

⁵ Please see section II for details regarding the new fee for Dedicated Cores.

RATIONALE AND RELEVANT SUPPORTING ANALYSIS

As noted above, CPU Cores have historically been shared by logical order entry ports (i.e., multiple logical ports that are respectively associated with multiple Member firms may connect to a single CPU Core at any given time during the trading day). Use of Dedicated Cores can provide reduced latency, enhanced throughput, and improved performance, since a Member using a Dedicated Core is utilizing the full processing power of that CPU Core instead of sharing that power with other Members.

The use of Dedicated Cores is not necessary for trading and, as noted above, is entirely optional. Indeed, Members will be able to continue to conduct order entry on the Exchange through shared CPU Cores at no additional cost, and the Exchange expects some Members to do just that. Depending on a Member's specific business needs, the Member may choose to use Dedicated Cores in lieu of, or in addition to, shared CPU Cores (or as noted above, not use Dedicated Cores at all). The Exchange believes the proposal to operate across a mix of shared and dedicated CPU Cores may further provide additional risk and capacity management.

The Exchange has no current plans to eliminate shared CPU Cores, nor require subscription to the Dedicated Cores offering. By maintaining the existing shared CPU Cores alongside the new optional Dedicated Cores, the Exchange expects that all Members will benefit, insofar as those opting to use Dedicated Cores will receive the benefits of Dedicated Cores noted above (reduced latency, enhanced throughput, and improved performance), while those opting to continue using the shared CPU Cores will also experience benefits of reduced latency, enhanced throughput, and improved performance relative to today, given the diversion of some order message traffic from the shared CPU Cores to the Dedicated Cores.

EXPECTED IMPACT ON MARKET STRUCTURE, MEMBERS, INVESTORS, ISSUERS AND CAPITAL MARKETS

The impact on market structure, Members, investors, issuers, and capital markets is expected to be neutral to positive, given the benefits expected for all Members (not just those that elect to use Dedicated Cores) in terms of reduced latency, enhanced throughput, and improved performance.

EXPECTED IMPACT ON EXCHANGE'S COMPLIANCE WITH ONTARIO SECURITIES LAW AND ON REQUIREMENTS FOR FAIR ACCESS AND MAINTENANCE OF FAIR AND ORDERLY MARKETS

The proposed change will have no impact on Cboe Canada's continuing compliance with Ontario securities law, including requirements for fair access and the maintenance of fair and orderly markets. As noted above, Dedicated Cores are a purely optional connectivity offering that will be made available to all Members, and their adoption is expected to ultimately benefit all Members, not just those that elect to use them.

CONSULTATION AND INTERNAL GOVERNANCE PROCESS

The proposed change was reviewed and approved by the Exchange's Executive Committee, and the Regulatory Oversight Committee of the Exchange's board of directors will receive an update regarding the

change at its next meeting.

EXPECTED IMPACT ON THE SYSTEMS OF MEMBERS OR SERVICE VENDORS

Making use of Dedicated Cores is voluntary. For Members that elect to use Dedicated Cores, Cboe Canada believes that a reasonable estimate of the time needed to modify these Members' systems is approximately 60 days, based on the experiences of Cboe Canada's affiliates around the globe in connection with the establishment of similar offerings for their respective clients.

ALTERNATIVES CONSIDERED

The Exchange considered not offering Dedicated Cores at all. No other alternatives were considered.

NEW FEATURE OR RULE

Dedicated Cores would be a new functionality among Canadian marketplaces. However, Dedicated Cores are already in use around the globe on marketplaces operated by affiliates of Cboe Canada located in the United States, the United Kingdom, Europe, and Australia. See, for example, the following notices:

- U.K. and European affiliates: https://cdn.cboe.com/resources/release_notes/2024/UPDATE-Cboe-UK-and-Cboe-NL-Dedicated-Cores-notice.pdf; and
- Australian affiliate: https://cdn.cboe.com/resources/market_operations_notice/Market-Operations-Notice-0006-24.pdf.

See also <https://www.marketsmedia.com/cboe-reduces-latency-on-us-equities-exchanges-by-60/>.

In addition, in the United States, a competitor of Cboe Canada's U.S. affiliates offers a connectivity feature that is similar to Dedicated Cores. See, e.g., The Nasdaq Stock Market's "Dedicated OUCH" service, as described at <https://www.nasdaqtrader.com/Trader.aspx?id=OUCH>.

II. FEE CHANGE SUBJECT TO PUBLIC COMMENT – DEDICATED CORES

DESCRIPTION OF THE PROPOSED FEE CHANGE SUBJECT TO PUBLIC COMMENT

The Exchange proposes the following new fees for Dedicated Cores:

- the first Dedicated Core for each Member will be free of charge; and
- each additional Dedicated Core for each Member will cost \$600 per month.

There will be no set-up fees for Dedicated Cores. However, regardless of when the Member chooses to set up each new Dedicated Core (after the first free Dedicated Core), the Exchange will bill the Member for the full monthly amount for the first month; no proration will apply.

The Fee Change subject to Public Comment will result in the following text being added to section 2 of the Fee Schedule:

DEDICATED CORES

SERVICE OPTION	ONE-TIME FEE	MONTHLY FEE
1 Dedicated Core	\$0	\$0
Each Add'l Dedicated Core	\$0	\$600

Dedicated Cores are an optional feature that allows a client to assign its selected BOE Order Entry Sessions to a single dedicated Central Processing Unit (CPU) core (i.e., a “Dedicated Core”). The monthly fees are assessed and applied in their entirety and are not prorated.

EXPECTED DATE OF IMPLEMENTATION

The Exchange is seeking to implement this Fee Change subject to Public Comment on or around February 2, 2026.

RATIONALE AND RELEVANT SUPPORTING ANALYSIS

The proposed monthly fee (CAD \$600) was arrived at by taking into consideration the range of monthly fees charged by Cboe Canada’s U.S. affiliates for Dedicated Cores currently being offered by those affiliates to clients in the U.S. (which range starts at USD \$650 per Dedicated Core per month and rises to USD \$1,050 per month, depending on the total number of Dedicated Cores selected by a client), see Cboe U.S. Equities Fee Schedules, available at https://www.cboe.com/us/equities/membership/fee_schedule/ (under the heading “Dedicated Cores”), and applying a discount to the fee that applies at the lowest end of that range.

EXPECTED IMPACT ON MARKET STRUCTURE, MEMBERS, INVESTORS, ISSUERS AND CAPITAL MARKETS

We expect the proposed Fee Change subject to Public Comment will have no material impact on market structure, investors, and the capital markets as a whole. As for the impact on Members, given that the new service is purely optional, the impact is expected to be marginal because (1) there will be no cost impact whatsoever on Members that choose to use only one Dedicated Core or none at all, and (2) the direct benefits that will inure to Members that choose to use two or more Dedicated Cores are expected to more than outweigh the costs to those Members (as otherwise, such Members would not have made the choice to take on two or more Dedicated Cores in the first place).

EXPECTED IMPACT ON EXCHANGE’S COMPLIANCE WITH ONTARIO SECURITIES LAW AND ON REQUIREMENTS FOR FAIR ACCESS AND MAINTENANCE OF FAIR AND ORDERLY MARKETS

Because the proposed Fee Change subject to Public Comment pertains to a service that is purely optional, does not create any new fee structure within Canada, and introduces only a relatively modest monthly fee (in the context of the existing monthly connectivity fees already being paid by Members of the Exchange), no impact on compliance with fair access requirements or fair and orderly markets is expected.

CONSULTATION AND INTERNAL GOVERNANCE PROCESS

The proposed fee was reviewed and approved by the Exchange’s Executive Committee, and the Regulatory Oversight Committee of the Exchange’s board of directors will receive an update regarding the proposed

fee at its next meeting.

ADDITIONAL INFORMATION FOR THE PROPOSED FEE CHANGE SUBJECT TO PUBLIC COMMENT

1. *Expected number of marketplace participants likely to be subject to the new fee and a description of the costs.*

The Exchange expects approximately 10% of our Members to choose to be subject to the proposed fee (which is described above, under the heading “Description of the Proposed Fee Change subject to Public Comment”).

2. *If the proposed Fee Change subject to Public Comment applies differently across types of marketplace participants, a description of this difference, how it impacts each class of affected marketplace participant, including, where applicable, numerical examples, and any justification for the difference in treatment.*

The proposed Fee Change subject to Public Comment will apply equally to all Members.

EXPECTED IMPACT ON THE SYSTEMS OF MEMBERS OR SERVICE VENDORS

Not applicable.

ALTERNATIVES CONSIDERED

The Exchange considered not offering the first Dedicated Core free of charge; we also considered charging a progressively higher fee based on the total number of Dedicated Cores that a given Member elected to use. However, we ultimately decided on a flat monthly per-core fee, with the first Dedicated Core offered free of charge, as we felt that this approach optimized fair access and fair and orderly markets.

WHETHER THE PROPOSED FEE WOULD INTRODUCE A FEE MODEL OR FEATURE THAT CURRENTLY EXISTS IN OTHER MARKETS OR JURISDICTIONS

The proposed Fee Change subject to Public Comment will not introduce a new fee model. The proposed Fee Change subject to Public Comment represents a conventional monthly fee for an optional connectivity service. This fee type (a flat, per-item monthly fee) is entirely consistent with the industry standard for connectivity services in general and, as such, the fee presents nothing novel whatsoever. The new fee is simply designed to provide a fair amount of compensation to the Exchange for the cost of providing the new optional service, which does indeed exist in other jurisdictions. (See section I above, under the heading “New Feature or Rule,” for details.)

We would also note that Dedicated Cores would be a connectivity or “access” service that pertains exclusively to a Member’s own order or trade information, submitted or received by the Member via the Exchange’s order handler systems; as such, this “order handler” data does not constitute “order and trade information that is ***distributed immediately after*** an order has been entered, amended, or cancelled or a trade has been executed”—in other words, in the Exchange’s view, such data does not come within the definition of “real-time market data” (or **RTMD**) as contemplated by the Canadian Securities Administrators (the **CSA**). See [CSA Consultation Paper 21-403 – Access to Real-Time Market Data](#), s. 3.1 (“Marketplaces

are the sole producers of RTMD relating to the orders placed and trades executed on their own facilities. By and large, marketplaces offer RTMD market data via feeds (also known as marketplace direct feeds [...]) (**emphasis added**); see also *ibid.*, s. 3.3 (“Marketplaces charge a variety of fees for access and use of RTMD. These fees may vary based on how RTMD is accessed (i.e., directly from the marketplace or indirectly through a data vendor or the IP), whether the RTMD is redistributed (either internally or externally), the nature of the end-use/end-user (e.g., human versus machine), and the depth of the RTMD received or used (i.e., Level 1 or Level 2). In the case of RTMD feeds, how the feed is accessed may impact the fees charged and who is responsible for those fees.”) For greater certainty, we note that the “order handler” data that would be submitted or received by a Member through a Dedicated Core is not subject to any fee, and it is distinct from the data that is immediately thereafter **distributed** by the Exchange, for a fee (in most cases), via a “marketplace direct feed” (aka the “PITCH multicast” feed—which is itself subject to a fee, per section 2 of the existing Fee Schedule). Consequently, in the Exchange’s view, the requirement to publish for comment each Real-Time Market Data Fee Change, as provided for in paragraph 7(a)(ii) of the Exchange Protocol (and which requirement is currently scheduled to expire on October 23, 2025), does not apply to this Fee Change.

COMMENTS

Comments should be provided, in writing, no later than November 3, 2025, to:

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with a copy to:

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Please note that, unless confidentiality is requested, all comments will be publicly available.

OSC NOTICE

Please note that a corresponding OSC notice (containing the same information as provided above) can be viewed on the OSC website [here](#).

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