

**CIRCULAR 143-22**  
November 18, 2022

**HEARING BEFORE THE DISCIPLINARY COMMITTEE  
OF BOURSE DE MONTRÉAL INC.**

**MORGAN STANLEY & CO. LLC**

The Disciplinary Committee of Bourse de Montréal Inc. (the “**Bourse**”) will hold a hearing on **December 15, 2022 at 9:30 a.m.** by videoconference, in order to decide on the acceptance of a settlement agreement negotiated between the staff of the Regulatory Division of the Bourse and Morgan Stanley & Co. LLC (“**MSCO**”), in connection with a disciplinary complaint filed against **MSCO**.

The proposed settlement agreement concerns allegations that:

1. During the period from June 7, 2018 to February 14, 2022, **MSCO** contravened article 6366 A) (article 3.4 from January 1, 2019) - “Access to Electronic Trading” and article 7403 (article 3.400 from January 1, 2019) - “Application for Approval as an Approved Person” of the Rules of the Bourse (the “**Rules**”), by providing access to 16 of its employees, for various periods varying between 63 days and 609 days, to the electronic trading system of the Bourse without having obtained the prior approval of the Bourse;
2. During the period from June 7, 2018 to February 14, 2022, **MSCO** contravened article 3011 (article 3.100 from January 1, 2019) - “Surveillance and Compliance” as it did not establish and maintain a system to supervise the activities of each employee that is reasonably designed to achieve compliance with the Rules, more specifically as employees who traded solely through the algorithms were able to enter orders and trades without being Approved Persons and **MSCO**’s policies and procedures contained a review process but it was insufficient to prevent or identify unauthorized access via the algorithms as it did not impose a review of all trading activity on the Bourse.

In accordance with article 4.302 of the Rules of the Bourse, this hearing will not be open to the public.

For further information, please contact Jean-Pierre St-Cyr, Senior Legal Counsel, Legal and Regulatory Affairs at (514) 829-4034 or by e-mail at [jean-pierre.st-cyr@tmx.com](mailto:jean-pierre.st-cyr@tmx.com).

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