

December 18, 2025

25-0335

Rules Bulletin > Approval Bulletin

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Rule Connection: UMIR

Division: Investment Dealer

Amendments Respecting Trading Increments

Executive Summary

On November 13, 2025, the Canadian Securities Administrators (**CSA**) approved amendments to the Universal Market Integrity Rules (**UMIR**) that:

- distinguish between the applicable trading increment for a “U.S. inter-listed security” and a security that is not a “U.S. inter-listed security”, and
- establish that the applicable trading increment for a “U.S. inter-listed security” will be designated by CIRO from time to time (**Amendments**).

On December 12, 2024, CIRO published for comment proposed changes to UMIR in CIRO Bulletin [24-0363 Proposed Amendments Respecting Trading Increments](#). These amendments were proposed to address concerns about the potential loss of trading activity in Canada in U.S. inter-listed securities, if Canadian trading increments are not harmonized with the equivalent minimum pricing increments in the United States set out in Rule 612 of Regulation NMS. On September 18, 2024, the United States Securities and Exchange Commission (**SEC**) adopted amendments to Rule 612 (**Rule 612 Amendments**), with an initial compliance date of November 3, 2025. On October 31, 2025, the SEC issued an order granting temporary exemptive relief from the compliance date until the first business day of November 2026.¹

No changes were made to the Amendments.

¹ See: [SEC Issues Exemptive Order Regarding Compliance with Certain Rules Under Regulation NMS](#)

1. Comments received

We received five comment letters in response to Bulletin 24-0363. We provide a summary of these comments and our responses in Appendix C.

2. Implementation

The Amendments will become effective on November 2, 2026, in alignment with the revised compliance date for the Rule 612 Amendments established by the exemptive order issued by the SEC on October 31, 2025.

3. Proposed Guidance

While the Amendments allow for harmonization of trading increments for certain U.S. inter-listed securities through changes to UMIR, at the time of proposing the Amendments, CIRO also published [Proposed Guidance](#). The Proposed Guidance requested comment on the process for determining and communicating the applicable trading increment for U.S. inter-listed securities. Given the revised compliance date for the Rule 612 Amendments, and the need for further work by CIRO, including technology work, we are not publishing final guidance at this time. A final Guidance Bulletin will be published as soon as is practicable.

4. Appendices

[Appendix A](#) – Amendments to UMIR (blackline)

[Appendix B](#) - Amendments to UMIR (clean)

[Appendix C](#) – Summary of comments received and CIRO’s responses

Appendix A – Amendments to UMIR (blackline)

1.1 Definitions

“U.S. inter-listed security” means a listed security that is also listed on an exchange that is registered as a “national securities exchange” in the United States of America under section 6 of the Securities Exchange Act of 1934.

6.1 Entry of Orders to a Marketplace

- (1) No order to purchase or sell a security that is not a U.S. inter-listed security shall be entered to trade on a marketplace at a price that includes a fraction or a part of a cent other than an increment of one-half of one cent in respect of an order with a price of less than \$0.50.
- (1.1) No order to purchase or sell a security that is a U.S. inter-listed security shall be entered to trade on a marketplace at a price that is in an increment smaller than the applicable trading increment as designated from time to time by the Market Regulator.
- (2) Each order to purchase or sell a listed security or a quoted security entered to trade on a marketplace shall be subject to any special rule or direction issued by the Exchange on which the security is listed or by the QTRS on which the security is quoted with respect to:
 - (a) clearing and settlement; and
 - (b) entitlement of the purchaser to receive a dividend, interest or any other distribution made or right given to holders of that security.
- (3) Notwithstanding subsections (1) and (1.1), an intentional cross may be entered on a marketplace at a price which is a fraction of a trading increment provided the execution price is a better price for both the order to purchase and the order to sell.

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Appendix C – Summary of comments received and CIRO’s responses

Comments Received in Response to Notice 24-0363 - Proposed Amendments Respecting Trading Increments and Notice GN-URPart6-24-0001 – Proposed Guidance on Applicable Trading Increments

On December 12, 2024, the Canadian Investment Regulatory Organization (CIRO) published Bulletins [24-0363](#) and [GN-URPart6-24-0001](#) to harmonize Canadian trading increments with the United States for certain U.S. inter-listed securities and to clarify the process by which trading increments will be determined and communicated by CIRO on an ongoing basis.

We received five comment letters from the following commenters:

Canadian Independent Finance and Innovation Counsel (**CIFIC**)

Investment Industry Association of Canada (**IIAC**)

Scotiabank (**Scotia**)

TMX Group Limited (**TMX**)

Tradelogiq Markets Inc. (**TMI**)

Copies of these comments are publicly available on CIRO’s website at: [Proposed Amendments Respecting Trading Increments](#)

The following table provides a summary of the comments received:

Summary of Comments	Responses
General Comments on the Amendments and Proposed Guidance	
<p>Most commenters were generally supportive of the objectives of the Amendments and Proposed Guidance (to align with the U.S. for inter-listed securities) and agreed that a failure to harmonize could result in negative impacts to the Canadian market.</p> <p>IIAC: is of the view that Canadian regulations should strive to do more than achieve parity with SEC rules and should seek to achieve an innovative, differentiated approach that improves the competitiveness of Canada’s financial markets.</p> <p>IIAC: raised concerns about the outcomes should the Amendments be finalized. This commenter suggested that the outcomes of the Amendments should be tested and reassessed for desired effect, or, alternatively, implemented on a pilot basis.</p> <p>TMI: raised several concerns about the proposed process that would establish and communicate trading increments for U.S. inter-listed securities. Specifically, concerns were raised about the proposed approach whereby CIRO would publish a list of all U.S. inter-listed securities, and specify a single trading increment for each that would remain fixed for a 6-month period that aligns with the U.S.</p>	<p>We would like to thank all those who submitted comments.</p> <p>We appreciate the comment. However, the intention of the Amendments is a response to address specific concerns about negative impacts to the Canadian market if trading increments for U.S. inter-listed securities are not aligned.</p> <p>Should we identify negative impacts that outweigh the concerns related to the competitiveness of the Canadian market, we will take appropriate steps.</p> <p>We thank the commenter for the thoughtful feedback. The concerns identified and our responses are discussed in greater detail below.</p>
Amendments related to the new definition of “U.S. inter-listed security”	
<p>Commenters were generally supportive of the new definition</p>	<p>We acknowledge the comments.</p>
Trading increments for non-U.S. inter-listed securities	
<p>The majority of commenters were supportive of maintaining the status quo for non-U.S. inter-listed securities.</p>	<p>We acknowledge the comments.</p> <p>We recognize and appreciate the concerns raised. FINRA Rule 6434 establishes the minimum pricing increment for OTC Equity Securities. To our knowledge FINRA has not proposed to amend Rule 6434 to narrow</p>

<p>TMX: requested that CISO monitor the trading of non-U.S. inter-listed securities on OTC markets and be prepared to address impacts that may result where OTC trading gains market share.</p>	<p>the minimum pricing increment for these securities, but should this change, we will consider what additional amendments might be required in Canada. In addition, where Canadian client orders in Canadian-listed securities might be routed to a foreign intermediary for execution outside of a Canadian marketplace (e.g., OTC in the U.S.), Dealer Members would need to consider best execution requirements in making these decisions.</p>
<p>IIAC: suggested that Canadian marketplaces should be able to set trading increments which are greater than the minimum and that differ from each other.</p>	<p>UMIR defines a trading increment as “the minimum difference in price at which orders may be entered in accordance with Rule 6.1”. CISO does not have direct regulatory oversight over changes proposed by Canadian marketplaces, including where a marketplace might wish to limit the entry of orders on that marketplace to trading increments that are wider than as defined as the minimum in UMIR. We note however that the definition of “trading increment” in UMIR is applied in other contexts, including in UMIR Rule 2.1 as well as the application of single stock circuit breakers.</p>
<p>IIAC: suggested that if the benefits of the Amendments are positive, they should be extended to non-inter-listed securities.</p>	<p>Any proposal to amend trading increments for non-U.S. inter-listed securities would only come after appropriate analysis. This is consistent with the feedback received from most stakeholders.</p>
<p>Trading increments for U.S. inter-listed securities</p>	
<p>Commenters were generally supportive of alignment with the U.S. for U.S. inter-listed securities.</p>	<p>We acknowledge the comments.</p>
<p>IIAC: suggested that Canadian trading increments should be flexible enough that they could be adjustable should foreign exchange rates move notably, and competitiveness is diminished.</p>	<p>Our approach is consistent with most of the feedback we have received. We are of the view that also applying foreign exchange rates to the determination of minimum trading increments introduces additional complexity to our rules and is not necessary to achieve the intended outcomes. We will monitor for impacts and if it is determined that the competitiveness of the Canadian market is being negatively impacted, we will consider additional changes to appropriately address this issue.</p>
<p>Proposed Guidance</p>	
<p>Some commenters were supportive of the Proposed Guidance, including the rationale and process for determining and communicating trading increments for U.S. inter-listed securities.</p>	<p>We acknowledge the comments.</p>
<p>TMI: expressed several concerns about the approach set out in the Proposed Guidance. These concerns relate to the intended approach of designating a specific trading increment for each U.S. inter-listed security every six months (even where a U.S. inter-listed security would not be subject to variable increments under SEC Rule 612), each of which would then remain fixed for the entirety of the following six-</p>	<p>We agree with the concerns raised.</p> <p>The Amendments to UMIR 6.1 establish that CISO will designate the applicable trading increment for U.S. inter-listed securities from time to time. We are of the view that this provides us sufficient flexibility to address the concerns raised by the commenter by providing additional</p>

<p>month period. The commenter described several scenarios where this approach could introduce outcomes that are not optimal and offered several alternative approaches that could address these concerns.</p>	<p>clarity in a final Guidance Note, without making changes to the amendments as proposed.</p> <p>For U.S. inter-listed securities that are deemed to be tick-constrained in the U.S., and where we intend to match the equivalent U.S. pricing increment under SEC Rule 612, we will designate a specific trading increment that will align with the U.S. for the duration of the 6-month operative period established under SEC Rule 612 (<i>i.e.</i>, an increment of \$0.005 CAD).</p> <p>Where a U.S. inter-listed security is not deemed to be tick-constrained in the U.S. the trading increment will be that which is established under UMIR Rule 6.1(1) (<i>i.e.</i>, for these securities we will designate the applicable trading increment to be the status quo).</p> <p>We will also consider whether the Technical Bulletin that sets out the applicable trading increments should be published on a more frequent basis than the semi-annual frequency described in the Proposed Guidance. While the publication of the Technical Bulletin would not occur less frequently than every six months (in alignment with the timing of the evaluation and operative periods set out in SEC Rule 612), a more frequent publication would serve to better address some of the concerns raised by the commenter. These concerns include circumstances where a security either becomes or ceases to be a U.S. inter-listed security (as defined in UMIR) during a particular 6-month window between publications.</p> <p>The final Guidance Note will also address circumstances where a U.S. inter-listed security that was tick constrained at the time of the last Technical Bulletin (and thus subject to a \$0.005 trading increment), delists in the U.S. By definition, the security would no longer be a U.S. inter-listed security but is designated a \$0.005 increment until the publication of the next Technical Bulletin. If that security is trading at a price equal to or greater than \$0.50, the entry of an order in a \$0.005 increment may be technically non-compliant with UMIR. While more frequent publications of a Technical Bulletin would address this concern in part, the final Guidance will set out that orders entered in the increment specified in the most recent Technical Bulletin published by CIRO would be considered to be in compliance with UMIR 6.1.</p>
<p>Scotia: requested that CIRO consider publishing specific guidance on the handling of corporate action events for U.S. inter-listed securities,</p>	<p>We will address this specific request in our final Guidance Note.</p>

<p>including whether narrower trading increments apply to “successor” entities.</p>	<p>Where a U.S. inter-listed security is deemed to be tick-constrained and subject to a \$0.005 trading increment, that designated trading increment will be in effect until the next operative period under Rule 612, at which time the trading increment will be re-evaluated and communicated based on what is established in the U.S. for that security, even where a security is subject to a corporate action event such as a stock split.</p> <p>If a corporate action event results in the establishment of a new U.S. inter-listed security (<i>i.e.</i>, a new CUSIP), orders for that new security will be subject to the trading increment established under UMIR Rule 6.1(1) (<i>i.e.</i>, the status quo) until the next operative period under SEC Rule 612 comes into effect. It is at this time the trading increment will be re-evaluated and communicated.</p>
<p>IIAC: suggested that the Proposed Guidance should be amended to state that CIRO maintains the discretion to adopt the minimum trading increments set by Rule 612 and may designate a different trading increment if so determined.</p>	<p>The Amendments provide CIRO with the flexibility to establish the applicable trading increment for U.S. inter-listed securities from time to time. While this flexibility exists, any changes to the approach that will be set out in final Guidance (<i>i.e.</i>, harmonizing with the U.S. for certain securities) would only be considered after identification of issues that warrant a change in approach.</p>
<p>Other Comments</p>	
<p>IIAC: suggested that Canadian regulators should undertake a review of all the factors leading to liquidity in search for more incentives to intermediation and increase liquidity. These include lot sizes, execution frequency and a review of fees and fee caps.</p>	<p>For purposes of the Amendments and Proposed Guidance, our goal is to specifically address concerns about the competitiveness of the Canadian market should trading increments for certain U.S. inter-listed securities not be harmonized with the equivalent minimum pricing increment in the U.S. Given the timing of the compliance date of SEC Rule 612, we do not currently have the benefit of sufficient time to undertake a significantly broad review of Canadian market structure in the context of these amendments. We will consider these comments where appropriate in future policy work.</p> <p>Further, we note that trading fees and caps are under the jurisdiction of the Canadian Securities Administrators (CSA), not CIRO.</p>
<p>Specific Questions</p>	
<p>Question 1 – In the future, we may consider whether to apply changes to trading increments to all Canadian-listed securities. We welcome any preliminary feedback in this regard.</p>	
<p>TMI, Scotia: noted that this should only occur after a period of empirical analysis of the effects of narrower trading increments on U.S. inter-listed securities.</p>	<p>We agree with the comments. Any future proposals to apply narrower trading increments to all Canadian-listed securities would only be considered after an evaluation of the outcomes of the Amendments.</p>

<p>IIAC: suggested that if the benefits of the Amendments are positive, they should be extended to non-inter-listed securities.</p>	<p>As noted above, this would only come after an evaluation of the outcomes associated with the implementation of the Amendments.</p>
<p>Question 2 - As noted, we expect significant implementation efforts by industry if the Proposed Amendments are finalized. Recognizing that the compliance date for the amendments to Rule 612 is November 3, 2025, and acknowledging the need for harmonization, what is the expected minimum required time for various stakeholders to be prepared for an aligned implementation date in Canada?</p>	
<p>Commenters suggested that stakeholders must be provided with sufficient lead time prior to implementation.</p> <p>TMI: suggested that a minimum of six months of lead-time would be required to accommodate the necessary development and testing efforts. If implementation is required in 2025, this commenter suggested that CIRO should examine whether implementation dates should be deferred on other changes that have been approved but not yet implemented.</p>	<p>The Amendments will come into effect on November 2, 2026, in alignment with the revised compliance date for the Rule 612 Amendments established by the exemptive order issued by the SEC on October 31, 2025.</p>
<p>Question 3 - Rule 612 provides for a 1-month implementation window at the end of each semi-annual evaluation period. Is this sufficient time for Canadian marketplaces to amend trading increments for listed securities in Canada?</p>	
<p>Most commenters believe this time frame is sufficient.</p>	<p>We acknowledge the comments.</p>
<p>Proposed Guidance – Q1 - Question 4 - Rule 612 requires the primary listing exchange in the United States to measure the time weighted average quoted spread for each NMS stock, a measurement that determines the applicable minimum pricing increment. The primary listing exchange is also required to provide the applicable minimum pricing increment to various information processors for dissemination. We are soliciting feedback on the best approach to disseminating the applicable trading increment in Canada based on the data disseminated in the United states.</p>	
<p>TMI, Scotia: suggested that listing exchanges could disseminate the minimum trading increment for each security on each day, with the technical rules bulletin used as a supplement.</p> <p>Scotia: noted that this could assist in supporting systems integrity and automation.</p>	<p>We will provide additional information when the final Guidance Note is published.</p>
<p>TMI: suggested a CSV file of the securities for which a tick size is being specified could be made available through CIRO’s SFTP site. Marketplaces could retrieve the file and apply the tick size changes, much in the same way that marketplaces currently obtain the daily list of securities subject to SSCBs for the purposes of marketplace thresholds. This commenter also suggested the information could include CUSIP and not just the symbol as this would help to reduce the risk that the list being reviewed is not interpreted or applied properly, for example due to a symbol change. This would especially be relevant if the list will only be updated every six months.</p>	<p>We will provide additional information when the final Guidance Note is published.</p>