

**1.1.3 TSX Notice of Commission Approval -
Exemption from the Universal Market Integrity
Rule 3.1 – Restrictions on Short Selling for
Basis Trades Entered on the Toronto Stock
Exchange**

**THE TORONTO STOCK EXCHANGE INC. (TSX)
NOTICE OF COMMISSION APPROVAL
EXEMPTION FROM THE UNIVERSAL MARKET
INTEGRITY RULE 3.1 – RESTRICTIONS ON SHORT
SELLING FOR BASIS TRADES ENTERED ON THE
TORONTO STOCK EXCHANGE**

On June 6, 2003, the Commission approved TSX's application for an exemption from Rule 3.1 Restrictions on Short Selling of the Universal Market Integrity Rules for Basis Trades entered on the TSX. Short sales are component transaction of Basis Trades, and an exemption from Rule 3.1 of the Universal Market Integrity Rules was necessary in order to implement amendments to TSX Rules 1-101(2), the new Rule 4-107 and new Policy 4-107, and allow Basis Trades to be executed on the Exchange. The application for exemption was published for comment on December 6, 2002 at (2002) 25 OSCB 8233.