



Capital
Markets
Tribunal

Tribunal des
marchés
financiers

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Toronto ON M5H 3S8

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20, rue Queen ouest
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BETWEEN:

**ONTARIO SECURITIES COMMISSION
(Applicant)**

- and -

**LIQUIDNET CANADA INC.
(Respondent)**

File No. 2026-15

Adjudicators: M. Cecilia Williams (chair of the panel)
Judith Robertson
Cathy Singer

April 15, 2026

ORDER

(Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on April 15, 2026, the Capital Markets Tribunal held a hearing by videoconference to consider the joint request for a settlement hearing filed by the Ontario Securities Commission and Liquidnet Canada Inc. for approval of a settlement agreement dated April 8, 2026 (the **Settlement Agreement**);

ON READING the joint request for a settlement hearing, the Application for Enforcement Proceeding dated April 10, 2026, the Settlement Agreement and the written submissions of the Commission, on hearing the submissions of the representatives of the Commission and Liquidnet Canada, and on being advised by the Commission that it has received payments from the respondent in the amounts of \$600,000 and \$75,000;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. Liquidnet Canada shall submit to a review of its practices and procedures by an independent consultant acceptable to the Commission, at Liquidnet Canada's

expense, in accordance with the terms of reference set out in Schedule "A" to this Order, pursuant to paragraph 4 of subsection 127(1) of the *Securities Act* (the **Act**);

3. Liquidnet Canada is reprimanded pursuant to paragraph 6 of subsection 127(1) of the *Act*;
4. Liquidnet Canada shall pay an administrative penalty of \$600,000 for failures to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the *Act*; and
5. Liquidnet Canada shall pay \$75,000 to the Commission for costs of the investigation and hearing, pursuant to section 127.1 of the *Act*.

"M. Cecilia Williams"

M. Cecilia Williams

"Judith Robertson"

Judith Robertson

"Cathy Singer"

Cathy Singer

SCHEDULE “A”

REVIEW OF PRACTICES AND PROCEDURES TERMS OF REFERENCE

1. Liquidnet Canada Inc. (**LCI**) shall retain an independent consultant acceptable to the Commission to review LCI Fixed Income ATS and LCI Equities ATS' systems (the **ATS Systems**) and controls around the ATS Systems, including LCI's operations, agreements (including for outsourcing), internal controls, practices, policies, and procedures, relating to confidential treatment of order and trade information to ensure that:

- (a) The ATS Systems are not designed to release or make visible marketplace participants' order or trade information to unauthorized persons or companies, including employees of LCI's affiliates, and access to the ATS Systems is appropriately restricted and aligns with each employee's authorized roles and responsibilities;
- (b) The safeguards and procedures to protect marketplace participants' order or trade information, including limiting access to order or trade information of marketplace participants to employees of LCI or persons or companies retained by the marketplace to operate the system and implementing standards controlling trading by employees of LCI for their own accounts, are adequate and reasonable;
- (c) The oversight procedures to ensure that the safeguards and procedures established under subsection (b) are adequate;
- (d) LCI takes appropriate measures to ensure that the service providers, including its affiliates, protect the marketplace participants' proprietary, order, trade, or any other confidential information for the key services and systems that LCI outsources to the service providers;

2. The Consultant shall be appointed promptly following the approval of the Settlement Agreement, but in any event no later than 30 days following the approval, unless the Commission requires further time to approve the proposed Consultant.

3. Within 30 days of the Consultant's appointment, LCI shall require the Consultant to provide a detailed review plan (the "**Review Plan**") to an Associate Vice President or Senior Vice President in the Trading and Markets Division of the Commission (the "**OSC VP**"). The Consultant shall implement any changes to the Review Plan required by the OSC VP.

4. LCI shall require the Consultant to deliver to the OSC VP a written report describing the Consultant's findings, LCI management's response to the findings, and recommendations by the Consultant for each finding to ensure that the ATS Systems conform with the obligations set out in paragraph 1 above (the "Report"), within 180 days of the approval by the OSC VP of the Review Plan;

5. Within 6 months of the delivery of the Report to the OSC VP, LCI shall use best efforts to implement any recommendations of the Consultant described in the Report, and the Ultimate Designated Person and the Chief Compliance Officer of LCI shall provide written confirmation to the OSC VP of the implementation efforts of the Consultant's recommendations in the Report (the **Confirmation Letter**);

6. Within 90 days after the delivery of the Confirmation Letter to the OSC VP, LCI shall cause the Consultant to conduct appropriate testing to determine whether the recommendations in the Report have been fully implemented, and whether any changes resulting from those recommendations are being appropriately followed, administered and enforced by LCI (**Final Testing**)

7. Within 60 days of completing the testing, the Consultant shall provide a letter (the **Attestation Letter**) to the OSC VP, expressing his or her conclusions with respect to the Final Testing and:

- (a) include a report with the Attestation Letter which provides a detailed description of the testing performed to support the conclusions contained in the Attestation Letter; and

- (b) submit such additional reports as may be requested by the OSC VP for the purpose of satisfying the OSC VP that the conclusions expressed in the Attestation Letter described above are valid;

8. If the Commission is not satisfied with the Consultant's recommendations, or with LCI's efforts to implement the recommendations of the Consultant, then after providing the Consultant with a reasonable opportunity to revise its recommendations, or after providing LCI with a reasonable opportunity to comply with the recommendations of the Consultant, if the Consultant or LCI has still not done so, as the case may be, the Commission may bring the matter to the Tribunal for determination of whether a further order under s. 127(1)4 of the Act is warranted.

9. LCI shall provide the Consultant with reasonable access to all of LCI's books and records necessary to complete the Consultant's mandate and will allow the Consultant to meet privately with LCI's officers, directors and employees. LCI shall require its officers, directors and employees to cooperate fully with the Consultant with respect to the Consultant's work and with respect to the implementation of the recommendations in the Report;

10. LCI shall not terminate the Consultant's engagement and retainer without prior written approval by the OSC VP;

11. LCI shall provide the Commission a direction giving consent for unrestricted access and permission for the Commission and the Consultant to communicate with one another regarding the Consultant's work and LCI's progress with respect to the implementation of the recommendations in the Report and/or any other matter relevant to this review; and

12. For greater certainty, the terms of this review do not limit in any respect the authority of the Commission to undertake, as part of its normal course activities, a review of all matters within the scope of this review or any other aspect of LCI's business.