

13.4.3 DTCC Data Repository (U.S.) LLC– Application to Become Designated as a Trade Repository and Draft Order



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Ontario Securities Commission
20 Queen Street West, 20th Floor
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Attn: Antoinette Leung
Via Email: ALEUNG@osc.gov.on.ca

Application to become [Designated/Recognized] as a Trade Repository under section 21.2.2 of the Ontario Securities Act (“OSA”), and filed with the Ontario Securities Commission, (“the Commission”)

Dear Sir or Madam,

In consultation with the Commission, DTCC Data Repository (U.S.) LLC (“DDR”) is pleased with the opportunity to seek designation as a foreign Designated Trade Repository [DTR] in Ontario pursuant to section 21.2.2 of the OSA , pursuant to the attached application filed with the Commission.

DDR’s application is being made solely for the purpose of facilitating compliance with the regulatory requirements prescribed by OSC Rule 91-507. DDR is submitting to the jurisdiction of the OSC for designation as a trade repository for the limited purpose of providing access to its services as a non- resident trade repository pursuant to OSC Rule 91-507. As a DTR, DDR acknowledges that it will be a Market Participant subject to the Ontario Securities Act (OSA), including the applicable requirements of Sections 19 and 20 of the OSA.

Yours sincerely,

Marisol Collazo
Chief Executive Officer
DTCC Data Repository (U.S.) LLC

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In consultation with the Ontario Securities Commission (the “OSC”), DTCC Data Repository (U.S.) LLC (“DDR” or the “Applicant”), a company incorporated in the State of New York and domiciled and operating in the United States of America, has filed an application to be designated as a trade repository in the province of Ontario in accordance with Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the “TR Rule”) and the Companion Policy 91-507CP (the “TR CP” and, together with the TR Rule, the “TR Rules”). This application is made to facilitate the use of DDR’s services in the United States by parties within and outside of Canada to satisfy their reporting obligations under the TR Rules.

In connection with this application and consistent with DDR’s operations and services for customers, all of the relevant trade repository documentation, communication and services offered to entities with trade reporting obligations under the TR Rule, whether verbal, written or electronic (including information published on the DTCC website), shall be in English only.

This letter provides an explanation of why the Applicant should be so designated and how it will comply with the TR Rules in all material respects.

History

DDR is organized as a limited liability company under the laws of the state of New York. DDR is a wholly owned subsidiary of DTCC Deriv/SERV LLC. DTCC Deriv/SERV LLC is a wholly owned subsidiary of DTCC, which is the ultimate parent of DDR.

DTCC through its subsidiaries operates companies that provide derivatives trade reporting in many jurisdictions globally. These companies and the countries in which they are incorporated and the jurisdictions they serve are listed below:

Entity	Location	Jurisdictions where recognized or licensed as a trade repository
DTCC Data Repository (U.S.) LLC (“DDR”)	United States	United States
DTCC Derivatives Repository Ltd. (“DDRL”)	United Kingdom	EU and Australia
DTCC Data Repository (Japan) KK, (“DDRJ”)	Japan	Japan
DTCC Data Repository (Singapore) Pte Ltd	Singapore	Singapore

In 2006, The Depository Trust & Clearing Corporation (“DTCC”), the ultimate parent of the Applicant, formed a subsidiary, DTCC Deriv/SERV LLC (“Deriv/SERV”) to provide services to the OTC credit derivatives market. Those services evolved over time and resulted in the creation of the Trade Information Warehouse (“TIW”) offered by Deriv/SERV’s subsidiary, The Warehouse Trust Company LLC. .

In 2009, the G20 leaders – in response to the global financial crisis – agreed on a number of principles to govern the derivatives markets. Among these was the requirement that derivatives contracts should be reported to trade repositories. DTCC has been at the forefront of the development of trade repositories, building global capabilities across the spectrum of asset classes. In response to industry commitments made in 2011, DTCC began to offer regulatory reporting for credit default swap transactions which were voluntarily submitted to TIW to the world’s regulators pursuant to guidelines established by the OTC Derivatives Regulators Forum (“ODRF”). ODRF reporting was eventually expanded to include information related to interest rate and equity derivatives.

In addition to the reporting currently provided to regulators pursuant to the ODRF guidelines, the various trade repositories that comprise DTCC’s Global Trade Repository (“GTR”) services span three continents, enabling users to meet their regulatory reporting obligations in an open, cost effective and efficient manner. A user of DDR’s services who has signed a customer agreement is referred to as a “User” in DDRS documentation and hereinafter. DTCC’s GTR services were selected as the industry’s preferred provider of trade repository services after industry competitions held by the International Swaps and Derivatives Association (“ISDA”) and Global Financial Markets Association (“GFMA”). DTCC’s GTR services are focused on working with the industry, regulators and DTCC counterparts to create capabilities that leverage data in order to mitigate risk, enhance transparency and drive down costs in financial markets globally. DTCC offers these services through various

companies incorporated in various countries. In the United States, these services are offered by DDR, which is a subsidiary of Deriv/SERV.

Description of DDR's Current Business

DDR is provisionally registered with the Commodity Futures Trading Commission ("CFTC") as a swap data repository ("SDR"). To date the CFTC has not established any standards for granting permanent registration of SDRs. DDR's SDR services deliver to market participants a robust, automated regulatory reporting solution for cleared and uncleared OTC derivatives reporting.

DDR is dedicated to bringing greater transparency, and resultant risk mitigation, along with cost efficiency, to the portion of the global OTC derivatives market that it serves. DDR's current services center on helping regulators attain a comprehensive view of the U.S. OTC derivatives market and providing market participants an effective solution for their U.S. trade reporting and regulatory requirement needs on a fair, open and equal basis.

DDR's services provide regulators with the ability to monitor in a seamless and centralized fashion certain detailed transaction data needed to fulfill their regulatory mission to safeguard the financial system. DDR's services are designed to allow market participants to meet their reporting obligations under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Pub.L. 111-203, H.R. 4173) (the "Dodd-Frank Act").

Upon designation/recognition as a Trade Repository in Ontario DDR will provide a service to enable market participants to satisfy their reporting obligations in Ontario.

DDR has been granted provisional registration by the CFTC to operate as an SDR in the U.S. for five asset classes. DDR received its provisional registration from the CFTC to operate as an SDR for the credit, interest rates, equities and foreign exchange (FX) derivatives on September 19, 2012. The CFTC approved an amendment to DDR's provisional registration to add commodity derivatives on December 3, 2012.

The provisional approval allows DDR to operate as a registered SDR. Under CFTC rules, the process of reporting trades in credit and interest rate derivatives to an SDR began on October 12, 2012. Trades in all other derivatives classes started to be reported in February 2013.

Designed with scalability and flexibility in mind, the SDR services offered by DDR allow for industry compliance with current Dodd-Frank Act reporting obligations and future regulatory initiatives as well. Each asset class can be independently aggregated to provide regulators a clearer and more complete snapshot of the market's overall risk exposure.

DDR allows Users to submit trades to DDR and fulfill their regulatory reporting obligations under the Dodd-Frank Act in a cost-effective manner. An additional benefit is the ability to utilize several connectivity choices when interfacing with the SDR system, including:

- Web-based, csv. upload – usually preferred for small volume Users
- Webservices – geared for automation and higher volume Users
- FTP and sFTP – batch file processing for higher volume Users
- MQ (Message Queue) – FpML submissions – real-time solution for large volume Users
- SWIFT Network – geared for automation and higher volume Users
- Trade submissions can be accepted directly from firms or through a third-party services provider. Several formats are supported, including FpML, CpML and CSV.

To align with current CFTC regulations, DDR supports the submission of Primary Economic Terms ("PET") and valuation data. DDR also provides a mechanism for real-time price reporting. The CFTC regulations can be found at: <http://www.cftc.gov/index.htm>.

The SDR services provide open access to third-party providers to promote efficient reporting processes – including access to:

- Swap Execution Facilities
- Designated Contract Markets
- Derivatives Clearing Organizations

- Confirmation Providers
- Middleware Providers

The provisions of the DDR Rules do not govern, and will not preclude DDR from offering, services other than SDR Services (“Other Services”), which may include services ancillary to SDR Services, to Users and other persons, to the extent permitted by Applicable Law.

DDR’s Proposed Trade Reporting Services in Ontario

DDR proposes to make available from the United States trade reporting services analogous to those described above tailored to the requirements of the TR Rules and the needs of its Users and the OSC. DDR will utilize its existing United States legal and technological infrastructure including message specification, connectivity and access protocols adjusted accordingly to provide trade reporting services to satisfy the needs of Users who need to report their trades to the OSC.

Description of CFTC Regulatory Regime

As an SDR, DDR is subject to the requirements of Part 49 of the CFTC’s regulations, which incorporate other regulatory provisions by reference, including Parts 43, 45, 46 and 50 of the CFTC’s regulations. Additionally, provisions regarding SDRs contained in the Dodd-Frank Act, which amended the Commodity Exchange Act (the “CEA”), are applicable. A description of the applicable requirements imposed by each of these parts of the CFTC’s regulations is set out below.

The regulations related to DDR’s operations as an SDR are covered under Part 49 of the CFTC’s regulations. The duties and obligations of an SDR enumerated in Part 49 include specific requirements related to: (i) acceptance of data; (ii) confirmation of data accuracy; (iii) recordkeeping requirements; (iv) monitoring, screening and analysis of swap data as required, including analysis of the utilization of end-user exception claims made to the mandatory clearing requirement; (v) the privacy, confidentiality and utilization of swap data, including use by the SDR staff, third-party service providers and U.S. and non-U.S. regulators, as well as the restriction on an SDR commercializing data which it receives; (vi) governance arrangements to facilitate appropriate representation of interests and transparency about an SDR’s governance process and key decisions impacting market participants and the public; (vii) the requirement to avoid adopting any rule or other actions that may result in an unreasonable restraint of trade or imposes any material anticompetitive burdens on the trading, clearing or reporting of swaps; (viii) the management of conflicts of interest; (ix) the designation and duties of a chief compliance officer; (x) policies and procedures for the exercise of emergency authority; (xi) the implementation of system safeguards, including a risk framework, risk analysis, business continuity and disaster recovery program; (xii) the maintenance and reporting of the financial resources retained by an SDR to provide for its ongoing operation; and (xiii) provisions related to access to DDR services and fees charged, as well as disclosure of risks to potential Users.

The provisions of other parts of the CFTC’s regulations provide additional clarity and supplement the requirements that are generally imposed upon SDRs under Part 49. Part 43 details the real-time public dissemination requirements of swap data reported to an SDR, including the content, timing and method of dissemination by the SDR. Part 45 details the information that reporting parties are required to provide and which an SDR is required to accept in order to provide the CFTC with the PET of each swap in a uniform and consistent manner. This Part also provides for the ongoing updating of PET data due to changes in the market (e.g., valuations) or the terms of the individual swap (e.g., lifecycle events, terminations, and assignments). Part 46 provides details regarding the reporting of swaps to the SDR which were entered into after the enactment of the Dodd-Frank Act but prior to the CFTC’s regulations which imposed the reporting obligation under Part 45 (historical swap reporting). Finally, the relevant provisions of Part 50 describe the information that must be provided to an SDR in order support the exceptions and exemptions that have been granted to end-users to the mandatory clearing requirement.

Description of Ontario provincial regulation

DDR, through its application for designation by the OSC, will agree to be bound by the requirements of the TR Rule with the exception of any requirements it has been exempted from complying with under Section 42 of the TR Rule by the OSC and will submit to the jurisdiction of the courts of Ontario in connection therewith.

The TR Rules outline the requirements that an applicant must fulfill before it can be designated as a trade repository in Ontario. The relevant sections of the TR Rule and DDR’s responses are referenced below.

S.7 LEGAL FRAMEWORK¹

DDR has established implemented, maintained, and enforced rules, policies and procedures that are transparent and promote the interests of its Users, regulators and the public. These rules, policies and procedures operate to facilitate the secure and efficient operation of the trade repository. Policies and procedures are described in detail in the DDR Rulebook and Operating Procedures.¹¹ The DDR Rulebook (which is publicly available) prescribes rules concerning how the trade repository operates with

respect to all relevant parties such as Users, regulators and the public. User Agreements, Service Agreements, Confidentiality Agreements and myriad manuals, policies and procedures support the operation of the trade repository and clearly outline the rights and obligations of all of the relevant parties that utilize the services of the trade repository. The Rulebook and Operating Procedures establish rights of access to data (dependent upon the party) and the confidentiality of all data maintained by DDR. The Rulebook and Operating Procedures are governed by New York laws. If DDR is approved to act as a trade repository in non-U.S. jurisdictions, the Rulebook and Operating Procedures will be amended as appropriate. The Rulebook and Operation Procedures as modified for reporting in Canada will be published by DDR upon receipt of its designation/recognition.

Transaction records in the trade repository serve regulatory reporting requirements and are not meant to represent the legally binding contract between the counterparties to the transaction

S.8 GOVERNANCEⁱⁱⁱ

DDR is governed by its Board of Directors (the “Board”). The permitted number of Directors on the Board is between 7 and 30 with the actual number set from time to time by Board Resolution. Board governance documents are well defined and transparent, and set out a clear organizational structure with consistent lines of responsibility, provide for effective internal controls, and promote the safety and efficiency of the designated trade repository. For a current list of the members of the DDR Board and access to the publicly accessible governance document that outlines DDR governance arrangements please refer to the following website: <http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

Board members include representatives of financial institutions who are also Users of the DDR’s services, buy-side representatives, and DTCC management. The DTCC Governance Committee periodically reviews the composition of the DDR Board to assure that the level of representation of Directors from Users, management and non-users is appropriate for the interests of these constituencies in DDR. This review is a proactive measure designed to serve the dual purposes of balancing the interests of relevant stakeholders and supporting the stability of the broader financial system in conjunction with other relevant public interest considerations.

The Board reserves the right to establish committees as necessary and appropriate to manage its operations and provide strategic guidance.

The Board of the DDR has established an Audit Committee to assist the Board in overseeing: (i) the integrity of DDR’s financial statements and financial reporting; (ii) the overall effectiveness of DDR’s control environment; (iii) the effectiveness of DDR’s process for monitoring compliance with applicable laws, regulations and the code of ethics; (iv) the performance and coverage of the internal audit function; (v) the external auditor’s independence, performance and coverage; (vi) legal, compliance and regulatory risks; and (vii) oversight of risk management.

S.9 BOARD OF DIRECTORS ^{iv}

Mission of the Board of Directors

The Board of DDR is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholder and other stakeholders including entities in the financial markets which the company serves and the governmental and supervisory authorities responsible for regulating those markets.

The Board will discharge its oversight responsibilities and exercise its authority in a manner consistent with applicable legal and regulatory provisions and with regulatory expectations of the role of DDR in the infrastructure for those markets, that:

- Promotes the safe, sound and efficient operation of DDR, including activities related to swap data repository services, including trade recordkeeping, and public and regulatory reporting;
- Seeks to develop the services and businesses of DDR in a manner promoting further safety, soundness and efficiency broadly in its activities; and
- Leverages DDR’s role as a leader in financial services with respect to risk management, promoting sound practices in governance and in transparency to its user community and in its role in the financial market infrastructure supporting the operation of orderly and efficient markets.

DDR shall, consider a director of DDR to be independent as long as such director has an “independent perspective” as per CFTC regulations. “Independent Perspective” as defined by the CFTC means a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR has incorporated an Independent Perspective into its nominations process, and the Board includes representatives from several constituencies impacted by the DDR operations. The Board is comprised of representatives from the dealer participants who are shareholders

of DTCC, as well as firms who do not have an ownership interest in DTCC or DDR. DDR is required to consider a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR shall provide to the OSC upon submission of its application a list of directors, and their employers, indicating if the company they are employed by holds an ownership interest in DTCC.

The CCO shall in satisfaction of the requirements of section 9(3) of the TR Rules resolve any potential conflicts of interest within DDR or related to the CCO's obligations in consultation with the Board or the CEO.

Nomination Process

The Board, in conjunction with DTCC's Governance Committee, considers possible nominations on its own initiative and invites suggestions from customers of DDR. In identifying potential Board candidates, DDR considers relevant expertise and experience in various areas, such as:

- the derivatives industry;
- strategic planning (e.g., new business development, expansion of markets/products/customers, joint ventures);
- risk management (including credit, market, liquidity, operational, and systemic risks);
- information technology (e.g. infrastructure, applications development and maintenance, information security, disaster recover);
- operations;
- management of a business unit or function;
- finance;
- audit;
- compliance/legal/regulatory matters; and
- governmental/regulatory/legislative relationship management;

Potential candidates are asked to complete a questionnaire eliciting information regarding how their experience aligns with these factors.

Board of Directors

The Board meets with the CCO at least annually and the Board or the CEO must consult with the CCO to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between management and members of the board.

For a current list of the members of the DDR Board please refer to the following website:
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.10 MANAGEMENT

DDR has established, implemented, maintained and enforced documented arrangements for its governance and management that are transparent and promote the efficient and effective operation of the trade repository. The roles and responsibilities of management are clearly defined and significant consideration has been given to the qualifications of individual employees related to their ability to carry out their designated roles and functions.

In addition to governance by its Board of Directors, DDR has a dedicated officer team that provides daily management oversight. The senior officers of DDR include a Chief Executive Officer, Counsel, Chief Compliance Officer, Business Manager, and Systems Director. See
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.11 CHIEF COMPLIANCE OFFICER ^v

The Chief Compliance Officer (“CCO”) has been granted the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth in the CEA and the CFTC’s regulations and such other regulations to which DDR is or becomes subject. DDR shall, in satisfaction of the requirements of the TR Rules, have one individual serve as CCO notwithstanding its supervision by multiple regulators. The Board is responsible for the appointment and removal of the CCO, which is at the discretion of the Board. The Board is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholders and other stakeholders. The Board also has a responsibility to comply with all applicable rules, policies and procedures of the Trade Repository in a manner consistent with effective corporate governance practices that are sufficient to support the safe and sound operation of the Trade Repository. It is implicit in the code of ethics and the principles of governance that the CCO have the requisite experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities. The CFTC is notified within two business days of the appointment or removal of the CCO. The CCO reports to the Chief Executive Officer (“CEO”). The Board meets with the CCO at least annually. The CCO has supervisory authority over all staff acting at the direction of the CCO. The duties of the CCO include, but are not limited to, the following:

- (a) to oversee and review DDR’s compliance with section 21 of the CEA and applicable regulations;
- (b) in consultation with the Board or the CEO, to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between the management and members of the Board;
- (c) to establish and administer written policies and procedures reasonably designed to prevent violation of the CEA and applicable regulations;
- (d) to take reasonable steps to ensure compliance with the CEA and applicable regulations relating to agreements, contracts or transactions and with applicable regulations under section 21 of the CEA, including the DDR rules and confidentiality and indemnification agreements entered into with foreign or domestic regulators;
- (e) to establish procedures for the remediation of non-compliance issues identified by the CCO through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (f) to establish and follow appropriate procedures for the handling, management response, remediation, retesting and closing of noncompliance issues;
- (g) to establish and administer a written code of ethics; and
- (h) to prepare and sign an annual compliance report in accordance with applicable regulations and associated recordkeeping.

S.12 FEES^{vi}

All fees currently imposed by DDR in connection with the reporting of swap data and any other supplemental or ancillary services provided are equitable and established in a uniform and non-discriminatory manner, as required by CFTC regulations. DDR’s Fees Schedule is available to all market participants on DDR’s website. All fees imposed by DDR, as approved by the Board, will be commensurate to DDR’s costs for providing the SDR services. Any fees associated with making services available to Users in Canada will be subject to any local regulatory requirements and will be publicly available on DDR’s website.

S.13 ACCESS TO TRADE REPOSITORY SERVICES^{vii}

The services offered by DDR are available to all market participants on a fair, open and equal basis. DDR does not require the use or purchase of any other service for a person or company to utilize DDR’s trade reporting service. DDR does not expect to reject applications by market participants who seek to utilize its services to satisfy their reporting obligations or those of their customers, but if an application to become a User is denied, or if a User’s access is terminated, the procedures to appeal such decisions are contained in Rules 10.2 and 10.3 of the DDR Rulebook.

To participate in the services offered by DDR, each User must:

- (a) enter into a User Agreement which is included in the DDR Rulebook posted on the public website at: http://dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx and

- (b) agree to be bound by the terms of the User Agreement and Operating Procedures, which incorporate terms of the DDR Rulebook.

In addition to the legal agreements, potential Users must go through an onboarding process which includes discussions with DDR's technical team to determine the best method of data submission for the User. The DDR on-boarding team initiates the on-boarding process by forwarding the required documentation to an applicant including the required User Agreement and relevant supplements. The DDR on-boarding team reviews the information received, records the applicant's information, obtains any missing or additional information, conducts an adverse news check on the applicant and escalates any findings, as necessary and appropriate. Once the DDR on-boarding team has collected all applicable data and information, the DDR on-boarding team will provide each applicant with an id. Using the id the DDR on-boarding team will create an account for the applicant in the Trade Repository operations system. The DDR access and onboarding procedures are provided to applicants as part of the onboarding process.

S.14 ACCEPTANCE OF REPORTING

DDR supports reporting of interest rate, commodities, equities, foreign exchange and credit derivatives transactions consistent with the applicable ISDA taxonomy.

S.15 COMMUNICATION POLICIES, PROCEDURES AND STANDARDS

It is DDR's policy to accommodate market-accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of its members other trade repositories, exchanges, clearing agencies, alternative trading systems, and other market places and service providers. There are multiple submission mechanisms available to facilitate Users of all levels of sophistication. Data can be submitted by connections/methods consisting of FTPs, web services, and MQ messaging protocols and private extranet or secure public internet connectivity options depending on whether they are submitting in FpML or CSV.

S.16 DUE PROCESS^{viii}

DDR rules incorporate due process measures available to parties who experience a denial of application, who have been sanctioned by DDR and whose membership has been involuntarily terminated.

Denial of Application

The due process afforded a potential User whose application has been denied is contained within DDR Rule 10.2.1. The process contained in the rules is described below.

- (a) To request a hearing on a denial of an application, a potential User shall file such a request (the "Hearing Request") with DDR within 5 business days of receipt of a notice that they have been denied access (a "Denial Notice"). The Hearing Request must set forth: (i) the action to be taken by DDR as set forth in the Denial Notice; and (ii) the name of the representative of the potential User who may be contacted with respect to a hearing.
- (b) Within 7 business days after the potential User files such Hearing Request, such potential User shall submit to DDR a clear and concise written statement (the "Applicant Statement") setting forth, with particularity: (i) the basis for objection to such action; and (ii) whether the potential User chooses to be represented by counsel at the hearing. DDR may deny the right for a hearing if the Applicant Statement fails to set forth a prima facie basis for contesting the violation.
- (c) The failure of a potential User to file either the Hearing Request and/or Applicant Statement within the time frames required under this Rule 10.2.1.1 will be deemed an election to waive the right to a hearing.
- (d) Hearings shall take place promptly after receipt of the Applicant Statement. DDR shall notify the potential User in writing of the date, place and hour of the hearing at least 5 business days prior to the hearing (unless the parties agree to waive the 5 business day requirement). Such hearing must take place in New York during business hours unless otherwise agreed by the parties.
- (e) A hearing shall be before a panel (the "Panel") of three individuals. The Panel shall consist of 3 members of the Board or their designees selected by the Chairman of the Board. At the hearing, the potential User shall be afforded an opportunity to be heard and may be represented by counsel if the potential User has so elected in the Applicant Statement. A record shall be kept of the hearing. The costs associated with the hearing may, in the discretion of the Panel, be charged in whole or in part to the potential User in the event that the decision at the hearing is adverse to the potential User.

- (f) The Panel shall advise the potential User of its decision within 10 business days after the conclusion of the hearing. The decision of the Panel shall be disclosed in a notice of the decision (the "Decision Notice") setting forth the specific grounds upon which the decision is based and shall be furnished to the potential User. A copy of the Decision Notice shall also be furnished to the Chairman of the Board. If the decision of the Panel shall be to reverse the denial, such application will be returned to the staff for processing.
- (g) Any denial as to which a potential User has the right to request a hearing pursuant to Section 10.2.1 shall be deemed final upon the earliest of: (i) when the potential User stipulates to the denial; (ii) the expiration of the applicable time period provided for the filing of a Hearing Notice and/or Applicant Statement; or (iii) when the Decision Notice is delivered to the potential User. Notwithstanding the foregoing, the Board may in its discretion modify any sanctions imposed or reverse any decision of the Panel that is adverse to a potential User. The reversal or modification by the Board of a Panel decision or reversal or modification by the Panel of any action by DDR shall not provide such potential User with any rights against DDR or its officers or Directors for determination made prior to such reversal or modification.

Imposition of Sanctions

Pursuant to the DDR rules, DDR may institute proceedings to sanction a User for violation of its rules. DDR Rule 10.4 provides a description of the process utilized before a sanction is imposed and the ability of a User to request a hearing and an appeal prior to any sanctions being imposed. The due process allows Users who may be subject to the imposition of sanctions by DDR are described below.

- (a) Before any sanction is imposed, DDR shall furnish the User against whom the sanction is sought to be imposed ("Respondent") with a concise written statement of the charges against the Respondent. The Respondent shall have 10 business days after the service of such statement to file with DDR a written answer thereto. The answer shall admit or deny each allegation contained in the statement of charges and may also contain any defense which the Respondent wishes to submit. Allegations contained in the statement of charges which are not denied in the answer shall be deemed to have been admitted, and any defense not raised in the answer shall be deemed to have been waived. If an answer is not provided to DDR within the time permitted, as determined by the CCO, in consultation with DDR's Counsel, the allegations shall be deemed to have been admitted, and the Respondent will be notified in writing of any sanction that shall be imposed. If an answer is timely filed, DDR shall (unless the Respondent and DDR shall have stipulated to the imposition of an agreed sanction) schedule a hearing before a panel comprised of a chairman of the Disciplinary Panel and 2 (two) individuals appointed by the Board to conduct disciplinary proceedings under this Rule ("Disciplinary Panel"). At the hearing, the Respondent shall be afforded the opportunity to be heard and to present evidence on its behalf and may be represented by counsel. A record of the hearing shall be prepared and the cost of the transcript may, in the discretion of the Disciplinary Panel, be charged in whole or in part to the Respondent in the event any sanction is imposed on the Respondent. As soon as practicable after the conclusion of the hearing, the Disciplinary Panel shall furnish the Respondent and the Board with a written statement of its decision. If the decision is to impose a disciplinary sanction, the written statement shall set forth the sanction being imposed and the facts surrounding the violation of these Rules.
- (b) In the event that the Disciplinary Panel censures, fines, suspends, expels or limits the activities, functions or operations of any Respondent, any affected User may apply for review to the Board, by written motion filed with DDR within 5 business days after issuance of the Disciplinary Panel's written statement of its decision.
- (c) The granting of any such motion shall be within the discretion of the Board. In addition, the Board may determine to review any such action by a Disciplinary Panel on its own motion. Based upon such review, the Board may affirm, reverse or modify, in whole or in part, the decision of the Disciplinary Panel. The Respondent shall be notified in writing of the decision of the Board which shall be final. Once a decision of the Disciplinary Panel is final, the CCO will facilitate and coordinate the administration of any such sanctions imposed as a result of such disciplinary proceedings.
- (d) Any time limit set forth in this Rule may be extended by the body having jurisdiction over the matter in respect of which the time limit is imposed.

Involuntary Termination

Under specified circumstances, DDR Rule 10.3 permits DDR to take more expedited actions to prevent harm to the DDR Systems by terminating a User. The DDR Rules grants a User whose account is subject to involuntary termination due process to appeal this determination after this extraordinary action has been taken. The appeals process within DDR Rules is described in greater detail below.

- (a) A terminated User may appeal its termination of access by filing a written notice of appeal within 5 business days after the date of termination of access.
- (b) Appeals shall be considered and decided by the Appeal Panel (a panel comprised of a chairman and two individuals appointed by the Chairman of the Board to consider appeals under Rule 10.3 and the DDR Rules). Appeal shall be heard as promptly as possible, and in no event more than 5 business days after the filing of the notice of appeal. The appellant shall be notified of the time, place and date of the hearing not less than 3 business days in advance of such date. At the hearing, the appellant shall be afforded an opportunity to be heard and to present evidence in its own behalf, and may, if it so desires, be represented by counsel. As promptly as possible after the hearing, the Appeal Panel shall, by the vote of a majority of its members, affirm or reverse the termination of access or modify the terms thereof. The appellant shall be notified in writing of the Appeal Panel's decision; and if the decision shall have been to affirm or modify the termination, the appellant shall be given a written statement of the grounds therefor.
- (c) Any decision by the Appeal Panel to affirm or modify a termination shall be reviewable by the Board on its own motion or on written demand by the appellant filed with DDR within 3 business days after receipt of notice of the Appeal Panel's decision. The Board may, but is not required to, afford the appellant a further opportunity to be heard or to present evidence. The appellant shall be notified in writing of the decision of the Board, and if the decision shall have been to affirm or modify the termination, the appellant shall be given a written statement of the grounds therefor.
- (d) The filing of an appeal pursuant to this Rule shall not impair the validity or stay the effect of the termination appealed from. The reversal or modification of a termination shall not invalidate any acts of DDR taken pursuant to such termination prior to such reversal or modification, and the rights of any person which may arise out of any such acts shall not be affected by such reversal or modification.
- (e) A record shall be kept of any hearing held pursuant to these procedures. The cost of the transcript may, in the discretion of the body holding the hearing, be charged in whole or in part to the terminated User in the event that the termination to access is finally affirmed.

S.17 RULES, POLICIES AND PROCEDURES

DDR has published the DDR Rulebook in order to provide Users and potential Users with documented procedures that describe the key functions of DDR as well as the rights and obligations of its Users. We engage in compliance monitoring on an ongoing basis (please refer to the Operating Procedure.)

The DDR Rulebook, Operating Procedures and the User Agreements are governed by New York Law. New York is the forum for any legal proceedings between DDR and its Users; however, DDR will provide an agent for service of process in Ontario as required on form F2.

The DDR Rulebook is published on the DDR website and is provided to all interested parties during the onboarding process. Any planned changes to the DDR Rulebook are published in advance and currently require submission of a rule filing with the CFTC. The Rulebook, policies and procedures will be modified to address new jurisdictions in which DDR is registered. DDR shall provide to the OSC a copy of all new rules and all material changes to its rules as such rules are released or changed.

DDR monitors use of its services on an ongoing basis through exceptions based alerting. Such monitoring is done on a message submission level to ensure proper usage of the service. The DDR Rulebook provides for the imposition of sanctions for violations of the rule as outlined in Section 10 of the DDR Rulebook.

In the event there is a conflict between the securities legislation in Ontario and any other legislation with which DDR is obligated to comply DDR may, in satisfaction of 17(1)(c) of the TR Rule, cease operating in Ontario. DDR would comply with Section 6 of the TR Rules and provide 180 days notice of such cessation. DDR would expect to work with the relevant regulators during that period to allow DDR to eliminate or minimize the impact on DDR of such conflict during that period. In the event of such a cessation, DDR will comply with its obligation to transfer historical data to a successor entity under section 20(6) of the TR Rules.

S.18 RECORDS OF DATA REPORTED

DDR maintains all information as required by CFTC regulations. This currently includes maintaining swap data throughout the existence of the swap and for 15 years following termination of the swap. The OSC under the TR Rule requires that data is maintained throughout the existence of the swap and for 7 years following termination of the swap well within the current standard utilized by DDR. The records are readily accessible throughout the life of a swap and for 5 years following its termination. For the remainder of the retention period, the swap record will be maintained in archival format and retrievable within 3 business days. DDR currently maintains this level of record retention for data that is stored within its databases. In addition to

the primary database, data is currently also maintained in a back-up database in a secure, remote data center operated by its parent DTCC under the Service Agreement (referenced in S. 24) utilizing hardware that is similar to that deployed in the primary data center. DDR will continue to evaluate data retention needs and adjust its policies as the Trade Repository business becomes more mature.

S.19 RISK MANAGEMENT FRAMEWORK

The DDR Board is ultimately responsible for overseeing the effectiveness of DDR's risk management policies, procedures and systems. The Board (or its designated committee) is required to review the Risk Tolerance Statement, which is currently being developed; this will be derived from a portfolio view of key risks, and impact to DDR. It is expected that this will be presented on an annual basis. The Board is also provided operational risk reports, which includes key metrics and a description of incidents. The reports also include a snapshot view of the DDR Risk Profile.

DDR Management is responsible for identifying, assessing, measuring, monitoring, mitigating and reporting the risks that may arise in the management of the trade repository. To enable DDR Management to effectively identify, understand and appropriately mitigate risks, DDR is the first line of defense in DTCC's three lines of defense, as described in its corporate risk framework:

- **the first line of defense**, which includes Product Management, Operations, Finance, Technology, Legal, Human Resources, and others, is responsible for proactively managing risk;
- **the second line of defense**, which is comprised of control functions, is responsible for establishing risk management standards, providing advice and guidance to the first line of defense in adhering to the standards and monitoring compliance with the standards;
- **the third line of defense**, which is comprised of the Internal Audit Department, is responsible for providing independent, objective assurance and advisory services to assist DDR in maintaining an effective system of internal controls, including the manner in which the first and second lines of defense operate.

Risk Management Tools and Governance

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate.

S.20. GENERAL BUSINESS RISK²¹

DDR defines business risk as the sum of various risks the enterprise may be exposed to, including Strategic and Operational risk.

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other DTCC departments on an ongoing basis to review and assess risks that could impact the business risks faced by DDR.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

DDR holds liquid net assets based on a rolling 6 months operating expenses evaluation. Currently, DDR holds such assets as cash. In addition, for capital planning purposes, forecasts are calculated based on budget forecasts; these are presented to the DDR Board.

In the event DDR winds down its business, DDR commits to cooperating with the transfer of data to a successor registered trade repository or the regulator.

DDR will in satisfaction of sections 20(3), 20(4), and 20(5) of the TR Rules hold capital equal to a minimum of six months of operating expenses to allow for an orderly wind down if necessary. DDR shall in satisfaction of the requirement of sections 6(2) and 20(6) of the TR Rules maintain historical records not transferred to a successor entity.

S.21 SYSTEM AND OTHER OPERATIONAL RISK REQUIREMENTS^{xii}

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations and tests continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary back-up sites. The DDR Risk Profile is reviewed with DDR management and ORMD. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate. DDR on a reasonably frequent basis makes reasonable current and future capacity estimates and conducts capacity stress tests prior to major releases. In satisfaction of TR Rule 21(6), DDR conducts an annual internal audit. The scope of such audit will be determined by DDR and the OSC.

DTCC's Operational Risk Management Department ("ORMD") framework is approved by the Board, which is applied for DDR, is comprised of multiple elements, including:

- Internal Incident Data Collection
- Risk Assessment – Operational Risk Profile
- Metrics
- Issue Tracking
- Reporting

DDR, working with ORMD, has also developed a monthly operational risk profile. In addition to centralizing the key drivers of residual risk, this profile identifies the day-to day operational risks in DDR's business process flows on a more granular level. The profile also consolidates all other control findings (incidents, audit findings, compliance testing results, etc.) and mitigation action plans. Trending information on incidents as well as metrics relevant to the two risk families are incorporated and will be leveraged to map back to the overall risk tolerance statements for DDR's two risk categories. The DDR Risk Profile is reviewed with DDR management and ORMD. Changes in the business and/or risks would trigger a re-assessment of the metrics captured; the Risk profile would be updated accordingly.

DDR defines business risk as the sum of various risks the enterprise may be exposed to, which include:

- Strategic risk;
- Operational risk; and

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other internal areas on an ongoing basis to review and assess risks that could impact the business risks faced by DDR. This includes:

- Ongoing review of the DDR, including revenues, expenses, actual versus target performance, financial projections and funding.
- Ongoing meetings with Information Technology to review and assess application development,
- Ongoing application maintenance, performance testing, and infrastructure.
- Ongoing meetings with Operations to review operational support and any potential risks or issues.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

The DDR System is supported by DTCC and relies on the disaster recovery program maintained by DTCC. In satisfaction of 21(5), DDR follows these key principles for business continuity and disaster recovery, which enables DDR to provide timely resumption of critical services should there be any disruption to DDR business:

- (a) Achieve recovery of critical services within a four-hour window with faster recovery time in less extreme situations in satisfaction of 21(4);

- (b) Disperse staff across geographically diverse operating facilities;
- (c) Operate multiple back-up data centers linked by a highly resilient network technology; (d) Maintain emergency command and out-of-region operating control;
- (d) maintain emergency command and out-of-region operating control
- (e) Utilize new technology which provides high-volume, high-speed, asynchronous data transfer over distances of 1,000 miles or more;
- (f) Maintain processes that mitigate marketplace, operational and cyber-attack risks;
- (g) Test continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary and back-up sites;
- (h) Communicate on an emergency basis with the market, Users and government agency decision-makers; and
- (i) Evaluate, test and utilize best business continuity and resiliency practice

DDR discloses to potential Users on its website the various methods available to interface with or access the trade repository. A reasonable period of time will be allowed for testing once operations have begun and prior to the commencement of operations and a reasonable period of time will be allowed for testing and system modifications. DDR publishes notifications sufficiently in advance before implementing a material change to technology requirements and allows a reasonable period of time for testing and system modifications.

DDR provides testing facilities for accessing or connecting to the trade repository. These facilities are provided sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modifications by Users.

In satisfaction of 21, DDR shall provide the OSC staff timely advance notice of all: (1) Planned changes to the automated systems that may impact the reliability, security, or adequate scalable capacity of such systems; and (2) Planned changes to the swap data repository's program of risk analysis and oversight in line with its requirements to notify the CFTC of such changes.

S.22. DATA SECURITY AND CONFIDENTIALITY^{xiii}

DTCC has established a Technology Risk Management team ("TRM"), whose role is to manage information security risk and the availability, integrity and confidentiality of the organization's information assets. The TRM supports the data security and confidentiality needs of DDR pursuant to a service level agreement between DTCC and DDR.

Various policies have been developed to provide the framework for both physical and information security and are routinely refreshed. TRM carries out a series of processes to protect DDR in a cost-effective and comprehensive manner. This includes preventative controls such as firewalls, appropriate encryption technology and authentication methods. Vulnerability scanning is used to identify high risks to be mitigated and managed and to measure conformance against the existing policies and standards.

Standards for protecting DDR's information are based upon the sensitivity level of that information. Control standards specify technical requirements for protection and end user handling of information while in use, transmission and storage.

DDR does not currently engage in any commercial use of data relating to SDR Services. DDR data relating to specific counterparties may be provided to third parties subject to consent from that counterparty or submitter of the trade. DDR does not, as a condition of the reporting of swap transaction data, require a reporting party to consent to the use of reported data for commercial or business purposes.

S.23. CONFIRMATION OF DATA AND INFORMATION^{xiv}

DDR confirms accuracy of derivative data that it receives by checking inbound submissions and making available reports of data submitted available to Users. Upon submission, the DDR system will perform validation checks to ensure that each submitted record is in the proper format and will also perform validation and consistency checks against certain data elements. If the record fails these validation or consistency checks, the record will be rejected and such rejection status will be communicated to the User(s) to correct and resubmit. DDR cannot identify the duplication of records in the event both parties to a transaction report the same transaction and a unique trade identifier has not been provided. Each User is provided with access to reports showing data submitted by them, for them or naming them as counterparty to a transaction. Users can utilize these reports to confirm that data held by DDR pertaining to their transactions is accurate.

S.24 OUTSOURCING

- There is a written Service Agreement (“SLA”) between DTCC and DDR. Pursuant to this SLA, DDR receives shared support functions from its parent DDR does not outsource any of its trade repository obligations. It does, however, operate on shared services model pursuant to which the following departmental functions are shared for all DTCC subsidiaries in accordance with the SLA.

Referenced below are some of the shared functions included in the SLA:

- Audit
- Finance
- Technology Risk Management
- Operational Risk Management
- Operation/Onboarding
- Corporate Communications
- Human Resources
- Internal Security
- IT Infrastructure Application Development and Maintenance
- Legal

S.29 UNIQUE TRANSACTION IDENTIFIERS

DDR, may, in satisfaction of section 29 of the TR Rule, utilize reporting party generated unique transaction identifiers and unique swap identifiers, whether self generated or generated by DDR in the form of existing UTI’s and USI’s, as such terms are defined in EMIR, CEA and applicable CFTC regulations.

S.37 DATA AVAILABLE TO REGULATORS^{xv}

Data is made available to regulators to the extent such regulator is eligible to receive data under relevant law and regulation. Pursuant to applicable law, the CFTC is provided with direct electronic access to DDR data to satisfy their legal and regulatory obligations. Access to DDR data by other domestic or foreign regulators or appropriate third-parties is governed by applicable regulations. These regulations generally permit access to data that has been submitted to DDR pursuant to the regulatory requirements of another jurisdiction and for which DDR is appropriately registered with such regulators and is subject to their supervision. In that circumstance, access to such data will be granted without requiring a confidentiality and indemnification agreement. All other types of requests for data may be made and satisfied if the appropriate confidentiality and indemnification agreement has been provided to DDR pursuant to applicable CFTC regulations.

DDR shall provide Users and the OSC with prior notification of scheduled system downtime and routine system downtime on a regular basis to perform system maintenance, code deployments and/or other changes as necessary.

S.38 DATA AVAILABLE TO COUNTERPARTIES^{xvi}

DDR provides Users, and third-party service providers authorized by a User, with access to transactions in which the User is a counterparty. This information is available via reports and other messages that are provided to the Users or authorized agents of the counterparties.

S.39 DATA AVAILABLE TO THE PUBLIC^{xvii}

Data will be made available to the public on DDR’s website in accordance with applicable regulations and the Order designating /recognizing DDR.

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- i Please refer to Section 2.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- ii Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- iii Please refer to Section 2.2 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- iv Please refer to the DTCC Data Repository (U.S.) LLC Governance document publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US- DDR/DDR_Governance_012814.ashx
- v Please refer to Section 2.3 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- vi Please refer to Section 1.4 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- vii Please refer to Sections 1.1 & 1.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on DTCC's website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- viii Please refer to Sections 10.2.1 & 10.2.1.1, 10.3 & 10.4 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- ix Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- x Please refer to Section 1.3.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xi In addition to the information referenced above please also refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xii In addition to the information referenced above please also refer to Section 8.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xiii Please refer to Section 6.3 & 9.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xiv Please refer to Section 10.1.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xv Please refer to Section 6.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xvi Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx
- xvii Please refer to Section 6.1 and the Appendix Section V as set forth in Appendix B : Operating Procedures of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(THE ACT)**

AND

**IN THE MATTER OF
DTCC DATA REPOSITORY (U.S.) LLC**

**DRAFT ORDER
(Section 21.2.2 of the Act)**

WHEREAS DTCC Data Repository (U.S.) LLC (DDR) has filed an application (the Application) with the Ontario Securities Commission (the Commission) requesting an order pursuant to section 21.2.2(1) of the Act designating DDR as a trade repository;

AND WHEREAS DDR has represented to the Commission that: 1. DDR is incorporated under New York law and is provisionally registered with the Commodity Futures Trading Commission (CFTC), its primary regulator, as a swap data repository (SDR) for interest rate, credit, equity, foreign exchange and other commodity derivatives under the *U.S. Commodity Exchange Act*;

2. DDR will comply with all applicable requirements for designated trade repositories under Ontario securities laws, including applicable requirements in OSC Rule 91-507 and pursuant to its application to be a designated trade repository;

AND WHEREAS DDR is currently subject to the oversight of the CFTC as a SDR and may at a future date become subject to the oversight of the Securities and Exchange Commission (SEC) as a securities-based swap data repository (SBSDR);

AND WHEREAS DDR will be subject to the applicable requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, as amended from time to time (OSC Rule 91-507);

AND WHEREAS the Director has granted exemptions from certain requirements under subsections 4(1), 5(1), 17(5), 20(2), 20(4), 20(5) and 39(1) of OSC Rule 91-507, as set out in Schedule "B" of this order;

AND WHEREAS based on the Application and the representations DDR has made to the Commission, the Commission has determined that it is in the public interest to designate DDR as a trade repository pursuant to section 21.2.2(2) of the Act, subject to the terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS DDR has agreed to the respective terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS DDR has demonstrated that it is or will be compliant with the applicable requirements in OSC Rule 91-507 by October 31, 2014 and the respective terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and DDR's activities on an ongoing basis to determine whether it is appropriate that DDR continues to be designated subject to the terms and conditions in this order and whether it is appropriate to amend this order and the terms and conditions thereunder pursuant to section 144 of the Act;

IT IS ORDERED by the Commission that DDR be designated as a trade repository pursuant to section 21.2.2 of the Act;

PROVIDED THAT DDR complies with the applicable requirements in OSC Rule 91-507 and the terms and conditions attached hereto as Schedule "A" of this order.

DATED _____, 2014.

SCHEDULE "A"

TERMS and CONDITIONS

DEFINITIONS

For the purposes of this Schedule:

"Ontario-based participant" means a participant that (a) is a person or company organized under the laws of Ontario or that has its head office or principal place of business in Ontario, (b) is registered under Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives, or (c) is an affiliate of a person or company described in (a) and such person or company is responsible for the liabilities of that affiliated party.

"Ontario securities law" has the meaning ascribed to it in subsection 1(1) of the Act.

"Rule" means a proposed new, amendment to, or deletion of, any provision or other requirement in DDR's rulebook, policies, operating procedures or manuals, user guides, or similar documents governing the rights and obligations between DDR and its participants.

"Rule Subject to Approval" has the meaning ascribed to it in the Rule and Approval Protocol at Appendix "B" to this Schedule.

Unless the context otherwise requires, other terms used in this Schedule "A" and its Appendices have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this designation order).

REGULATION IN HOME JURISDICTION

1. DDR shall maintain its status as a SDR in the United States and will continue to be subject to the regulatory oversight of the CFTC.
2. DDR shall continue to comply with its ongoing regulatory requirements as a SDR in the United States.
3. DDR shall provide prompt written notice to the Commission of any material change or proposed material change to its status as a SDR in the United States or the regulatory oversight of the CFTC.
4. DDR shall immediately notify the Commission if and when it becomes subject to the regulatory oversight of the SEC as a SBSDR, and thereafter provide prompt written notice to the Commission of any material change or proposed material change to its status as a SBSDR in the United States or the regulatory oversight of the SEC.

OWNERSHIP OF PARENT

5. DDR shall immediately provide to the Commission written notice of a material change to the control or ownership of its parent, DTCC Deriv/SERV LLC (Deriv/SERV); and to the extent that Deriv/SERV is required to file with the CFTC a notification of such change, DDR shall provide such report to the Commission concurrently.
6. DDR shall immediately provide to the Commission written notice, and a detailed description and any potential impact on DDR, of any person or company who has obtained over 20% of beneficial ownership or control or direction over any class or series of voting shares of DTCC.
7. To the extent that DTCC is required to file with the CFTC a report regarding material change in control of DTCC, DDR shall provide such report to the Commission concurrently.

SERVICES OFFERED

8. DDR shall not act as a trade repository designated in Ontario to which reporting counterparties report trades in an asset class other than commodity, credit, equity, interest rate, and foreign exchange, to meet the reporting requirements under OSC Rule 91-507 without prior written approval of the Commission.

ACCESS AND PARTICIPATION

9. DDR shall, on a semi-annual basis, filed 30 days after the end of each period, provide the Commission with a list that specifies each Ontario-based participant that has been granted access to DDR's services.
10. DDR shall promptly notify the Commission when an applicant has been denied access to DDR's services after the exhaustion of DDR's appeal process and who would otherwise be an Ontario-based participant.

DATA REPORTING

(a) Collection of Data

11. For greater clarity with respect to subsection 3(1) of OSC Rule 91-507, DDR shall not implement any material changes to the specifications of the methods (including templates and systems) used to collect data reported to it under OSC Rule 91-507 from participants, or to the definition, structure and format of the data, unless it has filed an amendment to Form 91-507F1 in the manner set out in that Form at least 45 days before implementing the changes. For other changes to the specifications of the methods used to collect data reported to it under OSC Rule 91-507, or to the definition, structure and format of the data, DDR shall provide the Commission with at least 10 business days prior notice.

12. DDR shall amend, create, remove, define or otherwise modify any data fields (including format) required to be reported by participants who are reporting, or who are reporting on behalf of reporting counterparties, under OSC Rule 91-507, in a manner and within a time frame required by the Commission from time to time after consultation with DDR and taking into consideration any practical implication of such modifications on DDR.

13. DDR shall continue to use best efforts to adapt to relevant internationally accepted communication procedures and standards for the collection and reporting of data required to be reported under OSC Rule 91-507 as requested by the Commission, in a manner and within a time frame acceptable to the Commission.

14. For life-cycle event data that is required to be reported under OSC Rule 91-507, DDR shall sequence and link life-cycle events to the creation data relating to the original transaction.

15. For any data fields that are specific to a particular asset class or product required to be reported under OSC Rule 91-507 for each transaction, DDR shall work with the Commission to provide Ontario-based participants with the option to populate a value indicating that a field is not applicable to the transaction.

16. DDR shall not accept transactions that are required to be reported under OSC Rule 91-507 if any mandatory data fields under OSC Rule 91-507 have been left blank; alternatively, DDR may accept such transactions provided that it provides warning to the participants and requires them to resubmit those transactions with the mandatory data fields completed.

(b) Public Dissemination of Data Pursuant to Section 39 of OSC Rule 91-507

17. DDR shall ensure that data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is in a format, and is disseminated in a manner, that is acceptable to the Commission. Without limiting the generality of the foregoing, DDR shall ensure that such data is readily available and easily accessible to the public through the homepage of its trade repository website similar to how public data is disseminated for the U.S.

18. DDR shall ensure that aggregate data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is only made publicly available in accordance with Appendix "A" to this Schedule, as amended from time to time. DDR shall ensure that all other data required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is not made publicly available until the Commission has approved of the method and format of the dissemination.

19. DDR shall (a) anonymize, or (b) make any other modifications based on thresholds or other criteria to, data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, in a manner prescribed by the Commission.

20. DDR shall exclude inter-affiliate transactions from data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.

21. DDR shall amend, create, remove, define or otherwise modify data (including format) required to be publicly disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a timeframe required by the Commission from time to time after consultation with DDR and taking into consideration any practical implication of such modification on DDR.

22. Upon the Commission's request, DDR shall delay, and subsequently resume, the public dissemination of data that is required to be disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a time frame acceptable to the Commission.

(c) Provision of Data to the Commission

23. For greater clarity with respect to section 37 of OSC Rule 91-507, DDR shall at a minimum, on a daily basis, provide the Commission with creation data that reflects life-cycle events up to and including the most current life-cycle event and valuation data through secured portal access with respect to data reported to it under OSC Rule 91-507; as well as work with the Commission to provide data reported to it under OSC Rule 91-507 that is in DDR's possession as is required by the

Commission to fulfill its mandate, including but not limited to creation, life-cycle event, and valuation data, through both secured portal and SFTP access, in a manner and within a timeframe acceptable to the Commission.

24. DDR shall work with the Commission to provide such reports as may be required by the Commission, including but not limited to life-cycle event and transaction level reports relating to data reported to it under OSC Rule 91-507, in a manner and within a timeframe acceptable to the Commission.

25. DDR shall ensure that a version number, including a date stamp, clearly identifies changes to the processes used to extract and load data that is required to be reported to the Commission pursuant to OSC Rule 91-507 using industry best practices. A summary of the changes should be provided to the Commission one week in advance of these changes.

26. DDR shall provide to the Commission in a timely manner, upon the Commission's request, data regarding transactions between non-Canadian participants in derivatives that are based on a Canadian underlying interest, subject to any applicable U.S. laws and requirements governing sharing and confidentiality of information.

RULES

27. DDR shall provide to the Commission, no later than 10 business days prior to the intended effective date, a Rule Subject to Approval in accordance with Appendix "B" to this Schedule.

28. DDR shall provide to the Commission, concurrently with filing with the CFTC and no later than 10 business days prior to the intended effective date, a Rule that is not a Rule Subject to Approval but that is applicable to Ontario-based participants.

29. DDR shall file with the Commission on a quarterly basis, within 30 days after the end of each quarter, a copy of its Rules showing all cumulative changes to the Rules made during the quarter.

SYSTEMS

30. DDR shall provide at least 30 days prior notice to the Commission before finalizing the scope of the review required under subsection 21(6) of OSC Rule 91-507, and after consultation with the Commission, DDR shall make any reasonable amendments to the scope as requested by the Commission.

FEES

31. DDR shall, by October 31, 2016 and at other times thereafter as requested by the Commission, conduct a review of its fee schedule for its services in Ontario. DDR shall provide a written report on the outcome of such review to the Commission within 30 days after the completion of the review.

COMMERCIALIZATION OF DATA

32. DDR shall not unreasonably restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.

33. DDR shall not restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 without prior written approval of the Commission.

34. DDR shall provide the Commission with 30 days prior written notice of any intended changes to the terms of access or use as they pertain to data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, which will include a detailed description of any such changes.

35. DDR shall not, as a term or condition of becoming a participant or as a term or condition of reporting data reported to it under OSC Rule 91-507 by a participant, require the consent of the participant to the release of any or all reported data for commercial or business purposes.

36. DDR shall be responsible for securing any and all necessary consents from any third parties whose proprietary information is contained in the data reported to it under OSC Rule 91-507 before releasing it for commercial or business purposes.

37. DDR shall not release data that is required to be reported pursuant to OSC Rule 91-507 for commercial or business purposes in relation to a product or service line without the Commission's prior written approval of the type and nature of the commercial or business product or service line, in the following manner:

- a) DDR shall provide the Commission with written notification of the type and nature of the commercial or business product or service line at least 10 business days prior to launching the product or service line;

- b) If Commission staff within 10 business days of receipt of the notification do not object to such product or service line, then the product or service line shall be deemed to be approved by the Commission;
- c) If Commission staff within 10 business days of receipt of the notification object to such product or service line, then the Commission will review and make a decision regarding approval of such product or service line within 30 days of DDR providing notification to the Commission pursuant to paragraph (a) above.

38. DDR shall not release data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 for commercial or business purposes until after its public dissemination.

TRANSITION REQUIREMENTS

39. DDR shall achieve the milestones set out in in Appendix "C" to this Schedule with respect to the development and implementation of its services.

40. Following its designation, DDR shall facilitate to the satisfaction of the Commission the testing of access and connectivity to its systems by the Commission.

41. Following its designation in Ontario, DDR shall conduct testing with respect to Ontario-based participants under OSC Rule 91-507 and achieve results satisfactory to the Commission to gain assurance that data and reports that are required to be reported to the Commission reflect accurately and completely all data that is required to be reported by Ontario-based participants under OSC Rule 91-507. DDR shall provide summary results of such testing to the Commission promptly after the completion of such testing.

42. For a period of 2 years from the date of this order, filed 30 days after the end of each quarter, DDR shall provide a report summarizing (a) the number of applications in Ontario for access outstanding at the end of each quarter, and (b) any material issues encountered during each quarter relating to the onboarding of new participants or reporting from Ontario-based participants as well as DDR's plans to address them.

43. Following its designation in Ontario, and on an ongoing basis, DDR shall (a) ensure that appropriate access, including direct access, data feeds, browser and internet-based interfaces, reports or any other relevant form of access, is provided to the Commission, (b) monitor the development by any service provider it engages of all systems (including applications) supporting its trade repository functions, and (c) ensure that its systems are secure and that any security vulnerabilities are monitored and promptly corrected once identified.

44. Following its designation in Ontario, DDR shall ensure that any necessary maintenance and enhancement of its trade repository services and systems is being appropriately prioritized and staffed, and that any issues are appropriately escalated to senior management.

REPORTING REQUIREMENTS

45. DDR shall promptly notify the Commission of any event, circumstance, or situation that could materially prevent DDR's ability to continue to comply with the terms and conditions of the order.

46. DDR shall, as soon as reasonably possible, notify the Commission of any intended emergency response which would modify, limit, suspend or interrupt its services.

47. DDR shall promptly provide to the Commission information regarding any material known investigations or legal proceedings instituted against it, to the extent that it is not prohibited from doing so under applicable law.

48. DDR shall promptly provide to the Commission the details of any appointment of a receiver or the making of any voluntary arrangement with its creditors.

INFORMATION SHARING AND REGULATORY COOPERATION

49. DDR shall provide to the Commission any information related to its business as a designated trade repository as may be requested from time to time, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

50. DDR shall provide regulators other than the Commission with access to data that is required to be reported pursuant to Ontario securities law in compliance with the relevant laws and regulations governing such access.

APPENDIX "A"

DRAFT CANADIAN PUBLIC AGGREGATE DATA REPORTING TEMPLATE

A trade repository designated in Ontario (an "Ontario-designated TR") is required to publically disseminate the range and type of aggregate metrics set out in this Annex [X] in order to satisfy its obligations under section 39 of OSC Rule 91-507.

Part I. Current Notional and Number of Positions Outstanding

1. For each reporting period, an Ontario-designated TR must publish on the Report Date
 - a) the gross notional amount of all open positions, and
 - b) the total number of positions outstanding.
2. At a minimum, an Ontario-designated TR must publish the data described in section 1 for the following reporting periods:
 - a) current week,
 - b) previous week, and
 - c) four weeks prior to the current week.
3. An Ontario-designated TR must publish the data required by section 1 according to the following breakdowns:
 - a) Asset Class: Commodity, Interest Rate, Credit, Foreign Exchange and Equity;
 - b) Asset Classes in (a) by Tenor: 0-3 month, 3-6 month, 6-12 months, 12-24 months, 24-60 months, and greater than 60 months; and
 - c) Asset Classes in (a) by cleared/uncleared.
4. An Ontario-designated TR must publish the data required by section 1 according to the following Product Categories for each Asset Class:

Commodities	Interest Rate	Credit	Foreign Exchange	Equity
Metals	IR Swap	Single Name-Sovereign	Non-deliverable forwards	Single Name Swap
Power	FRA	Single Name-Non-Sovereign	Non-deliverable options	Portfolio Swap
Natural Gas	Cross Currency	Index (including Index tranche)	Forward	Contract For Difference
Oil	Option (Including cap/floor)	Total Return Swap	Vanilla Option	Option
Coal	Exotic	Swaptions	Exotic	Forward
Index	Other	Exotic	Other	Exotic
Agriculture		Other		Other
Environment				
Freight				
Exotic				
Other				

5. Despite section 4, an Ontario-designated TR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of “Other” where

- a) there is less than 30 open positions in that Product Category for a given period; or there are no new transactions in that Product Category for four consecutive weeks.

6. Despite sections 3 and 4, an Ontario-designated TR is not required to report the gross notional amount of all open positions for the “Commodity” Asset Class.

7. An Ontario-designated TR must commence publication of the data required under this Part I Section 2.a beginning the week ending November 28th. An Ontario-designated TR must commence publication of the data required under this Part I Section 2.a and 2.b beginning the week ending December 5th. An Ontario-designated TR must commence publication of the data required under this Part I Section 2.a, 2.b, 2c beginning the week ending December 19th.

Part II. Turnover Notional and Number of Transactions

1. For each reporting period, an Ontario-designated TR must publish on the Report Date

- a) the gross notional turnover (i.e. the gross notional amount of all new transactions entered into for that period), and
- b) the total number of transactions.

2. At a minimum, an Ontario-designated TR must publish the data described in section 1 for the following reporting periods:

- a) current week,
- b) previous week, and
- c) the trailing 4-week period.

3. An Ontario-designated TR must publish the data required by section 1 according to the following breakdowns:

- a) Asset Class: Commodity, Interest Rate, Credit, Foreign Exchange and Equity;
- b) Asset Classes in (a) by Tenor: 0-3 month, 3-6 month, 6-12 months, 12-24 months, 24-60 months, and greater than 60 months; and
- c) Asset Classes in (a) by cleared/uncleared.

4. An Ontario-designated TR must publish the data required by section 1 according to the following Product Categories for each Asset Class:

Commodities	Interest Rate	Credit	Foreign Exchange	Equity
Metals	IR Swap	Single Name-Sovereign	Non-deliverable forwards	Single Name Swap
Power	FRA	Single Name-Non-Sovereign	Non-deliverable options	Portfolio Swap
Natural Gas	Cross Currency	Index (including Index tranche)	Forward	Contract For Difference
Oil	Option (Including cap/floor)	Total Return Swap	Vanilla Option	Option
Coal	Exotic	Swaptions	Exotic	Forward
Index	Other	Exotic	Other	Exotic
Agriculture		Other		Other
Environment				

Commodities	Interest Rate	Credit	Foreign Exchange	Equity
Freight				
Exotic				
Other				

5. Despite section 4, an Ontario-designated TR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of "Other" where there are fewer than five new transactions a week in that Product Category during the previous four-week period.

6. Despite sections 3 and 4, an Ontario-designated TR is not required to report the turnover notional amount for the "Commodity" Asset Class.

7. An Ontario-designated TR must commence publication of the data required under this Part II beginning the week ending December 12th.

Explanatory Notes

Currency	The denomination currency of the reports is Canadian dollars . TRs are free to choose the conversion rate, but need to include the source in the reports. If the denomination currency of a transaction is non-Canadian dollar, the Canadian dollar equivalent notional amount should be calculated with report run date conversion rate.
Number of transactions	Represents the number of new unique transactions that are reported to a TR during the one-week period. Each transaction is recorded once, and netting arrangements and offsets (including compression) are ignored.
Pre-existing transactions	Pre-existing transactions should be included in calculating total outstanding notional and number of outstanding positions, while it should be excluded in calculating turnover notional and number of new positions.
Position Outstanding	It refers to a snapshot view of open transactions as of the end of the reporting period.
Report Date	TRs are expected to publish aggregation data by the following Wednesday after the report week
Tenor	For Current Notional and/or Positions Outstanding, use remaining contract maturity which is determined by the difference between the weekly end date of the reporting period and the expiry date for the position. For Turnover Notional and/or Number of Transactions, use original maturity which is determined by the difference between the end date and the effective date. The tenor should be rounded into month. The upper bound of a bucket is included in the bucket (i.e. the 0-3M bucket includes 0, 1, 2 and 3M. and the 3-6 bucket does not include 3M.).
Week	A week is defined as having an execution timestamp between Saturday 12:00:00 AM UTC – Friday 11:59:59PM UTC. Transactions with an execution timestamp in the above period but reported in the following two days at the end of the week should be included in the weekly report. Transactions with an execution timestamp in the above period but reported after the following two days at the end of the week should not be included in the weekly report.
Criteria of assessing usability of public data	<ul style="list-style-type: none"> • Data could be downloaded. • Data in "analysis-friendly" format (e.g. csv) instead of pdf format. • Part 1 and 2 Section 2 period data could be viewed without signing up, making request or any other condition.
Counterparty identity	A designated trade repository must not disclose the identity of either counterparty to the transaction.

APPENDIX "B"

RULE REVIEW and APPROVAL PROTOCOL

1. PURPOSE

On [DATE] the Commission issued a designation order with terms and conditions governing the designation of DDR pursuant to subsection 21.2.2 of the Securities Act (Ontario). To comply with OSC Rule 91-507 and the terms and conditions of the designation order, DDR shall file with the Commission documents outlining any Rule Subject to Approval. This protocol sets out the process for the filing, review and approval by the Commission of a Rule Subject to Approval.

2. DEFINITIONS

For the purposes of this Appendix:

"Canada-Based Participant" means a participant that (a) is a person or company organized under the laws of an Applicable Canadian Province or that has its head office or principal place of business in an Applicable Canadian Province, (b) is registered under the securities legislation of an Applicable Canadian Province as a derivatives dealer or in an alternative category as a consequence of trading in derivatives, or (c) is an affiliate of a person or company described in (a) and such person or company is responsible for the liabilities of that affiliated party.

"Applicable Canadian Province" means Manitoba, Ontario, Quebec or any other province or territory in Canada in which DDR is designated or recognized as a trade repository;

"Rule Subject to Approval" means a Rule that applies exclusively to Canada-Based Participants, excluding any amendments that are intended to effect:

- (i) changes to the routine internal processes, practice or administration of DDR;
- (ii) changes to correct spelling, punctuation, typographical or grammatical mistakes, or inaccurate cross-referencing; or
- (iii) stylistic or formatting changes, including changes to headings or paragraph numbers.

Unless the context otherwise requires, other terms used in this Appendix B have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this designation order).

3. PROCEDURES FOR REVIEW AND APPROVAL OF RULES

(a) Documents

For a Rule Subject to Approval, DDR will provide to the Commission, where applicable, the following documents in electronic format, or by other means as agreed to by Commission staff and DDR, from time to time:

- (i) a cover letter that describes the Rule Subject to Approval and its nature and purpose; and
- (ii) the existing Rule Subject to Approval and a blacklined version of the Rule Subject to Approval indicating its proposed changes.

(b) Confirmation of Receipt

Commission staff will promptly send to DDR confirmation of receipt of documents submitted by DDR under subsection (a).

(c) Deemed Approval of Rules Subject to Approval

If Commission staff do not object to a Rule Subject to Approval within 10 business days of receipt, the Rule shall be deemed approved. Otherwise, the Rule Subject to Approval will be reviewed and approved by the Commission in accordance with the procedures set out in paragraphs (d) to (g) of section 3 of this protocol.

(d) Publication of a Rule by the Commission

If Commission staff objects to a Rule Subject to Approval within 10 business days of receipt and it has an impact on current and possible future participants or the capital markets in general, Commission staff may require that a notice of change to a Rule

Subject to Approval and, where applicable, a blacklined version of the Rule Subject to Approval, be published in the OSC Bulletin or the OSC website for a comment period of 30 days. The notice and accompanying Rule Subject to Approval will be published as soon as reasonably practicable.

(e) Review by Commission Staff

Commission staff will use their best efforts to conduct their review of the Rule Subject to Approval and provide comments to DDR within 30 days of DDR filing materials with the Commission. However, there will be no restriction on the amount of time necessary to complete the review of the Rule Subject to Approval in such instances.

(f) DDR Canada's Responses to Commission Staff's Comments

DDR will respond to any comments received to Commission staff in writing.

(g) Approval of Rules by the Commission

Commission staff will use their best efforts to prepare the Rule Subject to Approval by the Commission for approval by the later of:

- (i) 45 days from receipt of the filing of the Rule Subject to Approval by DDR, including the filing of all relevant documents in subsection (a) above; or
- (ii) 30 days after receipt of written responses from DDR to Commission staff comments or requests for additional information, and a summary of participant comments and DDR's response to those comments (and upon the request of Commission staff, copies of the original comments), or confirmation from DDR that there were no comments received.

(h) Effective Date of a Rule

A Rule Subject to Approval will be effective as of the date 10 business days after receipt of such Rule by the Commission absent object thereto, or on a date determined by DDR if such date is later.

4. IMMEDIATE IMPLEMENTATION OF A RULE

(a) Criteria for Immediate Implementation

DDR may make a Rule Subject to Approval effective immediately where DDR determines that there is an urgent need to implement the Rule Subject to Approval because of a substantial and imminent risk of significant harm to DDR, participants, other market participants, or the capital markets.

(b) Prior Notification

Where DDR determines that immediate implementation is appropriate, DDR will advise Commission staff in writing as soon as possible. Such written notice will include an analysis to support the need for immediate implementation.

(c) Disagreement on Need for Immediate Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement will be as follows:

- (i) Commission staff will notify DDR of the disagreement in writing, or request more time to consider the immediate implementation within 3 business days of being advised by DDR under subsection (b); and
- (ii) Commission staff and DDR will discuss and resolve any concerns raised by Commission staff in order to proceed with the immediate implementation.

(d) Review of Rule Implemented Immediately

A Rule Subject to Approval that has been implemented immediately will be reviewed and approved by the Commission in accordance with the procedures set out in section 3, with the necessary modifications. If the Commission subsequently disapproves the Rule Subject to Approval, DDR will immediately repeal the Rule Subject to Approval and inform its participants of the disapproval.

5. MISCELLANEOUS

(a) Waiving Provisions of the Protocol

Commission staff may exercise its discretion to waive any part of this protocol upon request from DDR, or at any time it deems it appropriate. A waiver granted upon request by DDR must be granted in writing by Commission staff.

(b) Amendments

This protocol and any provision hereof may, at any time, be amended by mutual agreement of the Commission and DDR.

APPENDIX "C"

IMPLEMENTATION MILESTONES

1. PURPOSE

On [DATE] the Commission issued a designation order with terms and conditions governing the designation of DDR pursuant to subsection 21.2.2 of the Securities Act (Ontario). To comply with OSC Rule 91-507 and the terms and conditions of the designation order, DDR shall achieve the milestones set out in this Appendix with respect to the development and implementation of its services.

2. MILESTONES

DDR shall:

- (a) facilitate the testing of access and connectivity to its systems by the Commission by August 8, 2014, to be completed by September 8, 2014; and
- (b) provide user acceptance testing for participants and users for the commodity, credit, equity, interest rate, and foreign exchange asset classes by September 12, 2014.

SCHEDULE "B"

DIRECTOR'S EXEMPTION

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(THE ACT)**

AND

**IN THE MATTER OF
DTCC DATA REPOSITORY (U.S.) LLC**

DECISION

(Section 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting)

WHEREAS DTCC Data Repository (U.S.) LLC (DDR) has applied to the Commission for designation as a trade repository under section 21.2.2 of the Act, and will be subject to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (OSC Rule 91-507) and the terms and conditions of its designation order;

AND WHEREAS the Director may, pursuant to section 42 of OSC Rule 91-507, exempt DDR, in whole or in part, from a requirement in OSC Rule 91-507;

AND WHEREAS OSC Rule 91-507 would require DDR:

- (a) to file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation pursuant to subsection 4(1),
- (b) to file annual audited financial statements with the Commission no later than the 90th day after the end of its financial year pursuant to subsection 5(1),
- (c) to file its proposed new or amended rules, policies and procedures (collectively, rules) for approval pursuant to subsection 17(5);
- (d) to hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses pursuant to subsection 20(2);
- (e) to identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and to establish, implement, maintain and enforce written rules reasonably designed to facilitate its orderly wind-down pursuant to subsections 20(4) and 20(5) respectively; and
- (f) to create and make available to the public on a periodic basis, at no cost, aggregate data on volume, number (of transactions) and, where applicable, price, relating to the transactions reported to it pursuant to subsection 39(1);

AND WHEREAS DDR has applied for an exemption from the requirements under each of subsections 4(1), 5(1), 17(5), 20(2), 20(4), 20(5) and 39(1) of OSC Rule 91-507;

AND WHEREAS DDR is provisionally registered as a Swap Data Repository (SDR) with the Commodity Futures Trading Commission (CFTC) in the United States and is subject to CFTC's requirements;

AND WHEREAS DDR does not have audited financial statements for its most recently completed financial year, and DDR has provided to the Commission its unaudited financial statements and audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation, for the most recent financial year;

AND WHEREAS DDR is not required to file annual audited financial statements with the CFTC, but is required to file annual unaudited financial statements and to maintain liquid net assets equal to a minimum of six months of operating expenses pursuant to CFTC requirements; and DDR has represented that it will provide annually unaudited financial statements to the Commission concurrently with filing with the CFTC and will maintain the required liquid net assets;

AND WHEREAS DDR is required to file with the CFTC proposed new or amended rules pursuant to CFTC's requirements, and application of subsection 17(5) of OSC Rule 91-507 to DDR may result in regulatory duplication, to the extent that proposed new or amended rules are subject to prior approval by the CFTC;

AND WHEREAS DDR holds sufficient liquid net assets, in the amount of at least six months current operating expenses, to cover potential general business losses pursuant to OSC Rule 91-507, although it does not maintain insurance coverage for this purpose; DDR is required under CFTC's requirements to maintain sufficient financial resources to perform its SDR functions and such amount should cover its operating costs for a period of at least one year, and to maintain liquid financial assets equal to at least six months' operating costs; and therefore maintenance of insurance is duplicative for the purposes of covering business risk;

AND WHEREAS international work on wind-down planning is ongoing at CPSS-IOSCO level, and DDR is not currently subject to CFTC's requirements relating to orderly wind-down;

AND WHEREAS the Director is satisfied it would not be prejudicial to the public interest to exempt DDR from:

- (a) Subsection 4(1) of OSC Rule 91-507,
- (b) Subsection 5(1) of OSC Rule 91-507,
- (c) Subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules that are not specific to Ontario-based participants
- (d) Subsection 20(2) of OSC Rule 91-507,
- (e) Subsections 20(4) and 20(5) of OSC Rule 91-507 for a temporary period, and
- (f) Subsection 39(1) of OSC Rule 91-507 for a temporary period;

AND WHEREAS "Ontario-based participant" has the meaning ascribed to it in the Commission's order designating DDR as a trade repository pursuant to section 21.2.2 of the Act;

IT IS THE DECISION of the Director that pursuant to section 42 of Rule 91-507, DDR is exempt from:

- (a) Subsection 4(1) of OSC Rule 91-507,
- (b) Subsection 5(1) of OSC Rule 91-507,
- (c) Subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules that are not specific to Ontario-based participants,
- (d) Subsection 20(2) of OSC Rule 91-507,
- (e) Subsections 20(4) and 20(5) of OSC Rule 91-507, until the earlier of (i) two years from the effective date of the order designating DDR as a trade repository, and (ii) the effective date of any CFTC requirement applicable to DDR relating to the development of a wind-down plan, and
- (f) Subsection 39(1) of OSC Rule 91-507 with respect to creating and making available to the public aggregate data on volume, number (of transactions) and, where applicable, price, relating to the transactions reported to it, until March 31, 2015;

PROVIDED THAT:

- (a) DDR remains registered as a Swap Data Repository and subject to the regulatory oversight and requirements of the CFTC;
- (b) DDR files with the Commission, concurrently with filing with the CFTC and no later than the 90th day after the end of its financial year:
 - (i) Annual unaudited financial statements of DDR prepared in accordance with U.S. GAAP as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107), and

- (ii) Annual audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation, prepared in accordance with U.S. GAAP as defined in NI 52-107;
- (c) DDR complies with section 49.25 of CFTC's Rules relating to financial resources,
- (d) DDR's proposed new or amended rules are subject to prior approval by the CFTC, and
- (e) DDR create and make available to the public on a periodic basis as required by the Commission, at no cost, aggregate data on open positions relating to the transactions reported to it.

DATED _____, 2014
