

The Ontario Securities Commission

OSC Bulletin

June 9, 2022

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The Ontario Securities Commission administers the *Securities Act of Ontario* (R.S.O. 1990, c. S.5) and the *Commodity Futures Act of Ontario* (R.S.O. 1990, c. C.20)

The Ontario Securities Commission

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Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021 (SCA), came into force by proclamation of the Lieutenant Governor of Ontario. The SCA's proclamation implemented key structural and governance changes to the OSC: the separation of the OSC Chair and Chief Executive Officer roles, and the creation of a new Capital Markets Tribunal. These new structural and governance changes are now reflected in the Bulletin, with one section to report and record the activities of the Capital Markets Tribunal and one section to report and record the activities of the Ontario Securities Commission: www.capitalmarketstribunal.ca/en/resources.

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A. Capital Markets Tribunal

A.2 Other Notices

A.2 Other Notices

A.2.1 Canada Cannabis Corporation et al.

FOR IMMEDIATE RELEASE
June 1, 2022

**CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, and
PETER STRANG,
File No. 2019-34**

TORONTO – Take notice that an attendance in the above named matter is scheduled to be heard on July 6, 2022 at 11:00 a.m.

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Ontario Securities Commission

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For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 Stableview Asset Management Inc. and Colin Fisher

FOR IMMEDIATE RELEASE
June 1, 2022

**STABLEVIEW ASSET MANAGEMENT INC. and
COLIN FISHER,
File No. 2020-40**

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 2, 2022 will not proceed as scheduled.

The hearing on the merits will continue on June 3, 2022 at 10:00 a.m.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

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For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.3 ByBit Fintech Limited

FOR IMMEDIATE RELEASE
June 2, 2022

BYBIT FINTECH LIMITED,
File No. 2021-21

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 3, 2022 will not proceed as scheduled.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)
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A.2.4 Stableview Asset Management Inc. and Colin Fisher

FOR IMMEDIATE RELEASE
June 2, 2022

STABLEVIEW ASSET MANAGEMENT INC. and
COLIN FISHER,
File No. 2020-40

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 3, 6 and 7, 2022 will not proceed as scheduled.

The hearing on the merits will continue on June 8, 2022 at 10:00 a.m.

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A.2.5 Notice of Correction – Amin Mohammed Ali

NOTICE OF CORRECTION

FILE NO.: 2022-6

**IN THE MATTER OF
AMIN MOHAMMED ALI**

(2022), 45 OSCB 4493. Please be advised that the following error has been corrected in the Order dated April 25, 2022 in the above matter:

- in the second recital of the Order, “July 22, 2022” is replaced with “July 5, 2022”.

A.2.6 Ronald James Aitkens and Roy Juergen Beyer

**FOR IMMEDIATE RELEASE
June 7, 2022**

**RONALD JAMES AITKENS and
ROY JUERGEN BEYER,
File No. 2022-1**

TORONTO – The Tribunal issued an Order in the above named matter.

A copy of the Order dated June 7, 2022 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)

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A.3 Orders

A.3 Orders

A.3.1 Amin Mohammed Ali

**IN THE MATTER OF
AMIN MOHAMMED ALI**

File No. 2022-6

M. Cecilia Williams, Commissioner and Chair of the Panel

April 25, 2022

ORDER

WHEREAS on April 25, 2022, the Ontario Securities Commission held a hearing by teleconference in relation to the application brought by Amin Mohammed Ali to review the decision of the Mutual Fund Dealers Association (MFDA) dated February 11, 2022;

AND WHEREAS Staff of MFDA requested an adjournment of this hearing until after the release of a decision and reasons on Mr. Ali's penalty hearing before the MFDA, currently scheduled to be heard on July 5, 2022;

ON HEARING the submissions of the representatives of Mr. Ali, Staff of MFDA and Staff of the Commission and on considering that Mr. Ali does not object to the adjournment request;

IT IS ORDERED THAT this hearing is adjourned to September 8, 2022 at 10:00 a.m., by teleconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"M. Cecilia Williams"

A.3.2 Ronald James Aitkens and Roy Juergen Beyer

**IN THE MATTER OF
RONALD JAMES AITKENS and
ROY JUERGEN BEYER**

File No. 2022-1

Adjudicator: Cathy Singer

June 7, 2022

ORDER

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider a request by Roy Juergen Beyer for an extension of time to file written submissions regarding the request by Staff of the Commission for an order imposing sanctions against Mr. Beyer and Ronald James Aitkens pursuant to subsections 127(1) and 127(10) of the Act;

ON READING the correspondence from Mr. Beyer and Staff of the Commission, and on considering that Staff of the Commission does not oppose Mr. Beyer's request;

IT IS ORDERED that:

1. Mr. Beyer shall serve and file written responding submissions by 4:30 p.m. on June 22, 2022;
2. Staff of the Commission shall serve and file written reply submissions, if any, by 4:30 p.m. on June 29, 2022.

"Cathy Singer"

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B. Ontario Securities Commission

B.1 Notices

B.1 Notices

B.1.1 OSC Staff Notice 91-705 – Draft OSC Derivatives Data Technical Manual

OSC Staff Notice 91-705

DRAFT OSC DERIVATIVES DATA TECHNICAL MANUAL

June 9, 2022

Introduction

Staff of the Ontario Securities Commission (**OSC Staff** or **we**) are publishing this notice to provide market participants with the Draft OSC Derivatives Data Technical Manual (the **Draft Manual**).

The Draft Manual includes administrative technical specifications regarding the definition, format, and allowable values for each data element that would be required to be reported under proposed amendments published today to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**).¹ The Draft Manual is intended to assist market participants in providing informed comments to these proposed amendments.

We intend to finalize the OSC Derivatives Data Technical Manual concurrent to final publication of the proposed amendments to the TR Rule. Following final publication, we expect to update the OSC Derivatives Data Technical Manual on a periodic basis to reflect updates from the Canadian Securities Administrators and international updates.

Questions

Please refer any questions to:

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Manager, Derivatives Branch
Ontario Securities Commission
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gtoczyłowski@osc.gov.on.ca

[Editor's Note: the Draft OSC Derivatives Data Technical Manual is reproduced on the following separately formatted pages. Bulletin pagination and formatting resumes at the end of the Manual.]

¹ See OSC Notice and Request for Comment dated June 9, 2022.

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Draft OSC Derivatives Data Technical Manual

Draft administrative technical specifications for
over-the-counter derivatives data reporting

April 11, 2022

Draft Version 1.0

1 Introduction

1.1 Background

The administrative technical specifications in this Draft OSC Derivatives Data Technical Manual (the **Draft Manual**) specify the definition, format, and allowable values for each data element that would be required to be reported under proposed amendments to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**), and are sourced primarily from the *CPMI IOSCO Technical Guidance: Harmonisation of critical OTC derivatives data elements (other than UTI and UPI)*¹ (the **CDE Technical Guidance**). The Draft Manual is intended to assist market participants in providing informed comments to the proposed amendments to the TR Rule. The OSC expects to finalize the Draft Manual concurrent to publication of the proposed amendments to the TR Rule.

All terms in the Draft Manual that are defined in the TR Rule have the same meaning as in the TR Rule (including terms defined in Appendix A to the TR Rule), unless otherwise provided in the Draft Manual or unless the context otherwise requires.

Where data elements align with the data elements prescribed by the Commodity Futures Trading Commission (the **CFTC**), the OSC has generally adopted the name, definition, format, and allowable values as set out by the CFTC except for terms that needed to be changed to be consistent with the TR Rule. Where additional guidance is necessary for reporting a data element under the TR Rule, we anticipate providing that guidance in a footnote once the Draft Manual is finalized.

Following final publication, the OSC expects to update this manual on a periodic basis to reflect updates from the Canadian Securities Administrators (**CSA**) and international updates.

1.1.1 Format of technical specifications

- (1) **#:** all data elements are assigned a number for ease of reference. The data element number is referenced throughout the Draft Manual and in the appendices to the TR Rule.
- (2) **Source:** this column contains "CDE", "OSC" or "CFTC". "CDE" refers to a data element in the CDE Technical Guidance. "CFTC" refers to a data element sourced from the Commodities Futures Trading Commission (CFTC).
- (3) **Category:** data elements are grouped by topic or category.
- (4) **Definition for Data Element:** for CDE data elements, the definition is sourced from the CDE Technical Guidance, with footnotes added to provide clarity based on the CFTC's regulations. For "CFTC" data elements, the definition is sourced to the specific rules/regulations of the CFTC.
- (5) **Format:** see Table below that illustrates the meaning of formats used throughout the document.

Format	Content in brief	Additional Explanation	Example(s)
YYYY-MM-DD	Date	YYYY = four-digit year MM = two-digit month DD = two-digit day	2015-07-06 (corresponds to 6 July 2015)
YYYY-MM-DDThh:mm:ssZ	Date and time	YYYY, MM, DD as above hh = two-digit hour (00 through 23) (am/pm NOT allowed) mm = two-digit minute (00 through 59)	2014-11-05T13:15:30Z (corresponds to 5 November 2014, 1:15:30 pm, Coordinated Universal time, or 5 November)

¹ See Harmonisation of critical OTC derivative data elements (other than UTI and UPI) – Technical Guidance, April 2018, <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD598.pdf>

		ss = two-digit second (00 through 59) T is fixed and indicates the beginning of the time element. Z is fixed and indicates that times are expressed in UTC (Coordinated Universal Time) and not in local time.	2014, 8:15:30 am US Eastern Standard Time)
Num(25,5)	Up to 25 numerical characters including up to five decimal places	The length is not fixed but limited to 25 numerical characters including up to five numerical characters after the decimal point. Should the value have more than five digits after the decimal, reporting counterparties should round half-up.	1352.67 12345678901234567890.12345 1234567890123456789012345 12345678901234567890.12345 0 - 20000.25 - 0.257
Num(18,0)	Up to eighteen numerical characters, no decimals are allowed	The length is not fixed but limited to eighteen numerical characters.	1234567890 12345 20
Char(3)	Three alphanumeric characters	The length is fixed at three alphanumeric characters.	USD X1X 999
Varchar(25)	Up to 25 alphanumeric characters	The length is not fixed but limited at up to 25 alphanumeric characters. No special characters are permitted. If permitted, it would be explicitly stated in the format of the data element.	asgaGEH3268EFdsagtTRCF543 aaaaaaaaaa x
Boolean	Boolean characters	Either "True" or "False"	True False

Table 1 – Explanation of formats used in the Technical Specification

1.2 Explanation of Certain Data Elements or Categories

1.2.1 Direction of the transaction

The OSC requires the reporting of Buyer/Seller or Payer/Receiver for this data element. This is a slightly different approach from that taken in the CDE Technical Guidance, which provides two options for reporting Direction. The reporting counterparty should NOT report both Buyer/Seller and Payer/Receiver for a given transaction, but instead use the reporting method appropriate for the type of instrument reported.

1.2.2 Repeating data elements or leg-based products

Depending on the product being reported and the related market convention, a multi-leg or multi-stream product could be reported using a particular data element more than once.

1.2.3 Schedules

Transactions involving schedules which specify the details known upfront are required to be reported as part of creation data.

1.2.4 Lifecycle events

Because data elements related to lifecycle events are not currently set out in the CDE Technical Guidance, but are required under the TR Rule, the OSC is harmonizing with the CFTC specification until there is a CDE events category.

Section 3.5 illustrates how different lifecycle events should be reported in transaction reporting, position and end-of-day (valuation and collateral) reporting.

Position reporting is an optional method of lifecycle reporting for transactions that meet the following conditions: they have no fixed expiration date and are in a class of derivatives in which each transaction is fungible. The "Position Reporting" column in section 2 sets out how to report lifecycle events in relation to certain data elements. Where the "Position Reporting" field is blank for a given data element under section 2, this does not preclude that data element from being reported in respect of lifecycle events where transactions meet these conditions. Lifecycle events may be reported at the position level in respect of all relevant data elements where transactions meet these conditions.

1.2.5 Validations

Validations are intended to be the same as the CFTC's as specified in their Part 45 swap data reporting requirements when the OSC data element is also required by the CFTC.

Reporting Types:

Transaction = Creation data

Valuation= Valuation Data

Collateral = Margin Data

Values:

M=Mandatory

C= Conditional

NR= Not Required

O= Optional

2 Technical Specifications

Data Elements Related to Counterparties

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
1	CDE	Counterparty 1 (reporting counterparty)	<p>Identifier of the counterparty to an OTC derivative transaction who is fulfilling its reporting obligation via the report in question.</p> <p>In jurisdictions where both parties must report the transaction, the identifier of Counterparty 1 always identifies the reporting counterparty.</p> <p>In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty.</p> <p>If a trading facility is fulfilling the reporting obligation, the identifier of Counterparty 1 identifies one of the counterparties to the transaction.</p>	Char(20)	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/). 	N		Transaction-M Collateral - M Valuation -M
2	CDE	Counterparty 2 (non-reporting)	<p>Identifier of the second counterparty to an OTC derivative transaction.</p> <p>In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty.</p>	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity² or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/). • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier code as 	N		Transaction-M Collateral - M Valuation -M

² ROC Statement – Individuals Acting in a Business Capacity, ROC Statement - Individuals Acting in a Business Capacity

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements.			
3	CFTC	Counterparty 2 identifier source	Source used to identify the Counterparty 2.	Char(4)	<ul style="list-style-type: none"> • LEID = Legal Entity Identifier • NPID = Natural Person Identifier, to identify person who are acting as private individuals, not business entities • PLID= An internal identifier code " as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements. 	N		Transaction-M Collateral - M Valuation - M
4	CDE	Buyer identifier	<p>Identifier of the counterparty that is the buyer, as determined at the time of the transaction.</p> <p>A non-exhaustive list of examples of instruments for which this data element could apply are:</p> <ul style="list-style-type: none"> • most forwards and forward-like contracts (except for foreign exchange forwards and foreign exchange non-deliverable forwards) • most options and option-like contracts including swaptions, caps and floors • credit default swaps (buyer/seller of protection) • variance, volatility and correlation swaps • contracts for difference and spreadbets <p>This data element is not applicable to instrument types covered by data</p>	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/). • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier 	N	Where Buyer Identifier is applicable, the buyer/seller determination is made on the net of all position components.	<p>Transaction-C if [Payer identifier] and [Receiver identifier] are not populated, else {blank}; When populated, the value shall match the value in [Counterparty 1 (reporting counterparty)] or [Counterparty 2]</p> <p>Collateral-NR</p> <p>Valuation-NR</p>

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			elements Payer identifier and Receiver identifier.	Blocking Law	assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier code as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements.			
5	CDE	Seller identifier	<p>Identifier of the counterparty that is the seller as determined at the time of the transaction.</p> <p>A non-exhaustive list of examples of instruments for which this data element could apply are:</p> <ul style="list-style-type: none"> • most forwards and forward-like contracts (except for foreign exchange forwards and foreign exchange non-deliverable forwards) • most options and option-like contracts including swaptions, caps and floors • credit default swaps (buyer/seller of protection) • variance, volatility and correlation swaps • contracts for difference and spreadbets <p>This data element is not applicable to instrument types covered by data elements Payer identifier and Receiver identifier.</p>	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/). • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier as non-reporting 	N	Where Seller Identifier is applicable, the buyer/seller determination is made on the net of all position components.	<p>Transaction-C if [Payer identifier] and [Receiver identifier] are not populated, else {blank}; When populated, the value shall match the value in [Counterparty 1 (reporting counterparty)] or [Counterparty 2]</p> <p>Collateral-NR</p> <p>Valuation-NR</p>

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements.			
6	CDE	Payer identifier [Payer identifier–Leg 1] [Payer identifier–Leg 2]	<p>Identifier of the counterparty of the payer leg as determined at the time of the transaction.</p> <p>A non-exhaustive list of examples of instruments for which this</p> <ul style="list-style-type: none"> • most swaps and swap-like contracts including interest rate swaps, credit total return swaps, and equity swaps (except for credit default swaps, variance, volatility, and correlation swaps) • foreign exchange swaps, forwards, non-deliverable forwards <p>This data element is not applicable to instrument types covered by data elements Buyer identifier and Seller identifier.</p>	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/). • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such reporting requirements. 	N	Where Payer Identifier is applicable, the payer/receiver determination is made on the net of all position components.	<p>Transaction-C if [Payer identifier] and [Receiver identifier] are not populated, else (blank); When populated, the value shall match the value in [Counterparty 1 (reporting counterparty)] or [Counterparty 2]</p> <p>Collateral-NR</p> <p>Valuation-NR</p>

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
7	CDE	Receiver identifier [Receiver identifier-Leg 1] [Receiver identifier-Leg 2]	<p>Identifier of the counterparty of the receiver leg as determined at the time of the transaction.</p> <p>A non-exhaustive list of examples of instruments for which this data element could apply are:</p> <ul style="list-style-type: none"> • most swaps and swap-like contracts including interest rate swaps, credit total return swaps, and equity swaps (except for credit default swaps, variance, volatility, and correlation swaps) • foreign exchange swaps, forwards, non-deliverable forwards <p>This data element is not applicable to instrument types covered by data elements Buyer identifier and Seller identifier.</p>	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org). • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier code as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such reporting requirements. 	N	Where Receiver Identifier is applicable, the payer/receiver determination is made on the net of all position components.	<p>Transaction-C if [Buyer identifier] and [Seller identifier] are not populated, else {blank};</p> <p>When populated, the value shall match the value in [Counterparty 1 (reporting counterparty)] or [Counterparty 2]</p> <p>Collateral-NR</p> <p>Valuation-NR</p>
8	ESMA	Broker ID	In the case a broker acts as intermediary for the counterparty 1 without becoming a counterparty himself, the counterparty 1 shall identify this broker by a unique code.	• Char(20)	• LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org).	N		NR
9	CSA	Country and Province or Territory of individual (non-reporting counterparty)	For trades involving a natural person, include the country of the residence of the person. If person residence is Canada,	• Char(5)	Any valid value based on ISO 3166-2.	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			include the province or territory.					

Date Elements Related to Transactions

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
12	CDE	Effective date	Unadjusted date at which obligations under the OTC derivative transaction come into effect, as included in the confirmation.	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	Y	Effective date initially reported when position was entered into.	Transaction- M Collateral- NR Valuation- NR
13	CDE	Expiration date	Unadjusted date at which obligations under the derivative transaction stop being effective, as included in the confirmation. Early termination does not affect this data element.	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	Y	N.A.	Transaction- M, when populated, the value shall be equal to or later than the value in [Effective date] Collateral- NR Valuation- NR
14	CDE	Execution timestamp	Date and time a transaction was originally executed, resulting in the generation of a new UTI. This data element remains unchanged throughout the life of the UTI.	YYYY-MM-DDThh:mm:ssZ, based on UTC. If the time element is not required in a particular jurisdiction, time may be dropped given that – in the case of representations with reduced accuracy – ISO 8601 allows the complete representation to be omitted, the omission starting from the extreme right-hand side (in the order from the least to the most significant).	Any valid date/time.	Y		Transaction- M Collateral- NR Valuation- NR
15	CDE	Reporting timestamp	Date and time of the submission of the report to the trade repository.	YYYY-MM-DDThh:mm:ssZ, based on UTC.	Any valid date/time.	N		Transaction- M, the value shall be equal to or later than the value in [Execution timestamp] Collateral- M Valuation- M
16	CDE	Unique transaction identifier (UTI)	A unique identifier assigned to all derivatives reported at the transaction or position level which	Varchar(52)	ISO 23897 Unique transaction identifier, up to 52 alphanumeric	N	New UTI created for position	Transaction- C if [Unique swap identifier (USI)] is

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			identifies it uniquely throughout its lifecycle and used for all recordkeeping		characters. New UTIs should be constructed solely from the upper-case alphabetic characters A–Z or the digits 0–9, inclusive in both cases.			not populated, else {blank} Collateral- C if [Initial margin collateral portfolio code] = 'TRANSACTION-LEVEL' and [Unique swap identifier (USI)] is not populated, else {blank} Valuation- C if [Unique swap identifier (USI)] is not populated, else {blank}
17	CDE	Prior UTI (for one-to-one and one-to-many relations between transactions)	UTI assigned to the predecessor transaction that has given rise to the reported transaction due to a lifecycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions). This data element is not applicable when reporting many-to-one and many-to-many relations between transactions (e.g., in the case of a compression).	Varchar(52)	ISO 23897 Unique transaction identifier, up to 52 alphanumeric characters. New UTIs should be constructed solely from the upper-case alphabetic characters A–Z or the digits 0–9, inclusive in both cases.	N		Transaction- C if [Action type] = 'NEWT' and ([Event type] = 'NOVAT' or 'CLRG' or 'EXER' or 'ALOC' or 'CLAL') and [Prior USI (for oneto-one and one-to-many relations between transactions)] is not populated, else {blank} Collateral- NR Valuation- NR
18	ESMA	Subsequent position UTI	The UTI of the position in which a derivative is included. This field is applicable only for the reports related to the termination of a derivative due to its inclusion in a position.	Up to 52 alphanumeric characters, only the he upper-case alphabetic characters A–Z and the digits 0–9 are allowed	upper-case alphabetic characters A–Z and digits 0–9 allowed	N		NR
19	CFTC	Prior USI (for one-to-one and one-to-many relations between transactions)	Unique swap identifier (USI) assigned to the predecessor transaction that has given rise to the reported transaction due to a ccycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-	Varchar(42)	Refer to: CFTC USI Data Standard Up to 42 alphanumeric characters	N		Transaction- C if [Action type] = 'NEWT' and ([Event type] = 'NOVAT' or 'CLRG' or 'EXER' or 'ALOC' or 'CLAL') and [Prior UTI (for oneto-one and one-to-many relations between transactions)] is

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions).</p> <p>This data element is not applicable when reporting many-to-one and many-to-many relations between transactions (e.g., in the case of a compression).</p>					<p>not populated, else {blank}</p> <p>Collateral- NR</p> <p>Valuation- NR</p>
20	CSA	Inter-affiliate	Indicate whether the transaction is between two affiliated entities	Boolean	<ul style="list-style-type: none"> •TRUE = contract entered into as an inter-affiliate transaction •FALSE = contract not entered into as an inter-affiliate transaction 	N		NR
21	CFTC	Submitter identifier	Identifier of the entity submitting the derivatives data to the trade repository (TR), if reporting of the derivative has been delegated by the reporting counterparty to a third-party service provider, or if a trading facility is reporting the data.	Char(20)	LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/).	N		<p>Transaction- M</p> <p>Collateral- M</p> <p>Valuation- M</p>
22	CDE	Platform identifier	Identifier of the trading facility (e.g., exchange, multilateral trading facility, swap execution facility) on which the transaction was executed.	Char(4)	<p>ISO 10383 segment MIC code.</p> <p>If no trading facility was involved in the transaction:</p> <ul style="list-style-type: none"> • XOFF, for transactions in listed instruments • XXXX, for transactions in instruments that are not listed in any venue • BILT, if the reporting counterparty cannot determine whether the instrument is listed or not, as per jurisdictional requirements. 	Y		<p>Transaction- C if [Cleared] = 'N' or 'I'; NR if [Cleared] = 'Y'</p> <p>Collateral- NR</p> <p>Valuation- NR</p>
23	ESMA	Master agreement type	The type of master agreement, if used for the reported transaction.	Char(4)	<ul style="list-style-type: none"> • 'ISDA' - ISDA • 'CDEA' - FIA-ISDA Cleared Derivatives Execution 	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					<ul style="list-style-type: none"> Agreement • 'EUMA' - European Master Agreement • 'FPCA' - FOA Professional Client Agreement • 'FMAT' - FBF Master Agreement relating to transactions on forward financial instruments • 'DERV' - Deutscher Rahmenvertrag für Finanztermingeschäfte (DRV) • 'CMOP' - Contrato Marco de Operaciones Financieras • 'CHMA' - Swiss Master Agreement • 'IDMA' - Islamic Derivative Master Agreement • 'EFMA' - EFET Master Agreement • 'GMRA' - GMRA • 'GMSL' - GMSLA • 'BIAG' - bilateral agreement • Or 'OTHR' if the master agreement type is not included in the above list 			
24	ESMA	Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	YYYY	ISO 8601 Date	N		NR

Data Elements Related to Notional Amounts and Quantities

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
25	CDE	Notional amount [Notional amount- Leg 1] [Notional amount- Leg 2]	For each leg of the transaction, where applicable: - for OTC derivative transactions negotiated in monetary amounts, the amount specified in the contract. - for OTC derivative transactions negotiated in non-monetary amounts, refer to Appendix 3.1 for converting notional	Num(25,5)	Any value greater than or equal to zero.	Y	The notional amount is calculated as the net of buyer/seller or payer/receiver position components.	Transaction- M, if UPI.[Instrument type] = 'Option', the value shall match the value in [Call amount] or [Put amount] Collateral- NR Valuation- NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>amounts for non-monetary amounts.</p> <p>In addition: • For OTC derivative transactions with a notional amount schedule, the initial notional amount, agreed by the counterparties at the inception of the transaction, is reported in this data element. • For OTC foreign exchange options, in addition to this data element, the amounts are reported using the data elements Call amount and Put amount. • For amendments or lifecycle events, the resulting outstanding notional amount is reported; (steps in notional amount schedules are not considered to be amendments or lifecycle events); • Where the notional amount is not known when a new transaction is reported, the notional amount is updated as it becomes available.</p>					
26	CDE	<p>Notional currency</p> <p>[Notional currency-Leg 1]</p> <p>[Notional currency-Leg 2]</p>	For each leg of the transaction, where applicable: currency in which the notional amount is denominated.	Char(3)	Currencies included in ISO 4217 Currency codes.	Y		Transaction - M, if UPI.[Instrument type] = 'Option', the value shall match the value in [Call amount] or [Put amount] Collateral NR Valuation NR
27	CDE	<p>Call amount</p> <p>[Call amount-Leg 1]</p> <p>[Call amount-Leg 2]</p>	For foreign exchange options, the monetary amount that the option gives the right to buy.	Num(25,5)	Any value greater than or equal to zero.	N	The call amount is calculated as the sum of all call amounts included in the position.	Transaction - C if UPI.[Instrument type] = 'Option', else {blank} Collateral - NR Valuation NR
28	CDE	<p>Call currency</p> <p>[Call currency-Leg 1]</p> <p>[Call currency-Leg 2]</p>	For foreign exchange options, the currency in which the Call amount is denominated.	Char(3)	Currencies included in ISO 4217 Currency codes.	N		Transaction - C if [Call amount] is populated, else {blank} Collateral - NR Valuation - NR
29	CDE	<p>Put amount</p> <p>[Put amount-Leg 1]</p> <p>[Put amount-Leg 2]</p>	For foreign exchange options, the monetary amount that the option gives the right to sell.	Num(25,5)	Any value greater than or equal to zero.	N	The put amount is calculated as the sum of all put amounts	Transaction - C if UPI.[Instrument type] = 'Option', else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
							included in the position.	
30	CDE	Put currency [Put currency-Leg 1] [Put currency-Leg 2]	For foreign exchange options, the currency in which the Put amount is denominated.	Char(3)	Currencies included in ISO 4217 Currency codes.	N		Transaction - C if [Call amount] is populated, else {blank} Collateral - NR Valuation - NR
31	CFTC	Notional quantity [Notional quantity-Leg 1] [Notional quantity-Leg 2]	For each leg of the transaction, where applicable, for derivative transactions negotiated in non-monetary amounts with fixed notional quantity for each schedule period (e.g., 50 barrels per month). The frequency is reported in Quantity frequency and the unit of measure is reported in Quantity unit of measure.	Num(25,5)	Any value greater than or equal to zero.	N	The notional quantity is calculated as the net of buyer/seller position components' notional quantity.	Transaction – CO O Collateral - NR Valuation - NR
32	CFTC	Quantity frequency [Quantity frequency-Leg 1] [Quantity frequency-Leg 2]	The rate at which the quantity is quoted on the swap. e.g., hourly, daily, weekly, monthly.	Char(4)	<ul style="list-style-type: none"> • HOUR = Hourly • DAIL = Daily • WEEK = Weekly • MNTH = Monthly • ONDE = OnDemand • YEAR = Yearly • EXPI = End of term • ADHO = Ad hoc which applies when payments are irregular 	N		Transaction - CO C if [Notional quantity] is populated, else {blank} Collateral - NR Valuation - NR
33	CFTC	Quantity frequency multiplier [Quantity frequency multiplier-Leg 1] [Quantity frequency multiplier-Leg 2]	The number of time units for the Quantity frequency.	Num(3,0)	Any value greater than or equal to zero.	N		Transaction - CO C if [Quantity frequency] ≠ 'ONDE' or 'ADHO', else {blank} Collateral - NR Valuation - NR
34	CDE	Quantity unit of measure [Quantity unit of measure-Leg 1] [Quantity unit of measure-Leg 2]	For each leg of the transaction, where applicable: unit of measure in which the Total notional quantity and Notional quantity are expressed.	Char(4)	ISO 20022: UnitOfMeasureCode codeset	N		Transaction – EQ/CO M Collateral - NR Valuation - NR
35	CDE	Total notional quantity [Total notional quantity-Leg 1] [Total notional quantity-Leg 2]	For each leg of the transaction, where applicable: aggregate Notional quantity of the underlying asset for the term of the transaction. Where the Total notional quantity is not known	Num(25,5)	Any value greater than or equal to zero.	N	The total notional quantity is calculated as the net of buyer/seller position components'	Transaction – EQ/CO M Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			when a new transaction is reported, the Total notional quantity is updated as it becomes available.				total notional quantity.	
36	CDE	Notional amount schedule - notional amount in effect on associated effective date [Notional amount in effect on associated effective date-Leg 1] [Notional amount in effect on associated effective date-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in monetary amounts with a notional amount schedule: • Notional amount which becomes effective on the associated unadjusted effective date. The initial notional amount and associated unadjusted effective and end date are reported as the first values of the schedule. This data element is not applicable to OTC derivative transactions with notional amounts that are condition- or event-dependent. The currency of the varying notional amounts in the schedule is reported in Notional currency.	Num(25,5)	Any value greater than or equal to zero.	N		Transaction - IR C if UPI.[Notional schedule] ≠ 'Constant', else {blank} Collateral - NR Valuation - NR
37	CDE	Notional quantity schedule - Unadjusted date on which the associated notional quantity becomes effective [Effective date of the notional quantity-Leg 1] [Effective date of the notional quantity-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in nonmonetary amounts with a Notional quantity schedule The initial notional quantity and associated unadjusted effective and end date are be reported as the first values of the schedule. This data element is not applicable to OTC derivative transactions with notional quantities that are condition- or event-dependent. The quantity unit of measure for the varying notional quantities in the schedule is reported in Quantity unit of measure	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	N		NR
38	CDE	Notional quantity schedule - Unadjusted end date of the notional quantity	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in nonmonetary amounts	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
		[End date of the notional quantity- Leg 1] [End date of the notional quantity - Leg 2]	with a Notional quantity schedule The initial notional quantity and associated unadjusted effective and end date are be reported as the first values of the schedule. This data element is not applicable to OTC derivative transactions with notional quantities that are condition- or event-dependent. The quantity unit of measure for the varying notional quantities in the schedule is reported in Quantity unit of measure					
39	CDE	Notional quantity schedule -Notional quantity in effect on associated effective date [Notional quantity in effect on associated effective date-Leg 1] [Notional quantity in effect on associated effective date-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in nonmonetary amounts with a Notional quantity schedule The initial notional quantity and associated unadjusted effective and end date are be reported as the first values of the schedule. This data element is not applicable to OTC derivative transactions with notional quantities that are condition- or event-dependent. The quantity unit of measure for the varying notional quantities in the schedule is reported in Quantity unit of measure.	Num(25,5)	Any value greater than or equal to zero.	N		NR
40	CDE	Notional amount schedule - notional amount in effect on associated effective date [Notional amount in effect on associated effective date-Leg 1] [Notional amount in effect on associated effective date-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in monetary amounts with a notional amount schedule: •Notional amount which becomes effective on the associated unadjusted effective date. The initial notional amount and associated unadjusted effective and end dates are reported as the first values of the schedule. This data element is not applicable to OTC derivative transactions with notional amounts	Num(25,5)	Any value greater than or equal to zero.	N		Transaction - IR C if UPL.[Notional schedule] ≠ 'Constant', else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			that are condition- or event-dependent. The currency of the varying notional amounts in the schedule is reported in Notional currency.					
41	CDE	Notional amount schedule - unadjusted effective date of the notional amount [Effective date of the notional amount-Leg 1] [Effective date of the notional amount-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in monetary amounts with a notional amount schedule: • Unadjusted date on which the associated notional amount becomes effective This data element is not applicable to OTC derivative transactions with notional amounts that are condition- or event-dependent. The currency of the varying notional amounts in the schedule is reported in Notional currency	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	N		Transaction C if [Notional amount schedule - notional amount in effect on associated effective date] is populated, else {blank} Collateral - NR Valuation - NR
42	CDE	Notional amount schedule - unadjusted end date of the notional amount [End date of the notional amount-Leg 1] [End date of the notional amount-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions negotiated in monetary amounts with a notional amount schedule: • Unadjusted end date of the notional amount (not applicable if the unadjusted end date of a given schedule's period is back-to-back with the unadjusted effective date of the subsequent period). This data element is not applicable to OTC derivative transactions with notional amounts that are condition- or event-dependent. The currency of the varying notional amounts in the schedule is reported in Notional currency	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	N		Transaction C if [Notional amount schedule - notional amount in effect on associated effective date] is populated, else {blank} Collateral - NR Valuation - NR

Data Elements Related to Prices

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
43	CDE	Exchange rate	Exchange rate between the two different currencies specified in the OTC derivative transaction agreed by the	Num(18,13)	Any value greater than zero.	N		Transaction – FX - M Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			counterparties at the inception of the transaction, expressed as the rate of exchange from converting the unit currency into the quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency; USD 1 = EUR 0.9426.					
44	CDE	Exchange rate basis [Exchange rate basis-Leg 1] [Exchange rate basis-Leg 2]	Currency pair and order in which the exchange rate is denominated, expressed as unit currency/quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency, USD 1 = EUR 0.9426.	Char(3)/Char(3); [Unit currency/Quoted currency], without restricting the currency pair ordering (i.e., the exchange rate basis may be USD/EUR or EUR/USD).	Any pair of currencies included in ISO 4217.	N		Transaction - FX - M Collateral - NR Valuation - NR
45	CDE	Fixed rate [Fixed rate-Leg 1] [Fixed rate-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments, per annum rate of the fixed leg(s).	Num(11,10)	Positive and negative values expressed as decimal (e.g., 0.0257 instead of 2.57%)	Y		Transaction - CR C if [Spread] is not populated and [Other payment type] ≠ 'UFRO', and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - IR C if [Spread] is not populated and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - CO C if [Price] or [Spread] is not populated and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Collateral - NR Valuation - NR
46	CDE	Price	Price specified in the OTC derivative transaction. It does not include fees, taxes or commissions. For commodity fixed/float swaps and similar products with periodic payments, this data element refers to the fixed price of the fixed leg(s). For commodity and equity forwards and similar products, this data element refers to the forward price of the underlying or reference asset. For equity swaps, portfolios swaps, and	• Num(18,13), if Price notation = 1 • Num(11,10), if Price notation = 3	• Any value, if Price notation = 1 • Any value expressed as decimal (e.g., 0.0257 instead of 2.57%), if Price notation = 3	Y	.VWAP	Transaction - EQ C if [Spread] is not populated and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - CO C if ([Fixed rate] or [Spread] is not populated) and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Collateral - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>similar products, this data element refers to the initial price of the underlying or reference asset. For contracts for difference and similar products, this data element refers to the initial price of the underlier.</p> <p>This data element is not applicable to:</p> <ul style="list-style-type: none"> • Interest rate swaps and forward rate agreements, as it is understood that the information included in the data elements Fixed rate and Spread may be interpreted as the price of the transaction. • Interest rate options and interest rate swaptions as it is understood that the information included in the data elements Strike price and Option premium may be interpreted as the price of the transaction. • Commodity basis swaps and the floating leg of commodity fixed/float swaps as it is understood that the information included in the data element Spread may be interpreted as the price of the transaction. • Foreign exchange swaps, forwards and options, as it is understood that the information included in the data elements Exchange rate, Strike price, and Option premium may be interpreted as the price of the transaction. • Equity options as it is understood that the information included in the data elements Strike price and Option premium may be interpreted as the price of the transaction. • Credit default swaps and credit total return swaps, as it is understood that the information included in the data elements Fixed rate, Spread and Upfront payment (Other payment type: Upfront payment) may be interpreted as the price of the transaction. • Commodity options, as it is understood that the information included in the data elements Strike price and Option premium may be interpreted as the price of the transaction. <p>Where the price is not</p>					Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			known when a new transaction is reported, the price is updated as it becomes available. For transactions that are part of a package, this data element contains the price of the component transaction where applicable.					
47	CDE	Price currency	Currency in which the price is denominated. Price currency is only applicable if Price notation = 1.	Char(3)	Currencies included in ISO 4217.	Y		Transaction - EQ/CO C if [Price notation] = '1', else {blank} Collateral - NR Valuation - NR
48	CDE	Price notation	Manner in which the price is expressed.	Char(1)	• 1 = Monetary amount • 3 = Decimal	Y		Transaction - EQ/CO C if [Price] is populated, else {blank} Collateral - NR Valuation - NR
49	CDE	Price unit of measure	Unit of measure in which the price is expressed.	Char(4)	ISO 20022: UnitOfMeasure Code codeset	N		Transaction - EQ/CO C if [Price] is populated, else {blank} Collateral - NR Valuation - NR
50	CDE	Spread [Spread-Leg 1] [Spread-Leg 2]	For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments (e.g., interest rate fixed/float swaps, interest rate basis swaps, commodity swaps), • spread on the individual floating leg(s) index reference price, in the case where there is a spread on a floating leg(s). For example, USD-LIBOR-BBA plus .03 or WTI minus USD 14.65; or • difference between the reference prices of the two floating leg indexes. For example, the 9.00 USD "Spread" for a WCS vs. WTI basis swap where WCS is priced at 43 USD and WTI is priced at 52 USD.	• Num(18,13), if Spread notation = 1 • Num(11,10), if Spread notation = 3 • Num(5), if Spread notation = 4	• Any value, if Spread notation = 1 • Any value expressed as decimal (e.g., 0.0257 instead of 2.57%), if Spread notation = 3 • Any integer value expressed in basis points (e.g., 257 instead of 2.57%), if Spread notation = 4	Y	Volume Weighted Average Spread	Transaction - CR C if [Fixed rate] is not populated and [Other payment type] ≠ 'Upfront paymentUFRO', and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - IR C if [Fixed rate] is not populated and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - EQ C if [Price] is not populated, and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Transaction - CO C if [Price] or [Fixed rate] is not populated and [Post-priced swap indicator] = 'False', and UPL.[Instrument type] ≠ 'Option', else {blank} Collateral - NR Valuation - NR
51	CDE	Spread currency	For each leg of the transaction, where applicable: currency in	Char(3)	Currencies included in ISO 4217.	Y		Transaction - CR/IR/EQ/CO C if

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
		[Spread currency-Leg 1] [Spread currency-Leg 2]	which the spread is denominated. This data element is only applicable if Spread notation = 1.					[Spread notation] = '1', else {blank} Collateral - NR Valuation - NR
52	CDE	Spread notation [Spread-Leg 1] [Spread-Leg 2]	For each leg of the transaction, where applicable: manner in which the spread is expressed.	Char(1)	<ul style="list-style-type: none"> • 1 = Monetary amount • 3 = Decimal • 4 = Basis points 	Y		Transaction - CR/IR/EQ/CO C if [Spread] is populated, else {blank} Collateral - NR Valuation - NR
53	CDE	Strike price	<ul style="list-style-type: none"> • For options other than FX options, swaptions and similar products, price at which the owner of an option can buy or sell the underlying asset of the option. • For foreign exchange options, exchange rate at which the option can be exercised, expressed as the rate of exchange from converting the unit currency into the quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency; USD 1 = EUR 0.9426. Where the strike price is not known when a new transaction is reported, the strike price is updated as it becomes available. • For volatility and variance swaps and similar products, the volatility strike price is reported in this data element. 	<ul style="list-style-type: none"> • Num(18,13), if Strike price notation = 1 • Num(11,10), if Strike price notation = 3 	<ul style="list-style-type: none"> • Any value (e.g., USD 6.39) expressed as 6.39, for equity options, commodity options, foreign exchange options and similar products, if Strike price notation = 1 • Any value expressed as decimal (e.g., 0.021 instead of 2.1%), for interest rate options, interest rate and credit swaptions quoted in spread, and similar products, if Strike price notation = 3 	Y		Transaction C if [Post-priced swap indicator] = 'False' and UPL.[Instrument type] = 'Option', else {blank} Collateral - NR Valuation - NR
54	CDE	Strike price currency/currency pair	For equity options, commodity options, and similar products, currency in which the strike price is denominated. For foreign exchange options: Currency pair and order in which the strike price is expressed. It is expressed as unit currency/quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency, USD 1 = EUR 0.9426 Strike price currency/currency pair is only applicable if Strike price notation = 1.	<ul style="list-style-type: none"> • Char(3) • For foreign exchange options: Char(3)/Char(3); [Unit currency/Quoted currency] without restricting the currency pair ordering (i.e., the Strike price currency pair may be USD/EUR or EUR/USD). 	Currencies included in ISO 4217.	N		Transaction N C if [Strike price notation] = '1', else {blank} Collateral - NR Valuation - NR
55	CDE	Strike price notation	Manner in which the strike price is expressed.	Char(1)	<ul style="list-style-type: none"> • 1 = Monetary amount • 3 = Decimal 	Y		Transaction - C if [Strike price] is populated, else {blank} Collateral - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
								Valuation - NR
56	CDE	Unadjusted effective date of the price	Unadjusted effective date of the price	YYYY-MM-DD, based on UTC.	Any valid date.	N		NR
57	CDE	Unadjusted end date of the price	Unadjusted end date of the price (not applicable if the unadjusted end date of a given schedule's period is back-to-back with the unadjusted effective date of the subsequent period)	YYYY-MM-DD, based on UTC.	Any valid date.	N		NR
58	CDE	Price in effect between the unadjusted effective and end dates	Price in effect between the unadjusted effective date and inclusive of the unadjusted end date	<ul style="list-style-type: none"> • Num(18,13), if Price notation = 1 • Num(11,10), if Price notation = 3 	<ul style="list-style-type: none"> • Any value greater than zero, if Price notation = 1 • Any value expressed as decimal (eg 0.0257 instead of 2.57%), if Price notation = 3 	N		NR
59	CDE	Effective date of the strike price	Unadjusted effective date of the strike price	YYYY-MM-DD, based on UTC.	Any valid date.	N		NR
60	CDE	End date of the strike price	Unadjusted end date of the strike price (not applicable if the unadjusted end date of a given schedule's period is back-to-back with the unadjusted effective date of the subsequent period)	YYYY-MM-DD, based on UTC.	Any valid date.	N		NR
61	CDE	Strike price in effect on associated effective date	Strike price in effect between the unadjusted effective date and unadjusted end date inclusive.	<ul style="list-style-type: none"> • Num(18,13), if Strike price notation = 1 • Num(11,10), if Strike price notation = 2 • Num(11,10) if Strike price notation = 3 	<ul style="list-style-type: none"> Any value greater than zero: • Any value (eg USD 6.39) expressed as 6.39, for equity options, commodity options, foreign exchange options and similar products if Strike price notation = 1. • Any value expressed as percentage (eg 2.1 instead of 2.1%), for interest rate options, interest rate and credit swaptions quoted in spread, and similar products, if Strike price 	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					notation = 2. • Any value expressed as decimal (eg 0.021 instead of 2.1%), for interest rate options, interest rate and credit swaptions quoted in spread, and similar products, if Strike price notation = 3.			
62	CFTC	Non-standardized term indicator	Indicator of whether the derivative has one or more additional term(s) or provision(s), other than those disseminated to the public, that materially affect(s) the price of the derivative.	Boolean	• True • False	Y		Transaction - C if [Cleared] = 'N'; NR if [Cleared] = 'Y' or 'I' Collateral - NR Valuation - NR
63	CDE	Day count convention [Fixed rate day count convention-leg 1] [Fixed rate day count convention-leg 2] [Floating rate day count convention-leg 1] [Floating rate-day count convention-leg 2]	For each leg of the transaction, where applicable: day count convention (often also referred to as day count fraction or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year fraction of the calculation period, and indicates the number of days in the calculation period divided by the number of days in the year. See Appedix B for definitions of values.	Char(4)	• A001 = IC30360ISDAor30360AmericanBasicRule • A002 = IC30365 • A003 = IC30Actual • A004 = Actual360 • A005 = Actual365Fixed • A006 = ActualActualCMA • A007 = IC30E360orEuroBondBasismodel1 • A008 = ActualActualISDA • A009 = Actual365LorActualActubasisRule • A010 = ActualActualAFB • A011 = IC30360ICMAor30360basicrule • A012 = IC30E2360orEurobondbasismodel2 • A013 = IC30E3360orEurobondbasismodel3 • A014 = Actual365NL • A015 = ActualActualUltimo • A016 =	Y		Transaction – CR/IRM Transaction – FXO Transaction – CO C if [Payment frequency period] is populated, else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					IC30EPlus360 • A017 = Actual364 • A018 = Business252 • A019 = Actual360NL • A020 = 1/1 • NARR = Narrative			
64	CFTC	Floating rate reset frequency period [Floating rate reset frequency period-leg 1] [Floating rate reset frequency period-leg 2]	For each floating leg of the transaction, where applicable, time unit associated with the frequency of resets, e.g., day, week, month, year or term of the stream.	Char(4)	• DAIL = Daily • WEEK = Weekly • MNTH = Monthly • YEAR = Yearly • ADHO = Ad hoc which applies when payments are irregular • EXPI = Payment at term	Y		Transaction C if UPL.[Instrument type] = 'Swap' and UPL.[Underlying asset/contract type] ≠ 'Fixed - Fixed', else {blank} When populated with 'EXPI TERM', [Floating rate reset frequency period multiplier] must be '1' Collateral - NR Valuation - NR
65	CFTC	Floating rate reset frequency period multiplier [Floating rate reset frequency period multiplier-leg 1] [Floating rate reset frequency period multiplier-leg 2]	For each floating leg of the transaction, where applicable, number of time units (as expressed by the Floating rate reset frequency period) that determines the frequency at which periodic payment dates for reset occur. For example, a transaction with reset payments occurring every two months is represented with a Floating rate reset frequency period of "MNTH" (monthly) and a Floating rate reset frequency period multiplier of 2. This data element is not applicable if the Floating rate reset frequency period is "ADHO". If Floating rate reset frequency period is "EXPI", then the Floating rate reset frequency period multiplier is 1. If the reset frequency period is intraday, then the Floating rate reset frequency period is "DAIL" and the Floating rate reset frequency period multiplier is 0.	Num(3,0)	Any value greater than or equal to zero.	Y		Transaction C if [Floating rate reset frequency period] ≠ 'ADHO', else {blank} Collateral - NR Valuation - NR

Data Elements Related to Clearing

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
66	CDE	Cleared	Indicator of whether the transaction has been cleared, or is intended to be	Char(1)	• Y = Yes, centrally cleared, for beta and	Y		Transaction-M

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			cleared, by a clearing agency.		gamma transactions. • N = No, not centrally cleared. • I = Intent to clear, for alpha transactions that are planned to be submitted to clearing.			Collateral -NR Valuation - NR
67	CDE	Central counterparty	Identifier of the clearing agency (CCP) that cleared the transaction. This data element is not applicable if the value of the data element "Cleared" is "N" ("No, not centrally cleared") or "I" ("Intent to clear").	Char(20)	ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/).	N		Transaction - C if [Cleared] = 'Y'. When populated, the value shall match the value in [Counterparty 1 (reporting counterparty)]; NR if [Cleared] = 'N' or 'I' Collateral - NR Valuation - NR
68	CFTC	Clearing account origin	Indicator of whether the clearing member acted as principal for a house trade or an agent for a customer trade.	Char(4)	• HOUS = House • CLIE = Client	N		Transaction C if [Cleared] = 'Y'; NR if [Cleared] = 'N' or 'I' Collateral - NR Valuation - NR
69	CDE	Clearing member	Identifier of the clearing member through which a derivative transaction was cleared at a clearing agency. This data element is applicable to cleared transactions under both the agency clearing model and the principal clearing model. • In the case of the principal clearing model, the clearing member is identified as clearing member and also as a counterparty in both transactions resulting from clearing: (i) in the transaction between the clearing agency and the clearing member; and (ii) in the transaction between the clearing member and the counterparty to the original alpha transaction. • In the case of the agency clearing model, the clearing member is identified as clearing member but not as the counterparty to transactions resulting from clearing. Under this model, the counterparties are the	Char(20)	ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/).	N		Transaction - C if [Cleared] = 'Y'; NR if [Cleared] = 'N' or 'I' Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			clearing agency and the client. This data element is not applicable if the value of the data element "Cleared" is "N" ("No, not centrally cleared") or "I" ("Intent to clear").					
70	CFTC	Clearing receipt timestamp	The date and time, expressed in UTC, the original derivative was received by the clearing agency for clearing and recorded by the clearing agency's system.	YYYY-MM-DDThh:mm:ssZ, based on UTC.	Any valid date/time.	N		Transaction - C if ([Cleared] = 'Y' or ([Cleared] = 'I' and [Action type] = 'TERM')) and [Event type] = 'CLRQ', else {blank}; NR if [Cleared] = 'N' Collateral - NR Valuation - NR
71	CFTC	Clearing exceptions and exemptions - Counterparty 1	Identifies the type of clearing exception or exemption that Counterparty 1 has elected or otherwise falls under. All applicable exceptions and exemptions must be selected. The values may be repeated as applicable.	Char(4)	<ul style="list-style-type: none"> AFFL = Inter-affiliate exemption, OTHR = Other exceptions or exemptions 	N		Transaction - O if [Cleared] = 'N'; NR if [Cleared] = 'Y' or 'I' Collateral - NR Valuation - NR
72	CFTC	Clearing exceptions and exemptions – Counterparty 2	Identifies the type of the clearing exception or exemption that Counterparty 2 has elected or otherwise falls under. All applicable exceptions and exemptions must be selected. The values may be repeated as applicable.	Char(4)	<ul style="list-style-type: none"> AFFL = Inter-affiliate exemption, § 50.52 OTHR = Other exceptions or exemptions 	N		Transaction - O if [Cleared] = 'N'; NR if [Cleared] = 'Y' or 'I' Collateral - NR Valuation - NR

Data Elements Related to Collateral and Margin

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
73	CDE; CSA	Collateralisation category	Indicator of whether a collateral agreement (or collateral agreements) between the counterparties exists (uncollateralised/partially collateralised/one-way collateralised/fully collateralised). This data element is provided for each transaction or each portfolio.	Char(4)	<ul style="list-style-type: none"> UNCL PRC1 PRC2 PRCL OWC1 OWC2 OWP1 OWP2 FLCL 	N		Transaction NR Collateral M Valuation NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			depending on whether the collateralisation is performed at the transaction or portfolio level, and is applicable to both cleared and uncleared transactions.					
74	CFTC	Portfolio containing non-reportable component indicator	If collateral is reported on a portfolio basis, indicator of whether the collateral portfolio includes transactions exempt from reporting.	Boolean	<ul style="list-style-type: none"> • True • False 	N		Transaction NR Collateral M Valuation NR
75	CDE	Initial margin posted by the reporting counterparty (post-haircut)	<p>Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements. If the collateralisation is performed at portfolio level, the initial margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transaction. This refers to the total current value of the initial margin after application of the haircut (if applicable), rather than to its daily change.</p> <p>The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines.</p> <p>If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of initial margin posted for all derivatives in the same position.	Transaction NR Collateral C if (Collateralisation category= 'OWC1' or 'OWP1' or 'FLCL'), else {blank} Valuation NR
76	CDE	Initial margin posted by the reporting counterparty (pre-haircut)	<p>Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements. If the collateralisation is performed at portfolio level, the initial margin posted</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of initial margin posted for all derivatives in the same position.	Transaction - NR Collateral - C if (Collateralisation category) = 'OWC1' or 'OWP1' or 'FLCL'), else {blank} Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transaction. This refers to the total current value of the initial margin, rather than to its daily change.</p> <p>The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines.</p> <p>If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.</p>					
77	CDE	Currency of initial margin posted	<p>Currency in which the initial margin posted is denominated.</p> <p>If the initial margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted initial margins.</p>	Char(3)	Currencies included in ISO 4217.	N		Transaction - NR Collateral C if [Initial margin posted by the reporting counterparty (post-haircut)] or [Initial margin posted by the reporting counterparty (pre-haircut)] is populated, else {blank} Valuation - NR
78	CDE	Initial margin collected by the reporting counterparty (post-haircut)	<p>Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements.</p> <p>If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transaction. This refers to the total current value of the initial margin after application of the haircut (if applicable), rather than to its daily change.</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of initial margin collected for all derivatives in the same position.	Transaction - NR Collateral C if ([Collateralisation category] = OWC2 or 'OWP2' or 'FLCL'), else {blank} Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity.</p> <p>If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.</p>					
79	CDE	Initial margin collected by the reporting counterparty (pre-haircut)	<p>Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements.</p> <p>If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transaction.</p> <p>This refers to the total current value of the initial margin, rather than to its daily change.</p> <p>The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity.</p> <p>If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of initial margin collected for all derivatives in the same position.	<p>Transaction - NR Collateral</p> <p>C if ([Collateralisation category] = 'OWC2' or 'OWP2' or 'FLCL'), else {blank}</p> <p>Valuation - NR</p>
80	CDE	Currency of initial margin collected	<p>Currency in which the initial margin collected is denominated.</p> <p>If the initial margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the</p>	Char(3)	Currencies included in ISO 4217.	N		<p>Transaction - NR Collateral</p> <p>C if [Initial margin collected by the reporting counterparty (post-haircut)] or [Initial margin collected by the reporting</p>

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			values of collected initial margins.					counterparty (pre-haircut) is populated, else {blank} Valuation - NR
81	CDE	Variation margin posted by the reporting counterparty (post-haircut)	<p>Monetary value of the variation margin posted by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included.</p> <p>If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transaction.</p> <p>This data element refers to the total current value of the variation margin after application of the haircut (if applicable), cumulated since the first reporting of posted variation margins for the portfolio /transaction.</p> <p>If the variation margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value.</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of variation margin posted for all derivatives in the same position.	NR
82	CDE	Variation margin posted by the reporting counterparty (pre-haircut)	<p>Monetary value of the variation margin posted by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements. Contingent variation margin is not included.</p> <p>If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transaction.</p> <p>This data element refers to the total current value of the variation margin, cumulated since the first reporting of variation margins posted for the portfolio/transaction</p> <p>If the variation margin</p>	Num(25,5)	Any value greater than or equal to zero.	N	Sum of variation margin posted for all derivatives in the same position.	Transaction - NR Collateral C if ((Collateralisation category) = 'PRC1' or 'PRCL' or 'OWC1' or OWP1' or OWP2' or 'FLCL'), else {blank} Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.					
83	CDE	Currency of variation margin posted	Currency in which the variation margin posted is denominated. If the variation margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted variation margins.	Char(3)	Currencies included in ISO 4217.	N		Transaction - NR Collateral C if [Variation margin posted by the reporting counterparty (pre- haircut)] is populated, else {blank} Valuation - NR
84	CDE	Variation margin collected by the reporting counterparty (post-haircut)	Monetary value of the variation margin collected by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. If the collateralisation is performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transaction. This refers to the total current value of the variation margin collected after application of the haircut (if applicable), cumulated since the first reporting of collected variation margins for the portfolio /transaction. If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value.	Num(25,5)	Any value greater than or equal to zero.	N	Sum of variation margin collected for all derivatives in the same position.	NR
85	CDE	Variation margin collected by the reporting counterparty (pre-haircut)	Monetary value of the variation margin collected by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement unless inclusion of such margin is not allowed under the jurisdictional requirements. Contingent variation margin is not included. If the collateralisation is	Num(25,5)	Any value greater than or equal to zero.	N	Sum of variation margin collected for all derivatives in the same position.	Transaction - NR Collateral C if ((Collateralisation category) = PRC2' or PRCL' or 'OWC2 or OWP1' or OWP2' or FLCL'), else {blank} Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transaction.</p> <p>This refers to the total current value of the variation margin, cumulated since the first reporting of collected variation margins for the portfolio/ transaction.</p> <p>If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value.</p>					
86	CDE	Currency of variation margin collected	<p>Currency in which the variation margin collected is denominated.</p> <p>If the variation margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of collected variation margins.</p>	Char(3)	Currencies included in ISO 4217.	N		Transaction - NR Collateral C if [Variation margin collected by the reporting counterparty (pre- haircut)] is populated, else {blank} Valuation - NR
87	CFTC	Variation margin collateral portfolio code	<p>If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate variation margin related to a set of open transactions. This data element is not applicable if the collateralisation was performed on a transaction level basis, or if there is no collateral agreement, or if no collateral is posted or received.</p> <p>The portfolio code is required for both collateral reporting and valuation reporting in order to link the 2 data sets.</p>	Boolean	<ul style="list-style-type: none"> • True, if collateralised on a portfolio basis • False, if not part of a portfolio 	N		Collateral M Valuation M
88	CFTC	Initial margin collateral portfolio code	<p>If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate initial margin of a set of open swap transactions. This data element is not applicable if the collateralisation was performed on a transaction level basis, or if there is no collateral agreement, or if no</p>	Varchar(52)	Up to 52 alphanumeric characters	N		Collateral M Valuation M

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			collateral is posted or received. The portfolio code is required for both collateral reporting and valuation reporting in order to link the 2 data sets.					
89	CDE	Excess collateral posted by the counterparty 1	Monetary value of any additional collateral posted by the counterparty 1 separate and independent from initial and variation margin. This refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. Any initial or variation margin amount posted that exceeds the required initial margin or required variation margin, is reported as part of the initial margin posted or variation margin posted respectively rather than included as excess collateral posted. For centrally cleared transactions, excess collateral is reported only to the extent it can be assigned to a specific portfolio or transaction.	Num(25,5)	Any value greater than or equal to zero	N		NR
90	CDE	Currency of the excess collateral posted	Currency in which the excess collateral posted is denominated. If the excess collateral posted is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of posted excess collateral.	Char(3)	Currencies included in ISO 4217	N		NR
91	CDE	Excess collateral collected by the counterparty 1	Monetary value of any additional collateral collected by the counterparty 1 separate and independent from initial and variation margin. This data element refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. Any initial or variation margin amount collected that exceeds the required initial margin or required variation margin, is reported as part of the initial margin	Num(25,5)	Any value greater than or equal to zero	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			collected or variation margin collected respectively, rather than included as excess collateral collected. For centrally cleared transactions excess collateral is reported only to the extent it can be assigned to a specific portfolio or transaction.					
92	CDE	Currency of excess collateral collected	Currency in which the excess collateral collected is denominated. If the excess collateral is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of collected excess collateral.	Char(3)	Currencies included in ISO 4217	N		NR

Data Elements Related to Events

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
93	CFTC	Event timestamp	Date and time of occurrence of the event as determined by the reporting counterparty or a service provider. In the case of a clearing event, date and time when the original derivative is accepted by the clearing agency (CA) for clearing and recorded by the CA's system should be reported in this data element. The time element is as specific as technologically practicable.	YYYY-MM-DDThh:mm:ssZ, based on UTC. If the time element is not available for the event lifecycle, time may be dropped given that – in the case of representations with reduced accuracy – ISO 8601 allows the complete representation to be omitted, the omission starting from the extreme right-hand side (in the order from the least to the most significant).	Any valid date/time.	Y		Transaction - M, The value shall be equal to or later than the value in [Execution timestamp] Collateral - M Valuation - NR
94	ESMA	Level	Indication whether the report is done at trade or position level. Position level report can be used only as a supplement to trade level reporting to report post-trade events and only if individual trades in fungible products have been replaced by the position.	Char(4)	• TCTN = Trade • PSTN = Position	N		NR
95	CFTC	Event identifier	Unique identifier to link derivative transactions	Varchar(52)	ISO 17442 LEI code of the entity	N		Transaction C if [Event type]

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			resulting from an event may be, but is not limited to, compression, and credit event. The unique identifier may be assigned by the reporting counterparty or a service provider.		assigning the event identifier followed by a unique identifier up to 32 characters.			= 'COMP' or 'CREV', else {blank} Collateral - NR Valuation - NR
96	CFTC	Event type	<p>Explanation or reason for the action being taken on the derivative transaction. Events may include, but are not limited to, trade, novation, compression or risk reduction exercise, early termination, clearing, exercise, allocation, clearing and allocation, credit event, and transfer.</p> <p>Trade: A creation or modification, of a transaction.</p> <p>Novation : A novation legally moves partial or all of the financial risks of a derivative from a transferor to a transferee and has the effect of terminating/modifying the original transaction and creating a new transaction to identify the exposure between the transferor/transferee and remaining party.</p> <p>Compression or Risk Reduction Exercise: Compressions and risk reduction exercises generally have the effect of terminating or modifying (i.e., reducing the notional value) a set of existing transactions and of creating a set of new transaction(s). These processes result in largely the same exposure of market risk that existed prior to the event for the counterparty.</p> <p>Early termination: Termination of an existing derivative transaction prior to scheduled termination or maturity date.</p> <p>Clearing: Central clearing is a process where a clearing agency interposes itself between counterparties to contracts, becoming the buyer to every seller and the seller to every buyer. It has the effect of terminating an existing transaction between the buyer and the seller and thereby ensuring the performance of open contracts.</p> <p>Exercise: The process by which a counterparty fully or</p>	Char(4)	<ul style="list-style-type: none"> • TRAD = Trade • NOVA = Novation • COMP = Compression or Risk Reduction • ETRM = Early termination • CLRG = Clearing • EXER = Exercise • ALOC = Allocation • CLAL = Clearing Allocation • CREV = CDS Credit • PTNG = Porting • CORP = Corporate event • UPDT = Upgrade 	Y		Transaction CM, for valid Action type and Event type Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>partially exercises their rights specified in the contract of an option or a swaption.</p> <p>Allocation : The process by which an agent, having facilitated a single derivative transaction on behalf of several clients, allocates a portion of the executed derivative to the clients.</p> <p>Clearing and Allocation: A simultaneous clearing and allocation event in a clearing agency.</p> <p>Credit event: An event or trigger that results in the modification of the state of a previously submitted credit derivative transaction. Applies only to credit derivatives.</p> <p>Transfer : The process by which a derivative is transferred to another TR that has the effect of the closing of the derivative transaction at one TR or opening of the same derivative transaction using the same UTI in a different TR.</p> <p>Corporate event: A corporate action on equity underlying that impacts the transactions on that equity.</p> <p>Upgrade: An upgrade of an outstanding transaction performed in order to ensure its conformity with the amended reporting requirements.</p>					
97	CFTC	Action type	<p>Type of action taken on the derivative transaction or type of end-of-day reporting. Actions may include, but are not limited to, new, modify, correct, error, terminate, revive, transfer out, valuation, and collateral.</p> <p>New: An action that reports a new derivative transaction. It applies to the first message relating to a new UTI.</p> <p>Modify: An action that modifies the state of a previously submitted transaction (e.g., credit event) or changes a term of a previously submitted transaction due to a newly negotiated modification (amendment) or updates previously missing information (e.g., post price derivative). It does not include correction of a</p>	Char(4)	<ul style="list-style-type: none"> • NEWT = New • MODI = Modify • CORR = Correct • EROR = Error • TERM = Terminate • PRTO = Port out • VALU = Valuation • MARU = Collateral • POSC = Position Component 	Y		<p>Transaction - M, for valid Action type and Event type</p> <p>Collateral - M, must equal 'MARU'</p> <p>Valuation - M, must equal 'VALU'</p>

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>previous transaction. Correct: An action that corrects erroneous data of a previously submitted transaction. Error: An action of cancellation of a wrongly submitted entire transaction in case it never came into existence , or a cancellation of duplicate report.</p> <p>Terminate: An action that closes an existing transaction because of a new event (e.g., Compression, Novation). This does not apply to transactions that terminate at contractual maturity date. Revive: An action that reinstates a derivative transaction that was reported as error or terminated by mistake. Transfer out: An action that transfers derivative transaction from one TR to another TR (change of derivative data repository). Valuation: An update to valuation data. There will be no corresponding Event type. Collateral: An update to collateral margin data. There will be no corresponding Event type.</p> <p>Position Component: A report of a new transaction that is included in a separate position report on the same day.</p>					
98	CFTC	Amendment indicator	Indicator of whether the modification of the swap transaction reflects newly agreed upon term(s) from the previously negotiated terms.	Boolean	<ul style="list-style-type: none"> • True • False 	N		Transaction C if [Action type] = 'MODI', else {blank} Collateral - NR Valuation - NR

Data Elements Related to Valuation

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
99	CDE	Valuation amount	Current value of the outstanding contract. Valuation amount is expressed as the exit cost of the contract or components of the contract, i.e., the price that would be received to sell the contract (in the market in an orderly transaction at the valuation date).	Num(25,5)	Any numerical value.	N	Sum of valuation amounts for all derivatives in the position or valuation of the position itself if it is evaluated	Transaction NR Collateral NR Valuation M

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
							as a single element.	
100	CDE	Valuation currency	Currency in which the valuation amount is denominated.	Char(3)	Currencies included in ISO 4217.	N		Transaction NR Collateral NR Valuation M
101	CDE	Valuation method	Source and method used for the valuation of the transaction by the reporting counterparty. If at least one valuation input is used that is classified as mark-to-model in Appendix 3.3, then the whole valuation is classified as mark-to-model. If only inputs are used that are classified as mark-to-market in Appendix 3.3, then the whole valuation is classified as mark-to-market.	Char(1)	<ul style="list-style-type: none"> • MTMA = Mark-to-market • MTMO = Mark-to-model • CCPV = Clearing agency's valuation (Classification of valuation inputs are provided in Appendix 3.3)	N		Transaction - NR Collateral - NR Valuation - M, when populated with 'CCPV', [Cleared] must be 'Y'
102	CDE	Valuation timestamp	Date and time of the last valuation marked to market, provided by the clearing agency (CCP) or calculated using the current or last available market price of the inputs. If for example a currency exchange rate is the basis for a transaction's valuation, then the valuation timestamp reflects the moment in time that exchange rate was current.	YYYY-MM-DDThh:mm:ssZ, based on UTC]. If the time element is not required in a particular jurisdiction, time may be dropped given that – in the case of representations with reduced accuracy – ISO 8601 allows the complete representation to be omitted, the omission starting from the extreme right-hand side (in the order from the least to the most significant).	Any valid date/time based on ISO 8601 Date and time format.	N		Transaction - NR Collateral - NR Valuation - M
103	CFTC	Next floating reference reset date	The nearest date in the future that the floating reference resets on.	YYYY-MM-DD	Any valid date based on ISO 8601 Date and time format.	N		Transaction - NR Collateral - NR Valuation - C if [Last floating reference value] is populated, else {blank}
104	CFTC	Last floating reference value [Last floating reference value-Leg 1]	The most recent sampling of the value of the floating reference for the purposes of determining cash flow. Ties to Last floating reference reset date data element.	Num(11,10)	Positive and negative values expressed as decimal (e.g., 0.0257 instead of 2.57%)	N		Transaction - NR Collateral - NR Valuation - C if UPI.[Underlier ID] is populated, else {blank}

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
		[Last floating reference value-Leg 2]						
105	CFTC	Last floating reference reset date [Last floating reference reset date-Leg 1] [Last floating reference reset date-Leg 2]	The date of the most recent sampling of the floating reference for the purposes of determining cash flow. Ties to Last floating reference value data element.	YYYY-MM-DD	Any valid date.	N		Transaction - NR Collateral - NR Valuation - C if [Last floating reference value] is populated, else {blank}
106	CDE	Delta	The ratio of the change in price of an OTC derivative transaction to the change in price of the underlier, at the time a new transaction is reported or when a change in the notional amount is reported.	Num(25,5)	Any value between negative one and one.	N		Transaction - NR Collateral - NR Valuation - C if UPI.[Instrument type] = 'Option', else {blank}

Data Elements Related to Packages

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
107	CDE	Package identifier	<p>Identifier (determined by the reporting counterparty) in order to connect</p> <ul style="list-style-type: none"> two or more transactions that are reported separately by the reporting counterparty, but that are negotiated together as the product of a single economic agreement. two or more reports pertaining to the same transaction whenever jurisdictional reporting requirement does not allow the transaction to be reported with a single report to TRs. <p>A package may include reportable and non-reportable transactions.</p> <p>This data element is not applicable</p> <ul style="list-style-type: none"> if no package is involved, or to allocations <p>Where the Package identifier is not known when a new transaction is reported, the Package identifier is updated as it becomes available.</p>	Varchar(100)	Up to 100 alphanumeric characters.	N		Transaction - C if [Package indicator] = 'True', else {blank} Collateral - NR Valuation - NR
108	CDE	Package transaction price	Traded price of the entire package in which the reported derivative transaction is a component. This data element is not applicable if	<ul style="list-style-type: none"> Num(18,13), if Package transaction price notation = 1 Num(11,10), if Package 	<ul style="list-style-type: none"> Any value, if Package transaction price notation = 1 Any value expressed as decimal (e.g., 	N		Transaction - C if [Package indicator] = 'True' and [Package transaction spread] is not

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<ul style="list-style-type: none"> • package transaction spread is used Prices and related data elements of the transactions (Price currency, Price notation, Price unit of measure) that represent individual components of the package are reported when available. The Package transaction price may not be known when a new transaction is reported but may be updated later 	transaction price notation = 3	0.0257 instead of 2.57%, if Package transaction price notation = 3			populated, else {blank} Collateral - NR Valuation - NR
109	CDE	Package transaction price currency	<p>Currency in which the Package transaction price is denominated.</p> <p>This data element is not applicable if:</p> <ul style="list-style-type: none"> • no package is involved, or • Package transaction price notation = 3 	Char(3)	Currencies included in ISO 4217.	N		Transaction - C if [Package transaction price notation] = '1', else {blank} Collateral - NR Valuation - NR
110	CDE	Package transaction spread	<p>Traded price of the entire package in which the reported derivative transaction is a component of a package transaction.</p> <p>Package transaction price when the price of the package is expressed as a spread, difference between two reference prices. This data element is not applicable if</p> <ul style="list-style-type: none"> •no package is involved, or •Package transaction price is used <p>Spread and related data elements of the transactions (spread currency) that represent individual components of the package are reported when available. Package transaction spread may not be known when a new transaction is reported but may be updated later.</p>	<ul style="list-style-type: none"> • Num(18,13), if Package transaction spread notation = 1 • Num(11,10), if Package transaction spread notation = 3 • Num(5), if Package transaction spread notation = 4 	<ul style="list-style-type: none"> • Any value, if Package transaction spread notation = 1 • Any value expressed as decimal (eg 0.0257 instead of 2.57%), Package spread price notation = 3 • Any integer value expressed in basis points (eg 257 instead of 2.57%), if Package transaction spread notation = 4 	N		Transaction - C if [Package indicator] = 'True' and [Package transaction price] is not populated, else {blank} Collateral - NR Valuation - NR
111	CDE	Package transaction spread currency	<p>Currency in which the Package transaction spread is denominated. This data element is not applicable if</p> <ul style="list-style-type: none"> •no package is involved, or •Package transaction price is used, or •Package transaction spread is expressed as percentage or basis points 	Char(3)	Currencies included in ISO 4217 Currency codes.	N		Transaction - C if [Package transaction price notation] = '1', else {blank} Collateral - NR Valuation - NR
112	CDE	Package transaction spread notation	<p>Manner in which the Package transaction spread is expressed.</p> <p>This data element is not applicable if</p> <ul style="list-style-type: none"> • no package is involved, or 	Char(1)	<ul style="list-style-type: none"> • 1 = Monetary amount • 3 = Decimal • 4 = Basis points 	N		Transaction - C if [Package transaction spread] is populated, else {blank} Collateral - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			• Package transaction price is used.					Valuation - NR
113	CDE	Package transaction price notation	Manner in which the Package transaction price is expressed. This data element is not applicable if no package is involved	Char(1)	• 1 = Monetary amount • 3 = Decimal	N		Transaction - C if [Package transaction price] is populated, else {blank} Collateral - NR Valuation - NR
114	CFTC	Package indicator	Indicator of whether the swap transaction is part of a package transaction.	Boolean	• True • False	N		Transaction - M Collateral - NR Valuation - NR

Data Elements Related to Product

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
115	CDE	Unique product identifier	A unique set of characters that represents a particular OTC derivative.		A list of allowable values and their format will be published by the Derivatives Service Bureau (UPI issuer). This section will be updated with the final rule. Until the above UPI is available reporting counterparties will continue to report, the product-related data elements unique to each TR.	Y		Transaction - NR Collateral - NR Valuation - NR
116	CDE	CDS index attachment point	Defined lower point at which the level of losses in the underlying portfolio reduces the notional of a tranche. For example, the notional in a tranche with an attachment point of 3% will be reduced after 3% of losses in the portfolio have occurred. This data element is not applicable if the transaction is not a CDS tranche transaction (index or custom basket).	Num(11,10)	Any value between 0 and 1 (including 0 and 1), expressed as decimal (e.g., 0.05 instead of 5%).	N		Transaction - CR C if UPI.[Underlying asset/contract type] = 'Index tranche', else {blank}; When populated, the value shall be less than the value in [CDS index detachment point]; Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
117	CDE	CDS index detachment point	Defined point beyond which losses in the underlying portfolio no longer reduce the notional of a tranche. For example, the notional in a tranche with an attachment point of 3% and a detachment point of 6% will be reduced after there have been 3% of losses in the portfolio. 6% losses in the portfolio deplete the notional of the tranche. This data element is not applicable if the transaction is not a CDS tranche transaction (index or custom basket).	Num(11,10)	Any value between 0 and 1 (including 0 and 1), expressed as decimal (e.g., 0.05 instead of 5%).	N		Transaction - CR C if UPI.[Underlying asset/contract type] = 'Index tranche', else {blank}; When populated, the value shall be greater than the value in [CDS index attachment point] Collateral -NR Valuation - NR
118	CFTC	Index factor	The index version factor or percent, expressed as a decimal value, that multiplied by the Notional amount yields the notional amount covered by the seller of protection for credit default swap.	Num(11,10)	Any value between 0 and 1 (including 0 and 1), expressed as decimal (e.g., 0.05 instead of 5%).	Y		Transaction - CR C if UPI.[Underlying asset/contract type] = 'Index' or 'Index tranche', else {blank} Collateral NR Valuation NR
119	ESMA	Derivative based on cryptoassets	Indicator whether the derivative is based on crypto-assets.	Boolean	<ul style="list-style-type: none"> • True • False 	N		NR
120	CDE	Custom basket code	If the derivative transaction is based on a custom basket, unique code assigned by the structurer of the custom basket to link its constituents.	TBD	TBD	N		NR
121	CFTC	Custom basket indicator	Indicator that the derivative is based on a custom basket.	Boolean	<ul style="list-style-type: none"> • True • False 	N		Transaction -M Collateral - NR Valuation - NR
122	CDE	Source of the identifier of the basket constituents	Source of the underliers' identifiers that represent the constituents of a custom basket, in line with the underlier ID source within the UPI reference data elements, as defined by the CPMI/IOSCO Technical Guidance: Harmonisation of the Unique Product Identifier. This data element is not applicable if no custom basket is involved	TBD	TBD	N		NR
123	CDE	Identifier of the basket's constituents	Underliers that represent the constituents of a custom basket, in line with the underlier ID within the UPI reference data elements, as defined by the CPMI-IOSCO Technical Guidance: Harmonisation of the Unique Product Identifier. This data element is not applicable if no custom basket is involved.	TBD	TBD	N		NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
124	CFTC	Embedded option type	Type of option or optional provision embedded in a contract.	Char(4)	<ul style="list-style-type: none"> • MDET = Mandatory early termination • OPET = Optional early termination • CANC = Cancelable • EXTEND = Extendible • OTHR = Other 	Y		Transaction - O Collateral - NR Valuation - NR

Data Elements Related to Payments and Settlement

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
125	CDE	Final contractual settlement date	<p>Unadjusted date as per the contract, by which all transfer of cash or assets should take place and the counterparties should no longer have any outstanding obligations to each other under that contract.</p> <p>For products that may not have a final contractual settlement date (e.g., American options), this data element reflects the date by which the transfer of cash or asset would take place if termination were to occur on the expiration date.</p>	YYYY-MM-DD, based on UTC.	Any valid date.	N	Maximum of all final contractual settlement dates of all derivatives in the position.	Transaction - M, the value shall be equal to or later than the value in [Expiration date] Collateral - NR Valuation - NR
126	CDE	Settlement location [Settlement location-Leg 1] [Settlement location-Leg 2]	Place of settlement of the transaction as stipulated in the contract. This data element is only applicable for transactions that involve an offshore currency (i.e. a currency which is not included in the ISO 4217 currency list, for example CNH).	Char(2)	ISO 3166 Country codes (using two-letter code (alpha-2))	N		Transaction - O Collateral - NR Valuation - NR
127	CDE	Settlement currency [Settlement currency-Leg 1] [Settlement currency-Leg 2]	<p>Currency for the cash settlement of the transaction when applicable.</p> <p>For multi-currency products that do not net, the settlement currency of each leg.</p> <p>This data element is not applicable for physically settled products (e.g.,</p>	Char(3)	Currencies included in ISO 4217 Currency codes.	Y		Transaction - C if UPI.[Delivery type] = 'Cash', else (blank) Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			physically settled swaptions).					
128	CDE	Other payment payer	Identifier of the payer of Other payment amount.	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/) • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity): LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier code as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements. 	N		Transaction - C if [Other payment amount] is populated, else {blank} Collateral - NR Valuation - NR
129	CDE	Other payment receiver	Identifier of the receiver of Other payment amount.	<ul style="list-style-type: none"> • Char(20) for an LEI code or • Varchar(72), for natural persons who are acting as private 	<ul style="list-style-type: none"> • ISO 17442 LEI code that is included in the LEI data as published by the Global LEI Foundation (GLEIF, 	N		Transaction - C if [Other payment amount] is populated, else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
				<p>individuals and not eligible for an LEI per the ROC Statement - Individuals Acting in a Business Capacity or</p> <ul style="list-style-type: none"> • Varchar(72), Internal identifier code for a non-reporting counterparty subject to Blocking Law 	<p>www.gleif.org/</p> <ul style="list-style-type: none"> • For natural persons who are acting as private individuals(not eligible for an LEI per the ROC Statement – Individuals Acting in a Business Capacity); LEI of the reporting counterparty followed by a unique identifier assigned and maintained consistently by the reporting counterparty for that natural person(s) for regulatory reporting purpose. • An internal identifier code as non-reporting counterparty identifier if such counterparty or transaction is subject to Blocking Law and the reporting counterparty has exemptive relief from such derivatives data reporting requirements. 			
130	CDE	Other payment type	Type of Other payment amount. Option premium payment is not included as a payment type as premiums for option are reported using the option premium dedicated data element.	Char(1)	<ul style="list-style-type: none"> • UFRO = Upfront Payment, i.e., the initial payment made by one of the counterparties either to bring a transaction to fair value or for any other reason that may be the cause of an off-market transaction • UWIN = Unwind or Full termination, i.e., the final settlement payment made 	Y		Transaction - CR C, at least one is required: ([Fixed rate] or [Spread] or [Other payment type] = 'UFRO'). Allowable values UWIN' and PEXH' are optional and independent of the above condition Transaction – IR/FX/EQ/CO O Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
					when a transaction is unwound prior to its end date; Payments that may result due to full termination of derivative transaction(s) • PEXH = Principal Exchange, i.e., Exchange of notional values for cross-currency swaps			
131	CDE	Other payment amount	Payment amounts with corresponding payment types to accommodate requirements of transaction descriptions from different asset classes.	Num(25,5)	Any value greater than or equal to zero.	Y		Transaction - C if [Other payment type] is populated, else {blank} Collateral - NR Valuation - NR
132	CDE	Other payment currency	Currency in which Other payment amount is denominated.	Char(3)	Currencies included in ISO 4217.	Y		Transaction - C if [Other payment amount] is populated, else {blank} Collateral - NR Valuation - NR
133	CDE	Other payment date	Unadjusted date on which the Other payment amount is paid.	YYYY-MM-DD, based on UTC.	Any valid date.	N		Transaction - C if [Other payment amount] is populated, else {blank} Collateral - NR Valuation - NR
134	CDE	Payment frequency period [Fixed rate payment frequency period-Leg 1] [Fixed rate payment frequency period-Leg 2] [Floating rate payment frequency period-Leg 1] [Floating rate payment frequency period-Leg 2]	For each leg of the transaction, where applicable: time unit associated with the frequency of payments, e.g., day, week, month, year or term of the stream.	Char(4)	• DAIL = Daily • WEEK = Weekly • MNTH = Monthly • YEAR = Yearly • ADHO = Ad hoc which applies when payments are irregular • EXPI = Payment at term	Y		Transaction - CR M Transaction - IR if UPI, [Instrument type] = 'Swap', else {blank}, hen populated with 'EXPI', [Payment frequency period multiplier] must be '1' Transaction - EQ/CO O Collateral - NR Valuation - NR
135	CDE	Payment frequency period multiplier [Fixed rate payment frequency period multiplier-Leg 1]	For each leg of the transaction, where applicable: number of time units (as expressed by the Payment frequency period) that determines the frequency at which periodic payment dates	Num(3,0)	Any value greater than or equal to zero.	Y		Transaction - CR/IR/EQ/CO C if [Payment frequency period] ≠ 'ADHO', else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
		[Fixed rate payment frequency period multiplier-Leg 2] [Floating rate payment frequency period multiplier-Leg 1] [Floating rate payment frequency period multiplier-Leg 2]	occur. For example, a transaction with payments occurring every two months is represented with a Payment frequency period of "MNTH" (monthly) and a Payment frequency period multiplier of 2. This data element is not applicable if the Payment frequency period is "ADHO." If Payment frequency period is "EXPI", then the Payment frequency period multiplier is 1. If the Payment frequency is intraday, then the Payment frequency period is "DAIL" and the Payment frequency multiplier is 0.					
136	CDE	Option premium amount	For options and swaptions of all asset classes, monetary amount paid by the option buyer. This data element is not applicable if the instrument is not an option or does not embed any optionality.	Num(25,5)	Any value greater than or equal to zero.	Y		Transaction C if UPI.[Instrument type] = 'Option', else {blank} Collateral - NR Valuation - NR
137	CDE	Option premium currency	For options and swaptions of all asset classes, currency in which the option premium amount is denominated. This data element is not applicable if the instrument is not an option or does not embed any optionality.	Char(3)	Currencies included in ISO 4217.	Y		Transaction C if [Option premium amount] > 0, else {blank} Collateral - NR Valuation - NR
138	CDE	Option premium payment date	Unadjusted date on which the option premium is paid.	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	N		Transaction C if [Option premium amount] > 0, else {blank} Collateral - NR Valuation - NR
139	CDE	First exercise date	First unadjusted date during the exercise period in which an option can be exercised. For European-style options, this date is same as the Expiration date. For American-style options, the first possible exercise date is the unadjusted date included in the	YYYY-MM-DD, based on UTC.	Any valid date based on ISO 8601 Date and time format.	Y		Transaction C if UPI.[Instrument type] = 'Option', else {blank} Collateral - NR Valuation - NR

Number	Source	Data Element Name	Definition for Data Element	Format	Values	Public Disseminated	Position Reporting	Validations
			<p>Execution timestamp.</p> <p>For knock-in options, where the first exercise date is not known when a new transaction is reported, the first exercise date is updated as it becomes available.</p> <p>This data element is not applicable if the instrument is not an option or does not embed any optionality.</p>					
140	CFTC	<p>Fixing date</p> <p>[Fixing date-Leg 1]</p> <p>[Fixing date-Leg 2]</p>	<p>Describes the specific date when a non-deliverable forward as well as various types of FX OTC options such as cash-settled options will fix against a particular exchange rate, which will be used to compute the ultimate cash settlement.</p>	YYYY-MM-DD	Any valid date based on ISO 8601 Date and time format.	N		<p>Transaction – CR/IR/EQ/CO O Transaction - FX C if (UPI.[Instrument type] = 'Forward' or 'Option') and UPI.[Delivery type] = 'Cash', else {blank} Collateral - NR Valuation - NR</p>

3 Appendix

From CPMI IOSCO Technical Guidance: Harmonisation of critical OTC derivatives data elements (other than UTI and UPI)

3.1 Notional amount

Product	Converted Amount
Equity options and similar products	Product of the strike price and the number of shares or index units
Equity forwards and similar products	Product of the forward price and the number of shares or index units
Equity dividend swaps and similar products	Product of the period fixed strike and the number of shares or index units
Equity swaps, portfolio swaps, and similar products	Product of the initial price and the number of shares or index units
Equity variance swaps and similar products	Variance amount
Equity volatility swaps and similar products	Vega notional amount
Equity CFDs and similar products	Product of the initial price and the number of shares or index units
Commodity options and similar products	Product of the strike price, and the total notional quantity
Commodity forwards and similar products	Product of the forward price and the total notional quantity
Commodity fixed/float swaps and similar products	Product of the fixed price and the total notional quantity
Commodity basis swaps and similar products	Product of the last available spot price at the time of the transaction of the underlying asset of the leg with no spread and the total notional quantity of the leg with no spread
Commodity swaptions and similar products	Notional amount of the underlying contract
Commodity CFDs and similar products	Product of the initial price and the total notional quantity

3.2 Mapping of Day count convention allowable values to ISO 20022, FpML, and FIX/FIXML values

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
A001	IC30360ISDAor30360AmericanBasicRule	Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month, except for February, and provided	1	30/360 (30U/360 Bond Basis)	Mainly used in the United States with the following date adjustment rules: (1) If the investment is End-Of-Month and Date1 is the last day of February and Date2 is the last day	30/360	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (f) or Annex to the 2000 ISDA Definitions (June

³ The information contained in this column refers to the ISO 20022 data dictionary.

⁴ The source of information contained in this column is FIX Trading Community, <http://fiximate.fixtrading.org/latestEP/>

⁵ The definitions contained herein are copyright 2006 by International Swaps and Derivatives Association, Inc. (ISDA) and reproduced by permission of ISDA. All Rights Reserved.

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
		that the interest period started on a 30th or a 31st. This means that a 31st is assumed to be a 30th if the period started on a 30th or a 31st and the 28 Feb (or 29 Feb for a leap year) is assumed to be the 28th (or 29th). This is the most commonly used 30/360 method for US straight and convertible bonds.			of February, then change Date2 to 30; (2) If the investment is End-Of-Month and Date1 is the last day of February, then change Date1 to 30;(3) If Date2 is 31 and Date1 is 30 or 31, then change Date2 to 30;(4) If Date1 is 31, then change Date1 to 30. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (f). [Symbolic name: ThirtyThreeSixtyUS]		2000 Version), Section 4.16. Day Count Fraction, paragraph (e). The number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows: Day Count Fraction = $[360*(Y2-Y1) + (D2-D1)]/360$ "D1" is the first calendar day, expressed as a number, of the Calculation Period or Compounding Period, unless such number would be 31, in which case D1, will be 30; and "D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period or Compounding Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30 ⁶
A002	IC30365	Method whereby interest is calculated based on a 30-day month in a way similar to the 30/360 (basic rule) and a 365-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month, except for February.					

⁶ Note that the algorithm defined for this day count fraction has changed between the 2000 ISDA Definitions and 2006 ISDA Definitions. See Introduction to the 2006 ISDA Definitions for further information relating to this change.

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
		This means that a 31st is assumed to be the 30th and the 28 Feb (or 29 Feb for a leap year) is assumed to be the 28th (or 29th).					
A003	IC30Actual	Method whereby interest is calculated based on a 30-day month in a way similar to the 30/360 (basic rule) and the assumed number of days in a year in a way similar to the Actual/Actual (ICMA). Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month, except for February. This means that the 31st is assumed to be the 30th and 28 Feb (or 29 Feb for a leap year) is assumed to be the 28th (or 29th). The assumed number of days in a year is computed as the actual number of days in the coupon period multiplied by the number of interest payments in the year.					
A004	Actual360	Method whereby interest is calculated based on the actual number of accrued days in the interest period and a 360-day year.	6	Act/360	The actual number of days between Date1 and Date2, divided by 360. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (e). [Symbolic name: ActThreeSixty]	ACT/360	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (e) or Annex to the 2000 ISDA Definitions (June 2000 Version), Section 4.16. Day Count Fraction, paragraph (d). The actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360.
A005	Actual365Fixed	Method whereby interest is calculated based on the actual number of accrued days in the interest period and a 365-day year.	7	Act/365 (FIXED)	The actual number of days between Date1 and Date2, divided by 365. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (d). [Symbolic name: ActThreeSixtyFiveFixed]	ACT/365.FIXED	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (d) or Annex to the 2000 ISDA Definitions (June 2000 Version), Section 4.16. Day Count Fraction,

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							paragraph (c). The actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 365.
A006	ActualActualICMA	Method whereby interest is calculated based on the actual number of accrued days and the assumed number of days in a year, i.e., the actual number of days in the coupon period multiplied by the number of interest payments in the year. If the coupon period is irregular (first or last coupon), it is extended or split into quasi-interest periods that have the length of a regular coupon period and the computation is operated separately on each quasi-interest period and the intermediate results are summed up.	9	Act/Act (ICMA)	The denominator is the actual number of days in the coupon period multiplied by the number of coupon periods in the year. Assumes that regular coupons always fall on the same day of the month where possible. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (c). [Symbolic name: ActActICMA]	ACT/ACT.ICMA	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (c). This day count fraction code is applicable for transactions booked under the 2006 ISDA Definitions. Transactions under the 2000 ISDA Definitions should use the ACT/ACT.ISMA code instead. A fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Markets Association (the "ICMA Rule Book"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non-US dollar-denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							to the Calculation Period or Compounding Period in respect of which payment is being made.
A007	IC30E360orEuroBondBasismodel1	<p>Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month. This means that the 31st is assumed to be the 30th and the 28 Feb (or 29 Feb for a leap year) is assumed to be equivalent to 30 Feb. However, if the last day of the maturity coupon period is the last day of February, it will not be assumed to be the 30th. It is a variation of the 30/360 (ICMA) method commonly used for eurobonds. The usage of this variation is only relevant when the coupon periods are scheduled to end on the last day of the month.</p>	5	30E/360 (ISDA)	<p>Date adjustment rules are: (1) if Date1 is the last day of the month, then change Date1 to 30; (2) if D2 is the last day of the month (unless Date2 is the maturity date and Date2 is in February), then change Date2 to 30. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (h). [Symbolic name: ThirtyEThreeSixtyISDA]</p>	30E/360.ISDA	<p>Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (h). Note the algorithm for this day count fraction under the 2006 ISDA Definitions is designed to yield the same results in practice as the version of the 30E/360 day count fraction defined in the 2000 ISDA Definitions. See Introduction to the 2006 ISDA Definitions for further information relating to this change. The number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows: Day Count Fraction = $[360 \times (Y2 - Y1) + 30 \times (M2 - M1) + (D2 - D1)] / 360$. "D1" is the first calendar day, expressed as a number, of the Calculation Period or Compounding Period, unless such number would be 31, in which case D1, will be 30; "D2" is the calendar</p>

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							day, expressed as a number, immediately following the last day included in the Calculation Period or Compounding Period, unless such number would be 31, in which case D2 will be 30.
A008	ActualActualISDA	Method whereby interest is calculated based on the actual number of accrued days of the interest period that fall (falling on a normal year, year) divided by 365, added to the actual number of days of the interest period that fall (falling on a leap year, year) divided by 366.	11	Act/Act (ISDA)	The denominator varies depending on whether a portion of the relevant calculation period falls within a leap year. For the portion of the calculation period falling in a leap year, the denominator is 366 and for the portion falling outside a leap year, the denominator is 365. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (b). [Symbolic name: ActActISDA]	ACT/ACT.ISDA A	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (b) or Annex to the 2000 ISDA Definitions (June 2000 Version), Section 4.16. Day Count Fraction, paragraph (b). Note that going from FpML 2.0 Recommendation to the FpML 3.0 Trial Recommendation the code in FpML 2.0 "ACT/365.ISDA" became "ACT/ACT.ISDA". The actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period or Compounding Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period or Compounding Period falling in a leap year divided by 366

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							and (ii) the actual number of days in that portion of the Calculation Period or Compounding Period falling in a non-leap year divided by 365).
A009	Actual365LorActuActubasisRule	Method whereby interest is calculated based on the actual number of accrued days and a 365-day year (if the coupon payment date is NOT in a leap year) or a 366-day year (if the coupon payment date is in a leap year).	14	Act/365L	The number of days in a period equal to the actual number of days. The number of days in a year is 365, or if the period ends in a leap year 366. Used for sterling floating rate notes. May also be referred to as ISMA Year. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (i). [Symbolic name: ActThreeSixtyFiveL]	ACT/365L	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (i). The actual number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 365 (or, if the later Period End Date of the Calculation Period or Compounding Period falls in a leap year, divided by 366).
A010	ActualActualAFB	Method whereby interest is calculated based on the actual number of accrued days and a 366-day year (if 29 Feb falls in the coupon period) or a 365-day year (if 29 Feb does not fall in the coupon period). If a coupon period is longer than one year, it is split by repetitively separating full year subperiods counting backwards from the end of the coupon period (a year backwards from 28 Feb being 29 Feb, if it exists). The first of the subperiods starts on the start date of the accrued interest period and thus is possibly shorter than a year. Then the interest computation is operated separately on each subperiod and the intermediate results are summed up.	8	Act/Act (AFB)	The actual number of days between Date1 and Date2, the denominator is either 365 (if the calculation period does not contain 29 February) or 366 (if the calculation period includes 29 February). See also AFB Master Agreement for Financial Transactions - Interest Rate Transactions (2004) in Section 4. Calculation of Fixed Amounts and Floating Amounts, paragraph 7 Day Count Fraction, subparagraph (i). [Symbolic name: ActActAFB]	ACT/ACT.AFB	The Fixed/Floating Amount will be calculated in accordance with the "BASE EXACT/EXACT" day count fraction, as defined in the "Définitions Communes plusieurs Additifs Techniques" published by the Association Française des Banques in September 1994. The denominator is either 365 (if the calculation period does not contain 29 February) or 366 (if the calculation period includes

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							29 February) – where a period of longer than one year is involved, two or more calculations are made: interest is calculated for each full year, counting backwards from the end of the calculation period, and the remaining initial stub period is treated in accordance with the usual rule. When counting backwards for this purpose, if the last day of the relevant period is 28 February, the full year should be counted back to the previous 28 February unless 29 February exists, in which case, 29 February should be used.
A011	IC30360ICMAor30360basicrule	Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month, except for February. This means that the 31st is assumed to be the 30th and 28 Feb (or 29 Feb for a leap year) is assumed to be the 28th (or 29th). It is the most commonly used 30/360 method for non-US straight and convertible bonds issued before 1 January 1999.	4	30E/360 (Eurobond Basis)	Also known as 30/360.ISMA, 30S/360, or Special German. Date adjustment rules are: (1) If Date1 falls on the 31st, then change it to the 30th; (2) If Date2 falls on the 31st, then change it to the 30th. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (g). [Symbolic name: ThirtyEThreeSixty]	30E/360	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (g) or Annex to the 2000 ISDA Definitions (June 2000 Version), Section 4.16. Day Count Fraction, paragraph (f). Note that the algorithm defined for this day count fraction has changed between the 2000 ISDA Definitions and 2006 ISDA Definitions. See Introduction to the 2006 ISDA Definitions for further information

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
							relating to this change.
A012	IC30E2360orEurobondbasismodel2	Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month, except for the last day of February whose day of the month value shall be adapted to the value of the first day of the interest period if the latter is higher and if the period is one of a regular schedule. This means that the 31st is assumed to be the 30th and 28 Feb of a non-leap year is assumed to be equivalent to 29 Feb when the first day of the interest period is the 29th, or to 30 Feb when the first day of the interest period is the 30th or the 31st. The 29th day of February in a leap year is assumed to be equivalent to 30 Feb when the first day of the interest period is the 30th or the 31st. Similarly, if the coupon period starts on the last day of February, it is assumed to produce only one day of interest in February as if it was starting on 30 Feb when the end of the period is the 30th or the 31st, or two days of interest in February when the end of the period is the 29th, or three days of interest in February when it is 28 Feb of a non-leap year and the end of the period is before the 29th.					
A013	IC30E3360orEurobondbasismodel3	Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month. This means that the 31st is assumed to be the 30th and 28 Feb (or 29 Feb for a leap year) is assumed to be equivalent to 30 Feb. It is a variation of the 30E/360 (or Eurobond basis) method where the last day of February is always assumed to be the 30th, even if it is the last day of the maturity coupon period.					

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
A014	Actual365NL	Method whereby interest is calculated based on the actual number of accrued days in the interest period, excluding any leap day from the count, and a 365-day year.	15	NL365	The number of days in a period equal to the actual number of days, with the exception of leap days (29 February) which are ignored. The number of days in a year is 365, even in a leap year. [Symbolic name: NLThreeSixtyFive]		
A015	ActualActualUltimo	Method whereby interest is calculated based on the actual number of days in the coupon period divided by the actual number of days in the year. This method is a variation of the ActualActualICMA method with the exception that it assumes that the coupon always falls on the last day of the month. Method equal to ACT/ACT.ISMA in the FpML model and Act/Act (ICMA Ultimo) in the FIX/FIXML model.	10	Act/Act (ICMA Ultimo)	The Act/Act (ICMA Ultimo) differs from Act/Act (ICMA) method only that it assumes that regular coupons always fall on the last day of the month. [Symbolic name: ActActISMAUltimo]	ACT/ACT.ISMA	The Fixed/Floating Amount will be calculated in accordance with Rule 251 of the statutes, by-laws, rules and recommendations of the International Securities Market Association, as published in April 1999, as applied to straight and convertible bonds issued after 31 December 1998, as though the Fixed/Floating Amount were the interest coupon on such a bond. This day count fraction code is applicable for transactions booked under the 2000 ISDA Definitions. Transactions under the 2006 ISDA Definitions should use the ACT/ACT.ICMA code instead.
A016	IC30EPlus360	Method whereby interest is calculated based on a 30-day month and a 360-day year. Accrued interest to a value date on the last day of a month shall be the same as to the 30th calendar day of the same month. This means that the 31st is assumed to be the 30th and 28 Feb (or 29 Feb for a leap year) is assumed to be equivalent to 30 Feb. This method is a variation of the	13	30E+/360	Variation on 30E/360. Date adjustment rules: (1) If Date1 falls on the 31st, then change it to the 30th; (2) If Date2 falls on the 31st, then change it to 1 and increase Month2 by one, i.e., next month. [Symbolic name: ThirtyEPlusThreeSixty]		

Allowable value	ISO 20022 name	ISO 20022 definition ³	FIX/FIXML ⁴ code value	FIX/FIXML code value description	FIX/FIXML definition	FpML ⁵ code	FpML definition
		30E360 method with the exception that if the coupon falls on the last day of the month, change it to 1 and increase the month by 1 (i.e., next month). Method equal to ThirtyEPlusThreeSixty in the FIX/FIXML model.					
A017	Actual364	Method whereby interest is calculated based on the actual number of accrued days in the interest period divided by 364. Method equal to Act364 in the FIX/FIXML model.	17	Act/364	The actual number of days between Date1 and Date2, divided by 364. [Symbolic name: Act364]		
A018	Business252	Method whereby interest is calculated based on the actual number of business days in the interest period divided by 252. Usage: Brazilian Currency Swaps. Method equal to BUS/252 in the FpML model and BusTwoFiftyTwo in the FIX/FIXML model.	12	BUS/252	Used for Brazilian real swaps, which is based on business days instead of calendar days. The number of business days divided by 252. [Symbolic name: BusTwoFiftyTwo]	BUS/252	The number of Business Days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 252.
A019	Actual360NL	Method whereby interest is calculated based on the actual number of accrued days in the interest period, excluding any leap day from the count, and a 360-day year.	16	NL360	This is the same as Act/360, with the exception of leap days (29 February) which are ignored. [Symbolic name: NLThreeSixty]		
A020	1/1	If parties specify the Day Count Fraction to be 1/1 then in calculating the applicable amount, 1 is simply input into the calculation as the relevant Day Count Fraction. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (a).	0	1/1	If parties specify the Day Count Fraction to be 1/1 then in calculating the applicable amount, 1 is simply input into the calculation as the relevant Day Count Fraction. See also 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (a). [Symbolic name: OneOne]	1/1	Per 2006 ISDA Definitions, Section 4.16. Day Count Fraction, paragraph (a) or Annex to the 2000 ISDA Definitions (June 2000 Version), Section 4.16. Day Count Fraction, paragraph (a).
NARR	Narrative	Other method.			Other FIX/FIXML code values not listed above and FIX/FIXML code values that are reserved for user extensions, in the range of integer values of 100 and higher.		

3.3 Valuation method

Classification of valuation inputs

Bucket	Input used	Valuation method ⁷
1	<p>Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date [IFRS 13:76/ASC 820-10-35-40]. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. [IFRS 13:77/ASC 820-10-35-41]</p> <p>An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. [IFRS 13: Appendix A/ASC 820-10-20].</p>	Mark-to-market
2	Quoted prices for similar assets or liabilities in active markets [IFRS 13:81/ASC 820-10-35-47] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly)	Mark-to-market
3	Quoted prices for identical or similar assets or liabilities in markets that are not active [IFRS 13:81/ASC 820-10-35-48(b)] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly).	Mark-to-model – historic prices from inactive markets should not be directly used
4	Inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads [IFRS 13:81/ASC 820-10-35-48(c)] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly)	Mark-to-market
5	Inputs that are derived principally from or corroborated by observable market data by correlation or other means (“market-corroborated inputs”) [IFRS 13:81/ASC 820-10-35-48(d)] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly).	Mark-to-model – the inputs can be derived “principally” from observable market data, meaning that unobservable inputs can be used
6	Unobservable inputs for the asset or liability. [IFRS 13:86/ASC 820-10-35-52] Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity’s own data, taking into account all information about market participant assumptions that is reasonably available. [IFRS 13:87-89/ASC 820-10-35-53 - 35-54A]	Mark-to-model – unobservable inputs are used

3.4 Collateralisation category

Value	Name	Definition
UNCO	Uncollateralised	There is no collateral agreement between the counterparties or the collateral agreement(s) between the counterparties stipulates that no collateral (neither initial margin nor variation margin) has to be posted with respect to the derivative transaction.

⁷ The classification provided in this column is independent from IFRS 13/ASC 820 and is for the sole purpose of reporting critical data elements of OTC derivative transactions.

Value	Name	Definition
PAC1	Partially collateralised: Counterparty 1 only	The collateral agreement(s) between the counterparties stipulates that the reporting counterparty regularly posts only variation margin and that the other counterparty does not post any margin with respect to the derivative transaction.
PAC2	Partially collateralised: Counterparty 2 only	The collateral agreement(s) between the counterparties stipulates that the other counterparty regularly posts only variation margin and that the reporting counterparty does not post any margin with respect to the derivative transaction.
PACO	Partially collateralised	The collateral agreement(s) between the counterparties stipulates that both counterparties regularly post only variation margin with respect to the derivative transaction.
OWC1	One-way collateralised: Counterparty 1 only	The collateral agreement(s) between the counterparties stipulates that the reporting counterparty posts the initial margin and regularly posts variation margin and that the other counterparty does not post any margin with respect to the derivative transaction.
OWC2	One-way collateralised: Counterparty 2 only	The collateral agreement(s) between the counterparties stipulates that the other counterparty posts the initial margin and regularly posts variation margin and that the reporting counterparty does not post any margin with respect to the derivative transaction.
O1PC	One-way/partially collateralised: Counterparty 1	The collateral agreement(s) between the counterparties stipulates that the reporting counterparty posts the initial margin and regularly posts variation margin and that the other counterparty regularly posts only variation margin.
O2PC	One-way/partially collateralised: Counterparty 2	The collateral agreement(s) between the counterparties stipulates that the other counterparty posts the initial margin and regularly posts variation margin and that the reporting counterparty regularly posts only variation margin.
FULL	Fully collateralised	The collateral agreement(s) between the counterparties stipulates that both counterparties post initial margin and regularly post variation margin with respect to the derivative transaction.

4 Examples

To be provided in the final version.

B.1.2 Notice of Ministerial Approval of OSC Rule 33-508 Extension to Ontario Instrument 33-507 Exemption From Underwriting Conflict Disclosure Requirements

**NOTICE OF MINISTERIAL APPROVAL OF
OSC RULE 33-508 EXTENSION TO ONTARIO INSTRUMENT 33-507
EXEMPTION FROM UNDERWRITING CONFLICT DISCLOSURE REQUIREMENTS**

Ministerial Approval

On March 1, 2022, the Ontario Securities Commission (the **Commission**) made as a rule under the *Securities Act* (Ontario) local OSC Rule 33-508 *Extension to Ontario Instrument 33-507 Exemption from Underwriting Conflicts Disclosure Requirements* (the **Rule**) in Ontario.

The above material was published on March 3, 2022 in the Bulletin. See (2022), 45 OSCB 2162.

On April 20, 2022, the Minister of Finance approved the Rule.

The text of the Rule is published in Chapter 5 of this Bulletin.

Effective Date

The Rule has an effective date of August 18, 2022.

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B.2 Orders

B.2 Orders

B.2.1 New Placer Dome Gold Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

May 25, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
NEW PLACER DOME GOLD CORP.
(the Filer)**

ORDER

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11- 102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland; and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 3 This order is based on the following facts represented by the Filer:
1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
 2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
 3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
 4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
 5. the Filer is not in default of securities legislation in any jurisdiction.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Noreen Bent”
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2022/0243

B.3 Reasons and Decisions

B.3 Reasons and Decisions

B.3.1 Mackenzie Financial Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit extensions of two prospectus lapse dates by 80 days and 137 days, to facilitate consolidation of the funds' prospectuses with the prospectuses of other funds under common management – no conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

May 31, 2022

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(the Mackenzie Series Funds)

AND THE FUNDS LISTED IN SCHEDULE B
(the Laurentian Series Funds, and together with
the Mackenzie Series Funds, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the simplified prospectus, fund facts and annual information form of the Mackenzie Series Funds dated July 12, 2021 (the

Mackenzie Series Prospectus) and the simplified prospectus, fund facts and annual information form of the Laurentian Series Funds dated July 12, 2021 (the **Laurentian Series Prospectus**, and together with the Mackenzie Series Prospectus, the **Prospectuses**) be extended to those time limits that would apply if the lapse dates of the Prospectuses were September 29, 2022 (in the case of the Mackenzie Series Prospectus) and November 25, 2022 (in the case of the Laurentian Series Prospectus) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Other Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and National Instrument 81-102 *Investment Funds* (**NI 81-102**) have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

Background Facts

The Filer

1. The Filer is a corporation amalgamated under the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in the Other Jurisdictions, as an investment fund manager in Newfoundland and Labrador and Québec, and as an adviser in Manitoba.
3. The Filer is the manager, trustee and portfolio manager of each of the Funds.
4. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Jurisdictions.

B.3: Reasons and Decisions

5. Each Fund is an open-ended mutual fund trust established under the laws of Ontario and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.
6. The Funds currently distribute securities in the Jurisdictions under the Prospectuses.

Reasons for the Lapse Date Extension

7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the Mackenzie Series Prospectus and the Laurentian Series Prospectus is July 12, 2022. Accordingly, under subsection 62(2) of the Act, the distribution of securities of each Fund would have to cease on its current lapse date unless: (i) the Funds file a pro forma simplified prospectus at least 30 days prior to its current lapse date; (ii) the final simplified prospectus is filed no later than 10 days after its current lapse date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after its current lapse date.
8. The Filer is the investment fund manager of (i) 80 other funds (the **September Funds**) that currently distribute their securities under a simplified prospectus, fund facts and annual information form with a lapse date of September 29, 2022 (the **September Prospectus**) and (ii) 40 other funds (the **November Funds**) that currently distribute their securities under a simplified prospectus, fund facts and annual information form with a lapse date of November 25, 2022 (the **November Prospectus**).
9. The Filer wishes to combine the (i) Mackenzie Series Prospectus with the September Prospectus and (ii) the Laurentian Series Prospectus with the November Prospectus, in order to reduce renewal, printing and related costs.
10. Offering (i) the Mackenzie Series Funds and the September Funds under one prospectus and (ii) the Laurentian Series Funds and the November Funds under one prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. The Mackenzie Series Funds and Laurentian Series Funds share many common operational and administrative features with the September Funds and the November Funds respectively, and combining them under two prospectuses (as opposed to four) will allow investors to compare their features more easily.
11. It would be impractical to alter and modify all the dedicated systems, procedures and resources required to prepare the September Prospectus and the November Prospectus, and unreasonable to incur the costs and expenses associated therewith, so that the September Prospectus and the November Prospectus can be filed earlier with the

Mackenzie Series Prospectus and the Laurentian Series Prospectus, respectively.

12. If the Exemption Sought is not granted, it will be necessary to renew the Mackenzie Series Prospectus and the Laurentian Series Prospectus twice within a short period of time in order to consolidate the Mackenzie Series Prospectus with the September Prospectus, and the Laurentian Series Prospectus with the November Prospectus.
13. The Filer may make minor changes to the features of the Mackenzie Series Funds as part of the Mackenzie Series Prospectus, and to the features of the Laurentian Series Funds as part of the Laurentian Series Prospectus. The ability to file the Mackenzie Series Prospectus with the September Prospectus, and the Laurentian Series Prospectus with the November Prospectus, will ensure that the Filer can make the operational and administrative features of the respective funds consistent with each other.
14. There have been no material changes in the affairs of the Funds since the date of the applicable Prospectus, other than those for which amendments have been filed. Accordingly, the Prospectuses of the Funds represent current information regarding the Funds.
15. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the Prospectus of the applicable Fund(s) will be amended as required under the Legislation.
16. New investors of the Funds will receive delivery of the most recently filed fund facts document(s) of the applicable Fund(s). The Prospectuses will still be available upon request.
17. The Exemption Sought will not affect the accuracy of the information contained in the Prospectuses and therefore will not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Application File #: 2022/0226

**SCHEDULE A
THE MACKENZIE SERIES FUNDS**

Canadian Equity Funds

Mackenzie Betterworld Canadian Equity Fund

US Equity Funds

Mackenzie US Growth Fund

Mackenzie US Small-Mid Cap Growth Fund

Mackenzie US Small-Mid Cap Growth Currency Neutral Fund

Global Equity Funds

Mackenzie Betterworld Global Equity Fund

Mackenzie Global Growth Fund

Mackenzie Global China Fund

Mackenzie Ivy European Fund

Mackenzie Ivy Foreign Equity Currency Neutral Fund

Sector Funds

Mackenzie Gold Bullion Fund

Mackenzie Precious Metals Fund

Managed Asset Portfolios

Symmetry Equity Portfolio

Maximum Diversification Fund

Mackenzie Maximum Diversification Canada Index Fund

**SCHEDULE B
THE LAURENTIAN SERIES FUNDS**

Canadian Equity Funds

Mackenzie Canadian Dividend Fund

Mackenzie Canadian Equity Fund

Mackenzie Canadian Small Cap Fund

US Equity Fund

Mackenzie US Small-Mid Cap Growth Fund

Global Equity Fund

Mackenzie Global Growth Fund

Mackenzie Global Small-Mid Cap Fund

Managed Asset Portfolios

Symmetry Equity Portfolio

B.3.2 Hamilton Capital Partners Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual fund trusts for extension of the lapse date of their prospectus – Filer will incorporate a new fund into the existing prospectus that qualifies units of the existing funds for distribution – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus – Relief granted under subsection 62(5) of the Securities Act to permit the extension of 62 days.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

May 31, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
HAMILTON CAPITAL PARTNERS INC.
(the Filer)**

AND

HAMILTON ENHANCED CANADIAN BANK ETF

AND

**HAMILTON ENHANCED MULTI-SECTOR
COVERED CALL ETF
(the Funds)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the time limits for the renewal of the long form prospectus of the Funds dated July 8, 2021, as amended by amendment no. 1 thereto dated October 15, 2021 and amendment no. 2 thereto dated May 6, 2022 (together, the **Current Prospectus**) be extended to those time limits that would apply if the lapse date of the Current Prospectus was September 8, 2022 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 - *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Quebec, Prince Edward Island, Northwest Territories, Nunavut, and Yukon (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Ontario with a head office in Toronto.
2. The Filer currently is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland & Labrador; (ii) an exempt market dealer in Ontario; and (iii) a portfolio manager in Ontario.
3. The Filer is the investment fund manager of the Funds.
4. Each Fund is an open-ended, exchange-traded, mutual fund trust established under the laws of Ontario. The Funds are each reporting issuers as defined in the securities legislation of each of the Canadian Jurisdictions. Securities of the Funds are listed for trading on the Toronto Stock Exchange.
5. Neither the Filer nor the Funds are in default of securities legislation in any of the Canadian Jurisdictions.
6. The Funds currently distribute their securities in the Canadian Jurisdictions under the Current Prospectus.
7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the Funds is July 8, 2022 (the **Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the Lapse Date unless: (i) the Funds file a pro forma long form prospectus at least 30 days prior to the Lapse Date; (ii) the final long form prospectus is filed no later than 10 days after the Lapse Date; and (iii) a receipt for the final long form prospectus is obtained within 20 days of the Lapse Date.
8. Without the Exemption Sought, the renewal pro forma prospectus relating to the Funds is therefore required to be filed by June 8, 2022 (the **Pro Forma**

- Deadline**) in order for securities of each of the Funds to continue to be distributed after the Lapse Date.
9. The Filer is considering adding an additional, new, fund to the Funds' prospectus (the **New Fund**). The terms of such New Fund have not been finalized. In order to create a single prospectus for the Funds and the New Fund, renewal documentation and disclosure relating to the Funds and the New Fund will need to be finalized, combined and translated.
 10. Offering the Funds and the New Fund under one prospectus would facilitate the distribution of the Funds and the New Fund in the Canadian Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the New Fund will be managed by the Filer, established under the same declaration of trust as the Funds, and share a number of common features with the Funds, offering the New Fund under the same prospectus as the Funds will allow investors to more easily compare their features.
 11. The process being undertaken by the Filer to include disclosure relating to the New Fund in the same prospectus as the Funds requires additional time in order to properly update and streamline and translate the disclosure of the Funds and the New Fund. Given the time required to perform these tasks accurately, the Filer does not have sufficient time to finalize and file the preliminary and pro forma prospectus combining the Funds and the New Fund by the Pro Forma Deadline.
 12. The terms of the New Fund have not been finalized and therefore including the disclosure relating to the New Fund in a combined pro forma and preliminary prospectus would not be possible if such combined pro forma and preliminary prospectus was required to be filed by the Pro Forma Deadline.
 13. Providing an extension for the Lapse Date will permit the New Fund to be included in the renewal prospectus of the Funds.
 14. Other than as already disclosed in accordance with the requirements of National Instrument 81-106 *Investment Fund Continuous Disclosure*, there have been no material changes in the affairs in either of the Funds since the date of the Current Prospectus. Accordingly, the Current Prospectus and ETF Facts documents of the Funds represent current information regarding the Funds.
 15. Given the disclosure obligations of the Funds, should an additional material change in the affairs of the Funds occur, the Current Prospectus and current ETF Facts documents of the Funds will be

further amended as required under applicable legislation.

16. New investors in the Funds will receive delivery of the most recently filed ETF Facts documents of the Funds, as applicable. The Current Prospectus will still be available upon request.
17. The Exemption Sought will not affect the accuracy of the information contained in the Current Prospectus or the respectively filed ETF Facts documents of the Funds, and therefore will not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Application File #: 2022/0256

B.3.3 Freedom International Brokerage Company and RBC Dominion Securities Inc.

Headnote

Under paragraph 4.1(1)(a) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm. The Filers have sought relief from that prohibition. The firm employing an individual as a registered representative is an owner of the second registered firm and entitled to appoint a director to its board. The individual representative will have sufficient time to adequately serve both firms. The potential for conflicts of interest is significantly reduced compared to other similar arrangements because the second firm operates as an inter-dealer bond broker and does not compete with the shareholder firm. The filers have policies in place to handle potential conflicts of interest. Relief from the prohibition has been granted.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 13.4 and 15.1.

May 31, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Principal Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FREEDOM INTERNATIONAL BROKERAGE COMPANY
(FREEDOM),
AND
RBC DOMINION SECURITIES INC.
(DS)**

DECISION

Background

The regulator in the Principal Jurisdiction (the **Decision Maker**) has received a joint application from Freedom and DS (each a **Filer**) for a decision under the securities legislation of the Principal Jurisdiction (the **Legislation**), pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), providing for an

exemption from the requirement contained in paragraph 4.1(1)(a) of NI 31-103 to allow DS to permit Mr. Daniel Ram to act as a dealing representative of DS while also acting as a director of Freedom (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission (the **OSC**) is the principal regulator for this joint application; and
- (b) DS has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories of Canada (collectively, the **Jurisdictions**) other than the Principal Jurisdiction.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by each of the Filers insofar as such facts relate to that Filer:

Freedom

- 1. Freedom is an unlimited liability company incorporated under the laws of Nova Scotia.
- 2. The principal regulator of Freedom is the OSC because Freedom's principal office is located in Toronto, Ontario.
- 3. Freedom is registered as an exempt market dealer in Ontario and Québec, and has been approved as an inter-dealer bond broker by the Investment Industry Regulatory Organization of Canada (**IIROC**).
- 4. As an inter-dealer bond broker, Freedom provides an integrated voice and electronic brokerage service to its clients in accordance with the requirements of Series 7300 of the IIROC Rules (**Series 7300**).
- 5. Pursuant to Series 7300, all of Freedom's clients are typically Canadian investment dealers, Canadian chartered banks and/or an affiliated entity.
- 6. As an inter-dealer bond broker, Freedom acts as an agent for its customers in allowing a customer to buy and/or sell domestic and international corporate and government bonds, derivatives and other

- related securities (collectively, **Debt Securities**) to another customer of Freedom.
7. Freedom never acts as principal in effecting a trade with a client (i.e., Freedom only matches an order by a buyer with a seller and vice versa).
 8. Freedom is owned (i) indirectly by a wholly-owned subsidiary of BGC Partners Inc. (**BGC**), a leading global brokerage company servicing the financial and real estate markets with its head office in London, England, and (ii) directly by, or indirectly by a wholly-owned subsidiary of BMO Nesbitt Burns Inc., CIBC World Markets Inc., DS, Merrill Lynch Canada Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the **Shareholders**).
 9. The board of directors of Freedom (the **Board**) consists of five representatives from BGC and one representative from each of the other Shareholders for a total of 11 directors. The members of the Board do not receive any compensation for acting as a director of Freedom.
 10. BGC and the other Shareholders have entered into a unanimous shareholders agreement which effectively limits the ability of the directors of Freedom to oversee the operations of Freedom and imposes restraints on what Freedom can do without shareholder approval.
 11. Freedom and DS are not affiliates.

DS

12. DS is registered as an investment dealer in each of the provinces and territories of Canada, as a futures commission merchant in Ontario, as a derivatives dealer in Québec, is a member of IIROC, and is indirectly owned by the Royal Bank of Canada.
13. The principal regulator of DS is the OSC because DS's principal office is located in Toronto, Ontario.
14. Mr. Ram is registered as a dealing representative (investment dealer) of DS in each of the provinces of Canada. DS wants to appoint Mr. Ram as its representative on the Board.
15. Mr. Ram is currently a Managing Director at DS and is responsible for buying and selling Debt Securities for institutional investors, (ii) analyzing current market conditions, and (iii) implementing

decisions to yield positive returns / profits for such institutional clients.

16. DS uses the services of Freedom to effect trades of Debt Securities on its own behalf and on behalf of its clients from time to time.

Dual Registration

17. Mr. Ram has extensive knowledge about fixed income securities and the marketplace in which Freedom operates, and as such, subject to regulatory approval, Freedom would like to appoint Mr. Ram to act as a member of the Board as it will assist Freedom to remain competitive and to be responsive to its clients' interests.
18. DS has determined that Mr. Ram is the appropriate person to sit on the Board and that it does not have another individual that is not registered in the Jurisdictions who has the necessary expertise.
19. Mr. Ram will be supervised by DS.
20. The day-to-day operations of Freedom are carried out by the executive management and employees of Freedom. Mr. Ram will not have any role in the day-to-day operations of Freedom.
21. Neither DS or Mr. Ram will have access to Freedom's systems, which access would enable either DS or Mr. Ram to influence the actions of a client of Freedom to the benefit of DS or Mr. Ram in relation to a trade.
22. At no time will the interests of DS be favoured over the other clients of Freedom as a result of Mr. Ram being a member of Freedom's Board.
23. It is anticipated that Mr. Ram will spend between four to six hours per quarter on his duties as a director of Freedom.
24. The directors of Freedom are subject to a detailed policy governing conflicts of interest (the **Freedom Policy**). The Freedom Policy specifically addresses the situation where a representative, that is a director appointed by a Shareholder, has a conflict of interest or duty arising from the concurrent fiduciary duties owed to Freedom and the respective Shareholder.
25. The Freedom Policy proceeds from the principle that as a director of Freedom and as a member of the Board, Mr. Ram owes an unqualified fiduciary duty to Freedom. The Freedom Policy enforces that

principle by providing that where a director or the Board identifies a conflict of interest, the Board will adopt a protocol for managing the conflict which must include provisions relating to:

- (a) whether the conflicted director must withdraw from the Board meeting for the duration of any discussion on a relevant matter, and whether the Board may waive such a requirement;
- (b) whether, in light of applicable law or other relevant circumstances, the conflicted director may vote in connection with any Board decision on that matter; and
- (c) whether, subject to such restrictions as the Board may impose, the conflicted director may receive Board papers or other information which relates in any way to the subject-matter that gives rise to the conflict (the **Information**). Where the Board decides that Mr. Ram may not receive the Information, and the Board further decides that the conflict of duty is of such nature or sensitivity that it is not appropriate for Mr. Ram to be made aware of the nature of the Information, Mr. Ram will not be notified of the nature of the Information.

26. To further protect Freedom, the Freedom Policy contains guidelines relating to:

- (a) the circumstances in which the Information may be passed on by Mr. Ram to DS, who nominated Mr. Ram;
- (b) the right of Freedom to place an embargo on the Information which must not be passed on because of its sensitivity; and
- (c) acceptance by DS of the obligation of confidentiality in relation to any Information received.

27. DS has appropriate compliance and supervisory policies and procedures to deal with any conflicts of interest that may arise as a result of Mr. Ram being a director of Freedom.

28. The potential for conflicts of interest or client confusion due to Mr. Ram acting as

a director of Freedom and a dealing representative of DS is mitigated by the following:

- (a) DS does not compete with Freedom;
- (b) members of the Board serve without remuneration;
- (c) Mr. Ram will not be involved in the day-to-day operations of Freedom's operations;
- (d) neither DS or Mr. Ram will have access to Freedom's systems, which access would enable DS or Mr. Ram to influence the actions of a client of Freedom to the benefit of DS or Mr. Ram in relation to a trade; and
- (e) at no time will Freedom favour the interests of DS as a result of Mr. Ram being a member of the Board.

29. Neither Filer is in default of securities, commodities or derivatives legislation in any Jurisdiction.

30. In the absence of the Exemption Sought, DS would be prohibited under section 4.1(1)(a) of NI 31-103 from allowing Mr. Ram to act as a dealing representative of DS while also acting as a director of Freedom.

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted, provided that the circumstances described above remain in place.

"Felicia Tedesco"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2022/0152

B.3.4 VirgoCX Inc.

IN THE MATTER OF
VIRGO CX INC.
(the Filer)

DECISION

Headnote

Application for time-limited relief from suitability requirement, prospectus requirement and trade reporting requirements – relief to allow the Filer to distribute Crypto Contracts and operate a platform that facilitates the buying, selling and holding of crypto assets – relief granted subject to certain conditions set out in the decision, including investment limits, disclosure and reporting requirements – relief is time-limited to allow the Filer to operate while seeking registration as an investment dealer and membership with IIROC – relief will expire upon two (2) years – relief granted based on the particular facts and circumstances of the application with the objective of fostering innovative businesses in Canada – decision should not be viewed as precedent for other filers.

Statute cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 53 and 74.

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 21-101 Marketplace Operation, s. 1.1.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.3.
OSC Rule 91-506 Derivatives: Product Determination, ss. 2 and 4.
OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Part 3.

May 30, 2022

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)
AND
ALBERTA,
BRITISH COLUMBIA,
MANITOBA,
NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
NOVA SCOTIA,
NUNAVUT,
PRINCE EDWARD ISLAND,
QUÉBEC,
SASKATCHEWAN,
AND
YUKON
AND
IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS
AND

Background

As set out in Joint CSA/IIROC Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements (Staff Notice 21-329)* and CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets (Staff Notice 21-327)*, securities legislation applies to crypto asset trading platforms (CTPs) that facilitate or propose to facilitate the trading of instruments or contracts involving crypto assets because the user's contractual right to the crypto asset may itself constitute a security and/or a derivative (Crypto Contract).

To foster innovation and respond to novel circumstances, the CSA has considered an interim, time-limited registration that would allow CTPs to operate within a regulated environment, with regulatory requirements tailored to the CTP's operations. The overall goal of the regulatory framework is to ensure there is a balance between the need to be flexible and facilitate innovation in the Canadian capital markets, while upholding the regulatory mandate of promoting investor protection and fair and efficient capital markets.

The Filer operates a CTP and has applied for registration as a restricted dealer in each province and territory of Canada. While registered as a restricted dealer, the Filer intends to seek membership with the Investment Industry Regulatory Organization of Canada (IIROC). This Decision has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Applicable Jurisdictions (as defined below) will not consider this Decision as constituting a precedent for other filers.

Relief Requested

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from:

- (a) the prospectus requirements of the Legislation in respect of the Filer entering into Crypto Contracts with clients (**Clients**, and each a **Client**) to purchase, hold and sell Crypto Assets (as defined below) (the **Prospectus Relief**); and
- (b) the requirement in section 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* that, before it opens an account, takes investment action for a client, or makes a recommendation or exercises discretion to take investment action, to determine on a reasonable basis that the action is suitable for the Client (the **Suitability Relief**, together with the Prospectus Relief, the **Passport Relief**).

The securities regulatory authority or regulator in the Jurisdiction and each of the other jurisdictions referred to in Appendix A (the **Jurisdictions**) (the **Coordinated Review Decision Makers**) have received an application from the Filer for a decision under the securities legislation of the Jurisdictions exempting the Filer from certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**).

The Passport Relief and the Trade Reporting Relief are referred to collectively as the **Requested Relief**.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

- (a) the Ontario Securities Commission is the principal regulator for this Application (the **Principal Regulator**),
- (b) in respect of the Passport Relief, the Filer has provided notice that, in the jurisdictions where required, subsection 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Non-Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**), and
- (c) the decision in respect of the Trade Reporting Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

Interpretation

For the purposes of this Decision, terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this Decision, unless otherwise defined.

Representations

This decision (the **Decision**) is based on the following facts represented by the Filer:

The Filer

1. The Filer is a corporation incorporated under the federal laws of Canada with its principal and head office in Toronto, Ontario.
2. The Filer operates under the business name of "VirgoCX".
3. The Filer is a wholly-owned subsidiary of VirgoCX Global Holdings Inc. (**VGHI**).
4. The Filer and VGHI do not have any securities listed or quoted on an exchange or in any jurisdiction inside or outside of Canada.
5. The Filer's personnel consist of software engineers, compliance professionals and client

support representatives who each have experience operating in a regulated environment as a money services business (**MSB**) and expertise in blockchain technology. All of the Filer's personnel have passed, and new personnel will have passed, criminal records and credit checks.

6. The Filer is not in default of securities legislation of any jurisdiction in Canada, except in respect of the Filer's trading of Crypto Contracts prior to the date of this Decision.

VirgoCX Platform

7. The Filer operates a proprietary and automated internet-based platform for the trading of crypto assets in Canada (the **VirgoCX Platform**) that enables Clients of the Filer to buy, sell, hold, deposit and withdraw crypto assets such as bitcoin, ether, and anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token that are not themselves securities or derivatives (each a **Crypto Asset**, collectively the **Crypto Assets**) through the Filer.
8. The Filer's role under the Crypto Contracts is to buy or sell Crypto Assets and to provide custody services for all Crypto Assets held in accounts on the VirgoCX Platform.
9. The VirgoCX Platform is governed by terms of service (the **VirgoCX TOS**).
10. Under the VirgoCX TOS, the Filer maintains certain controls over Client Crypto Assets to ensure compliance with applicable law and provide secure custody of the Client assets.
11. The Filer's trading of Crypto Contracts is consistent with activities described in Staff Notice 21-327 and constitutes the trading of securities and/or derivatives.
12. The Filer does not have any authority to act on a discretionary basis on behalf of Clients and will not offer or provide discretionary investment management services relating to Crypto Assets.
13. The Filer is registered as a MSB under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (**Canadian AML/ATF Law**).
14. The Filer is not a member firm of the Canadian Investor Protection Fund (**CIPF**) and Client Crypto Assets do not qualify for CIPF coverage. The Risk Statement (as defined below) includes disclosure that there is no CIPF coverage for the Crypto Assets and Clients must acknowledge that they have received, read and understood the Risk Statement before opening an account with the Filer.
15. Upon the Filer's registration as a restricted dealer, the Filer will make available to Clients the services

of the Ombudsman for Banking Services and Investments to resolve complaints made by Clients.

OTC Trading

16. VirgoCX Direct Inc., an affiliate of the Filer, operates an over-the-counter (**OTC**) trading desk for orders of a minimum size of C\$30,000. The OTC trading desk allows clients to purchase or sell Crypto Assets from VirgoCX Direct Inc. VirgoCX Direct Inc. immediately delivers, as described in Staff Notice 21-327, any purchased Crypto Assets to the purchaser at a blockchain wallet address specified by the purchaser which is not under the ownership, possession, or control of VirgoCX Direct Inc or the Filer.

Crypto Assets Available Through the Platform

17. The Filer has established and applies policies and procedures to review Crypto Assets and to determine whether to allow Clients on the VirgoCX Platform to enter into Crypto Contracts to buy and sell the Crypto Asset on the VirgoCX Platform (**KYP Policy**). Such review includes, but is not limited to, publicly-available information concerning:

- (a) the creation, governance, usage and design of the Crypto Asset, including the source code, security and roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;
- (b) the supply, demand, maturity, utility and liquidity of the Crypto Asset;
- (c) material technical risks associated with the Crypto Asset, including any code defects, security breaches and other threats concerning the Crypto Asset and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- (d) legal and regulatory risks associated with the Crypto Asset, including any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of the Crypto Asset.

18. The Filer only offers and only allows Clients to enter into Crypto Contracts to buy and sell Crypto Assets that are not each themselves a security and/or a derivative.

19. The Filer does not allow Clients to enter into a Crypto Contract to buy and sell Crypto Assets unless the Filer has taken steps to:

- (a) assess the relevant aspects of the Crypto Asset pursuant to the KYP Policy and, as

described in representation 17, to determine whether it is appropriate for its Clients,

- (b) approve the Crypto Asset, and Crypto Contracts to buy and sell such Crypto Asset, to be made available to Clients, and
- (c) monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.

20. The Filer is not engaged, and will not engage, in trades that are part of, or designed to facilitate, the creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset or affiliates or associates of such persons.

21. As set out in the Filer's KYP Policy, the Filer determines whether a Crypto Asset available to be bought and sold through a Crypto Contract is a security and/or derivative and is being offered in compliance with securities and derivatives laws, which include but are not limited to:

- (a) consideration of statements made by any regulators or securities regulatory authorities of Canada, other regulators of the International Organization of Securities Commissions jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and
- (b) if the Filer determines it to be necessary, obtaining legal advice as to whether the Crypto Asset is a security and/or derivative under securities legislation of any Canadian jurisdiction.

22. The Filer monitors ongoing developments related to Crypto Assets available on its Platform that may cause a Crypto Asset's status as a security and/or derivative or the assessment conducted by the Filer pursuant to its KYP Policy and as described in representations 17 to 21 to change.

23. The Filer acknowledges that any determination made by the Filer, including those set out in representations 17 to 21 of this Decision, does not prejudice the ability of any of the regulators or securities regulatory authorities of any province or territory of Canada to determine that a Crypto Asset that a Client may enter into a Crypto Contract to buy and sell is a security and/or derivative.

24. As set out in the Filer's KYP Policy, the Filer applies policies and procedures to promptly stop the trading of any Crypto Asset available on the VirgoCX Platform and to allow Clients to liquidate their positions in Crypto Contracts with underlying

Crypto Assets that the Filer ceases to make available on the VirgoCX Platform.

Account Opening

- 25. Each Client must open an account (a **Client Account**) using the Filer's website or mobile application to access the VirgoCX Platform. Client Accounts are governed by the **VirgoCX TOS** that are accepted by Clients at the time of account opening.
- 26. The Filer has adopted eligibility criteria for the onboarding of all Clients. All Clients on the VirgoCX Platform must: (a) successfully complete the Filer's know-your-client (**KYC**) process which satisfies the identity verification requirements applicable to reporting entities under Canadian AML/ATF Law, and (b) hold an account with a Canadian financial institution. Each Canadian Client who is an individual, and each individual who is authorized to give instructions for a Canadian Client that is a legal entity, must be: (c) a Canadian citizen or permanent resident; and (d) 18 years or older.
- 27. The Filer does not provide recommendations or advice to Clients or conduct a trade-by-trade suitability determination for Clients, but rather performs product assessments pursuant to the KYP Policy and account assessments taking into account the following factors (the **Account Appropriateness Factors**):
 - (a) the Client's experience and knowledge in investing in Crypto Assets;
 - (b) the Client's financial assets and income;
 - (c) the Client's risk tolerance; and
 - (d) the Crypto Assets approved to be made available to a Client by entering into Crypto Contracts on the VirgoCX Platform.
- 28. The Account Appropriateness Factors are used by the Filer to evaluate whether entering into Crypto Contracts with the Filer is appropriate for a prospective Client before the opening of a Client Account.
- 29. The Filer has adopted and will apply policies and procedures to conduct an assessment to establish appropriate limits on the losses that a Client that is not a permitted client (as defined in NI 31-103) can incur, what limits will apply to such Client based on the Account Appropriateness Factors (the **Client Limit**), and what steps the Filer will take when the Client approaches or exceeds their Client Limit. After completion of the assessment, the Filer will implement controls to monitor and apply the Client Limits.
- 30. After completion of the account-level appropriateness assessment, a prospective Client receives

appropriate messaging about using the VirgoCX Platform to enter into Crypto Contracts, which, in circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate for the Client, will include prominent messaging to the Client that this is the case and that the Client will not be permitted to open an account with the Filer.

- 31. Additionally, the Filer monitors and will continue to monitor Client Accounts after opening to identify activity inconsistent with the Client's account and product assessment. If warranted, the Client may receive further messaging about the VirgoCX Platform and the Crypto Assets, specific risk warnings and/or receive direct outreach from the Filer about their activity. The Filer monitors compliance with the Client Limits established in representation 29. If warranted, the Client will receive messaging when their account is approaching its Client Limit and receive instructions on how to implement a stop loss order to prevent further losses.
- 32. As part of the account opening process:
 - (a) the Filer collects KYC information to verify the identity of the Client in accordance with Canadian AML/ATF Law;
 - (b) the Filer provides a prospective Client with a statement of risks (the **Risk Statement**) that clearly explains the following in plain language:
 - (i) the Crypto Contracts;
 - (ii) the risks associated with the Crypto Contracts;
 - (iii) prominently, a statement that no securities regulatory authority has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the VirgoCX Platform, including any opinion that the Crypto Assets themselves are not securities and/or derivatives;
 - (iv) the due diligence performed by the Filer before making a Crypto Asset available through the VirgoCX Platform, including the due diligence steps taken by the Filer to assess whether the Crypto Asset is a security and/or derivative under the securities legislation of each of the jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most

- significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or derivative;
- (v) that the Filer has prepared a plain language description of each Crypto Asset made available through the VirgoCX Platform, with instructions as to where on the VirgoCX Platform the Client may obtain the descriptions (each, a **Crypto Asset Statement**);
- (vi) the Filer's policies for halting, suspending and withdrawing a Crypto Asset from trading on the VirgoCX Platform, including criteria that would be considered by the Filer, options available to Clients holding such a Crypto Asset, any notification periods and any risks to Clients;
- (vii) the location and manner in which Crypto Assets are held for the Client, the risks and benefits to the client of the Crypto Assets being held in that manner;
- (viii) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the Client arising from the Filer having access to the Crypto Assets in that manner;
- (ix) the Filer is not a member of CIPF and the Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection;
- (x) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of the other Applicable Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision; and
- (xi) the date on which the information was last updated.
33. In order for a prospective Client to open and operate an account with the Filer, the Filer will obtain an electronic acknowledgement from the prospective Client confirming that the prospective Client has received, read and understood the Risk Statement. Such acknowledgement will be prominent and separate from other acknowledgements provided by the prospective Client as part of the account opening process.
34. A copy of the Risk Statement acknowledged by a Client will be made available to the Client in the same place as the Client's other statements on the VirgoCX Platform.
35. The Filer has policies and procedures for updating the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts, Crypto Assets generally, or a specific Crypto Asset, as the case may be. In the event the Risk Statement is updated, existing Clients of the Filer will be promptly notified and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, existing Clients of the Filer will be promptly notified through website and in-App disclosures, with links provided to the updated Crypto Asset Statement.
36. For Clients with pre-existing accounts with the Filer at the time of this Decision, the Filer will:
- (a) conduct the account appropriateness assessment and establish the appropriate Client Limit for the Client as set out in representations 27 to 30 above, and
- (b) deliver to the Client the Risk Statement and will require the Client to provide electronic acknowledgement of having received, read and understood the revised Risk Statement, at the earlier of (i) before placing their next trade or deposit of Crypto Assets and (ii) the next time they log in to their account with the Filer. The Risk Statement must be prominent and separate from other disclosures given to the Client at that time, and the acknowledgement must be separate from other acknowledgements by the Client at that time
37. Before a Client enters a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the Client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the Filer's website or App.
38. Each Crypto Asset Statement will include:
- (a) a prominent statement that no securities regulatory authority in Canada has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the VirgoCX Platform, including an opinion that the

- Crypto Assets are not themselves securities and/or derivatives,
- (b) a description of the Crypto Asset, including the background of the team that first created the Crypto Asset, if applicable,
- (c) a description of the due diligence performed by the Filer with respect to the Crypto Asset,
- (d) any risks specific to the Crypto Asset,
- (e) a direction to the Client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the VirgoCX Platform,
- (f) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision, and
- (g) the date on which the information was last updated.
39. The Filer will also periodically prepare and make available to its clients, educational materials and other informational updates about trading on the VirgoCX Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.
- Operation of the VirgoCX Platform**
40. The VirgoCX Platform operates 24 hours a day, seven days a week.
41. Clients on the VirgoCX Platform enter orders to buy or sell Crypto Assets through the Filer.
42. A Crypto Contract is a bilateral contract between a Client and the Filer. Accordingly, the Filer is the counterparty to all trades entered by Clients on the VirgoCX Platform. For each Client transaction, the Filer will also be a counterparty to a corresponding Crypto Asset buy or sell transaction with a crypto asset trading firm or marketplace (**Liquidity Provider**).
43. The Filer relies upon multiple Liquidity Providers to act as sellers of Crypto Assets that may be purchased by the Filer for its Clients. Liquidity Providers may also buy any Crypto Assets from the Filer that the Filer purchases from its Clients on the VirgoCX Platform and wishes to sell.
44. The Filer evaluates and will continue to evaluate the price obtained from its Liquidity Providers on an ongoing basis against global benchmarks to confirm that it is providing fair and reasonable pricing to its Clients.
45. The Filer has taken or will take reasonable steps to verify that each Liquidity Provider is appropriately registered and/or licensed to trade in the Crypto Assets in their home jurisdiction, or that their activities do not require registration in their home jurisdiction, and that they are not in default of securities legislation in the Applicable Jurisdictions.
46. The Filer has verified that each Liquidity Provider has effective policies and procedures to address concerns relating to fair price, fraud and market manipulation.
47. The Filer charges trading commissions on purchases of Crypto Assets at rates disclosed on the VirgoCX Platform under “Fees” and incorporated by reference into the VirgoCX TOS. The total commission payable in respect of a transaction is disclosed to the Client prior to confirmation of the order.
48. All fees and commissions earned by the Filer are clearly disclosed on the VirgoCX Platform, and the Filer’s Clients can check the quoted prices for Crypto Assets on the VirgoCX Platform against the prices available on other crypto asset trading platforms.
49. The VirgoCX Platform continuously obtains prices for the Crypto Assets made available for trading from a Liquidity Provider, after which the VirgoCX Platform incorporates a ‘spread’ to compensate the Filer to determine the price to offer to Clients. The Filer then presents on a continuous basis this adjusted price to Clients as the price at which the Filer is willing to transact against a Client
50. If the Client finds the price agreeable, the Client may enter a market order to transact against the displayed price. Otherwise, the Client may enter a “limit order” at a price where the client would be willing to trade and if the price offered by the VirgoCX Platform at a future time meets the price entered by the Client, then the Client’s order will automatically be executed.
51. The Filer does not, and will not, offer margin, credit or other forms of leverage to Clients in connection with trading of Crypto Assets on the VirgoCX Platform and will not offer derivatives based on Crypto Assets to Clients other than Crypto Contracts.
52. The Filer records in its books and records the particulars of each trade.
53. The Filer promptly ensures that the increase or decrease in Crypto Assets in the Client’s account resulting from the trade is reflected in the Crypto Asset balances held in custody on the VirgoCX Platform, as described below under “Custody of Crypto Assets”. To the extent necessary to fulfil its

settlement obligations to Clients, the Filer may trade with its Liquidity Providers on a net basis. Where there are net purchases of Crypto Assets over and above what is held in the Filer's inventory, the Filer arranges for the cash to be transferred to the Liquidity Providers and Crypto Assets to be sent by the Liquidity Providers to the Filer. Where there are net sales of Crypto Assets over and above what the Filer wants to hold in inventory, the Filer may sell Crypto Assets to its Liquidity Providers.

54. Trading pairs available on the VirgoCX Platform include Crypto Asset-for-fiat and Crypto Asset-for-Crypto Asset.
55. Clients have access to a complete record of all transactions in their Client Account, including all transfers in of fiat or Crypto Assets, all purchases, sales and withdrawals, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.
56. Clients can fund their account by transferring in fiat currency or Crypto Assets. Clients can transfer in fiat currency by Interac e-transfer or bank wire, with the minimum and maximum amount for each transfer type set out under "Fees" on the VirgoCX Platform. At this time, the Filer does not charge Clients a deposit fee when transferring fiat currency or Crypto Assets into their Client Account.
57. Clients are charged a withdrawal fee when transferring Crypto Assets out of their Client Account to a blockchain address specified by the Client. The withdrawal fee varies by Crypto Asset and is disclosed on the VirgoCX Platform under "Fees". Part of the withdrawal fee covers fees charged by the Filer's payment processor to process the withdrawal transaction. The total withdrawal fee payable in respect of a withdrawal is disclosed to the Client prior to confirmation of the withdrawal.
58. Prior to transferring Crypto Assets out of a Client Account, the Filer conducts secondary verification of the blockchain address and screens the blockchain address specified by the transferring Client using blockchain forensics software.

Custody of Crypto Assets

59. The Filer holds Crypto Assets for the benefit of Clients separate and apart from its own assets and from the assets of any custodial service provider. The Filer is not permitted to pledge, re-hypothecate or otherwise use any Crypto Assets owned by its Clients. The Filer has and will retain the services of third-party custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of Clients. The Filer primarily uses Coinbase Custody Trust Company LLC as custodian (the **Custodian**) and will use other custodians as necessary after reasonable due diligence. Up to 20% of the Filer's

total Client Crypto Assets may be held online in: (i) hot wallets secured by Fireblocks Inc. (**Fireblocks**); and (ii) hot wallets secured by the Filer's proprietary software (**Proprietary Hot Wallets**). A maximum of 5% of the Filer's total Client Crypto Assets may be held in the Proprietary Hot Wallets.

60. The Custodian is registered as a limited purpose trust company with the New York Department of Financial Services (**NYDFS**). The Custodian has completed a Service Organization Controls (SOC) report under the SOC 2 – Type 1 and SOC 2 – Type 2 standards from a leading global audit firm. The Filer has conducted due diligence on the Custodian, including reviewing a copy of the SOC 2 – Type 2 audit reports prepared by the Custodian's auditors and has not identified any material concerns.
61. The Custodian holds all Crypto Assets for Clients of the Filer in an omnibus account in the name of the Filer and separate and distinct from the assets of the Filer, the Filer's affiliates and all of the Custodian's other Clients.
62. Coinbase Global Inc., the parent company of the Custodian, maintains US\$320 million of insurance (per-incident and overall) which covers losses of assets held by the Custodian, on behalf of its Clients due to third-party hacks, copying or theft of private keys, insider theft or dishonest acts by the Custodian employees or executives and loss of keys. The Filer has assessed the Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by the Custodian and considering the scope of the Custodian's business, that the amount of insurance is appropriate.
63. The Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents.
64. The Filer has assessed the risks and benefits of using the Custodian and, has determined that in comparison to a Canadian custodian (as that term is defined in NI 31-103) it is more beneficial to use the Custodian, a U.S. custodian, to hold Client Crypto Assets than a Canadian custodian.
65. The Filer has established, and will maintain and apply, policies and procedures that are reasonably designed to ensure the Custodian's records related to Crypto Assets that the Custodian holds in trust for Clients of the Filer are accurate and complete.
66. The Filer licenses software from Fireblocks which includes a crypto asset wallet that stores private and public keys and interacts with various

- blockchains to send and receive crypto assets and monitor balances. Fireblocks uses secure multiparty computation to share signing responsibility for a particular blockchain address among multiple independent persons.
67. The Filer operates the Proprietary Hot Wallets using software developed by the Filer which stores private and public keys and interacts with various blockchains to send and receive crypto assets and monitor balances. The Proprietary Hot Wallets are programmed to operate automatically within specified maximum value thresholds, and any programming changes or manual transactions require the approval of multiple individuals from the Filer's senior management team.
68. Fireblocks has obtained a SOC report under the SOC 2 – Type 2 standard from a leading global audit firm. The Filer has reviewed a copy of the SOC 2 – Type 2 audit report prepared by the auditors of Fireblocks, and has not identified any material concerns.
69. The Filer has licensed software from Digital Assets Services Limited (trading as Coincover) (**Coincover**) to provide additional security for keys to Crypto Assets held by the Filer using Fireblocks, including key pair creation, key pair storage, device access recovery and account access recovery. Coincover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.
70. Backup key material for the Filer's hot wallets secured using Fireblocks is secured by Coincover and 100% covered against loss or theft by a leading global insurance provider. The Filer has also obtained a guarantee through Coincover for the loss of Crypto Assets held in its Fireblocks hot wallets.
71. The Filer is proficient and experienced in holding Crypto Assets and has established and applied policies and procedures that manage and mitigate custodial risks, including but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities and business continuity plans.
72. The third-party insurance obtained by the Filer includes coverage for the Crypto Assets held by the Filer in cold storage in the event of loss or theft in accordance with the terms of the insurance policy in question.
73. Fireblocks has insurance coverage in the amount of US\$30 million in aggregate which, in the event of theft of Crypto Assets from hot wallets secured by Fireblocks, will be distributed among applicable Fireblocks customers, which could include the Filer, pursuant to an insurance settlement agreement.

74. In addition, backup key material for the Filer's Fireblocks hot wallets is secured by Coincover and 100% covered against loss or theft by a leading global insurance provider.
75. The Filer will supplement the insurance coverage and guarantee available through its services providers for the loss of Crypto Assets held in its hot wallets, by setting aside cash that will be held in an account at a Canadian financial institution, separate from the Filer's operational accounts and Filer's Client Accounts, in an amount agreed upon with its Principal Regulator. Depending on the circumstances, either funds from the guarantee or the bank account would be available in the event of loss of Crypto Assets held in the Filer's hot wallets secured by Fireblocks. In the event of a loss of Crypto Assets held in the Proprietary Hot Wallets, funds from the bank account will be available.

Marketplace and Clearing Agency

76. The Filer will not operate a "marketplace" as that term is defined in National Instrument 21-101 Marketplace Operation and in Ontario, subsection 1(1) of the Act.
77. The Filer will not operate a "clearing agency" or a "clearing house".

Decision

The Principal Regulator is satisfied that the Decision satisfies the test set out in the Legislation for the Principal Regulator to make the Decision and each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief satisfies the test set out in the securities legislation of its jurisdiction for the Coordinated Review Decision Maker to make the Decision in respect of the Trade Reporting Relief.

The decision of the Principal Regulator under the Legislation is that the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation of its jurisdiction is that the Trade Reporting Relief is granted, provided that:

- A. Unless otherwise exempted by a further decision of the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Jurisdiction, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under securities legislation, including the Legislation, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.
- B. The Filer is registered as a restricted dealer or investment dealer in the Jurisdiction and the jurisdiction in which the Client is resident.

B.3: Reasons and Decisions

- C. The Filer, and any representatives of the Filer, will not provide recommendations or advice to any Client or prospective Client.
- D. The Filer will only engage in the business of trading Crypto Contracts in relation to Crypto Assets, and performing its obligations under those contracts. The Filer does not offer derivatives based on Crypto Assets to Clients other than the Crypto Contracts. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation.
- E. The Filer will not operate a "marketplace" as the term is defined in National Instrument 21-101 *Marketplace Operation* and in Ontario, in subsection 1(1) of the Act or a "clearing agency" or "clearing house" as the terms are defined or referred to in securities legislation.
- F. At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of Clients with a custodian that meets the definition of a "qualified custodian" under NI 31-103, unless the Filer has obtained the prior written approval of the Principal Regulator to hold a different percentage with a "qualified custodian".
- G. Before the Filer holds Crypto Assets with a custodian referred to in condition F, the Filer will take reasonable steps to verify that the custodian:
- (a) has appropriate insurance to cover the loss of Crypto Assets held at the custodian,
 - (b) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian, and
 - (c) has obtained a SOC 2 – Type 2 report within the last 12 months, unless the Filer has obtained the prior written approval of the Principal Regulator to alternatively verify that the custodian has obtained a SOC 1 – Type 1 or Type 2 report or a SOC 2 – Type 1 report within the last 12 months.
- H. The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association or the New York State Department of Financial Services makes a determination that the Custodian is not permitted by that regulatory authority to hold Client Crypto Assets.
- I. For the Crypto Assets held by the Filer, the Filer:
- (a) will hold the Crypto Assets for its Clients separate and distinct from the assets of the Filer;
 - (b) will ensure there is appropriate insurance for the loss of Crypto Assets held by the Filer; and
 - (c) will have established and apply written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.
- J. The Filer will only use a Liquidity Provider that it has verified is registered and/or licensed, to the extent required in its home jurisdiction, to execute trades in the Crypto Assets and is not in default of securities legislation in any of the Applicable Jurisdictions, and will promptly stop using a Liquidity Provider if (i) the Filer is made aware that the Liquidity Provider is, or (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada has determined it to be, not in compliance with securities legislation.
- K. The Filer will evaluate the price obtained from its Liquidity Providers on an ongoing basis against global benchmarks and will provide fair and reasonable prices to its Clients.
- L. Before each prospective Client opens an account, the Filer will deliver to the Client a Risk Statement and will require the Client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
- M. For each Client with a pre-existing account at the date of this Decision, the Filer will deliver to the Client a Risk Statement and will require the Client to provide electronic acknowledgement of having received, read and understood the Risk Statement at the earlier of (a) before placing their next trade or deposit of Crypto Assets on the VirgoCX Platform and (b) the next time they log in to their account with the Filer.
- N. The Risk Statement delivered in conditions L and M to new Clients or Clients with pre-existing accounts on the date of this Decision will be prominent and separate from other disclosures given to the Client at the time the Risk Statement is delivered, and the acknowledgement will be separate from other acknowledgements by the Client at that time.

B.3: Reasons and Decisions

- O. A copy of the Risk Statement acknowledged by a Client will be made available to the Client in the same place as the Client's other statements on the VirgoCX Platform.
- P. Before a Client enters into a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the Client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the relevant Crypto Asset Statement on the Filer's website and in-Apps and includes the information set out in representation 38.
- Q. The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts and/or Crypto Assets and,
- (a) in the event of any update to the Risk Statement, will promptly notify each existing Client of the update and deliver to them a copy of the updated Risk Statement, and
- (b) in the event of any update to a Crypto Asset Statement, will promptly notify Clients through electronic disclosures on the VirgoCX Platform, including in the VirgoCX Mobile App, with links provided to the updated Crypto Asset Statement.
- R. Prior to the Filer delivering a Risk Statement to a Client, the Filer will deliver, or will have previously delivered, a copy of the Risk Statement delivered to the client to the Principal Regulator.
- S. For each Client, the Filer will perform an account appropriateness assessment as described in representations 27 to 30 prior to opening an account, on an ongoing basis at least annually.
- T. For each Client with a pre-existing account at the date of this Decision, the Filer will perform an account appropriateness assessment, as described in representations 27 to 30, the next time the Client uses their account. The Client will not be permitted to trade until the completion of the account appropriateness assessment and a determination that the account is appropriate.
- U. The Filer will monitor Client activity and contact Clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading a Crypto Contract is not appropriate for the Client, or that additional education is required.
- V. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets (as set out in Appendix B to this Decision), that a Client, except those Clients resident in Alberta, British Columbia, Manitoba and Québec, may enter into Crypto Contracts to purchase and sell on the VirgoCX Platform (calculated on a net basis and is an amount not less than \$0) in the preceding 12 months does not exceed a net acquisition cost of \$30,000.
- W. The Filer has established and will apply and monitor the Client Limits as set out in representation 29.
- X. In the jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under securities legislation of that jurisdiction.
- Y. The Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:
- (a) change of or use of a new custodian; and
- (b) material changes to the Filer's ownership, its business operations, including its systems, or its business model.
- Z. The Filer will notify the Principal Regulator, promptly, of any material breach or failure of its or its custodian's system of controls or supervision, and what steps have been taken by the Filer or its custodian, as the case may be, to address each such breach or failure. The loss of any amount of Crypto Assets will be considered a material breach or failure.
- AA. The Filer will only trade Crypto Contracts based on Crypto Assets that are not in and of themselves securities or derivatives.
- BB. The Filer will evaluate Crypto Assets as set out in its KYP Policy and described in representations 17 to 212.
- CC. The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a customer in the Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Jurisdiction, where the Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of an order, judgment, decree, sanction, fine, or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of AML laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of

similar or analogous conduct; for the purposes of this condition, the term “Specified Foreign Jurisdiction” means any of the following: Australia, Brazil, any member country of the European Union, Hong Kong, Japan, Republic of Korea, New Zealand, Singapore, Switzerland, United Kingdom of Great Britain and Northern Ireland, and United States of America.

DD. Except to allow Clients to liquidate their positions in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by the Client, the Filer will promptly stop trading Crypto Contracts where the underlying is a Crypto Asset if (i) the Filer determines it to be, (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada or the foreign jurisdiction with which the Crypto Asset has the most significant connection determines it to be, or (iii) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be, a security and/or derivative.

Data Reporting

EE. The Filer will provide the following information to the Principal Regulator, and to the securities regulatory authority or regulator in each of the Non-Principal Jurisdictions with respect to Clients in those jurisdictions individually, within 30 days of the end of each March, June, September and December:

- (a) aggregate reporting of activity conducted pursuant to Crypto Contracts that will include the following:
 - (i) number of Client Accounts opened each month in the quarter;
 - (ii) number of Client Accounts closed each month in the quarter;
 - (iii) number of trades in each month of the quarter;
 - (iv) average value of the trades in each month of the quarter;
 - (v) number of Client Accounts with a net acquisition cost greater than \$30,000 of Crypto Assets at the end of each month in the quarter;
 - (vi) number of Client Accounts with no trades during the quarter;
 - (vii) number of Client Accounts that have not been funded at the end of each month in the quarter; and
 - (viii) number of Client Accounts that hold a positive amount of Crypto

Assets at the end of each month in the quarter;

- (b) the details of any Client complaints received by the Filer during the calendar quarter and how such complaints were addressed;
- (c) the details of any fraudulent activity or cybersecurity incidents on the VirgoCX Platform during the calendar quarter, any resulting harms and effects on Clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activities or incidents from occurring in the future;
- (d) the amount of Crypto Assets held in Proprietary Hot Wallets and in all other hot wallets as of the end of the quarter;
- (e) the amount of the guarantee described in representation 75 as of the end of the quarter;
- (f) the name of the financial institution and the amount of money held at the end of the quarter in an account with the financial institution, separate from the Filer’s operation accounts and Filer’s Client accounts, to supplement any insurance policy or guarantee relating to the Filer’s hot wallets; and
- (g) the details of the transaction volume per Liquidity Provider, per Crypto Asset during the quarter.

FF. The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following anonymized account-level data for activity conducted pursuant to a Crypto Contract for each Client within 30 days of the end of each March, June, September and December:

- (a) unique account number and unique client identifier, as applicable;
- (b) jurisdiction where the Client is located;
- (c) the date the account was opened;
- (d) the amount of fiat held at the beginning of the reporting period and at the end of the reporting period;
- (e) cumulative realized gains/losses since account opening in CAD;
- (f) unrealized gains/losses as of the report end date in CAD;

B.3: Reasons and Decisions

- (g) quantity traded, deposited and withdrawn by Crypto Asset during the quarter in number of units;
- (h) Crypto Asset traded by the Client;
- (i) quantity held of each Crypto Asset by the Client as of the report end date in units;
- (j) CAD equivalent aggregate value for each Crypto Asset traded by the Client, calculated as the amount in (i) multiplied by the market price of the asset in (h) as of the report end date;
- (k) age of account in months; and
- (l) the Client Limit recommended by the Filer on each account.
- GG. Within 7 calendar days from the end of each month, the Filer will deliver to the regulator or securities regulatory authority in each of the Applicable Jurisdictions, a report of all accounts for which the Client Limits established pursuant to representation 29 were exceeded during that month.
- HH. The Filer will deliver to the Principal Regulator, within 30 days of the end of each March, June, September and December, either:
- (a) blackline copies of changes made to the policies and procedures on the operations of its wallets that were previously delivered to the Principal Regulator; or
- (b) a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.
- II. In addition to any other reporting required by Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's custodian(s) and the Crypto Assets held by the Filer's custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the conditions in the Decision, in a format acceptable to the Principal Regulator.
- JJ. Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Non-Principal Jurisdictions with aggregated and/or anonymized data concerning Client demographics and activity on the VirgoCX Platform that may be useful to advance the development of the Canadian regulatory framework for trading crypto assets.
- KK. The Filer will promptly make any changes to its business practices or policies and procedures that may be required to address investor protection
- concerns that may be identified by the Filer or by the Principal Regulator arising from the operation of the VirgoCX Platform.
- LL. The Filer will, if it intends to operate the VirgoCX Platform in Ontario and Québec after the expiry of the Decision, take the following steps:
- (a) submit an application to the OSC and the Autorité des marchés financiers (**AMF**) to become registered as an investment dealer no later than 12 months after the date of the Decision;
- (b) submit an application with the IIROC to become a dealer member no later than 12 months after the date of the Decision; and
- (c) work actively and diligently with the OSC and IIROC to transition the VirgoCX Platform to investment dealer registration and obtain IIROC membership.
- MM. This Decision shall expire upon the date that is two years from the date of this Decision.
- NN. This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.
- In respect of the Prospectus Relief:
- "Erin O'Donovan"
Manager (Acting), Corporate Finance
Ontario Securities Commission
- In respect of the Suitability Relief:
- "Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission
- In respect of the Trade Reporting Relief:
- "Kevin Fine"
Director, Derivatives
Ontario Securities Commission
- OSC File #: 2022/0043

APPENDIX A – LOCAL TRADE REPORTING RULES

In this Decision “**Local Trade Reporting Rules**” means each of the following:

- Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting (OSC Rule 91-507)*, and the power to grant exemption orders set out in Section 42 of OSC Rule 91-507;
- Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting (MSC Rule 91-507)*, and the power to grant exemption orders set out in Section 42 of MSC Rule 91-507; and
- Part 3, Data Reporting of Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon (**MI 96-101**), and the power to grant exemption orders set out in Section 43 of MI 96-101.

APPENDIX B – SPECIFIED CRYPTO ASSETS

- Bitcoin
- Ether
- Bitcoin Cash
- Litecoin

B.3.5 Newfoundland Power Inc. and Caribbean Utilities Company, Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – the Filers request relief from the requirements in section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filers to prepare their financial statements in accordance with U.S. GAAP. Relief granted, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standard, ss. 3.2 and 5.1.

May 31, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
NEWFOUNDLAND POWER INC.
AND
CARIBBEAN UTILITIES COMPANY, LTD.
(collectively, the Ontario Filers)**

DECISION

Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application (the **Application**) from the Ontario Filers for a decision under the securities legislation of the Jurisdiction of the Principal Regulator (the **Legislation**) for an exemption (the **Exemption Sought**) from the requirements of section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that the financial statements of the Ontario Filers (a) be prepared in accordance with Canadian generally accepted accounting principles (**Canadian GAAP**) applicable to publicly accountable enterprises and (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report.

The Exemption Sought is filed in connection with other applications for exemptive relief on the same terms filed with the Alberta Securities Commission, as principal regulator of FortisAlberta Inc., and with the British Columbia Securities Commission, as principal regulator of FortisBC Energy Inc. and FortisBC Inc. The Ontario Filers, together with FortisAlberta Inc., FortisBC Energy Inc. and FortisBC Inc., are referred to collectively as the **Filers**. The Exemption Sought is similar to the exemption granted by the OSC to the Filers on December 15, 2017 in *Re FortisBC Energy Inc., FortisBC Inc., FortisAlberta Inc., Newfoundland Power Inc. and Caribbean Utilities Company, Ltd.* (the **U.S. GAAP Relief**). This decision document of the OSC will revoke U.S. GAAP Relief.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the Principal Regulator for this application;
- (b) the Ontario Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon by them in each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut (the **Passport Jurisdictions**); and
- (c) the decision is the decision of the Principal Regulator and automatically results in an equivalent decision in the Passport Jurisdictions.

Interpretation

In this decision:

- (d) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 52-107 have the same meaning; and
- (e) rate-regulated activities has the meaning ascribed thereto in the Chartered Professional Accountants of Canada Handbook (**Handbook**).

Representations

This decision is based on the following facts represented by the Ontario Filers:

Fortis

1. Fortis Inc. (**Fortis**) is a leader in the North American regulated electric and gas utility industry.
2. Fortis is a reporting issuer or equivalent in the Jurisdiction and each of the Passport Jurisdictions other than the Yukon Territory, the Northwest Territories and Nunavut and is not in default of securities legislation in any jurisdiction in Canada.
3. Fortis is a registrant with the Securities and Exchange Commission subject to the *United States Securities Exchange Act of 1934*, as amended.
4. Fortis is an SEC issuer and relies on section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP.

Newfoundland Power Inc.

5. Newfoundland Power Inc. (**NPI**) is an integrated electric utility incorporated under the laws of Newfoundland and Labrador. The head office of NPI is located in St. John's, Newfoundland and Labrador.
6. NPI is a reporting issuer or equivalent in the Jurisdiction and each of the Passport Jurisdictions other than the Yukon Territory, the Northwest Territories and Nunavut and is not in default of securities legislation in any jurisdiction in Canada.

Caribbean Utilities Company, Ltd.

7. Caribbean Utilities Company, Ltd. (**CUC**) is an integrated electric utility incorporated under the laws of the Cayman Islands. The head office of CUC is located in Grand Cayman, Cayman Islands.
8. CUC is a reporting issuer or equivalent in the Jurisdiction and each of the Passport Jurisdictions other than the Yukon Territory, the Northwest Territories and Nunavut and is not in default of securities legislation in any jurisdiction in Canada.

General

9. Each of the Filers is a subsidiary of Fortis and the financial results of each such subsidiary are reflected in the consolidated financial statements prepared and filed by Fortis.
10. Each of the Filers currently prepares and files its financial statements for annual and interim periods in accordance with U.S. GAAP, relied on the U.S. GAAP Relief or similar prior exemptive relief, and commenced reporting pursuant to U.S. GAAP on January 1, 2012.
11. Each of the Filers has rate-regulated activities.
12. None of the Filers is currently an SEC issuer.
13. Were any of the Filers SEC issuers, they would be permitted by section 3.7 of NI 52-107 to file their financial statements prepared in accordance with U.S. GAAP.
14. The U.S. GAAP Relief provided that it would cease to apply to the Filers on the earliest of: (a) January 1, 2024; (b) if such Filer ceased to have activities subject to rate regulation, the first day of such Filer's financial year that commenced after such Filer ceased to have activities subject to rate regulation; and (c) the effective date prescribed by the International Accounting Standards Board (**IASB**) for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation. Accordingly, in the absence of further relief provided by Canadian securities regulators, the Filers would become subject to Canadian GAAP no later than January 1, 2024. Canadian GAAP includes IFRS as incorporated into the Handbook.

15. In January 2021, the IASB published the Exposure Draft - Regulatory Assets and Regulatory Liabilities, which introduces a proposed standard of accounting for regulatory assets and liabilities, applicable to entities with rate-regulated activities. The issuance by the IASB of a standard within IFRS for entities with rate-regulated activities (a **Mandatory Rate-regulated Standard**) would have resulted in the expiry of the U.S. GAAP Relief, giving rise to the obligation of the Filers to commence financial statement preparation and reporting in accordance with IFRS pursuant to NI 52-107. It is not yet known when the IASB will finalize and implement such a standard and the Filers will require sufficient time to: (a) interpret and implement such standard and transition from financial statement preparation and reporting in accordance with U.S. GAAP to IFRS; and (b) interpret and reconcile the implications on the customer rate setting process resulting from the implementation.

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

16. The decision of the Principal Regulator under the Legislation is that:
- (a) the U.S. GAAP Relief is revoked;
 - (b) the Exemption Sought is granted to each Ontario Filer in respect of such Ontario Filer's financial statements required to be filed on or after the date of this order, provided that the Ontario Filer prepares such financial statements in accordance with U.S. GAAP; and
 - (c) the Exemption Sought will terminate in respect of an Ontario Filer on the earliest of the following:
 - (i) January 1, 2027;
 - (ii) if such Ontario Filer ceases to have rate-regulated activities, the first day of the Ontario Filer's financial year that commences after the Ontario Filer ceases to have rate-regulated activities; and
 - (iii) the first day of such Ontario Filer's financial year that commences on or following the later of:
 - 1. the effective date prescribed by the IASB for a Mandatory Rate-regulated Standard; and
 - 2. two years after the IASB publishes the final version of a Mandatory Rate-regulated Standard.

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

OSC File #: 2022/0638

B.3.6 FortisBC Energy Inc. and FortisBC Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – the Filers request relief from the requirements in section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filers to prepare their financial statements in accordance with U.S. GAAP. Relief granted, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standard, ss. 3.2 and 5.1.

May 31, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FORTISBC ENERGY INC.**

AND

**FORTISBC INC.
(collectively, the BC Filers)**

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) has received an application (the Application) from the BC Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption (the Exemption Sought) from the requirements of section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that the financial statements of the BC Filers:

- (a) be prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) applicable to publicly accountable enterprises and
- (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report.

The Exemption Sought is filed in connection with other applications for exemptive relief on the same terms filed with the Ontario Securities Commission (the OSC), as the principal regulator of Newfoundland Power Inc. and Caribbean Utilities Company, Ltd., and with the Alberta Securities Commission, as principal regulator of FortisAlberta Inc.

The BC Filers, together with Newfoundland Power Inc., Caribbean Utilities Company, Ltd. and FortisAlberta Inc., are referred to collectively as the Filers.

The Exemption Sought is similar to the exemption granted by the OSC to the Filers on December 15, 2017 in *Re. FortisBC Energy Inc., FortisBC Inc., FortisAlberta Inc., Newfoundland Power Inc. and Caribbean Utilities Company, Ltd.* (the U.S. GAAP Relief).

The BC Filers have applied to the OSC to revoke the U.S. GAAP Relief.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the BC Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – Passport System (MI 11-102) is intended to be relied upon in each of Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 In this decision:

- (a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 52-107 have the same meaning; and
- (b) “rate-regulated activities” has the meaning ascribed thereto in the Chartered Professional Accountants of Canada Handbook (Handbook).

Representations

¶ 3 This decision is based on the following facts represented by the BC Filers:

Fortis

- 1. Fortis Inc. (Fortis) is a leader in the North American regulated electric and gas utility industry;
- 2. Fortis is a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and is not in default of securities legislation in any jurisdiction in Canada;
- 3. Fortis is a registrant with the Securities and Exchange Commission subject to the 1934 Act, as amended;
- 4. Fortis is an SEC issuer and relies on section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP;

FortisBC Energy Inc.

- 5. FortisBC Energy Inc. (FEI) is a gas distribution company incorporated under the laws of British Columbia; the head office of FEI is located in Vancouver, British Columbia;
- 6. FEI is a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut and is not in default of securities legislation in any jurisdiction in Canada;

FortisBC Inc.

- 7. FortisBC Inc. (FBC) is an integrated electric utility company incorporated under the laws of British Columbia; the head office of FBC is located in Kelowna, British Columbia;
- 8. FBC is a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and is not in default of securities legislation in any jurisdiction in Canada;

General

- 9. each of the BC Filers is a subsidiary of Fortis and the financial results of each such subsidiary are reflected in the consolidated financial statements prepared and filed by Fortis;
- 10. each of the BC Filers currently prepares and files its financial statements for annual and interim periods in accordance with U.S. GAAP, relied on the U.S. GAAP Relief or similar prior exemptive relief, and commenced reporting pursuant to U.S. GAAP on January 1, 2012;
- 11. each of the BC Filers has rate-regulated activities;
- 12. none of the BC Filers is currently an SEC issuer;

13. were any of the BC Filers SEC issuers, they would be permitted by section 3.7 of NI 52-107 to file their financial statements prepared in accordance with U.S. GAAP; and
14. the U.S. GAAP Relief provided that it would cease to apply to the Filers on the earliest of:
 - (a) January 1, 2024;
 - (b) if such Filer ceased to have activities subject to rate regulation, the first day of such Filer's financial year that commenced after such Filer ceased to have activities subject to rate regulation; and
 - (c) the effective date prescribed by the International Accounting Standards Board (IASB) for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation; accordingly, in the absence of further relief provided by Canadian securities regulators, the Filers would become subject to Canadian GAAP no later than January 1, 2024; Canadian GAAP includes IFRS as incorporated into the Handbook;
15. in January 2021, the IASB published the Exposure Draft - Regulatory Assets and Regulatory Liabilities, which introduces a proposed standard of accounting for regulatory assets and liabilities applicable to entities with rate-regulated activities; the issuance by the IASB of a standard within IFRS for entities with rate-regulated activities (a Mandatory Rate-regulated Standard) would have resulted in the expiry of the U.S. GAAP Relief, giving rise to the obligation of the BC Filers to commence financial statement preparation and reporting in accordance with IFRS pursuant to NI 52-107; it is not yet known when the IASB will finalize and implement such a standard and the BC Filers will require sufficient time to:
 - (a) interpret and implement such standard and transition from financial statement preparation and reporting in accordance with U.S. GAAP to IFRS; and
 - (b) interpret and reconcile the implications on the customer rate setting process resulting from the implementation.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that:

- (a) the Exemption Sought is granted to each BC Filer in respect of such BC Filer's financial statements required to be filed on or after the date of this order, provided that the BC Filer prepares such financial statements in accordance with U.S. GAAP; and
- (b) the Exemption Sought will terminate in respect of a BC Filer on the earliest of the following:
 - (i) January 1, 2027;
 - (ii) if such BC Filer ceases to have rate-regulated activities, the first day of the BC Filer's financial year that commences after the BC Filer ceases to have rate-regulated activities; and
 - (iii) the first day of such BC Filer's financial year that commences on or following the later of:
 - A. the effective date prescribed by the IASB for a Mandatory Rate-regulated Standard; and
 - B. two years after the IASB publishes the final version of a Mandatory Rate-regulated Standard.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2022/0036

B.3.7 FortisAlberta Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – the Filer requests relief from the requirements in section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filer to prepare financial statements in accordance with U.S. GAAP. Relief granted, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standard, ss. 3.2 and 5.1.

Citation: *Re FortisAlberta Inc.*, 2022 ABASC 59

May 31, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA
AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FORTISALBERTA INC.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption (the **Exemption Sought**) from the requirements of section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards (NI 52-107)* that the financial statements of the Filer (a) be prepared in accordance with Canadian generally accepted accounting principles (**Canadian GAAP**) applicable to publicly accountable enterprises and (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report.

The Exemption Sought is filed in connection with other applications for exemptive relief on the same terms filed with the Ontario Securities Commission (the **OSC**), as the principal regulator of Newfoundland Power Inc. and Caribbean Utilities Company, Ltd., and with the British Columbia Securities Commission, as principal regulator of FortisBC Energy Inc. and FortisBC Inc. The Filer, together with Newfoundland Power Inc., Caribbean Utilities Company, Ltd., FortisBC Energy Inc. and FortisBC Inc., are referred to collectively as the **Filers**. The Exemption Sought is similar to the exemption granted by the OSC to the Filers on December 15, 2017 in *Re FortisBC Energy Inc., FortisBC Inc., FortisAlberta Inc., Newfoundland Power Inc. and Caribbean Utilities Company, Ltd.* (the **U.S. GAAP Relief**). The Filer has applied to the OSC to revoke the U.S. GAAP Relief.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Alberta Securities Commission is the Principal Regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon by it in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the **Passport Jurisdictions**); and

- (c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

In this decision:

- (a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 52-107 have the same meaning; and
- (b) rate-regulated activities has the meaning ascribed thereto in the Chartered Professional Accountants of Canada Handbook (Handbook).

Representations

This decision is based on the following facts represented by the Filer:

Fortis

1. Fortis Inc. (**Fortis**) is a leader in the North American regulated electric and gas utility industry.
2. Fortis is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction in Canada.
3. Fortis is a registrant with the Securities and Exchange Commission subject to the *United States Securities Exchange Act of 1934*, as amended.
4. Fortis is an SEC issuer and relies on section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP.

The Filer

5. The Filer is an electricity distribution company incorporated under the laws of Alberta. The head office of the Filer is located in Calgary, Alberta.
6. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction in Canada.

General

7. Each of the Filers is a subsidiary of Fortis and the financial results of each such subsidiary are reflected in the consolidated financial statements prepared and filed by Fortis.
8. Each of the Filers currently prepares and files its financial statements for annual and interim periods in accordance with U.S. GAAP, relied on the U.S. GAAP Relief, or similar prior exemptive relief, and commenced reporting pursuant to U.S. GAAP on January 1, 2012.
9. Each of the Filers has rate-regulated activities.
10. None of the Filers is currently an SEC issuer.
11. Were any of the Filers SEC issuers, they would be permitted by section 3.7 of NI 52-107 to file their financial statements prepared in accordance with U.S. GAAP.
12. The U.S. GAAP Relief provided that it would cease to apply to the Filers on the earliest of: (a) January 1, 2024; (b) if such Filer ceased to have activities subject to rate regulation, the first day of such Filer's financial year that commenced after such Filer ceased to have activities subject to rate regulation; and (c) the effective date prescribed by the International Accounting Standards Board (**IASB**) for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation. Accordingly, in the absence of further relief provided by Canadian securities regulators, the Filers would become subject to Canadian GAAP no later than January 1, 2024. Canadian GAAP includes IFRS as incorporated into the Handbook.
13. In January 2021, the IASB published the Exposure Draft - Regulatory Assets and Regulatory Liabilities, which introduces a proposed standard of accounting for regulatory assets and liabilities, applicable to entities with rate-regulated activities. The issuance by the IASB of a standard within IFRS for entities with rate-regulated activities (a **Mandatory Rate-regulated Standard**) would have resulted in the expiry of the U.S. GAAP Relief, giving rise to the obligation of the Filers

to commence financial statement preparation and reporting in accordance with IFRS pursuant to NI 52-107. It is not yet known when the IASB will finalize and implement such a standard and the Filers will require sufficient time to: (a) interpret and implement such standard and transition from financial statement preparation and reporting in accordance with U.S. GAAP to IFRS; and (b) interpret and reconcile the implications on the customer rate setting process resulting from the implementation.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that:

- (a) the Exemption Sought is granted to the Filer in respect of the Filer's financial statements required to be filed on or after the date of this order, provided that the Filer prepares such financial statements in accordance with U.S. GAAP; and
- (b) the Exemption Sought will terminate in respect of the Filer on the earliest of the following:
 - (i) January 1, 2027;
 - (ii) if the Filer ceases to have rate-regulated activities, the first day of the Filer's financial year that commences after the Filer ceases to have rate-regulated activities; and
 - (iii) the first day of the Filer's financial year that commences on or following the later of:
 - A. the effective date prescribed by the IASB for a Mandatory Rate-regulated Standard; and
 - B. two years after the IASB publishes the final version of a Mandatory Rate-regulated Standard.

For the Commission:

"Tom Cotter"
Vice-Chair

"Kari Horn"
Vice-Chair

OSC File #: 2022-0035

B.3.8 I.G. Investment Management Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to permit mutual funds to invest in underlying US ETFs that may hold more than 10% of their net asset value in securities of U.S. money market funds – relief subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(b) and 19.1.

June 3, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA
AND
ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT LTD.
(IGIM)

DECISION**

Background

The securities regulatory authority or regulator in each of Manitoba and Ontario (the **Decision Makers**) have received an application from IGIM on behalf of IG U.S. Taxpayer Portfolio – Global Fixed Income Balanced (the **Initial Top Fund** and any additional existing mutual funds or those mutual funds established in the future of which IGIM is the manager, and Blackrock (as defined below) is the sub-advisor (the **Additional Top Funds** and together with the **Initial Top Fund**, the **Top Funds** and individually a **Top Fund**) for a decision under the securities legislation of Manitoba and Ontario (the **Legislation**) for relief from paragraph 2.5(2)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in order to permit the Top Funds to purchase and hold shares of one or more U.S. iShares ETFs (as defined below) that may hold more than 10% of its net asset value (**NAV**) in securities of U.S. Money Market Funds (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Manitoba Securities Commission is the principal regulator for the application;
- (b) IGIM has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 – Passport System (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut (together with Manitoba and Ontario, the **Jurisdictions**); and
- (c) The decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in NI 81-102 have the same meaning in this Application as in NI 81-102, unless otherwise defined. Certain other defined terms have the meanings given to them above and below.

Representations

This decision is based on the following facts represented by IGIM:

IGIM

1. IGIM is a corporation continued under the laws of Ontario. It is the trustee, portfolio advisor and manager of the Top Funds. IGIM's head office is in Winnipeg, Manitoba.
2. IGIM is registered as a Portfolio Manager and an Investment Fund Manager in Manitoba, Ontario and Quebec and as an Investment Fund Manager in Newfoundland and Labrador.
3. IGIM and the Top Funds of which it is the investment manager are not in default of any of the requirements of securities legislation in any of the Jurisdictions.

The Top Funds

4. Each Top Fund is, or once established will be, a mutual fund subject to NI 81-102.
5. Each Top Fund has, or will have, IGIM as its trustee, portfolio adviser, and manager, as applicable.
6. Each Top Fund distributes, or will distribute, its securities under a prospectus prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.
7. Each Top Fund is, or will be a reporting issuer in each of the Jurisdictions.
8. The investment objective of the Initial Top Fund will be to provide investors with a globally diversified portfolio solution focused on providing long-term capital stability and income.
9. In order to achieve its investment objective, the Initial Top Fund will primarily invest in U.S. domiciled exchange-traded funds managed by BlackRock Fund Advisors (**BFA**) (**the U.S. iShares ETF**).
10. In order to achieve its investment objective, each Top Fund will purchase and hold up to 100% of its NAV in securities of one or more U.S. iShares ETFs.
11. BlackRock Asset Management Canada Limited (**Blackrock**) is, or will be, the sub-advisor for each of the Top Funds.

U.S. iShares ETFs

12. Each U.S. iShares ETF is a U.S. domiciled exchange-traded fund managed by BFA an indirect wholly owned subsidiary of BlackRock, Inc. and an affiliate of Blackrock.
13. BFA is regulated as an investment advisor by the U.S. Securities and Exchange Commission (the **SEC**).
14. Each U.S. iShares ETF is subject to the U.S. Investment Company Act of 1940, as amended (the **U.S. Investment Company Act**) and is an "investment fund" within the meaning of applicable Canadian securities legislation.
15. The shares of each U.S. iShares ETF are or will be offered pursuant to a prospectus filed with the SEC.
16. The shares of each U.S. iShares ETF are or will be listed on a stock exchange in the U.S.
17. The investment strategies of each U.S. iShares ETF permit it to invest its assets in high quality, liquid short-term instruments, including securities of other investment funds.
18. Pursuant to the U.S. Investment Company Act, each U.S. iShares ETF may from time to time hold more than 10% of its NAV in securities of U.S. registered money market funds advised by BFA or an affiliate (each, a **U.S. Money Market Fund**).
19. Each U.S. iShares ETF may hold securities of U.S. Money Market Funds, namely: (a) BlackRock Cash Funds: Institutional (**BR Institutional**), a series of BlackRock Funds III and (b) BlackRock Cash Funds: Treasury (**BR Treasury**), a series of BlackRock Funds III or of one or more other U.S. Money Market Funds managed by BFA or an affiliate.

BR Institutional

20. BR Institutional is a series of BlackRock Funds III, a statutory trust existing under the laws of the State of Delaware. BR Institutional is considered to be, and invests its assets in accordance with, the maturity, credit and liquidity requirements of, a U.S. money market fund under Rule 2a-7 of the U.S. Investment Company Act.
21. The investment objective of BR Institutional is to seek a high level of income consistent with liquidity and preservation of capital.

22. BR Institutional seeks to achieve its investment objective by investing all of its assets in the Money Market Master Portfolio, a series of Master Investment Portfolio (the **Master I Portfolio**), a statutory trust existing under the laws of the State of Delaware and registered under the U.S. Investment Company Act as an open-ended management investment company. BFA is the investment advisor to the Master I Portfolio. BR Institutional, through its investment in the Master I Portfolio, invests in high quality, short-term money market instruments that, at the time of investment, have remaining maturities of 397 calendar days or less from the date of acquisition. BR Institutional's portfolio maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. Under normal circumstances, BR Institutional expects to invest at least 95% of its assets in any combination of investments, which may include certificates of deposit, high-quality debt obligations, such as corporate debt and certain asset-backed securities, certain obligations of U.S. and foreign banks, certain repurchase agreements and certain obligations of the U.S. Government, its agencies and instrumentalities (including government-sponsored enterprises).

BR Treasury

23. BR Treasury is a series of BlackRock Funds III. BR Treasury is considered to be, and invests its assets in accordance with the maturity, credit and liquidity requirements of, a U.S. "government money market fund" under Rule 2a-7 of the U.S. Investment Company Act. The investment objective of BR Treasury is to seek current income as is consistent with liquidity and stability of principal.
24. BR Treasury seeks to achieve its investment objective by investing all of its assets in the Treasury Money Market Master Portfolio, a series of Master Investment Portfolio (the **Master T Portfolio**), a statutory trust existing under the laws of the State of Delaware and registered under the U.S. Investment Company Act as an open-ended management investment company. BFA is the investment advisor to the Master T Portfolio. BR Treasury, through its investment in the Master T Portfolio, invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other direct obligations of the U.S. Treasury, and repurchase agreements secured by such obligations or cash. BR Treasury invests in securities maturing in 397 days or less (with certain exceptions) and the portfolio has a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

U.S. Money Market Funds

25. U.S. Money Market Funds are subject to the investment restrictions prescribed under Rule 2a-7 of the U.S. Investment Company Act, and other rules of the U.S. Securities and Exchange Commission, including certain restrictions relating to portfolio quality, maturity, diversification and liquidity.
26. The investment restrictions prescribed by Rule 2a-7 of the U.S. Investment Company Act are substantively similar to the requirements for "money market fund[s]" under NI 81-102, subject to certain non-material differences including:
- (a) as outlined above, the portfolio of a U.S. Money Market Fund must maintain a dollar-weighted average portfolio maturity appropriate to its investment objective provided that the fund must not: (i) acquire any instrument with a remaining maturity of greater than 397 calendar days or (ii) maintain a dollar-weighted average portfolio maturity that (A) exceeds 60 calendar days or (B) exceeds 120 calendar days (determined without reference to the exceptions in (i) above regarding interest rate readjustments;
 - (b) the advisor to a U.S. Money Market Fund must determine that any investment by the fund creates a minimal credit risk for the fund; and
 - (c) the U.S. Money Market Fund(s), in which a U.S. iShares ETF will invest, must not have less than: (i) 10% of its assets invested in cash, direct obligations of the U.S. Government, government securities under certain conditions or securities that will mature within one business day and (ii) 30% of its assets invested in cash, direct obligations of the U.S. Government, government securities under certain conditions or securities that will mature in five business days.
27. IGIM believes that any risks associated with an indirect investment in a U.S. Money Market Fund compared to a Canadian money market fund are mitigated by the fact that the U.S. Money Market Fund is subject to the U.S. Investment Company Act and oversight by the SEC and any loss that could result from an investment in a U.S. Money Market Fund by a U.S. iShares ETF will be limited to the amount invested by the U.S. iShares ETF in such U.S. Money Market Fund.

Reasons for Exemption Sought

28. Each Top Fund would be permitted to invest in shares of a U.S. iShares ETF pursuant to section 2.5(2) of NI 81-102 in reliance on the exceptions provided for in:
- (a) subsection 2.5(3)(a) as the shares of the U.S. iShares ETFs meet the definition of "index participation units" under NI 81-102;

B.3: Reasons and Decisions

- (b) subsection 2.5(5) of NI 81-102 as each Top Fund will purchase shares of a U.S. iShares ETF in the secondary market; and
 - (c) subsection 2.5(4)(b)(i) of NI 81-102, but for the fact that a U.S. iShares ETF may, from time to time, purchase or hold more than 10% of its NAV in one or more U.S. Money Market Funds, which as outlined in representation 24, may not meet all of the investment restrictions prescribed in section 2.18 of NI 81-102 and the securities of which do not qualify as “index participation units”.
29. The U.S. Money Market Funds in which the U.S. iShares ETFs may invest are subject to the investment restrictions prescribed under Rule 2a-7 of the U.S. Investment Company Act, which are substantially similar to the investment restrictions applicable to a money market fund under NI 81-102.
30. Additionally, IGIM submits that the exception in Section 2.5(4)(b)(ii) would permit a Top Fund to purchase and hold securities of a U.S. iShares ETF if such U.S. iShares ETF held more than 10% of its NAV in securities of other U.S. iShares ETFs, provided the securities of each underlying U.S. iShares ETF met the definition of “index participation units” under NI 81-102. However, since the bottom tier of the proposed structure is one or more U.S. Money Market Funds the securities of which do not qualify as “index participation units” (rather than a U.S. iShares ETF that issues “index participation units”), the exception to the 10% limit in Section 2.5(2)(b) of NI 81-102 is not available. IGIM submits that this may produce an unintended result given the eligible U.S. iShares ETFs and U.S. Money Market Funds are regulated under the U.S. Investment Company Act and the U.S. Money Market Funds are generally required by the applicable U.S. Investment Company Act regulations to have a more conservative investment strategy than many U.S. iShares ETFs that would be eligible for the aforementioned exception.
31. The U.S. Money Market Funds in which the U.S. iShares ETFs may invest will be subject to the oversight of the SEC.
32. There will be no duplication of management fees or incentive fees for the same service as a result of an investment by a Top Fund in a U.S. iShares ETF.
33. The amount of loss that could result from an investment by a Top Fund in a U.S. iShares ETF will be limited to the amount invested by the Top Fund in the U.S. iShares ETF.
34. The investment by a Top Fund in a U.S. iShares ETF will be made in accordance with the fundamental investment objectives of the Top Fund.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that:

- (a) the investment by a Top Fund in securities of a U.S. iShares ETF is in accordance with the fundamental investment objectives of the Top Fund.
- (b) the U.S. iShares ETF is an exchange-traded fund subject to the U.S. Investment Company Act in good standing with the SEC.
- (c) the U.S. iShares ETF will not, at the time securities of the U.S. iShares ETF are acquired by a Top Fund, hold more than 10% of its NAV in securities of any other investment funds other than securities of one or more U.S. Money Market Funds or investment funds that issue index participation units.
- (d) the prospectus of each Top Fund discloses, or will disclose, in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Top Fund has obtained the Exemption Sought to permit the Fund to purchase and hold shares of a U.S. iShares ETF that may hold more than 10% of its NAV in securities of one or more U.S. Money Market Funds.

“Christopher Besko”
Director, General Counsel
The Manitoba Securities Commission

Application File #: 2022/0231

SEDAR File #: 3380472

B.3.9 BMO Nesbitt Burns Securities Ltd. and BMO Nesbitt Burns Inc.

Headnote

Application for an order pursuant to section 74 of the Securities Act (Ontario) that a registered U.S. dealer and investment adviser, affiliated with an Ontario registered investment dealer and adviser, be exempted, subject to certain conditions, from requirements of securities legislation in respect of dealing activity and advice provided by its representatives in respect of U.S. tax-advantaged retirement savings plans of clients formerly resident in the U.S. The order was granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74 and 144.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
BMO NESBITT BURNS SECURITIES LTD.**

AND

**IN THE MATTER OF
BMO NESBITT BURNS INC.**

DECISION

Background

BMO Nesbitt Burns Securities Ltd. (**NBSL**) and BMO Nesbitt Burns Inc. (**NBI** and together with NBSL, the **Files**) were granted exemptive relief from the dealer registration requirement, adviser registration requirement, prospectus requirement and underwriter registration requirement in a decision of the Ontario Securities Commission as principal regulator on June 2, 2017 (the **Prior Relief**). The Prior Relief expires on June 1, 2022.

NBSL is currently in the process of applying for registration as a portfolio manager across Canada and also for varied exemptive relief from the dealer registration requirement, prospectus requirement and underwriter registration requirement.

The Filers have applied to the Ontario Securities Commission for a decision to extend the Prior Relief for an additional 6 months while NBSL completes its application for registration. Specifically, the Filers have applied for a decision under the securities legislation the Jurisdiction of the Principal Regulator (the **Legislation**) for the following:

Dealer registration, underwriter registration and prospectus relief for trades to NBSL Clients

- (a) An exemption from the dealer registration requirement (the **Dealer Registration Relief**) for NBSL and its agents who are also registered under the Legislation as dealing representatives of NBI (the **Dealer Dual Representatives**), so as to permit NBSL and the Dealer Dual Representatives acting on behalf of NBSL to deal with an individual who satisfies one of the following criteria (the **NBSL Client**):
 - (i) is ordinarily resident in the United States who is temporarily in Canada and with whom NBSL had a relationship with before the individual became temporarily resident in Canada; or
 - (ii) is ordinarily resident in Canada but previously resident in the United States, if such dealings are in respect of the NBSL Client's tax-advantaged retirement savings (a **U.S. Plan**) where
 - (A) The U.S. Plan is located in the United States of America (**U.S.**),
 - (B) The NBSL Client is a holder of or contributor to the U.S. Plan, and

- (C) The NBSL Client was previously resident in the U.S.;
- (b) An exemption from the prospectus requirement and underwriter registration requirement applicable to a distribution of a foreign security made by NBSL and the Dealer Dual Representatives when acting on behalf of an NBSL Client, where the distribution is made in compliance with all applicable U.S. federal securities laws and state securities legislation in the U.S. (the **Distribution Relief**);

Adviser registration relief for advice provided to NBSL Clients

- (c) An exemption from the adviser registration requirement (the **Adviser Registration Relief**) for NBSL and its agents who are also registered under the Legislation as dealing representatives of NBI in the category of portfolio manager (the **PM Dual Representatives**) in respect of advice provided by the PM Dual Representatives, when acting on behalf NBSL, to NBSL Clients;

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the Principal Regulator for this application, and
- (b) NBSL has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Quebec, Saskatchewan, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**, and together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and National Instrument 35-101 *Conditional Exemption from Registration for United States Broker-Dealers and Agents (NI 35-101)* have the same meaning if used in this decision, unless otherwise defined.

Dual Representatives means, in respect of services provided under the Dealer Registration Relief and the Distribution Relief, Dealer Dual Representatives and, in respect of services provided under the Adviser Registration Relief, PM Dual Representatives.

Representations

This decision is based on the following facts represented by the Filer:

Background

1. NBI is a corporation incorporated under the federal laws of Canada. Its head office is located in Toronto, Ontario.
2. NBI carries on business in all of the Jurisdictions with offices located in all of the provinces of Canada.
3. NBI is registered as an investment dealer, futures commission merchant and investment fund manager in each Jurisdiction and is a dealer member of the Investment Industry Association of Canada (**IIROC**). NBI provides the full range of dealer services that IIROC member firms are authorized to provide to retail and institutional clients across Canada.
4. NBI does not trade (or provide advice with respect to trading) in securities to, with, or on behalf of clients resident in the U.S. (**U.S. Clients**) (other than in respect of tax-advantaged retirement savings plans (**RSPs**) held by U.S. Clients who were formerly resident in Canada and who have moved to the U.S. with RSPs).
5. NBI is not registered under U.S. federal securities law or any other applicable U.S. securities law to (and does not) carry on the business of a registered broker-dealer or registered investment adviser in the U.S.
6. NBSL is a direct, wholly-owned subsidiary of NBI. Both NBSL and NBI are wholly-owned indirect subsidiaries of Bank of Montreal.
7. NBSL is incorporated under the laws of Canada with its head office in Toronto, Ontario.
8. The Filers operate their businesses out of the same premises in all of the provinces on Canada. Wherever NBSL has an office in Canada, NBSL operates out of the same premises as NBI.
9. NBSL provides discretionary advisory and financial planning services, as well as broker-dealer services, to individuals, trusts, non-profits and corporations, primarily to clients in the U.S. who were previously resident in Canada.

B.3: Reasons and Decisions

10. NBSL is registered as a broker-dealer under the 1934 Act, and is a member of the Financial Industry Regulatory Authority (**FINRA**). NBSL and the Dual Representatives are subject to the full oversight and compliance requirements of FINRA.
11. NBSL is registered with the SEC as an investment adviser (**RIA**) under the U.S. *Investment Advisers Act of 1940* (the **1940 Act**). The PM Dual Representatives are permitted to provide discretionary investment advisory services on behalf of NBSL. NBSL and such PM Dual Representatives are subject to the full oversight and compliance requirements of the SEC.
12. NBSL is not registered under the securities laws of any jurisdiction of Canada.
13. NBI is not in default of securities legislation of any jurisdiction of Canada, U.S. federal securities law or any other applicable U.S. securities law.
14. NBSL is not in default of securities legislation of any jurisdiction of Canada, U.S. federal securities law or any other applicable U.S. securities law. Other than with respect to representation 27 in the Prior Relief, which issue has been resolved as of the date hereof, NBSL has complied with, and is currently in compliance with, all of the terms and conditions of the Prior Relief.
15. The Dealer Dual Representatives are representatives of NBSL who are registered under U.S. federal securities laws in respect of their trading activities and are also registered under the Legislation to trade on behalf of NBI in one or more Jurisdictions.
16. The PM Dual Representatives are representatives of NBSL who are registered under the Legislation to advise on behalf of NBI in one or more Jurisdictions and are authorized to provide advisory services to U.S. clients of NBSL pursuant to an exemption from registration under the 1940 Act.
17. Each of the Dual Representatives acts on behalf of both Filers in one of the Filers' offices located in the Jurisdictions in which the Filers maintain offices. Each Dual Representative is registered as a dealing representative of NBI in one of more of the Jurisdictions.
18. None of the Dual Representatives is in default of securities legislation of any jurisdiction of Canada, U.S. federal securities law or any other applicable U.S. securities law.
19. NBSL has, and expects to continue to have, U.S. Clients to which it provides trading services pursuant to its FINRA membership and discretionary investment advisory services pursuant to its RIA registration. NBSL provides these services to U.S. Clients from Ontario pursuant to exemptions from the dealer and adviser registration requirements set out in OSC Rule 32-505 *Conditional Exemption from Registration for US BDs and Advisers Servicing US Clients from Ontario* (**OSC Rule 32-505**). NBSL provides trading services pursuant to its FINRA membership and discretionary investment advisory services pursuant to its RIA registration to U.S. Clients from Jurisdictions other than Ontario pursuant to exemptive relief granted to NBSL and the Dual Representatives by the British Columbia Securities Commission to permit NBSL to deal with and advise U.S. clients from offices located in those Jurisdictions and shared with NBI.

Advisory services

20. In addition to the activities described above, NBSL and the PM Dual Representatives, acting on behalf of NBSL, advise NBSL Clients.
21. Each PM Dual Representative provides discretionary advisory services to clients of NBI (when acting on behalf of NBI) and to NBSL Clients (when acting on behalf of NBSL), in each case resident in Jurisdictions where such PM Dual Representative is registered with IIROC as a dealing representative of NBI with the IIROC "portfolio manager" designation.
22. The advice that NBSL provides to NBSL Clients is ancillary to NBSL's principal business which is advising U.S. Clients.
23. The PM Dual Representatives have the proficiency, education and experience to provide advice to NBSL Clients.

NBSL Compliance

24. Where NBSL and the Dual Representatives trade to, with or on behalf of, or advise, NBSL Clients, they will comply with all U.S. federal securities law and any other applicable U.S. securities law.
25. All NBSL Clients will enter into a customer agreement and associated account-opening documentation with NBSL. All communications with NBSL Clients will be through NBSL and the Dual Representatives, and will be clearly identified as communications of NBSL and under NBSL branding.
26. To avoid client confusion, all NBSL Clients will receive disclosure that explains the relationship between NBSL and NBI.

B.3: Reasons and Decisions

27. For the purposes of the Legislation, and as market participants, each Filer is required to: (i) keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs, and the transactions it executes on behalf of others, and (ii) keep such books, records and documents as may otherwise be required by the Legislation.
28. NBSL confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "A" hereof in respect of NBSL or any predecessors or specified affiliates of NBSL, except as otherwise reported to the Principal Regulator in the Form 33-109F6 filed by NBSL in connection with its adviser registration.
29. NBI is in compliance with its obligations under applicable securities laws to report regulatory actions relating to NBI and its specified affiliates to securities regulators and/or self-regulatory organizations having jurisdiction over NBI.

FINRA Clearing Broker

30. NBSL is an introducing broker-dealer subject to FINRA regulatory oversight.
31. NBSL has engaged National Financial Services LLC (**NFS**), for trading, custody, clearing and settlement services pursuant to the terms of a clearing agreement dated October 17, 2015, as amended from time to time (the **Clearing Agreement**).
32. In accordance with the provisions of the Clearing Agreement, NFS provides trading, custody, clearing and settlement services for NBSL Clients of NBSL (in respect of their U.S. Plans).
33. NFS is a clearing broker-dealer, a Delaware limited liability company and a member of FINRA and the New York Stock Exchange.
34. Each of NBSL's clients, including U.S. Clients and NBSL Clients, enters into a custody agreement directly with NFS pursuant to which NFS acts the custodian of the client's account.
35. NFS relies upon the exemption from the dealer registration requirement of the securities laws of each Jurisdiction under Section 8.18 of National Instrument 31-103 (NI 31-103) *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the **international dealer exemption**) in connection with, *inter alia*, trades in "foreign securities" with a "permitted client" (each as defined in NI 31-103).
36. NFS cannot rely on the international dealer exemption to trade in securities on behalf of the NBSL Clients because most of such clients are not permitted clients. NFS obtained exemptive relief in the Jurisdictions pursuant to a decision document dated March 8, 2012 (the **NFS Relief**) from, *inter alia*, the dealer registration requirement, to permit NFS to trade in securities for "**Qualified Accounts**" as defined in the NFS Relief.
37. The NFS Relief permits NFS to trade in securities for Qualified Accounts on conditions similar to those indicated in NI 35-101, with certain variations, including that the NFS Relief does not restrict NFS from trading only in foreign securities. NFS is permitted to trade in any security in the secondary market for Qualified Accounts.
38. NFS relies on the NFS Relief to provide trading, clearing and settlement services under the Clearing Agreement to the accounts of NBSL's NBSL Clients, all of which are Qualified Accounts as defined in the NFS Relief.
39. NI 35-101 provides exemptions from the dealer/underwriter registration requirement, adviser registration requirement and prospectus requirement for U.S. broker-dealers and their agents trading with or for NBSL Clients, upon satisfying certain conditions.
40. It is a condition of the exemption for U.S. broker-dealers in paragraph 2.1(a) of NI 35-101, and for their agents in paragraph 3.1(b) of NI 35-101, that the broker-dealer and their agents have no office or other physical presence in any jurisdiction in Canada. It is also a condition that such U.S. broker-dealers only trade in foreign securities with NBSL Clients.
41. NBSL Clients wish to obtain services from NBSL in respect of both foreign securities and securities other than foreign securities (**Canadian securities**) as their U.S. Plans or U.S. accounts at NBSL permit investments in both foreign and Canadian securities.
42. NBSL is unable to rely on the exemptions set out in NI 35-101 as it has an office or other physical presence in Canada as a result of its Toronto, Ontario head office and other Canadian offices and wishes to offer trades in Canadian securities to its NBSL Clients.

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that:

1. The Dealer Registration Relief and Adviser Registration Relief are granted, provided that:
 - (a) The dealing and/or advising activity is for an individual who satisfies one of the following criteria (the **NBSL Client**):
 - (i) is ordinarily resident in the United States who is temporarily in Canada and with whom NBSL had a relationship with before the individual became temporarily resident in Canada; or
 - (ii) is ordinarily resident in Canada but previously resident in the United States, if such dealings are in respect of the NBSL Client's tax-advantaged retirement savings plan (a **U.S. Plan**) where
 - (A) The U.S. Plan is located in the United States of America (**U.S.**),
 - (B) The NBSL Client is a holder of or contributor to the U.S. Plan, and
 - (C) The NBSL Client was previously resident in the U.S.;
 - (b) the only physical presence or offices that NBSL has in any jurisdiction of Canada are the premises that it shares with NBI;
 - (c) NBSL does not advertise or solicit new clients in the Jurisdictions;
 - (d) NBSL remains a FINRA member;
 - (e) NBSL remains registered as a RIA under the 1940 Act;
 - (f) NBI remains registered under the Legislation as an investment dealer and is a dealer member of IIROC;
 - (g) NBSL notifies the Principal Regulator of any regulatory action initiated after the date of this order in respect of NBSL, or any predecessors or specified affiliates of NBSL, by completing and filing with the Principal Regulator Appendix "A" hereto within ten days of the commencement of such action, provided that NBSL may also satisfy this condition by filing with the OSC:
 - (i) within ten days of the date of this decision, a notice making reference to and incorporating by reference the disclosure made by NBSL pursuant to federal securities laws in the United States that is identified in the FINRA BrokerCheck system and on the Investment Adviser Public Disclosure website; and
 - (ii) promptly, a notification of any Form BD amendment, any Form ADV amendment and/or any other filing with FINRA or the SEC that relates to legal and regulatory actions;
 - (h) NBI complies with its obligations under applicable securities laws to report regulatory actions relating to NBI and its specified affiliates to securities regulators and/or self-regulatory organizations having jurisdiction over NBI;
 - (i) NBSL discloses to NBSL Clients that NBSL and the Dual Representatives acting on its behalf are not subject to full regulatory requirements otherwise applicable under the Legislation;
 - (j) NBSL and the Dual Representatives, in the course of their dealings with NBSL Clients, act fairly, honestly and in good faith;
 - (k) NBSL:
 - (i) enters into client agreements and associated account-opening documents with all NBSL Clients such that all communications with respect to the accounts of such NBSL Clients will be through NBSL and the Dual Representatives, and will be under NBSL branding; and
 - (ii) provides all NBSL Clients with disclosure that explains the relationship between NBSL and NBI;
 - (l) NBSL and the each of the Dual Representatives are in compliance with and remain in compliance with any applicable dealer licensing, adviser licensing or registration requirements under applicable securities legislation in the U.S.;

B.3: Reasons and Decisions

- (m) each PM Dual Representative providing advice on behalf of NBSL is registered under the Legislation as a dealing representative in a category that would permit it to advise NBSL Clients with respect to trading of securities in their U.S. Plans in compliance with the Legislation, if the U.S. Plans were instead tax-advantaged retirement savings plans located in Canada; and
 - (n) the execution of each trade identified or recommended by NBSL (and each Dual Representative acting on its behalf) for a NBSL Client will be conducted by a person registered as a dealer under the Legislation in category that would permit them to execute the trade or exempt from the dealer registration requirement of the Legislation for the purposes of the trade;
2. the Distribution Relief is granted, provided that the relevant distribution of foreign securities to NBSL Clients:
- (a) is made by NBSL or a Dual Representative pursuant to the Dealer Registration Relief; and
 - (b) is made in compliance with all applicable
 - (i) U.S. federal securities laws, and
 - (ii) state securities legislation in the U.S;
3. This decision will terminate on November 2, 2022.

DATED this **2nd** day of **June, 2022**.

For the Dealer Registration Relief and the Adviser Registration Relief:

“Debra Foubert”
Director, Compliance and Registrant Regulation
Ontario Securities Commission

For the Distribution Relief:

“Lina Creta”
Manager, Corporate Finance
Ontario Securities Commission

Application File #: 2022/0260

**APPENDIX A
NOTICE OF REGULATORY ACTION**

1. Has the firm, or any predecessors or specified affiliates of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, self-regulatory organization (SRO) or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization: See Appendix I.

	Yes	No
(i) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?		
(ii) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?		
(iii) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?		
(iv) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?		
(v) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?		
(vi) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
(vii) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?		

If yes, provide the following information for each action:

Name of Entity	See Appendix I
Type of Action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

B.3: Reasons and Decisions

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal: <https://www.osc.gov.on.ca/filings>

B.3.10 TD Asset Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Variation of relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients to include certain accounts of affiliated non-individual non-permitted clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 13.18(2)(b) and 15.1(2).

June 2, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
TD ASSET MANAGEMENT INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Permitted Institutional Clients (as defined below) and clients holding Overflow Accounts (as defined below) (the **Exemption Sought**). The Exemption Sought revokes and replaces the Original Decision (as defined below).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and

- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario. The Filer is a wholly owned subsidiary of The Toronto-Dominion Bank (**TD Bank**), which is a Schedule I bank formed and existing under the *Bank Act* (Canada).
2. The Filer is registered as a portfolio manager and an exempt market dealer in each of the provinces and territories of Canada, and is registered in Ontario in the category of commodity trading manager and in Québec as a derivatives portfolio manager. The Filer is also registered as an investment fund manager in Ontario, Saskatchewan, Québec and Newfoundland and Labrador.
3. Other than with respect to the subject of this decision as it relates to Overflow Accounts, the Filer is not in default of securities legislation in any of the Jurisdictions.
4. TD Bank and its subsidiaries, including the Filer, comprise a worldwide group of banks and financial services companies (collectively, **TD Bank Group**). Within TD Bank Group, there are several asset management firms and related subsidiaries that provide investment management services to institutional clients globally, including the Filer and Epoch Investment Partners Inc. (collectively, the **TD Asset Management Affiliates**).
5. The Filer offers managed accounts exclusively to sophisticated institutional investors, including pension funds, insurance companies, charitable organizations and corporations, as well as mutual funds and exchange-traded funds for which it acts as portfolio manager. The vast majority of the Filer's institutional clients are non-individual "permitted clients" as defined in NI 31-103 and the Filer's institutional clients also include non-individual "institutional clients" as defined in Rule

1201 of the Investment Industry Regulatory Organization of Canada (IIROC) (together, the **Permitted Institutional Clients**).

6. The Filer also has a small amount of accounts that it has opened at the request of certain Permitted Institutional Clients for related entities that are not individuals and which have the characteristics of an institutional investor except that they do not qualify as “permitted clients” under NI 31-103 or “institutional clients” under IIROC Rule 1201 only because they fall short of the applicable financial tests (each, an **Overflow Account**) and it anticipates that it may open additional Overflow Accounts for such entities in the future.
7. The individuals who make decisions on behalf of a Permitted Institutional Client also form the majority of the individuals who make decisions on behalf of each Overflow Account that is a related entity of the Permitted Institutional Client.
8. Overflow Accounts in aggregate do not exceed 5% of the Filer’s total assets under management as at the date of this decision.
9. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 108 Registered Individuals. Other registered representatives of the Filer who interact with clients include individuals who are appointed to corporate offices pursuant to applicable corporate law.
10. The current titles used by the Registered Individuals include the words “Vice President”, “Director” and “Managing Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used across the TD Asset Management Affiliates.
11. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual’s sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.
12. The Registered Individuals will interact only with Permitted Institutional Clients and clients holding the Overflow Accounts.
13. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that

could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

14. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.
15. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Permitted Institutional Clients or clients holding Overflow Accounts.
16. By a decision dated December 31, 2021, the Filer was granted the Exemption Sought with respect to Permitted Institutional Clients (the **Original Decision**). The Exemption Sought with this decision expands the Original Decision to allow interactions by Registered Individuals with clients holding Overflow Accounts.
17. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought and to revoke and replace the Original Decision with this decision.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted and the Original Decision is revoked and replaced by this decision, provided that,

- (a) when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively Permitted Institutional Clients and clients holding Overflow Accounts; and
- (b) the Overflow Accounts in aggregate do not exceed 5% of the Filer’s total assets under management at the end of each fiscal year of the Filer.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

“Debra Foubert”
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2022-0214

B.3.11 Fortress Global Enterprises Inc. (formerly Fortress Paper Ltd.)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Revocation of exemptive relief from insider reporting requirements with respect to the sale of common shares of an issuer by certain insiders of the issuer under an automatic securities disposition plan – Automatic securities disposition plans (ASDPs).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107(2) and 144.

National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 3.3.

May 12, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FORTRESS GLOBAL ENTERPRISES INC.
(formerly Fortress Paper Ltd.)
(the Issuer)**

DECISION

Interpretation

- ¶ 1 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Background

- ¶ 2
1. on February 1, 2011, the securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) granted exemptive relief, subject to certain conditions, from insider reporting requirements contained in the securities legislation of the Jurisdictions (the Legislation) with respect to the sale of common shares of the Issuer by certain

insiders of the Issuer under an automatic securities disposition plan (the Relief);

- 2. on December 10, 2020, Canadian Securities Administrators (CSA) members published CSA Staff Notice 55-317 *Automatic Securities Disposition Plans* (Guidance) that provides guidance on the use of Automatic Securities Disposition Plans (ASDPs); the processes outlined in the Guidance were intended to be consistent with good corporate governance and transparency in connection with the establishment and use of ASDPs and the reporting of trades under the plans; the news release announcing the publication of the Guidance states that, in the interest of promoting transparency of trading by insiders, staff of the CSA are unlikely to recommend insider reporting relief for trades under ASDPs;
- 3. the Jurisdictions have determined that the Relief is inconsistent with the principles articulated in CSA SN 55-317; and
- 4. the Decision Makers are satisfied, having considered the potential impact of ASDPs on public confidence in the fairness of our capital markets, that it is appropriate to revoke the Relief.

Decision

¶ 3 Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for the decision; and
- (b) this decision is the decision of the principal regulator and evidences the decision of securities regulatory authority or regulator in Ontario.

Each of the Decision Makers, considering that to do so would not be prejudicial to the public interest, is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Relief is revoked.

“John Hinze”
Director
Corporate Finance

OSC File #: 2022/0247

B.3.12 1832 Asset Management L.P.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

June 2, 2022

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
1832 ASSET MANAGEMENT L.P.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI**

11-102) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited partnership formed and organized under the laws of the province of Ontario.
2. The Filer is registered as: (i) a portfolio manager in all the provinces of Canada and in the Northwest Territories and the Yukon; (ii) an exempt market dealer in all of the provinces in Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Quebec, Newfoundland and Labrador and the Northwest Territories; (iv) a commodity trading manager in Ontario; (v) an adviser in Manitoba; and (vi) a derivatives portfolio manager in Quebec.
3. Other than with respect to the subject of this decision, the Filer is not in default of securities legislation in any of the Jurisdictions.
4. The general partner of the Filer is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned directly by The Bank of Nova Scotia (**Bank of Nova Scotia**), with its head office in Toronto, Ontario.
5. The Filer, in its capacity as an adviser, manages numerous mandates, including retail investment funds, institutional mandates and high net worth non-individual client mandates. The Portfolio Managers, who are advising representatives, responsible for advising on these mandates work in the investment management department within the Filer, which is separate from the Filer's client service department. The Portfolio Managers within the investment management department report into either the Chief Operating Officer of the Filer or directly into the UDP of the Filer. In general, Portfolio Managers are engaged in client facing activities through the involvement of a client service representative of the Filer. Portfolio Managers do not have direct client interactions without the involvement of client servicing representatives. Client facing activities usually entail the Portfolio Manager presenting to clients or prospective clients the products that they manage and describing their investment process.
6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 30 Registered Individuals.
7. The current titles used by the Registered Individuals include the words "Vice President" or "Senior Vice President" and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by Bank of Nova Scotia's affiliates.
8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.
9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 or a non-individual "institutional client" as defined in Rule 1201 of the Investment Industry Regulatory Organization of Canada (**IIROC**) (the **Clients**).
10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.
11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.
12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual “permitted clients” as defined in NI 31-103 or non-individual “institutional clients” as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

“Debra Foubert”
Director, Compliance and Registrant Regulation
Ontario Securities Commission

Application File #: 2021/0762

B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Plateau Energy Metals Inc.	June 1, 2022	
ASEP Medical Holdings Inc.	May 9, 2022	June 1, 2022
Freshlocal Solutions Inc.	June 1, 2022	
Tsodilo Resources Limited	May 6, 2022	June 2, 2022
GHP Noetic Science-Psychedelic Pharma Inc.	June 3, 2022	
Samco Gold Limited	June 3, 2022	
Royal Wins Corporation	June 3, 2022	
Choom Holdings Inc.	June 3, 2022	
Tony G Co-Investment Holdings Ltd	June 6, 2022	
Predictiv AI Inc.	June 6, 2022	
Formation Acquisition Inc.	June 6, 2022	
Global TreeGro Inc.	June 6, 2022	

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Gatos Silver, Inc.	April 1, 2022	

B.4: Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Gatos Silver, Inc.	April 12, 2022	
Bhang Inc.	May 3, 2022	
RYAH Group Inc.	May 3, 2022	
Red White & Bloom Brands Inc.	May 4, 2022	
Emerald Health Therapeutics, Inc.	May 5, 2022	
Magnetic North Acquisition Corp.	May 5, 2022	
CANSORTIUM INC.	May 6, 2022	
CoinAnalyst Corp.	May 6, 2022	

B.5 Rules and Policies

B.5 Rules and Policies

B.5.1 OSC Rule 33-508 Extension to Ontario Instrument 33-507 Exemption From Underwriting Conflict Disclosure Requirements

**OSC RULE 33-508
EXTENSION TO ONTARIO INSTRUMENT 33-507
EXEMPTION FROM UNDERWRITING CONFLICT DISCLOSURE REQUIREMENTS**

Purpose

1. This Rule provides, in Ontario, a temporary extension to the exemption provided in Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements* (Interim Class Order), pursuant to paragraph 143.11(3)(b) of the *Securities Act* (Ontario).

Extension of temporary exemptions

2. **Section 9 of Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements* (Interim Class Order) is amended by replacing** “the date that is 18 months after the date of this Order unless extended by the Commission” **with** “February 17, 2024”.

Effective date

3. This Rule comes into force on August 18, 2022.

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B.6

Request for Comments

B.6 Request for Comments

B.6.1 Proposed Amendments to OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting and Proposed Changes to OSC Companion Policy 91-507CP and Proposed Changes to OSC Companion Policy 91-506CP

OSC NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO OSC RULE 91-507 *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

PROPOSED CHANGES TO OSC COMPANION POLICY 91-507CP

PROPOSED CHANGES TO OSC COMPANION POLICY 91-506CP

June 9, 2022

Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) is publishing for comment for a period of 120 days, expiring on **October 7, 2022**:

- (a) proposed amendments to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **Trade Reporting Rule**);
- (b) proposed changes to OSC Companion Policy 91-507CP (the **Trade Reporting CP**) to the Trade Reporting Rule;
- (c) proposed changes (the **Proposed Product Determination Changes**) to OSC Companion Policy 91-506CP (the **Product Determination CP**) to OSC Rule 91-506 *Derivatives: Product Determination* (the **Product Determination Rule**).

Collectively, the proposed amendments to the Trade Reporting Rule and the proposed changes to the Trade Reporting CP are referred to as the **Proposed Trade Reporting Amendments**. We are issuing this Notice to solicit comments on the Proposed Trade Reporting Amendments and the Proposed Product Determination Changes. We welcome all comments on this publication and have also included specific questions in the Request for Comments section.

Substance and Purpose

The Proposed Trade Reporting Amendments have been developed in response to coordinated international efforts to streamline and harmonize derivatives data reporting standards.

Global harmonization of data reporting standards will significantly reduce regulatory burden by enabling market participants to take a more consistent approach to compliance. The Trade Reporting Rule currently includes data elements that are not precisely described and are not standardized across global regulators. This has three important consequences. First, it results in regulatory burden for market participants who report data to multiple global regulators, as they must provide distinct data elements to each regulator. Second, it results in market participants reporting more data than necessary because they may be unsure what is required under certain data elements. Third, it results in inconsistent data for the Commission and the public. By harmonizing and clarifying both the data elements and the technical format and values for reporting, we will reduce burden on market participants by reducing the data that they provide and enabling them to harmonize their reporting systems across multiple global regulators. This should reduce the complexity of their reporting systems and decrease ongoing operational and compliance costs involved in interpreting and monitoring global reporting requirements, while at the same time strengthening the quality of the data.

Improvements to data quality (including the accuracy and consistency of data) promote confidence in Ontario's capital markets by improving transparency in the derivatives market and enabling the Commission to more effectively:

B.6: Request for Comments

- provide oversight of the emergence of risks and vulnerabilities that can threaten the stability of Ontario's capital markets and the financial system,
- identify challenges (such as access to liquidity, market fragmentation, and trends in price formation) that may impede market efficiency,
- identify opportunities to strengthen and increase the competitiveness of Ontario markets, and improve policy development, and
- monitor markets for market manipulation and other fraudulent trading activity that can harm investors.

In particular, the Proposed Trade Reporting Amendments update the data elements that are required to be reported under the Trade Reporting Rule. These updated data elements, together with their definition, format, and usage, have been harmonized with global guidance developed by the Committee on Payments and Market Infrastructures (**CPMI**) and the International Organization of Securities Commissions (**IOSCO**) working group for the harmonization of key over-the-counter (**OTC**) derivatives data elements (the **CPMI-IOSCO Working Group**), with significant participation from the OSC. Harmonized data elements include the Unique Transaction Identifier (a unique identifier for each transaction) (**UTI**), the Unique Product Identifier (a unique identifier for each product) (**UPI**), and other critical data elements reflected in Appendix A to the Trade Reporting Rule.¹

In addition to harmonizing data reporting standards, the Proposed Trade Reporting Amendments will introduce other notable changes, including:

- certain structural changes to the Trade Reporting Rule, such as a more flexible reporting hierarchy for non-dealers;
- increased harmonization and alignment with domestic derivatives regulation and policy-making, such as a harmonized threshold in the commodity derivatives exclusion for non-dealers and a harmonized definition of "affiliated entity";
- updated trade repository governance, risk and operational requirements to align with international standards;
- improvements that are designed to enhance data accuracy and consistency, such as data validation and verification, similar to other global regulators;
- clearer guidance for market participants through a new administrative technical manual and a substantial redraft of the Trade Reporting CP.

The purpose of the Proposed Product Determination Changes is to clarify the current interpretation that, similar to other financial commodities that do not come within the exclusion in paragraph 2(1)(d) of the Product Determination Rule, certain crypto assets that are also "financial commodities" do not fall under the exclusion in paragraph 2(1)(d) of the Product Determination Rule.

Background

The Product Determination Rule and the Trade Reporting Rule became effective on December 31, 2013.²

Based on feedback from various market participants, international developments, and in order to more effectively and efficiently promote the underlying policy goals, the Commission is proposing to further amend the Trade Reporting Rule and make changes to the Trade Reporting CP and Product Determination CP. The details of the Proposed Trade Reporting Amendments and the Proposed Product Determination Changes are discussed below.

Summary of Proposed Trade Reporting Amendments

In drafting the Proposed Trade Reporting Amendments, we aimed to reduce regulatory burden for market participants subject to the Trade Reporting Rule while achieving necessary regulatory goals. We believe the Proposed Trade Reporting Amendments achieve this goal by harmonizing data reporting requirements under the Trade Reporting Rule with updates to international data reporting standards. Notably, these amendments will minimize the regulatory burden for many market participants that report transactions globally, as the data elements under the Trade Reporting Rule will correspond with data elements in other

¹ See February 2017 *Guidance on the Harmonisation of the Unique Transaction Identifier (UTI Technical Guidance)* at <https://www.bis.org/cpmi/publ/d158.pdf>, September 2017 *Technical Guidance on the Harmonisation of the Unique Product Identifier (UPI Technical Guidance)* at <https://www.bis.org/cpmi/publ/d169.pdf> and April 2018 *Technical Guidance on the Harmonisation of Critical OTC Derivatives Data Elements (other than UTI and UPI)* at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD598.pdf> updated September 2021 at https://www.leiroc.org/leiroc_gls/index.htm (**CDE Technical Guidance**). The data elements are anticipated to be harmonized across the trade reporting rules of the Canadian Securities Administrators (**CSA**).

² Amendments to the Trade Reporting Rule were made effective on (i) July 2, 2014, (ii) September 9, 2014, April 30, 2015, and (iv) July 29, 2016.

jurisdictions. Similarly, these amendments will minimize the regulatory burden for designated trade repositories, as the data elements that they collect and the other requirements that apply to them will more closely align with international standards.

The Proposed Trade Reporting Amendments to harmonize data fields include:

- ***Amendments in respect of the UTI***

We have proposed amendments to implement the UTI Technical Guidance published by the CPMI-IOSCO Working Group. These amendments set out a new hierarchy to determine which entity is responsible for generating the UTI for a transaction. The hierarchy is intended to align globally while also generally aligning with the reporting counterparty hierarchy under subsection 25(1).

- ***Amendments in respect of the UPI***

We have proposed amendments to implement the UPI Technical Guidance published by the CPMI-IOSCO Working Group. These amendments require a reporting counterparty to identify a transaction through the means of a UPI assigned by the Derivatives Service Bureau.³

- ***Updates to Appendix A of the Trade Reporting Rule***

We have updated Appendix A [*Minimum data fields required to be reported to a designated trade repository*] of the Trade Reporting Rule to reflect global standards set out in the CDE Technical Guidance, including harmonizing the “Data Element Descriptions” column with globally standard descriptions. We have streamlined and removed a number of data elements to align with the CDE Technical Guidance and other global regulators. For example, by eliminating the “Other details” data element in the current Trade Reporting Rule, which requires market participants to “provide any additional information that may be necessary” we will eliminate thousands of details that market participants are reporting under this data element given the uncertainty as to what is required under this data element.

- ***New OSC Derivatives Data Technical Manual***

A new OSC Derivatives Data Technical Manual is being created to inform market participants on how to consistently report in accordance with the Trade Reporting Rule, which includes guidance on administrative matters such as the format and values for reporting in line with global data standards, together with examples. This approach aligns with the approach taken by the U.S. Commodity Futures Trading Commission (CFTC) and would permit flexibility for future updates to administrative technical guidance to maintain harmonization with global changes in reporting formats and values while maintaining the basic data elements in Appendix A to the Trade Reporting Rule. A draft of the OSC Derivatives Data Technical Manual has been published in a Staff Notice available on the OSC’s website.

In addition to the changes to harmonize data reporting with international standards, other notable changes to the Trade Reporting Rule in the Proposed Trade Reporting Amendments include:

- ***Amendments to the interpretation of “affiliated entity”***

In response to comments we received from stakeholders to further harmonize this concept with other CSA jurisdictions,⁴ the proposed amendments to the concept of “affiliated entity” align with that concept under proposed National Instrument 93-101 *Derivatives: Business Conduct*,⁵ which will result in increased harmonization under OTC derivatives related rules and across the trade reporting rules applicable in other Canadian jurisdictions.⁶ As a result of this change, limited partnerships and trusts will be able to benefit from the inter-affiliate transaction exclusion for non-dealers under section 41.1 [*Affiliated entities*] of the Trade Reporting Rule. In addition, a limited partnership or trust that is substantially guaranteed by an Ontario local counterparty will now also be a local counterparty under the Rule.

³ Derivatives Service Bureau is defined in the Rule as a subsidiary of the Association of National Numbering Agencies incorporated as The Derivatives Service Bureau (DSB) Limited and designated by the Financial Stability Board as both the service provider for the unique product identifier system assigned to a derivative and the operator of the unique product identifier reference data library, or any successor thereto.

⁴ For example: comments to OSC Notice of Amendments and Request for Comment in respect of the Rule, November 5, 2015; comments to CSA Notice and Request for Comment in respect of Proposed National Instrument 93-102 *Derivatives: Registration*, April 19, 2018 (the **Proposed Registration Instrument**); comments to CSA Notice and Second Request for Comment in respect of Proposed National Instrument 93-101: *Derivatives: Business Conduct*, June 14, 2018.

⁵ CSA Notice and Third Request for Comment in respect of Proposed National Instrument 93-101 *Derivatives: Business Conduct*, January 20, 2022 (**Proposed Business Conduct Instrument**).

⁶ Manitoba Securities Commission Rule 91-507: *Trade Repositories and Derivatives Data Reporting*; Regulation 91-507 *respecting Trade Repositories and Derivatives Data Reporting* (Québec); Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting*.

- **Amendments to the definition of “derivatives dealer”**

The current definition of “derivatives dealer” incorporates a “business trigger” test, based on whether the person or company is engaging in or holding themselves out as engaging in the business of trading in derivatives in Ontario as principal or agent. For clarity, we are updating the definition to include any other person or company required to be registered as a derivatives dealer under securities legislation. This aligns with the definition of “derivatives dealer” in the Proposed Business Conduct Instrument and is included in the event that the Proposed Registration Instrument may designate or prescribe additional entities to be derivatives dealers based on specified activities. However, it is important to note that the “business trigger” test would continue to apply regardless of whether a derivatives dealer is registered or exempted from the requirement to be registered in Ontario. We have updated the Trade Reporting CP to include guidance regarding the “business trigger”, which aligns with the Companion Policy in the Proposed Business Conduct Instrument.

- **Obligations of designated trade repositories**

We have updated trade repository governance, risk and operational requirements to better align with international Principles for Financial Market Infrastructures standards⁷ and to address comments that arose in connection with a CPMI-IOSCO assessment that addressed the implementation of these standards.⁸ In particular, we propose a new section 14.1 [*Operational efficiency and effectiveness*] to clarify the responsibilities of a designated trade repository to ensure efficient and effective service to the market participants it serves. This would include having mechanisms in place to review on a regular basis its service levels, pricing structure, costs and operational reliability.

We also propose a new section 24.1 [*Linked and tiered participation arrangements*] setting out that a designated trade repository must maintain controls and procedures to manage risk arising from link arrangements, such as networks that link various entities. When applicable, a designated trade repository is also expected to adequately oversee and mitigate risks associated with tiered participation arrangements, such as indirect participants.

- **Prohibition on disclosure of counterparty identity by a designated trade repository**

We propose a new section 22.1 [*Transactions executed anonymously on a derivatives trading facility*] to align with CFTC requirements⁹ and ensure that the identity of a counterparty to an anonymous transaction executed on a derivatives trading facility is not disclosed to users of the designated trade repository post-execution. Only a transaction in respect of which a counterparty does not know the identity of its counterparty prior to or at the time of execution of the transaction is protected under the proposed section 22.1.

- **Validation of data**

Validation is a new concept that is designed to ensure that the required data elements set out in Appendix A of the Trade Reporting Rule have been reported, and that the reported data follows standardized formats and values set out in the OSC Derivatives Data Technical Manual.

Amendments to subsection 22.2(1) require a designated trade repository to validate that the derivatives data received from a reporting counterparty satisfies the data elements in Appendix A of the Trade Reporting Rule and the standardized formats and values set out in the OSC Derivatives Data Technical Manual.¹⁰ A designated trade repository must notify a reporting counterparty whether or not the derivatives data that it has reported has satisfied the designated trade repository’s validation procedures. This will result in the designated trade repository rejecting derivatives data that has not satisfied its validation procedures.

Under subsection 26(6), the reporting counterparty to a transaction has not fulfilled its reporting obligations unless and until all relevant derivatives data reported satisfies the validation procedures of the designated trade repository.

Subject to certain exceptions, a designated trade repository must create and maintain records of all the derivatives data reported that failed to satisfy its validation procedures.

By ensuring that required derivatives data is reported in a consistent manner, we hope to promote more prompt and efficient reporting and superior data quality.¹¹

⁷ See <https://www.bis.org/cpmi/publ/d101a.pdf>

⁸ See <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD608.pdf>
⁹ 17 CFR § 49.17(f)(2).

¹⁰ Pursuant to a proposed new subsection 14(3), a designated trade repository must accept derivatives data that conforms to these data elements and specifications.

¹¹ This process is also intended generally to align with CFTC requirements regarding validation that will apply to designated trade repositories and many reporting counterparties. See 17 CFR § 45.13 and 17 CFR § 49.10.

- ***Verification of data accuracy***

Currently, a designated trade repository is required to confirm data accuracy with reporting counterparties. We have replaced this requirement with two distinct requirements that are intended to more effectively promote data accuracy.¹²

First, under paragraph 26.1(1)(a), all reporting counterparties must ensure that all reported derivatives data is accurate and contains no misrepresentation. To facilitate this requirement, section 38 [*Data available to counterparties*] provides that a designated trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the designated trade repository

Second, under paragraph 26.1(1)(b), reporting counterparties that are derivatives dealers and recognized or exempt clearing agencies are also required to verify the accuracy of data every 30 days. Section 23 [*Verification of data accuracy*] requires a designated trade repository to establish, maintain and enforce written policies and procedures to enable reporting counterparties that are derivatives dealers or recognized or exempt clearing agencies to meet these obligations.

- ***Maintenance and renewal of legal entity identifiers***

Currently, the Trade Reporting Rule requires a local counterparty under section 28.1 [*Maintenance and renewal of legal entity identifiers*] to obtain, maintain and renew a legal entity identifier. We are proposing to extend this requirement to also apply to reporting counterparties that are not local counterparties. The extension of this requirement (which will primarily impact foreign derivatives dealers and regulated or exempt clearing agencies) will improve the accuracy of derivatives data by ensuring that the information associated with LEIs remains updated and relevant.

- ***Position level data***

We hope to reduce regulatory burden by permitting the reporting of aggregate position level data under new section 32.1 [*Position level data*], as an optional alternative in certain circumstances to reporting lifecycle events. This will enable some market participants to report a netted aggregate of multiple transactions, instead of reporting lifecycle events separately for each transaction, provided the transactions meet certain criteria, including that they have no expiration date, involve identical contract specifications, and are replaceable with each other.

- ***Termination of an original transaction by a clearing agency***

We propose a new subsection 32(3) which requires a recognized or exempt clearing agency to report the termination of an original transaction for a cleared transaction, consistent with CFTC requirements.¹³

- ***Reporting of collateral and margin data***

While the Trade Reporting Rule currently requires reporting counterparties to indicate whether a transaction is collateralized, we propose amendments to subsection 33(1) to require that a reporting counterparty that is a derivatives dealer or a recognized or exempt clearing agency must report collateral and margin data each business day until the transaction is terminated or expires. Accordingly, we have introduced new data elements relating to collateral and margin data in Appendix A to the Trade Reporting Rule that reflect new global standards set out in the CDE Technical Guidance published by the CPMI-IOSCO Working Group. This additional data will support the Commission's systemic risk analysis.

- ***Derivatives trading facility***

We propose a new section 36.1 [*Derivatives trading facility*] setting out that where a transaction involving a local counterparty is executed anonymously on a derivatives trading facility and is intended to be cleared, the derivatives trading facility has the obligations of a reporting counterparty, and the reporting hierarchy in section 25 [*Reporting counterparty*] does not apply.¹⁴

¹² Verification of data accuracy is intended broadly to align with similar CFTC requirements under 17 CFR § 45.14 and 17 CFR § 49.11 that will apply to designated trade repositories and many reporting counterparties. One important difference is that the CFTC requires reporting counterparties that are not swap dealers, major swap participants or derivatives clearing organizations to verify data once every calendar quarter, while we propose that it is appropriate not to require this in Ontario due to the burden it would impose on the non-dealer community.

¹³ 17 CFR § 45.4(b).

¹⁴ If amendments that were proposed on January 21, 2022 to OSC Rule 13-502 *Fees* are adopted by the Commission, we intend to clarify that because a derivatives trading facility is not the reporting counterparty (but rather may have certain obligations of a reporting counterparty), a derivatives trading facility would not be a fee payer in respect of a derivatives participation fee under OSC Rule 13-502 as a result of its obligations under section 36.1 of the Trade Reporting Rule.

It is not feasible for reporting counterparties to report these transactions as currently required under the Rule. For example, in an anonymous transaction between Party A and Party B:

- If Party A is a local counterparty, it will know that the transaction is required to be reported under the Rule. However, without knowing the identity of Party B, Party A will be unable to determine which counterparty has the reporting obligation. If Party A were to report the transaction, it would be unable to report the legal entity identifier of Party B or the jurisdictions where Party B is a local counterparty, if applicable, as required under the Rule.
- If Party B is not a local counterparty, the transaction is not be required to be reported under the Rule unless Party A is a local counterparty, which Party B is not able to determine. This situation arises where, for example, Party B is a foreign derivatives dealer.

In these circumstances, we believe that the derivatives trading facility is best positioned to report the transaction, given that it is able to ascertain the identity of both counterparties. We believe there is no other alternative that results in accurate and complete data in connection with these transactions.

It is important that an original transaction in these circumstances be reported because, among other reasons, data in respect of an original transaction is publicly disseminated, while data in respect of the resulting novated transactions with the clearing agency is not. Transparency is one of the fundamental policy objectives of the Rule and promotes confidence in Ontario's derivatives market.

While this represents a new obligation on derivatives trading facilities, we considered the following factors that may mitigate the impact of this change:

- at this time, we are only aware of swap execution facilities that permit such anonymous transactions, and these entities already have reporting obligations in these circumstances under CFTC requirements;¹⁵
- the three CFTC registered swap data repositories are the same entities as the designated trade repositories in Ontario, and as a result, swap execution facilities should be able to continue reporting to the same repository under the Trade Reporting Rule;
- the data elements under the Trade Reporting Rule generally align with CFTC requirements, with some exceptions;
- because these original transactions are typically novated immediately to the clearing agency, there should be no ongoing reporting of valuation and collateral and margin data, and as discussed above, the recognized or exempt clearing agency will report the termination of the original transaction consistent with CFTC requirements.

We continue to require reporting counterparties to report transactions on a derivatives trading facility that are not anonymously executed.

- ***Burden reduction for non-dealers***

We propose several amendments that reduce regulatory burden for non-dealers:

- *Reporting hierarchy:* We propose amendments to the reporting hierarchy in subsection 25(1)(e) to enable two non-dealers to agree through any written agreement which counterparty is required to report under the Trade Reporting Rule. This change will enable greater flexibility in respect of the reporting requirement.
- *Verification:* As noted above, the data verification requirements under subsection 26.1(1) will not apply to non-dealers. While reporting counterparties that are not derivatives dealers must ensure the accuracy of the data that they report, they will not have to verify the accuracy of that data every 30 days.
- *Valuation, collateral and margin data:* We propose amendments to section 33 [*Valuation data and collateral and margin data*] such that the requirement to report valuation, collateral and margin data only applies to derivatives dealers and recognized or exempt clearing agencies. This is a change from the current requirement where non-dealers must report valuation data quarterly.

¹⁵ 17 CFR § 43.3(a)(2) and 17 CFR § 45.3(a).

- *Commodity exclusion:* We propose amendments to section 40 [*Commodity transactions*] such that a non-dealer local counterparty with an aggregate month-end gross notional outstanding less than \$250 000 000 in respect of physical commodity transactions is not required to report derivatives data in respect of physical commodity transactions. This is an increase in exemptive relief from \$500,000. This increase is necessary to achieve harmonization with the other CSA jurisdictions. In the Ontario market, it represents a relatively immaterial number of transactions and will reduce burden on these market participants.
- *Inter-affiliate exclusion:* As noted above, as a result of the broader concept of “affiliated entity” that we propose to harmonize with other CSA jurisdictions, limited partnerships and trusts will be able to benefit from the inter-affiliate transaction exclusion for non-dealers under section 41.1 [*Affiliated entities*] of the Trade Reporting Rule.

- ***Individuals will be a local counterparty***

Individuals are currently not local counterparties under the Trade Reporting Rule. Transactions with individuals are nevertheless required to be reported where the other counterparty to the transaction is a local counterparty (for example, an Ontario derivatives dealer transacting with an individual). Where a transaction is between an individual located in Ontario and a foreign derivatives dealer, the transaction is not currently required to be reported as it does not involve a local counterparty. This results in inconsistent data regarding transactions with individuals, which are becoming increasingly relevant in connection with the Commission’s oversight of the derivatives market.

As a result, we propose to add individuals who are residents of Ontario to the definition of “local counterparty”. Consequently, for example, a transaction between an individual who is a resident of Ontario and a foreign derivatives dealer will now be required to be reported by the foreign derivatives dealer.

We anticipate minimal additional regulatory burden in connection with this requirement, as derivatives dealers should know the location of their counterparties who are individuals without the need for additional outreach. We also note that data relating to individuals continues to be anonymized because individuals are not required to obtain a legal entity identifier under the Trade Reporting Rule.

We have added a new exclusion under section 41.2 [*Individuals*] to exclude individuals from the requirement to report transactions under the Trade Reporting Rule.

In addition to the above noted changes, the Proposed Trade Reporting Amendments include the following changes that clarify the intended application of certain provisions of the Trade Reporting Rule as well as other house-keeping changes:

- ***Amendments to Appendix B of the Trade Reporting Rule***

We have updated Appendix B [*Equivalent trade reporting laws of foreign jurisdictions subject to deemed compliance pursuant to subsection 26(5)*] of the Trade Reporting Rule to reflect current equivalent derivatives trade reporting laws of the European Union and to add equivalent derivatives trade reporting laws of the United Kingdom. However, we remind market participants that the substituted compliance under subsection 26(5) is limited and subject to certain conditions.

- ***Amendments to Appendix C of the Trade Reporting Rule***

Designated trade repositories require certain periods of downtime to perform testing, maintenance and upgrades, and may therefore not be able to publicly disseminate certain information 48 hours after the time and date represented by the execution timestamp field of a transaction as required under Appendix C [*Requirements for the public dissemination of transaction level data*]. As a result, proposed amendments permit designated trade repositories to publicly disseminate certain information as soon as technologically practicable following the conclusion of a period of routine or ad hoc downtime that is required for such reasons.

- ***Correction of data available to regulators and correction of data available to the public***

We have clarified in paragraph 37(1)(e) that data provided to the Commission by a designated trade repository must be corrected following a correction to an error or omission in reported derivatives data. Similarly, we have clarified in paragraphs 39(1)(b) and 39(3)(b) that aggregate data and transaction level reports made available to the public by a designated trade repository must be corrected following a correction to an error or omission in reported derivatives data.

- **Redraft of the Trade Reporting CP**

We have redrafted the Trade Reporting CP to provide clearer guidance to market participants subject to the Trade Reporting Rule. Notably, the Trade Reporting CP includes guidance regarding the definition of “derivatives dealer” that is aligned with the proposed Companion Policy to the Proposed Business Conduct Instrument, in addition to clearer guidance regarding the reporting hierarchy under subsection 25(1) of the Trade Reporting Rule.

Reporting counterparty for transactions between derivatives dealers

Current approach in Ontario

Since reporting under the Trade Reporting Rule commenced in 2014, the reporting hierarchy in subsection 25(1) has provided for static reporting logic that applies consistently with respect to transactions between derivatives dealers. If both derivatives dealers are party to the ISDA Multilateral Agreement, the ISDA methodology provides a consistent logic to determine the reporting counterparty under the Trade Reporting Rule.¹⁶ Otherwise, both derivatives dealers have the reporting requirement, and while they may delegate reporting, they each retain the reporting requirement.

Approach in other CSA Jurisdictions

The approach in Ontario differs from all other CSA jurisdictions, which enable derivatives dealers transacting with each other to agree through any written agreement which of them is required to report under the Trade Reporting Rule. Under this variable approach, the determination as to which derivatives dealer is the reporting counterparty may differ for each relationship, or even for different asset classes or transactions.

We recognize that a variable approach would afford greater flexibility and alleviate potential concerns with delegated reporting that a delegating party retains ultimate responsibility for reporting should the delegated party not perform as agreed. Notwithstanding these benefits to the variable approach in the other jurisdictions, there were compelling policy concerns in the Ontario derivatives market that led us to not adopt this approach in relation to transactions between dealers:

- We understand that many large derivatives dealers have designed their reporting systems to use static reporting logic, such that the same automated logic applies consistently to all their dealer counterparties. We are concerned that the alternative may involve accommodating separate agreements between different dealers, which may add potentially significant technological, operational and regulatory burden to these dealers and increase the risk of reporting errors and omissions. This in turn risks impairing the quality of the data that the Commission and the public receive. This is particularly important given the context of the large volume of, and potential systemic risk associated with, these transactions in Ontario.
- Under the current framework, the Commission is able to readily and independently ascertain which party is the reporting counterparty for a given transaction between derivatives dealers. This promotes efficient oversight given the large volume of transactions in Ontario. Under a variable approach, we could not ascertain which counterparty is responsible for fulfilling our regulatory requirement until we obtain and review separate agreements between derivatives dealers.
- Under a variable approach, it is possible that certain derivatives dealers may refuse to trade with other derivatives dealers unless their counterparty agrees to do the reporting, which may impose an undue burden on certain derivatives dealers relative to their competitors. A person or company that is not a reporting counterparty under the Trade Reporting Rule would not be required to pay a derivatives participation fee under proposed amendments to OSC Rule 13-502 *Fees* and would also avoid the technological, operational and regulatory costs associated with trade reporting.

Also, while we appreciate potential concerns regarding the residual reporting responsibility under delegated reporting, we believe that it is reasonable to expect both large and small derivatives dealers, who are in the business of trading derivatives, to have procedures or contractual arrangements in place to ensure that reporting occurs, and we note that derivatives dealers are required to have these arrangements in place if they transact with non-dealers. We believe that delegated reporting remains a reasonable means among dealers of achieving the practical outcome of single reporting.

¹⁶ The ISDA Multilateral Agreement is an optional multilateral agreement administered by the International Swaps and Derivatives Association, Inc. Parties to the ISDA Multilateral agree, as between each other, to follow the ISDA methodology to determine the reporting counterparty. ISDA provides all parties to the ISDA Multilateral and the Commission with any updates to the list of the parties to the ISDA Multilateral. This enables both the parties and the Commission to determine which derivatives dealer is the reporting counterparty for a transaction under paragraph 25(1)(b) of the Trade Reporting Rule. The ISDA Multilateral is available at <https://www.isda.org/2014/09/22/isda-2014-multilateral-canadian-reporting-party-agreement-deemed-dealer-version/> and the ISDA methodology is available at <https://www.isda.org/2015/03/20/canadian-transaction-reporting-party-requirements-2/>.

B.6: Request for Comments

For these reasons, we have retained the current static approach in the Proposed Trade Reporting Amendments for transactions between derivatives dealers.

Alternative reporting hierarchy

The Commission has developed a potential alternative to the current approach in relation to transactions between derivatives dealers, with a view to providing for increased flexibility and reducing the need for delegated reporting. The alternative hierarchy is set out in Annex E. A blackline comparing the hierarchy in the Proposed Trade Reporting Amendments with the alternative hierarchy is set out in Annex F.

The alternative hierarchy recognizes that derivatives dealers that are financial entities may generally be better positioned to report transactions than derivatives dealers that are not financial entities. For example, a commodity dealer or money services business transacting with a bank may currently delegate its reporting obligation to the bank. Under the alternative hierarchy, the bank would be the reporting counterparty in this situation, which avoids the need for delegation. We note that certain other jurisdictions both within and outside Canada also prioritize financial entities in their respective reporting hierarchies.

While the alternative hierarchy maintains a static approach in relation to transactions involving derivatives dealers that are financial entities, which comprise the majority of transactions and most significant potential systemic risk in Ontario, the alternative hierarchy provides greater flexibility in relation to transactions between two derivatives dealers that are both non-financial entities. In this regard, in a transaction between two derivatives dealers that are not financial entities (for example, two commodity dealers), the alternative hierarchy enables them to agree through any written agreement which counterparty bears the reporting requirement under the Trade Reporting Rule. We wish to highlight, however, that all derivatives dealers, including derivatives dealers that are not financial entities, would continue to be required to report when transacting with a non-dealer.

The definition of “financial entity” in the alternative hierarchy has been developed to reflect a broad range of financial entities in the context of the derivatives market. It is important to note that the definition as it relates to the alternative hierarchy is only relevant to derivatives dealers that are also financial entities. For example, the reporting requirement in relation to an investment fund that meets the definition of “financial entity” but is not a derivatives dealer would continue to be addressed under paragraphs 25(1)(e) to (g) of the alternative hierarchy.

While it is important to consider the benefits to the alternative hierarchy, we note that there may also be potential disadvantages that market participants should consider, such as increasing complexity to the reporting hierarchy, outreach to counterparties that may be required to determine the status of counterparties, and possible technological and operational changes for derivatives dealers.

We will consider comments from market participants in determining whether to adopt the hierarchy in the Proposed Trade Reporting Amendments (as set out in Annexes A and B) or whether to replace this with the alternative hierarchy (as set out in Annex E) when we publish the final amendments to the Trade Reporting Rule. We encourage market participants to explain their preference and provide detailed comments regarding the advantages and disadvantages of each hierarchy.

Benchmark Reference Rates

We are monitoring changes to benchmark reference rates, including recent updates relating to CDOR, USD LIBOR, EURIBOR and GBP LIBOR, which will affect indices that we require to be publicly disseminated. We will continue to monitor these developments as they affect trading liquidity, and we will assess whether other products are suitable for public dissemination at a later date.

Transition Period/Differences in Data Elements with CFTC

We understand that the CFTC will be harmonizing with the global trade reporting standards set out by the CPMI-IOSCO Working Group in two phases, with the first set of amendments to take effect in or about December 2022 and the second set of amendments to take effect in or about December 2023 (the **CFTC Amendments**). We are aiming to finalize the Proposed Trade Reporting Amendments and implement them in 2024 after the CFTC Amendments. Accordingly, there will be a period of time where reporting counterparties will be subject to the new global standards in some jurisdictions but not subject to them in Ontario. We are developing guidance to assist market participants during this transition period.

Summary of Proposed Product Determination Changes

The Proposed Product Determination Changes clarify the current interpretation that, similar to other financial commodities that do not come within the exclusion in paragraph 2(1)(d) of the Product Determination Rule, certain crypto assets that are also “financial commodities” do not fall under the exclusion in paragraph 2(1)(d) of the Product Determination Rule. Accordingly, derivatives linked to these crypto assets are required to be reported under the Trade Reporting Rule. We have proposed the same clarification in the Trade Reporting CP regarding the commodity exclusion under section 40 [*Commodity transactions*].

Alternatives Considered

We did not consider alternatives to the Proposed Trade Reporting Amendments. Given the global nature of derivatives markets, it is critical that the Trade Reporting Rule aligns with global standards. Accordingly, the Proposed Trade Reporting Amendments are necessary to harmonize the Trade Reporting Rule, which will provide for more efficient and consistent derivatives data reporting and lead to a reduction of regulatory burden for most market participants.

Unpublished Materials

In developing the Proposed Trade Reporting Amendments, we have not relied on any significant unpublished study, report or other written materials.

Legislative Authority for Rulemaking

Section 21.2.2 and paragraphs 12 and 35 of subsection 143(1) of the *Securities Act* (Ontario) provide the authority for making the Proposed Trade Reporting Amendments.

List of Annexes

This notice contains the following annexes:

Annex A	Proposed amendments to the Trade Reporting Rule
Annex B	Blackline of proposed amendments to the Trade Reporting Rule
Annex C	Proposed changes to the Trade Reporting CP
Annex D	Blackline of proposed changes to the Trade Reporting CP
Annex E	Alternative reporting hierarchy (Trade Reporting Rule)
Annex F	Blackline of alternative reporting hierarchy (Trade Reporting Rule)
Annex G	Proposed changes to the Product Determination CP
Annex H	Blackline of proposed changes to the Product Determination CP
Annex I	Regulatory impact assessment (Trade Reporting Rule)

Request for Comments

In addition to your comments on all aspects of the Proposed Trade Reporting Amendments, the Commission also seeks specific feedback on the following questions:

- 1) Harmonization with global standards

We have updated the required data fields for reporting market participants as set out in Appendix A of the Trade Reporting Rule with the goal of harmonizing with global standards and accordingly, reducing regulatory burden. As well, we created a new OSC Derivatives Data Technical Manual to inform reporting market participants on administrative matters for reporting in accordance with the Trade Reporting Rule.

Please provide your comments on whether you anticipate that the changes to the data field requirements and the corresponding OSC Derivatives Data Technical Manual will reduce regulatory burden and increase efficiency and clarity when meeting trade reporting requirements.

- 2) Reporting hierarchy

We have developed a potential alternative to the reporting hierarchy, which we have set out in Annex E to the Notice. This alternative hierarchy is an effort by us to provide increased flexibility and reduce the need for delegated reporting where feasible. The alternative hierarchy still maintains a static approach in relation to transactions involving derivatives dealers that are financial entities but provides greater flexibility in relation to transactions between two derivatives dealers that are both non-financial entities. The increase in flexibility may, however, result in increased complexity to the reporting hierarchy as well as possible technological and operational changes for derivatives dealers.

B.6: Request for Comments

Do you support adopting the hierarchy in the Proposed Trade Reporting Amendments (as set out in Annexes A and B) or the alternative hierarchy as set out in Annex E?

3) Data accuracy

We have proposed replacing the current concept of confirmation of data accuracy with a requirement under paragraph 26.1(1)(a) for all reporting counterparties to ensure that all reported derivatives data is accurate and contains no misrepresentation and a requirement under paragraph 26.1(1)(b) for reporting counterparties that are derivatives dealers and recognized or exempt clearing agencies to verify the accuracy of data every 30 days. A designated trade repository must establish written policies and procedures to enable the reporting counterparty to carry out its verification obligations under paragraph 26.1(1)(b); however, while a designated trade repository must provide counterparties to a transaction with access to derivatives data, we have not contemplated a specific requirement for policies and procedures designed to enable the requirement under paragraph 26.1(1)(a).

Is it necessary for a trade repository to implement policies and procedures to enable all reporting counterparties to ensure that all reported derivatives data is accurate and contains no misrepresentation, or is providing access to such counterparties sufficient to enable them to fulfill this requirement?

4) Maintenance and renewal of LEIs

The Trade Reporting Rule requires a local counterparty under section 28.1 [*Maintenance and renewal of legal entity identifiers*] to maintain and renew its LEI. However, we have identified instances where non-reporting local counterparties are not maintaining and renewing their LEIs, as required. As a result, the LEIs lapse and the information associated with them is no longer current. This reduces the benefits associated with LEIs. While we do not currently expect reporting counterparties to verify the maintenance and renewal of LEIs of their counterparties, we are interested to receive comments from market participants regarding any potential steps that could be taken to improve the maintenance and renewal of LEIs of non-reporting counterparties.

Please provide your comments in writing by **October 7, 2022**.

Please address your comments to the Ontario Securities Commission, and send your comments to the following address:

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax : 416-593-2318
comments@osc.gov.on.ca

We cannot keep submissions confidential because applicable legislation requires publication of the written comments received during the comment period. All comments received will be posted on the website of the OSC at www.osc.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Questions

Please refer your questions to either:

Kevin Fine
Director, Derivatives Branch
Ontario Securities Commission
416-593-8109
kfine@osc.gov.on.ca

Greg Toczylowski
Manager, Derivatives Branch
Ontario Securities Commission
416-593-8215
gtoczylowski@osc.gov.on.ca

ANNEX A

PROPOSED AMENDMENTS TO
OSC RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. **Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting is amended by this Instrument.**
2. **The heading to section 1 is amended by adding “and interpretation” after “Definitions”.**
3. **Subsection 1(1) is amended by**

(a) adding the following definitions:

“collateral and margin data” means data that reflects the current amount of collateral and margin posted or collected as set out in the elements listed in Appendix A under the heading “Data Elements Related to Collateral and Margin”;

“derivatives data validation procedures” means the written rules, policies and procedures established, implemented, maintained and enforced by a designated trade repository pursuant to section 22.2;

“Derivatives Service Bureau” means the subsidiary of the Association of National Numbering Agencies incorporated as The Derivatives Service Bureau (DSB) Limited and designated by the Financial Stability Board as both the service provider for the unique product identifier system assigned to a derivative and the operator of the unique product identifier reference data library, or any successor thereto;

“exempt clearing agency” has the meaning ascribed to it in National Instrument 24-102 *Clearing Agency Requirements*;

“indirect participant” means a person or company that accesses the services of a designated trade repository under an agreement with a participant;

“investment fund” has the meaning ascribed to it in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

“link” means, a contractual and operational arrangement that, directly or indirectly through an intermediary, connects a system of a designated trade repository with at least a system operated by another person or company for the acceptance, retention, use, disclosure or provision of access to derivatives data;

“OSC Derivatives Data Technical Manual” means the OSC Derivatives Data Technical Manual published in a Staff Notice, as amended from time to time;

“position level data” means aggregated lifecycle event data as determined under section 32.1.;

(b) amending the definition of “creation data” by replacing “fields” with “elements” and by adding “, other than collateral and margin data and valuation data” after “Appendix A”,

(c) replacing the definition of “derivatives dealer” with the following:

“derivatives dealer” means

- (a) a person or company engaging in or holding themselves out as engaging in the business of trading in derivatives in Ontario as principal or agent, and
- (b) any other person or company required to be registered as a derivatives dealer under securities legislation.;

(d) replacing “life-cycle” with “lifecycle” wherever it occurs,

(e) amending the definition of “local counterparty” by

(i) replacing paragraph (b) with the following:

- (b) the counterparty is an individual who is a resident of Ontario or an estate of a decedent who was a resident of Ontario at the time of death.;

- (ii) **replacing** “affiliate” **with** “affiliated entity”,
- (iii) **adding** “all or substantially all of” **before** “the liabilities”, **and**
- (iv) **replacing** “that affiliated party” **with** “the counterparty”,
- (f) **amending the definition of** “user” **by deleting** “and”,
- (g) **amending the definition of** “valuation data” **by replacing** “applicable fields” **with** “elements” **and by replacing** “Valuation Data” **with** “Data Elements Related to Valuation”, **and**
- (h) **adding the following explanatory note after the definition of** “OSC Derivatives Data Technical Manual”:

The OSC Derivatives Data Technical Manual provides detailed technical specifications in connection with the data elements that are required to be reported under this Rule. This text box does not form part of this Rule and has no official status.

4. Section 1 is amended by adding the following subsections:

(4) In this Rule, a person or company is an affiliated entity of another person or company if one of them controls the other or each of them is controlled by the same person or company.

(5) In this Rule, a person or company (the first party) is considered to control another person or company (the second party) if any of the following apply:

- (a) the first party beneficially owns or directly or indirectly exercises control or direction over securities of the second party carrying votes which, if exercised, would entitle the first party to elect a majority of the directors of the second party unless the first party holds the voting securities only to secure an obligation;
- (b) the second party is a partnership, other than a limited partnership, and the first party holds more than 50% of the interests of the partnership;
- (c) all of the following apply:
 - (i) the second party is a limited partnership;
 - (ii) the first party is a general partner of the limited partnership referred to in subparagraph (i);
 - (iii) the first party has the power to direct the management and policies of the second party by virtue of being a general partner of the second party;
- (d) all of the following apply:
 - (i) the second party is a trust;
 - (ii) the first party is a trustee of the trust referred to in subparagraph (i);
 - (iii) the first party has the power to direct the management and policies of the second party by virtue of being a trustee of the second party.

(6) Despite subsections (4) and (5), an investment fund is not an affiliated entity of another person or company for the purposes of this Rule..

5. Subsection 7(2) is amended by

- (a) **in paragraph (a) replacing** “the contractual arrangements” **with** “its contractual arrangements”,
- (b) **adding the following paragraphs:**
 - (a.1) such rules, policies and procedures identify and mitigate any risks arising from any potential conflict of laws across jurisdictions,
 - (a.2) such rules, policies, and procedures and its contractual arrangements allow it to collect basic information relating to the risks created by indirect participant arrangements, in order to identify,

measure, monitor, and manage any material risks to the designated trade repository arising from indirect participant arrangements., **and**

(c) **deleting “and” at the end of paragraph (c), adding “and” at the end of paragraph (d), and adding the following paragraph:**

(e) any links comply with applicable securities legislation..

6. Subsection 8(1) is amended by

(a) **in paragraph (b) adding “and accountability, including roles and responsibilities in relation to the identification, measurement, monitoring and management of risks” after “responsibility”,**

(b) **adding the following paragraphs:**

(b.1) set out a clear risk management framework that includes the tolerance levels for the identified risks of the designated trade repository,

(b.2) set out clear decision-making processes, including in the context of crises and emergencies, and clear rules for accountability in respect of risk-related decisions., **and**

(c) **in paragraph (d) adding “and the efficiency of the designated trade repository in meeting the needs of its participants” after “repository”.**

7. Section 9 is amended by adding the following subsection:

(5) A designated trade repository must have policies and procedures to review the overall performance of the board of directors and the performance of its individual board members on a regular basis..

8. Section 12 is amended by deleting “and” at the end of paragraph (a), by adding “and” at the end of paragraph (b), and by adding the following paragraph:

(c) reviewed on a regular basis..

9. Section 14 is replaced with the following:

Acceptance of reporting

14. (1) A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository’s designation order.

(2) For all transactions required to be reported under this Rule, including transactions that have expired or were otherwise terminated, and subject to subsection 18(2), a designated trade repository must accept a correction to an error or omission in derivatives data from a participant and record the correction as soon as technologically practicable after acceptance.

(3) For the purposes of subsections (1) and (2), a designated trade repository must accept derivatives data that satisfies the derivatives data elements listed in Appendix A and the technical specifications set out in the OSC Derivatives Data Technical Manual..

10. The Instrument is amended by adding the following section:

Operational efficiency and effectiveness

14.1 (1) A designated trade repository must ensure that its services are

(a) designed to meet the needs of the participants and markets it serves, and

(b) provided in a secure, efficient and effective manner.

(2) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to, on a regular basis, review its

(a) efficiency and effectiveness in meeting the requirements of its participants and the markets it serves, and

(b) cost and pricing structures.

(3) A designated trade repository must have policies and procedures that define measurable goals and objectives for all aspects of its business as a designated trade repository..

11. **Section 20 is amended by adding the following subsection:**

(7) A designated trade repository must maintain a plan, approved by the board of directors and updated on a regular basis, for raising additional equity should its equity fall close to or below the amount required by subsection (3)..

12. **The heading to section 21 is amended by replacing “risk requirements” with “risks”.**

13. **Paragraph 21(3)(c) is amended by replacing “a post-incident report that includes a root-cause analysis as soon as practicable” with “as soon as practicable a written post-incident report that includes a root-cause analysis and any remedial action that has been or will be taken by the designated trade repository”.**

14. **The Instrument is amended by adding the following sections:**

Transactions executed anonymously on a derivatives trading facility

22.1 A designated trade repository must not disclose the identity or legal entity identifier of a counterparty to another counterparty in respect of a transaction involving a local counterparty that is executed anonymously on a derivatives trading facility and cleared through a recognized or exempt clearing agency.

Validation of data

22.2 (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to validate that the derivatives data reported under this Rule satisfies the derivatives data elements listed in Appendix A and the technical specifications set out in the OSC Derivatives Data Technical Manual.

(2) A designated trade repository must, as soon as technologically practicable after receiving the derivatives data, notify a reporting counterparty, or agent acting on behalf of the reporting counterparty, whether or not the derivatives data received by the designated trade repository from the reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Rule, satisfies the derivatives data validation procedures of the designated trade repository.

(3) Subject to subsection 18(2), a designated trade repository must create and maintain records of all the derivatives data reported that failed to satisfy the derivatives data validation procedures of the designated trade repository..

15. **The Instrument is amended by replacing Section 23 with the following:**

Verification of data accuracy

23. A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to allow and enable the reporting counterparty to a transaction to carry out its data verification obligations under paragraph 26.1(1)(b)..

16. **The Instrument is amended by adding the following section:**

Links and Tiered Participation Arrangements

24.1 (1) A designated trade repository must establish, implement and maintain appropriate controls and procedures to

- (a) identify, assess, monitor, measure and manage all potential sources of risk arising from links and other arrangements with indirect participants, and
- (b) identify material dependencies between participants and indirect participants that might affect the designated trade repository.

(2) A designated trade repository must regularly review risks arising from tiered participation arrangements..

17. **Section 25 is amended by:**

(a) **in paragraph 25(1)(b), adding “subject to subsection (2),” before “if” and adding “both of which are parties to the ISDA Multilateral” after “two derivatives dealers”,**

(b) **in paragraph 25(1)(e), replacing “ISDA methodology” with “terms of a written agreement entered into before or at the time of the transaction”**

- (c) **in subsection 25(2), replacing** “A party that would not be the reporting counterparty under the ISDA methodology with regard to a transaction required to be reported under this Rule may rely on paragraph (1)(b) or (e) in respect of that” **with** “Paragraph (1)(b) applies in respect of a”,
- (d) **repealing paragraph 25(2)(a),**
- (e) **in paragraph 25(2)(c), replacing** “(a) and (b)” **with** “(1)(b) and (2)(b)”,
- (f) **replacing subsection (3) with the following:**
 - (3) For the purposes of this section,
 - (a) “ISDA methodology” means the methodology described in the Canadian Transaction Reporting Party Requirements (issued by the International Swaps and Derivatives Association, Inc. on April 4, 2014 and amended as of March 20, 2015), and
 - (b) “ISDA Multilateral” means the ISDA 2014 Multilateral Canadian Reporting Party Agreement (Deemed Dealer Version) that is administered by and delivered to the International Swaps and Derivatives Association, Inc., **and**
- (g) **adding the following subsections:**
 - (4) A local counterparty to a transaction to which paragraph 1(e) applies must
 - (a) keep a record of the written agreement referred to in that paragraph for 7 years after the date on which the transaction expires or terminates, and
 - (b) keep the record referred to in paragraph (a) in a safe location and in a durable form.
 - (5) Despite section 40, a local counterparty that agrees under paragraph (1)(e) to be the reporting counterparty for a transaction to which section 40 applies must report derivatives data in accordance with this Rule..

18. Section 26 is amended by:

- (a) **in subsection (1), replacing** “to a transaction” **with** “in respect of a transaction”,
- (b) **in paragraph (5)(a), deleting** “(b) or”,
- (c) **in paragraph (5)(b), replacing** “pursuant to” **with** “under” **and adding** “or territory” **after** “province”,
- (d) **replacing subsection (6) with the following:**
 - (6) A reporting counterparty must ensure that all reported derivatives data relating to a transaction satisfies the derivatives data validation procedures of the designated trade repository to which the transaction is reported.,
- (e) **replacing subsection (7) with the following:**
 - (7) A reporting counterparty must ensure that all reported derivatives data relating to a transaction is reported to the same designated trade repository or, if reported to the Commission under subsection (4), to the Commission., **and**
- (f) **repealing subsection (8).**

19. The Instrument is amended by adding the following section:

Verification of data accuracy, and reporting of errors and omissions

- 26.1(1)** A reporting counterparty must ensure that all reported derivatives data relating to a transaction
- (a) is accurate and contains no misrepresentation, and
 - (b) in the case of a reporting counterparty that is a derivatives dealer or a recognized or exempt clearing agency, is verified to be accurate and contain no misrepresentation, at least every 30 days.

(2) A reporting counterparty must report an error or omission in the derivatives data to the designated trade repository or, if the derivatives data was reported to the Commission under subsection 26(4), to the Commission, as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(3) A local counterparty, other than the reporting counterparty, must notify the reporting counterparty of an error or omission with respect to derivatives data relating to a transaction to which it is a counterparty as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(4) A reporting counterparty must notify the Commission of a significant error or omission that has occurred as soon as practicable upon discovery of the error or omission..

20. Subsection 28(4) is amended by replacing “an alternate” with “a single unique alternate”.

21. Section 28.1 is amended by

(a) **adding the following heading:**

Maintenance and renewal of legal entity identifiers.

(b) **deleting “local”,**

(c) **adding the following after “set by the Global Legal Entity Identifier System”:**

if the counterparty is

(a) a reporting counterparty or

(b) a non-reporting counterparty that is a local counterparty..

22. Section 29 is replaced with the following:

Unique transaction identifiers

29. (1) Each transaction that is required to be reported under this Rule must be identified by means of one unique transaction identifier that is assigned by:

- (a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency;
- (b) if the transaction is not cleared through a recognized or exempt clearing agency, and the transaction is executed on a derivatives trading facility that has assigned a unique transaction identifier to the transaction, that derivatives trading facility;
- (c) if paragraphs (a) and (b) do not apply to the transaction, and the transaction is also required to be reported under the securities legislation of a province or territory of Canada other than Ontario or the laws of a foreign jurisdiction with a reporting deadline earlier than under this Rule, the person or company required to assign the unique transaction identifier under the securities legislation of that province or territory, or under the laws of that foreign jurisdiction;
- (d) if paragraphs (a) to (c) do not apply to the transaction and the transaction is between two derivatives dealers, the reporting counterparty as determined under paragraph 25(1)(b) or a party that has been delegated a reporting obligation under subsection 26(3);
- (e) if paragraphs (a) to (d) do not apply to the transaction and the transaction is between two derivatives dealers, the derivatives dealer with the first legal entity identifier based on sorting the legal entity identifiers alphanumerically with the characters of the legal entity identifiers reversed,
- (f) if paragraphs (a) to (e) do not apply to the transaction and the transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,
- (g) in any other case, the designated trade repository.

(2) The unique transaction identifier must be assigned as soon as technologically practicable after execution of the transaction and in no event later than the time that the transaction is required to be reported to a designated trade repository under this Rule..

23. Section 30 is amended by

- (a) *in subsection (1) replacing* “in accordance with international or industry standards” *with* “by the Derivatives Service Bureau”,
- (b) *in subsection (2) adding* “derivative in a” *before* “transaction” *and replacing* “of a” *with* “of only one”, *and*
- (c) *repealing subsections (3) and (4).*

24. Section 32 is amended by

- (a) *in the heading replacing* “Life-cycle” *with* “Lifecycle”,
- (b) *in subsections (1) and (2) replacing* “life-cycle” *wherever it occurs with* “lifecycle”,
- (c) *in subsection (2), replacing* “if” *with* “Despite subsection (1), if”, *deleting* “the reporting counterparty must report”, *and adding* “must be reported” *before* “no”,
- (d) *adding the following subsection:*

(3) Despite subsections (1) and (2), the recognized or exempt clearing agency through which a transaction is cleared must report the termination of the original transaction to the designated trade repository to which derivatives data in respect of that original transaction was reported by the end of the business day on which the original transaction is terminated..

25. The following section is added:

Position level data

32.1 Despite section 32, the reporting counterparty may, at its option, report position level data in respect of transactions that are required to be reported under this Rule, where each transaction for which position level data is aggregated and reported

- (a) has no fixed expiration date, and
- (b) is in a class of derivatives in which each transaction is fungible..

26. Section 33 is replaced with the following:

Valuation data and collateral and margin data

33. (1) For a transaction that is required to be reported under this Rule, a reporting counterparty that is a derivatives dealer or a recognized or exempt clearing agency must report to a designated trade repository each business day

- (a) valuation data, and
- (b) collateral and margin data.

(2) If position level data in respect of transactions have been reported pursuant to section 32.1, the valuation data and collateral and margin data must be calculated and reported on the net amount of all purchases and sales reported as position level data for the transactions..

27. Section 35 is amended by adding “subsection 26(7) and” *after* “Despite”.

28. The following section is added:

Derivatives trading facility

36.1 Despite Section 25, with respect to a transaction involving a local counterparty that is not cleared through a recognized or exempt clearing agency, is executed anonymously on a derivatives trading facility, and is intended to be cleared,

- (a) the derivatives trading facility has the obligations of a reporting counterparty under sections 26, 27, 30, 31, 35, 36 and 37 and under subsections 26.1(1), 26.1(2), 26.1(4) and 28(4) instead of the reporting counterparty under section 25,
- (b) all references to “reporting counterparty” in sections 23 and 41 and in subsections 22.2(2), 26(3), 26.1(3) and 28(5) are deemed to refer to the derivatives trading facility instead of the reporting counterparty under section 25..

29. Subsection 37(1) is amended by deleting “and” at the end of paragraph (c), by adding “and” at the end of paragraph (d), and by adding the following paragraph:

- (e) provide to the Commission any corrections to data under paragraphs (a) to (c) as soon as technologically practicable after recording a correction to an error or omission in the derivatives data from a participant..

30. Section 38 is amended by:

- (a) **in subsection (1) replacing** “A designated” **with** “Subject to section 22.1, a designated”,
- (b) **in subsection (2) deleting** “verification and” **and replacing** “deal with” **with** “enable”, **and**
- (c) **in subsection (3) replacing** “Each” **with** “Subject to section 22.1, each”.

31. Subsection 39(1) is replaced with the following:

- (1) A designated trade repository must, create and make available to the public at no cost
 - (a) aggregate data on open transactions, volume, number and, where applicable, price, relating to the transactions reported to it pursuant to this Rule on a periodic basis, and
 - (b) any corrections to data under paragraph (a) resulting from a correction to an error or omission in the derivatives data that is reported to it pursuant to this Rule as soon as technologically practicable after recording a correction to an error or omission in the derivatives data from a participant and in no event later than the time when periodic aggregate data is next made available to the public..

32. Subsection 39(2) is amended by replacing “maturity” with “expiration”.

33. Subsection 39(3) is replaced with the following:

- (3) For each transaction reported pursuant to this Rule, a designated trade repository must make available to the public at no cost
 - (a) transaction level reports, in accordance with the requirements in Appendix C, and
 - (b) as soon as technologically practicable, any corrections to a report under paragraph (a) resulting from a correction to an error or omission in the derivatives data that is reported to it pursuant to this Rule, subject to the requirements in Appendix C..

34. Subsection 39(6) is amended by replacing “companies as defined under subsection 1(2) of the Act” with “entities”.

35. Section 40 is amended by:

- (a) **adding the following heading:**
Commodity transactions,
- (b) **replacing** “section” **with** “provision”,
- (c) **adding** “other than subsection 25(5)” **after** “Rule”,
- (d) **replacing paragraph (b) with the following:**
 - (b) the local counterparty is not
 - (i) a derivatives dealer,
 - (ii) a recognized or exempt clearing agency, or

(iii) an affiliated entity of a person or company referred to in subparagraph (i) or (ii), and, **and**

(e) **replacing paragraph (c) with the following:**

(c) the aggregate month-end gross notional amount under all outstanding transactions, the asset class of which is a commodity, other than cash or currency, and of each affiliated entity of the local counterparty that is a local counterparty in a jurisdiction of Canada, excluding transactions with an affiliated entity, did not, in any calendar month in the preceding 12 calendar months, exceed \$250 000 000..

36. **Section 41 is amended by adding the following heading:**

Transactions between a government and its consolidated entity.

37. **Section 41.1 is amended by:**

(a) **adding the following heading:**

Affiliated entities,

(b) **replacing “companies” with “entities”, and**

(c) **replacing “affiliate” with “affiliated entity”.**

38. **The Instrument is amended by adding the following section:**

Individuals

41.2 Despite any other section of this Rule, a counterparty that is an individual or an estate of a decedent is under no obligation to report derivatives data for a transaction..

39. **Section 42 is amended by adding the following heading:**

Exemptions.

40. **Appendix A is replaced with the following:**

Minimum Data Fields Required to be Reported to a Designated Trade Repository

In accordance with Part 3 of OSC Rule 91-507, the reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

This Appendix A provides the data elements and their descriptions, while the OSC Derivatives Data Technical Manual provides the format and allowable values for the derivatives data specifications that are required to be reported by a reporting counterparty under Part 3 of OSC Rule 91-507, and any public dissemination of transaction level data required in accordance with Part 4 of OSC Rule 91-507 and Appendix C to OSC Rule 91-507.

The “Data Element Description” column includes globally standard descriptions. For the purpose of this Appendix, the following terms used in the “Data Element Description” column have the following meaning:

Term used in “Data Element Description” column	Meaning for the purpose of Appendix A to OSC Rule 91-507
derivative transaction	transaction
fx	foreign exchange
instrument	derivative
original derivative	original transaction
OTC derivative (<i>only in respect of Data Element Number 115</i>)	derivative
OTC derivative transaction	transaction
product	derivative

trade	transaction
trading facility	derivatives trading facility

Data Elements Related to Counterparties

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
1	Counterparty 1 (reporting counterparty)	Identifier of the counterparty to an OTC derivative transaction who is fulfilling its reporting obligation via the report in question. In jurisdictions where both parties must report the transaction, the identifier of Counterparty 1 always identifies the reporting counterparty. In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty. If a trading facility is fulfilling the reporting obligation, the identifier of Counterparty 1 identifies one of the counterparties to the transaction.	N
2	Counterparty 2	Identifier of the second counterparty to an OTC derivative transaction. In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty.	N
3	Counterparty 2 identifier source	Source used to identify the Counterparty 2.	N
4	Buyer identifier	Identifier of the counterparty that is the buyer, as determined at the time of the transaction.	N
5	Seller identifier	Identifier of the counterparty that is the seller as determined at the time of the transaction.	N
6	Payer identifier	Identifier of the counterparty of the payer leg as determined at the time of the transaction.	N
7	Receiver identifier	Identifier of the counterparty of the receiver leg as determined at the time of the transaction.	N

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8	Broker ID	In the case where a broker acts as intermediary for the counterparty 1 without becoming a counterparty itself, the broker shall be identified by legal entity identifier.	N
9	Country and Province or Territory of Individual	In the case of a counterparty that is an individual, include the individual's country of residence. If the individual's residence is in Canada, include the province or territory.	N
10	Jurisdiction of Counterparty 1	If Counterparty 1 is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N
11	Jurisdiction of Counterparty 2	If Counterparty 2 is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N

Data Elements Related to Transactions

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
12	Effective date	Unadjusted date at which obligations under the OTC derivative transaction come into effect, as included in the confirmation.	Y
13	Expiration date	Unadjusted date at which obligations under the OTC derivative transaction stop being effective, as included in the confirmation. Early termination does not affect this data element.	Y

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14	Execution timestamp	Date and time a transaction was originally executed, resulting in the generation of a new UTI. This data element remains unchanged throughout the life of the UTI.	Y
15	Reporting timestamp	Date and time of the submission of the report to the trade repository.	N
16	Unique transaction identifier (UTI)	A unique identifier assigned at the transaction or position level which identifies them uniquely throughout their lifecycle and used for all recordkeeping and reporting.	N
17	Prior UTI (for one-to-one and one-to-many relations between transactions)	UTI assigned to the predecessor transaction that has given rise to the reported transaction due to a lifecycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions).	N
18	Subsequent position UTI	The UTI of the position in which a transaction is included. This field is applicable only for the reports related to the termination of a transaction due to its inclusion in a position.	N
19	Prior USI (for one-to-one and one-to-many relations between transactions)	Unique swap identifier (USI) assigned to the predecessor transaction that has given rise to the reported transaction due to a lifecycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions).	N
20	Inter-affiliate	Indicate whether the transaction is between two affiliated entities.	N

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21	Submitter identifier	Identifier of the entity submitting the derivatives data to the trade repository, if reporting of the transaction has been delegated by the reporting counterparty to a third-party service provider, or if a trading facility is reporting the data.	N
22	Platform identifier	Identifier of the trading facility (e.g., exchange, multilateral trading facility, swap execution facility) on which the transaction was executed.	Y
23	Master agreement type	The type of master agreement, if used for the reported transaction.	N
24	Master agreement version	Date of the master agreement version (e.g., 1992, 2002).	N

Data Elements Related to Notional Amounts and Quantities

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
25	Notional amount	<p>For each leg of the transaction, where applicable:</p> <ul style="list-style-type: none"> - for OTC derivative transactions negotiated in monetary amounts, the amount specified in the contract. - for OTC derivative transactions negotiated in non-monetary amounts, refer to the OSC Derivatives Data Technical Manual for converting notional amounts for non-monetary amounts. <p>In addition:</p> <ul style="list-style-type: none"> • For OTC derivative transactions with a notional amount schedule, the initial notional amount, agreed by the counterparties at the inception of the transaction, is reported in this data element. • For OTC foreign exchange options, in addition to this data element, the amounts are reported using the data elements Call amount and Put amount. • For amendments or lifecycle events, the resulting outstanding notional amount 	Y

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		<p>is reported; (steps in notional amount schedules are not considered to be amendments or lifecycle events);</p> <ul style="list-style-type: none"> • Where the notional amount is not known when a new transaction is reported, the notional amount is updated as it becomes available. 	
26	Notional currency	For each leg of the transaction, where applicable: currency in which the notional amount is denominated.	Y
27	Call amount	For foreign exchange options, the monetary amount that the option gives the right to buy.	N
28	Call currency	For foreign exchange options, the currency in which the Call amount is denominated.	N
29	Put amount	For foreign exchange options, the monetary amount that the option gives the right to sell.	N
30	Put currency	For foreign exchange options, the currency in which the Put amount is denominated.	N
31	Notional quantity	<p>For each leg of the transaction, where applicable, for derivative transactions negotiated in non-monetary amounts with fixed notional quantity for each schedule period (e.g., 50 barrels per month).</p> <p>The frequency is reported in Quantity frequency and the unit of measure is reported in Quantity unit of measure.</p>	N
32	Quantity frequency	The rate at which the quantity is quoted on the transaction e.g., hourly, daily, weekly, monthly.	N
33	Quantity frequency multiplier	The number of time units for the Quantity frequency.	N
34	Quantity unit of measure	For each leg of the transaction, where applicable: unit of measure in which the Total notional	N

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		quantity and Notional quantity are expressed.	
35	Total notional quantity	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable: aggregate Notional quantity of the underlying asset for the term of the transaction. • Where the Total notional quantity is not known when a new transaction is reported, the Total notional quantity is updated as it becomes available. 	N
36	Notional amount in effect on associated effective date	<p>For each leg of the transaction, where applicable. For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule.</p>	N
37	Effective date of notional quantity	Unadjusted date on which the associated notional quantity of leg 1 becomes effective.	N
38	End date of notional quantity	Unadjusted end date of the notional quantity of each leg.	N
39	Notional quantity in effect on associated effective date	Notional quantity of each leg which becomes effective on the associated unadjusted effective date.	N
40	Notional amount schedule - notional amount in effect on associated effective date	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Notional amount which becomes effective on the associated unadjusted effective date. • The initial notional amount and associated unadjusted effective and end dates are reported as the first values of the schedule. 	N
41	Notional amount schedule - unadjusted effective date of the notional amount	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Unadjusted date on which the associated notional amount becomes effective. 	N

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42	Notional amount schedule - unadjusted end date of the notional amount	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Unadjusted end date of the notional amount. 	N
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Data Elements Related to Prices

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
43	Exchange rate	Exchange rate between the two different currencies specified in the OTC derivative transaction agreed by the counterparties at the inception of the transaction, expressed as the rate of exchange from converting the unit currency into the quoted currency.	N
44	Exchange rate basis	Currency pair and order in which the exchange rate is denominated, expressed as unit currency/quoted currency.	N
45	Fixed rate	For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments, per annum rate of the fixed leg(s).	Y
46	Price	Price specified in the OTC derivative transaction. It does not include fees, taxes or commissions.	Y
47	Price currency	Currency in which the price is denominated.	Y
48	Price notation	Manner in which the price is expressed.	Y
49	Price unit of measure	Unit of measure in which the price is expressed.	N

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50	Spread	For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments (e.g., interest rate fixed/float swaps, interest rate basis swaps, commodity swaps).	Y
51	Spread currency	For each leg of the transaction, where applicable: currency in which the spread is denominated.	Y
52	Spread notation	For each leg of the transaction, where applicable: manner in which the spread is expressed.	Y
53	Strike price	<ul style="list-style-type: none"> • For options other than FX options, swaptions and similar products, the price at which the owner of an option can buy or sell the underlying asset of the option. • For foreign exchange options, exchange rate at which the option can be exercised, expressed as the rate of exchange from converting the unit currency into the quoted currency. Where the strike price is not known when a new transaction is reported, the strike price is updated as it becomes available. • For volatility and variance swaps and similar products, the volatility strike price is reported in this data element. 	Y
54	Strike price currency/currency pair	<ul style="list-style-type: none"> • For equity options, commodity options, and similar products, currency in which the strike price is denominated. • For foreign exchange options, currency pair and order in which the strike price is expressed. It is expressed as unit currency/quoted currency. 	N
55	Strike price notation	Manner in which the strike price is expressed.	Y
56	Unadjusted effective date of the price	Unadjusted effective date of the price.	N

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57	Unadjusted end date of the price	Unadjusted end date of the price.	N
58	Price in effect between the unadjusted effective and end dates	Price in effect between the unadjusted effective date and inclusive of the unadjusted end date.	N
59	Effective date of the strike price	Unadjusted effective date of the strike price.	N
60	End date of the strike price	Unadjusted end date of the strike price.	N
61	Strike price in effect on associated effective date	Strike price in effect between the unadjusted effective date and unadjusted end date inclusive.	N
62	Non-standardized term indicator	Indicator of whether the transaction has one or more additional term(s) or provision(s), other than those disseminated to the public, that materially affect(s) the price of the transaction.	Y
63	Day count convention	For each leg of the transaction, where applicable: day count convention (often also referred to as day count fraction or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year fraction of the calculation period and indicates the number of days in the calculation period divided by the number of days in the year.	Y
64	Floating rate reset frequency period	For each floating leg of the transaction, where applicable, time unit associated with the frequency of resets, e.g., day, week, month, year or term of the stream.	Y
65	Floating rate reset frequency period multiplier	For each floating leg of the transaction, where applicable, number of time units (as expressed by the Floating rate reset frequency period) that determines the frequency at which periodic payment dates for reset occur.	Y

Data Elements Related to Clearing

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
66	Cleared	Indicator of whether the transaction has been cleared, or is intended to be cleared, by a clearing agency.	Y
67	Central counterparty	Identifier of the clearing agency that cleared the transaction.	N
68	Clearing account origin	Indicator of whether the clearing member acted as principal for a house trade or an agent for a customer trade.	N
69	Clearing member	Identifier of the clearing member through which a derivative transaction was cleared at a clearing agency.	N
70	Clearing receipt timestamp	The date and time, expressed in Coordinated Universal Time (UTC), the original derivative was received by the clearing agency for clearing and recorded by the clearing agency's system.	N
71	Clearing exceptions and exemptions - Counterparty 1	<ul style="list-style-type: none"> • Identifies the type of clearing exception or exemption that Counterparty 1 has elected or otherwise falls under. • All applicable exceptions and exemptions must be selected. • The values may be repeated as applicable. 	N
72	Clearing exceptions and exemptions – Counterparty 2	<ul style="list-style-type: none"> • Identifies the type of the clearing exception or exemption that Counterparty 2 has elected or otherwise falls under. • All applicable exceptions and exemptions must be selected. • The values may be repeated as applicable. 	N

Data Elements Related to Collateral and Margin

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
73	Collateralisation category	Indicator of whether a collateral agreement (or collateral agreements) between the counterparties exists (uncollateralised/partially collateralised/one-way collateralised/fully collateralised). This data element is provided for each transaction or each portfolio, depending on whether the collateralisation is performed at the transaction or portfolio level, and is applicable to both cleared and uncleared transactions.	N
74	Portfolio containing non-reportable component indicator	If collateral is reported on a portfolio basis, indicator of whether the collateral portfolio includes transactions exempt from reporting.	N
75	Initial margin posted by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transactions. • This refers to the total current value of the initial margin after application of the haircut (if applicable), rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines. • If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the 	N

		reporting counterparty and reported as one total value.	
76	Initial margin posted by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transactions. • This refers to the total current value of the initial margin, rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines. • If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
77	Currency of initial margin posted	<ul style="list-style-type: none"> • Currency in which the initial margin posted is denominated. • If the initial margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted initial margins. 	N
78	Initial margin collected by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transactions. • This refers to the total current 	N

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		<p>value of the initial margin after application of the haircut (if applicable), rather than to its daily change.</p> <ul style="list-style-type: none"> • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity. • If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	
79	Initial margin collected by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transactions. • This refers to the total current value of the initial margin, rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity. • If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
80	Currency of initial margin collected	<ul style="list-style-type: none"> • Currency in which the initial margin collected is denominated. • If the initial margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of collected initial margins. 	N

<p>81</p>	<p>Variation margin posted by the reporting counterparty (post-haircut)</p>	<ul style="list-style-type: none"> • Monetary value of the variation margin posted by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transactions. • This data element refers to the total current value of the variation margin after application of the haircut (if applicable), cumulated since the first reporting of posted variation margins for the portfolio /transaction. • If the variation margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value. 	<p>N</p>
<p>82</p>	<p>Variation margin posted by the reporting counterparty (pre-haircut)</p>	<ul style="list-style-type: none"> • Monetary value of the variation margin posted by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transactions. • This data element refers to the total current value of the variation margin, cumulated since the first reporting of variation margins posted for the portfolio/transaction • If the variation margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	<p>N</p>

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83	Currency of variation margin posted	<ul style="list-style-type: none"> • Currency in which the variation margin posted is denominated. • If the variation margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted variation margins. 	N
84	Variation margin collected by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin collected by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. If the collateralisation is performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transactions. • This refers to the total current value of the variation margin collected after application of the haircut (if applicable), cumulated since the first reporting of collected variation margins for the portfolio /transaction. • If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value. 	N
85	Variation margin collected by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin collected by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transactions. 	N

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		<ul style="list-style-type: none"> • This refers to the total current value of the variation margin, cumulated since the first reporting of collected variation margins for the portfolio/ transaction. • If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	
86	Currency of variation margin collected	<ul style="list-style-type: none"> • Currency in which the variation margin collected is denominated. • If the variation margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of collected variation margins. 	N
87	Variation margin collateral portfolio code	If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate variation margin related to a set of open transactions.	N
88	Initial margin collateral portfolio code	If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate initial margin of a set of open transactions.	N
89	Excess collateral posted by the counterparty 1	<ul style="list-style-type: none"> • Monetary value of any additional collateral posted by the counterparty 1 separate and independent from initial and variation margin. This refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. • Any initial or variation margin amount posted that exceeds the required initial margin or required variation margin, is reported as part of the initial margin posted or variation margin posted respectively rather than included as excess collateral posted. For centrally cleared transactions, excess 	N

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		collateral is reported only to the extent it can be assigned to a specific portfolio or transaction.	
90	Currency of the excess collateral posted	<ul style="list-style-type: none"> • Currency in which the excess collateral posted is denominated. • If the excess collateral posted is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of posted excess collateral. 	N
91	Excess collateral collected by the counterparty 1	<ul style="list-style-type: none"> • Monetary value of any additional collateral collected by the counterparty 1 separate and independent from initial and variation margin. This data element refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. • Any initial or variation margin amount collected that exceeds the required initial margin or required variation margin, is reported as part of the initial margin collected or variation margin collected respectively, rather than included as excess collateral collected. For centrally cleared transactions excess collateral is reported only to the extent it can be assigned to a specific portfolio or transaction. 	N
92	Currency of excess collateral collected	<ul style="list-style-type: none"> • Currency in which the excess collateral collected is denominated. • If the excess collateral is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of collected excess collateral. 	N

Data Elements Related to Events

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
93	Event timestamp	<ul style="list-style-type: none"> • Date and time of occurrence of the event as determined by the reporting counterparty or a service provider. • In the case of a clearing event, date and time when the original derivative is accepted by the clearing agency for clearing and recorded by the clearing agency's system should be reported in this data element. • The time element is as specific as technologically practicable. 	Y
94	Level	Indication whether the reporting is done at transaction or position level. Position level report can be used only as a supplement to transaction level reporting to report post-trade lifecycle events and only if individual trades in fungible products have been replaced by the position.	N
95	Event identifier	Unique identifier to link derivative transactions resulting from an event that may be, but is not limited to, compression, and credit event. The unique identifier may be assigned by the reporting counterparty or a service provider.	N
96	Event type	Explanation or reason for the action being taken on the derivative transaction.	Y
97	Action type	Type of action taken on the derivative transaction or type of end-of-day reporting.	Y
98	Amendment indicator	Indicator of whether the modification of the swap transaction reflects newly agreed upon term(s) from the previously negotiated terms.	Y

Data Elements Related to Valuation

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
99	Valuation amount	<ul style="list-style-type: none"> • Current value of the outstanding contract. • Valuation amount is expressed as the exit cost of the contract or components of the contract, i.e., the price that would be received to sell the contract (in the market in an orderly transaction at the valuation date). 	N
100	Valuation currency	Currency in which the valuation amount is denominated.	N
101	Valuation method	<ul style="list-style-type: none"> • Source and method used for the valuation of the transaction by the reporting counterparty. • If at least one valuation input is used that is classified as mark-to-model in Appendix 3.3 of the OSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-model. • If only inputs are used that are classified as mark-to-market in Appendix 3.3 of the OSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-market. 	N
102	Valuation timestamp	<ul style="list-style-type: none"> • Date and time of the last valuation marked to market, provided by the clearing agency or calculated using the current or last available market price of the inputs. • If for example a currency exchange rate is the basis for a transaction's valuation, then the valuation timestamp reflects the moment in time that exchange rate was current. 	N
103	Next floating reference reset date	The nearest date in the future that the floating reference resets on.	N
104	Last floating reference value	The most recent sampling of the value of the floating reference for the purposes of determining cash flow. Ties to Last floating reference reset date data element.	N
105	Last floating reference reset date	The date of the most recent sampling of the floating reference for the purposes of determining	N

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		cash flow. Ties to Last floating reference value data element.	
106	Delta	The ratio of the change in price of an OTC derivative transaction to the change in price of the underlier, at the time a new transaction is reported or when a change in the notional amount is reported.	N

Data Elements Related to Packages

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
107	Package identifier	<p>Identifier (determined by the reporting counterparty) in order to connect</p> <ul style="list-style-type: none"> • two or more transactions that are reported separately by the reporting counterparty, but that are negotiated together as the product of a single economic agreement. • two or more reports pertaining to the same transaction whenever jurisdictional reporting requirement does not allow the transaction to be reported with a single report to trade repositories. <p>A package may include reportable and non-reportable transactions.</p> <p>Where the Package identifier is not known when a new transaction is reported, the Package identifier is updated as it becomes available.</p>	N
108	Package transaction price	<ul style="list-style-type: none"> • Traded price of the entire package in which the reported derivative transaction is a component. • Prices and related data elements of the transactions (Price currency, Price notation, Price unit of measure) that represent individual components of the package are reported when available. • The Package transaction price may not be known when a new transaction is reported but may be updated later 	N

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109	Package transaction price currency	Currency in which the Package transaction price is denominated.	N
110	Package transaction spread	<ul style="list-style-type: none"> • Traded price of the entire package in which the reported derivative transaction is a component of a package transaction. • Package transaction price when the price of the package is expressed as a spread, difference between two reference prices. • Spread and related data elements of the transactions (spread currency) that represent individual components of the package are reported when available. • Package transaction spread may not be known when a new transaction is reported but may be updated later. 	N
111	Package transaction spread currency	Currency in which the Package transaction spread is denominated.	N
112	Package transaction spread notation	Manner in which the Package transaction spread is expressed.	N
113	Package transaction price notation	Manner in which the Package transaction price is expressed.	N
114	Package indicator	Indicator of whether the swap transaction is part of a package transaction.	Y

Data Elements Related to Product

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
115	Unique product identifier	A unique set of characters that represents a particular OTC derivative.	Y
116	CDS index attachment point	Defined lower point at which the level of losses in the underlying portfolio reduces the notional of a tranche.	N
117	CDS index detachment point	Defined point beyond which losses in the underlying portfolio no longer reduce the notional of a tranche.	N

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118	Index factor	The index version factor or percent, expressed as a decimal value, that multiplied by the Notional amount yields the notional amount covered by the seller of protection for credit default swap.	Y
119	Derivative based on cryptoassets	Indicator whether the derivative is based on cryptoassets.	N
120	Custom basket code	If the derivative transaction is based on a custom basket, unique code assigned by the structurer of the custom basket to link its constituents.	N
121	Custom basket indicator	Indicator that the derivative is based on a custom basket.	N
122	Source of the identifier of the basket constituents	Source of the underliers' identifiers that represent the constituents of a custom basket.	N
123	Identifier of the basket's constituents	Underliers that represent the constituents of a custom basket.,	N
124	Embedded option type	Type of option or optional provision embedded in a contract.	Y

Data Elements Related to Payments and Settlement

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
125	Final contractual settlement date	Unadjusted date as per the contract, by which all transfer of cash or assets should take place and the counterparties should no longer have any outstanding obligations to each other under that contract.	N
126	Settlement location	Place of settlement of the transaction as stipulated in the contract. This data element is only applicable for transactions that involve an offshore currency (i.e. a currency which is not included in the ISO 4217 currency list, for example CNH).	N
127	Settlement currency	<ul style="list-style-type: none"> • Currency for the cash settlement of the transaction when applicable. • For multi-currency products that do not net, the settlement currency of each leg. 	Y

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128	Other payment payer	Identifier of the payer of Other payment amount.	N
129	Other payment receiver	Identifier of the receiver of Other payment amount.	N
130	Other payment type	<ul style="list-style-type: none"> • Type of Other payment amount. • Option premium payment is not included as a payment type as premiums for option are reported using the option premium dedicated data element. 	Y
131	Other payment amount	Payment amounts with corresponding payment types to accommodate requirements of transaction descriptions from different asset classes.	Y
132	Other payment currency	Currency in which Other payment amount is denominated.	Y
133	Other payment date	Unadjusted date on which the Other payment amount is paid.	N
134	Payment frequency period	For each leg of the transaction, where applicable: time unit associated with the frequency of payments, e.g., day, week, month, year or term of the stream.	Y
135	Payment frequency period multiplier	For each leg of the transaction, where applicable: number of time units (as expressed by the Payment frequency period) that determines the frequency at which periodic payment dates occur	Y
136	Option premium amount	For options and swaptions of all asset classes, monetary amount paid by the option buyer.	Y
137	Option premium currency	For options and swaptions of all asset classes, currency in which the option premium amount is denominated.	Y
138	Option premium payment date	Unadjusted date on which the option premium is paid.	N
139	First exercise date	First unadjusted date during the exercise period in which an option can be exercised. For European-style options, this date is same as the Expiration date. For American-style options, the first possible exercise date is the unadjusted date included in the Execution timestamp. For knock-in options,	Y

		where the first exercise date is not known when a new transaction is reported, the first exercise date is updated as it becomes available.	
140	Fixing date	Describes the specific date when a non-deliverable forward as well as various types of FX OTC options such as cash-settled options will fix against a particular exchange rate, which will be used to compute the ultimate cash settlement.	N

41. *The chart in Appendix B is replaced with the following:*

Jurisdiction	Law, Regulation and/or Instrument
European Union	<p>Regulation (EU) 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Delegated Regulation (EU) 2017/979 of 2 March 2017 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities</p> <p>Commission Delegated Regulation (EU) 2019/460 of 30 January 2019 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to the list of exempted entities</p> <p>Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories</p> <p>Commission Delegated Regulation (EU) No 148/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories</p> <p>Commission Delegated Regulation (EU) 2017/104 of 19 October 2016 amending Delegated Regulation (EU) No 148/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories</p> <p>Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data</p> <p>Commission Delegated Regulation (EU) 2017/1800 of 29 June 2017 amending Delegated Regulation (EU) No 151/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council</p> <p>Commission Delegated Regulation (EU) 2019/361 of 13 December 2018 amending Delegated Regulation (EU) No 151/2013 with regard to access to the data held in trade repositories</p> <p>Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Implementing Regulation (EU) 2017/105 of 19 October 2016 amending Implementing Regulation (EU) No 1247/2012 laying down implementing technical standards with regard to the</p>

Jurisdiction	Law, Regulation and/or Instrument
	<p>format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Implementing Regulation (EU) 2019/363 of 13 December 2018 laying down implementing technical standards with regard to the format and frequency of reports on the details of securities financing transactions (SFTs) to trade repositories in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) No 1247/2012 with regard to the use of reporting codes in the reporting of derivative contracts</p>
United Kingdom	<p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020</p> <p>The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 1) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 2) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 3) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 4) Instrument 2019</p> <p>The Technical Standards (Miscellaneous Amendments) (EU Exit) Instrument 2020</p>
United States of America	<p>CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. Part 43</p> <p>CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. Part 45</p> <p>CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps, 17 C.F.R. Part 46</p>

42. **Appendix C is amended by deleting “Instructions:”.**

43. **Section 1 in Appendix C is amended by,**

- (a) **adding** “Appendix A marked as “Y” under the “Publicly Disseminated” column together with the data elements contained in” **after** “contained in”,
- (b) **in paragraph (a) adding** “each” **before** “transaction”,
- (c) **in paragraph (b) adding** “each” **before** “lifecycle”, **and**
- (d) **in paragraph (c) adding** “each” **before** “cancellation”.

44. **Table 1 in Appendix C is replaced with the following:**

#	Data Element Name	Definition for Data Element	Format	Allowable Values
D1	Dissemination identifier	TR generated unique and random identifier for each publicly disseminated message.	Varchar(52)	Up to 52 alphanumeric characters
D2	Original dissemination identifier	For action types other than “New”, this identifier will hold the Dissemination identifier of the original, publicly-disseminated transaction and pricing data.	Varchar(52)	Up to 52 alphanumeric characters
D3	Dissemination timestamp	Date and time, to the nearest second, that a TR publicly disseminates.	YYYY-MM-DDThh:mm:ssZ, based on Coordinated Universal Time (UTC)	Any valid date/time based on ISO 8601 Date and time format.
D4	Unique product identifier short name	A humanly readable description made available by the UPI issuer corresponding to the UPI.	A list of allowable values and their format will be published by the UPI issuer.	A list of allowable values and their format will be published by the UPI issuer.

45. **Table 2 in Appendix C is replaced with the following:**

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
Interest Rate	USD-LIBOR-BBA
Interest Rate	EUR-EURIBOR-Reuters
Interest Rate	GBP-LIBOR-BBA
Credit	All Indexes
Equity	All Indexes

46. **Table 4 in Appendix C is amended by replacing “Maturity” with “Expiration”.**47. **Section 7 of Appendix C is amended by adding “required” before “information” and deleting “contained in Table 1”.**48. **Appendix C is amended by adding the following section:**

8. If it is not technologically practicable to disseminate the required information 48 hours after the time and date represented by the execution timestamp field of the transaction due to periods of downtime required for operational maintenance, system upgrades, system repairs, disaster recovery exercises or any other exercises related to operating the designated trade repository in accordance with this Rule and its designation order, the designated trade repository must disseminate the required information as soon as technologically practicable following the conclusion of the period of downtime..

49. This Instrument comes into force on ●, 2024.

ANNEX B

This Annex sets out a blackline showing the proposed amendments to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, as set out in Annex A.

**ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING**

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~~Appendix C to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting~~ Requirements for the public dissemination of transaction level data

**PART 1
DEFINITIONS AND INTERPRETATION**

Definitions [and interpretation](#)

1. (1) In this Rule

"asset class" means the asset category underlying a derivative and includes interest rate, foreign exchange, credit, equity and commodity;

"board of directors" means, in the case of a designated trade repository that does not have a board of directors, a group of individuals that acts in a capacity similar to a board of directors;

~~"creation collateral and margin data"~~ means ~~the data that reflects the current amount of collateral and margin posted or collected as set out~~ in the ~~fields~~ elements listed in Appendix A under the heading "Data Elements Related to Collateral and Margin";

"

"creation data" means the data in the elements listed in Appendix A, other than collateral and margin data and valuation data;

"derivatives data" means all data related to a transaction that is required to be reported pursuant to Part 3;

"derivatives data validation procedures" means the written rules, policies and procedures established, implemented, maintained and enforced by a designated trade repository pursuant to section 22.2;

"derivatives dealer" means

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(a) a person or company engaging in or holding ~~himself, herself or itself~~themselves out as engaging in the business of trading in derivatives in Ontario as principal or agent, and

(b) any other person or company required to be registered as a derivatives dealer under securities legislation;

"Derivatives Service Bureau" means the subsidiary of the Association of National Numbering Agencies incorporated as The Derivatives Service Bureau (DSB) Limited and designated by the Financial Stability Board as both the service provider for the unique product identifier system assigned to a derivative and the operator of the unique product identifier reference data library, or any successor thereto;

"exempt clearing agency" has the meaning ascribed to it in National Instrument 24-102 *Clearing Agency Requirements*;

~~"derivatives data" means all data related to a transaction that is required to be reported pursuant to Part 3;~~

"

"Global Legal Entity Identifier System" means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee;

"

"indirect participant" means a person or company that accesses the services of a designated trade repository under an agreement with a participant;

"investment fund" has the meaning ascribed to it in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"Legal Entity Identifier System Regulatory Oversight Committee" means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012;

~~"life-cycle"~~"lifecycle event" means an event that results in a change to derivatives data previously reported to a designated trade repository in respect of a transaction;

~~"life-cycle"~~"lifecycle event data" means changes to creation data resulting from a life-cycle event;

"

"link" means, a contractual and operational arrangement that, directly or indirectly through an intermediary, connects a system of a designated trade repository with at least a system operated by another person or company for the acceptance, retention, use, disclosure or provision of access to derivatives data;

"local counterparty" means a counterparty to a transaction if, at the time of the transaction, one or more of the following apply:

(a) the counterparty is a person or company, other than an individual, organized under the laws of Ontario or that has its head office or principal place of business in Ontario;

(a) the counterparty is ~~registered under an individual who is a resident of Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives~~estate of a decedent who was a resident of Ontario at the time of death;

(b) the counterparty is an ~~affiliate~~affiliated entity of a person or company described in paragraph (a), and ~~such~~the person or company is responsible for all or substantially all of the liabilities of ~~that affiliated party~~the counterparty;

"OSC Derivatives Data Technical Manual" means the OSC Derivatives Data Technical Manual published in a Staff Notice, as amended from time to time;

The OSC Derivatives Data Technical Manual provides detailed technical specifications in connection with the data elements that are required to be reported under this Rule. This text box does not form part of this Rule and has no official status.

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“participant” means a person or company that has entered into an agreement with a designated trade repository to access the services of the designated trade repository;

“

“position level data” means aggregated lifecycle event data as determined under section 32.1:

“reporting counterparty” means the counterparty to a transaction as determined under section 25 that is required to report derivatives data under section 26;

“transaction” means entering into, assigning, selling or otherwise acquiring or disposing of a derivative or the novation of a derivative;

“user” means, in respect of a designated trade repository, a counterparty (or delegate of a counterparty) to a transaction reported to that designated trade repository pursuant to this Rule; and

“valuation data” means data that reflects the current value of the transaction and includes the data in the applicable fields/elements listed in Appendix A under the heading “Data Elements Related to Valuation-Data”.

(2) In this Rule, each of the following terms has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*: “accounting principles”; “auditing standards”; “publicly accountable enterprise”; “U.S. AICPA GAAS”; “U.S. GAAP”; and “U.S. PCAOB GAAS”.

(3) In this Rule, “interim period” has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

(4) In this Rule, a person or company is an affiliated entity of another person or company if one of them controls the other or each of them is controlled by the same person or company.

(5) In this Rule, a person or company (the first party) is considered to control another person or company (the second party) if any of the following apply:

(a) the first party beneficially owns or directly or indirectly exercises control or direction over securities of the second party carrying votes which, if exercised, would entitle the first party to elect a majority of the directors of the second party unless the first party holds the voting securities only to secure an obligation;

(b) the second party is a partnership, other than a limited partnership, and the first party holds more than 50% of the interests of the partnership;

(c) all of the following apply:

(i) the second party is a limited partnership;

(ii) the first party is a general partner of the limited partnership referred to in subparagraph (i);

(iii) the first party has the power to direct the management and policies of the second party by virtue of being a general partner of the second party;

(d) all of the following apply:

(i) the second party is a trust;

(ii) the first party is a trustee of the trust referred to in subparagraph (i);

(iii) the first party has the power to direct the management and policies of the second party by virtue of being a trustee of the second party.

(6) Despite subsections (4) and (5), an investment fund is not an affiliated entity of another person or company for the purposes of this Rule.

**PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS**

Trade repository initial filing of information and designation

2. (1) An applicant for designation under section 21.2.2 of the Act must file a completed Form 91-507F1 – *Application For Designation and Trade Repository Information Statement*.

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(2) In addition to the requirement set out in subsection (1), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located outside of Ontario must

- (a) certify on Form 91-507F1 that it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission,
- (b) certify on Form 91-507F1 that it will provide the Commission with an opinion of legal counsel that
 - (i) the applicant has the power and authority to provide the Commission with access to its books and records, and
 - (ii) the applicant has the power and authority to submit to onsite inspection and examination by the Commission.

(3) In addition to the requirements set out in subsections (1) and (2), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located in a foreign jurisdiction must file a completed Form 91-507F2 – *Submission to Jurisdiction and Appointment of Agent for Service of Process*.

(4) Within 7 days of becoming aware of an inaccuracy in or making a change to the information provided in Form 91-507F1, an applicant must file an amendment to Form 91-507F1 in the manner set out in that Form.

Change in information

3. (1) Subject to subsection (2), a designated trade repository must not implement a significant change to a matter set out in Form 91-507F1 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 change.

(2) A designated trade repository must file an amendment to the information provided in Exhibit I (Fees) of Form 91-507F1 in the manner set out in the Form at least 15 days before implementing a change to the information provided in the Exhibit.

(3) For a change to a matter set out in Form 91-507F1 other than a change referred to in subsection (1) or (2), a designated trade repository must file an amendment to Form 91-507F1 in the manner set out in that Form by the earlier of

- (a) the close of business of the designated trade repository on the 10th day after the end of the month in which the change was made, and
- (b) the time the designated trade repository publicly discloses the change.

Filing of initial audited financial statements

4. (1) An applicant must file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation under section 21.2.2 of the Act.

(2) The financial statements referred to in subsection (1) must

- (a) be prepared in accordance with one of the following
 - (i) Canadian GAAP applicable to a publicly accountable enterprise,
 - (ii) IFRS, or
 - (iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America,
- (b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements,
- (c) disclose the presentation currency, and
- (d) be audited in accordance with
 - (i) Canadian GAAS,
 - (ii) International Standards on Auditing, or
 - (iii) U.S. AICPA GAAS or U.S. PCAOB GAAS if the person or company is incorporated or organized under the laws of the United States of America.

- (3) The financial statements referred to in subsection (1) must be accompanied by an auditor's report that
- (a) expresses an unmodified opinion if the financial statements are audited in accordance with Canadian GAAS or International Standards on Auditing,
 - (b) expresses an unqualified opinion if the financial statements are audited in accordance with U.S. AICPA GAAS or U.S. PCAOB GAAS,
 - (c) identifies all financial periods presented for which the auditor's report applies,
 - (d) identifies the auditing standards used to conduct the audit,
 - (e) identifies the accounting principles used to prepare the financial statements,
 - (f) is prepared in accordance with the same auditing standards used to conduct the audit, and
 - (g) is prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

Filing of annual audited and interim financial statements

5. (1) A designated trade repository must file annual audited financial statements that comply with the requirements in subsections 4(2) and 4(3) with the Commission no later than the 90th day after the end of its financial year.

(2) A designated trade repository must file interim financial statements with the Commission no later than the 45th day after the end of each interim period.

- (3) The interim financial statements referred to in subsection (2) must
- (a) be prepared in accordance with one of the following
 - (i) Canadian GAAP applicable to a publicly accountable enterprise,
 - (ii) IFRS, or
 - (iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America, and
 - (b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements.

Ceasing to carry on business

6. (1) A designated trade repository that intends to cease carrying on business in Ontario as a trade repository must make an application and file a report on Form 91-507F3 – *Cessation of Operations Report For Trade Repository* at least 180 days before the date on which it intends to cease carrying on that business.

(2) A designated trade repository that involuntarily ceases to carry on business in Ontario as a trade repository must file a report on Form 91-507F3 as soon as practicable after it ceases to carry on that business.

Legal framework

7. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities.

(2) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that

- (a) such rules, policies and procedures and ~~the~~its contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,

(a.1) such rules, policies and procedures identify and mitigate any risks arising from any potential conflict of laws across jurisdictions.

- (a.2) such rules, policies, and procedures and its contractual arrangements allow it to collect basic information relating to the risks created by indirect participant arrangements, in order to identify, measure, monitor, and manage any material risks to the designated trade repository arising from indirect participant arrangements.
- (b) the rights and obligations of a user, owner and regulator with respect to the use of the designated trade repository's information are clear and transparent,
- (c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, ~~and~~
- (d) the status of records of contracts in its repository and whether those records of contracts are the legal contracts of record are clearly established, and
- (e) any links comply with applicable securities legislation.

Governance

- 8. (1)** A designated trade repository must establish, implement and maintain written governance arrangements that
- (a) are well-defined, clear and transparent,
 - (b) set out a clear organizational structure with consistent lines of responsibility and accountability, including roles and responsibilities in relation to the identification, measurement, monitoring and management of risks,
 - (b.1) set out a clear risk management framework that includes the tolerance levels for the identified risks of the designated trade repository,
 - (b.2) set out clear decision-making processes, including in the context of crises and emergencies, and clear rules for accountability in respect of risk-related decisions,
 - (c) provide for effective internal controls,
 - (d) promote the safety and efficiency of the designated trade repository and the efficiency of the designated trade repository in meeting the needs of its participants,
 - (e) ensure effective oversight of the designated trade repository,
 - (f) support the stability of the broader financial system and other relevant public interest considerations, and
 - (g) properly balance the interests of relevant stakeholders.
- (2)** A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.
- (3)** A designated trade repository must publicly disclose on its website
- (a) the governance arrangements established in accordance with subsection (1), and
 - (b) the rules, policies and procedures established in accordance with subsection (2).

Board of directors

- 9. (1)** A designated trade repository must have a board of directors.
- (2)** The board of directors of a designated trade repository must include
- (a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and
 - (b) appropriate representation by individuals who are independent of the designated trade repository.
- (3)** The board of directors of a designated trade repository must, in consultation with the chief compliance officer of the designated trade repository, resolve conflicts of interest identified by the chief compliance officer.
- (4)** The board of directors of a designated trade repository must meet with the chief compliance officer of the designated trade repository on a regular basis.

(5) A designated trade repository must have policies and procedures to review the overall performance of the board of directors and the performance of its individual board members on a regular basis.

Management

10. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that

- (a) specify the roles and responsibilities of management, and
- (b) ensure that management has the experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities.

(2) A designated trade repository must notify the Commission no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.

Chief compliance officer

11. (1) The board of directors of a designated trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity and mix of skills necessary to serve in that capacity.

(2) The chief compliance officer of a designated trade repository must report directly to the board of directors of the designated trade repository or, if so directed by the board of directors, to the chief executive officer of the designated trade repository.

(3) The chief compliance officer of a designated trade repository must

- (a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,
- (b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the designated trade repository complies with securities legislation,
- (c) monitor compliance with the rules, policies and procedures required under paragraphs (a) and (b) on an ongoing basis,
- (d) report to the board of directors of the designated trade repository as soon as practicable upon becoming aware of a circumstance indicating that the designated trade repository, or an individual acting on its behalf, is not in compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:
 - (i) the non-compliance creates a risk of harm to a user;
 - (ii) the non-compliance creates a risk of harm to the capital markets;
 - (iii) the non-compliance is part of a pattern of non-compliance;
 - (iv) the non-compliance may have an impact on the ability of the designated trade repository to carry on business as a trade repository in compliance with securities legislation,
- (e) report to the designated trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and
- (f) prepare and certify an annual report assessing compliance by the designated trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors.

(4) Concurrently with submitting a report under paragraph (3)(d), (3)(e) or (3)(f), the chief compliance officer must file a copy of the report with the Commission.

Fees

12. All fees and other material costs imposed by a designated trade repository on its participants must be

- (a) fairly and equitably allocated among participants, ~~and~~
- (b) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data, and

(c) [reviewed on a regular basis.](#)

Access to designated trade repository services

13. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.

(2) A designated trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).

(3) A designated trade repository must not do any of the following:

- (a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the designated trade repository;
- (b) permit unreasonable discrimination among the participants of the designated trade repository;
- (c) impose a burden on competition that is not reasonably necessary and appropriate;
- (d) require the use or purchase of another service for a person or company to utilize the trade reporting service offered by the designated trade repository.

Acceptance of reporting

14. ~~A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository's designation order.~~ (1) [A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository's designation order.](#)

(2) [For all transactions required to be reported under this Rule, including transactions that have expired or were otherwise terminated, and subject to subsection 18\(2\), a designated trade repository must accept a correction to an error or omission in derivatives data from a participant and record the correction as soon as technologically practicable after acceptance.](#)

(3) [For the purposes of subsections \(1\) and \(2\), a designated trade repository must accept derivatives data that satisfies the derivatives data elements listed in Appendix A and the technical specifications set out in the OSC Derivatives Data Technical Manual.](#)

Operational efficiency and effectiveness

14.1 (1) [A designated trade repository must ensure that its services are](#)

- (a) [designed to meet the needs of the participants and markets it serves, and](#)
- (b) [provided in a secure, efficient and effective manner.](#)

(2) [A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to, on a regular basis, review its](#)

- (a) [efficiency and effectiveness in meeting the requirements of its participants and the markets it serves, and](#)
- (b) [cost and pricing structures.](#)

(3) [A designated trade repository must have policies and procedures that define measurable goals and objectives for all aspects of its business as a designated trade repository.](#)

Communication policies, procedures and standards

15. A designated trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of

- (a) its participants,
- (b) other trade repositories,
- (c) exchanges, clearing agencies, alternative trading systems, and other marketplaces, and
- (d) other service providers.

Due process

16. For a decision made by a designated trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the designated trade repository must ensure that

- (a) the participant or applicant is given an opportunity to be heard or make representations, and
- (b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting, denying or limiting access.

Rules, policies and procedures

17. (1) The rules, policies and procedures of a designated trade repository must

- (a) be clear and comprehensive and provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the designated trade repository and the risks, fees, and other material costs they incur by using the services of the designated trade repository,
- (b) be reasonably designed to govern all aspects of the services offered by the designated trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and
- (c) not be inconsistent with securities legislation.

(2) A designated trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

(3) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.

(4) A designated trade repository must publicly disclose on its website

- (a) its rules, policies and procedures referred to in this section, and
- (b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.

(5) A designated trade repository must file its proposed new or amended rules, policies and procedures for approval in accordance with the terms and conditions of its designation order, unless the order explicitly exempts the designated trade repository from this requirement.

Records of data reported

18. (1) A designated trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.

(2) A designated trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.

(3) Throughout the period described in subsection (2), a designated trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection (2), in a safe location and in a durable form, separate from the location of the original record.

Comprehensive risk-management framework

19. A designated trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.

General business risk

20. (1) A designated trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.

(2) Without limiting the generality of subsection (1), a designated trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.

(3) For the purposes of subsection (2), a designated trade repository must hold, at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.

(4) A designated trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.

(5) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection (4).

(6) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the designated trade repository or the wind-down of the designated trade repository's operations.

(7) A designated trade repository must maintain a plan, approved by the board of directors and updated on a regular basis, for raising additional equity should its equity fall close to or below the amount required by subsection (3).

System and other operational ~~risk requirements~~risks

21. (1) A designated trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.

(2) The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the designated trade repository.

(3) Without limiting the generality of subsection (1), a designated trade repository must

(a) develop and maintain

(i) an adequate system of internal controls over its systems, and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the Commission of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide ~~as soon as practicable a written~~ post-incident report that includes a root-cause analysis ~~as soon as practicable~~ and any remedial action that has been or will be taken by the designated trade repository.

(4) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to

(a) achieve prompt recovery of its operations following a disruption,

(b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and

(c) provide for the exercise of authority in the event of an emergency.

(5) A designated trade repository must test its business continuity plans, including disaster recovery plans, at least annually.

(6) For each of its systems for collecting and maintaining reports of derivatives data, a designated trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs (3)(a) and (b) and subsections (4) and (5).

(7) A designated trade repository must provide the report prepared in accordance with subsection (6) to

(a) its board of directors or audit committee promptly upon the completion of the report, and

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- (b) the Commission not later than the 30th day after providing the report to its board of directors or audit committee.
- (8)** A designated trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the designated trade repository,
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and
 - (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.
- (9)** A designated trade repository must make available testing facilities for interfacing with or accessing the services provided by the designated trade repository,
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and
 - (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.
- (10)** A designated trade repository must not begin operations in Ontario unless it has complied with paragraphs (8)(a) and (9)(a).
- (11)** Paragraphs (8)(b) and (9)(b) do not apply to a designated trade repository if
- (a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,
 - (b) the designated trade repository immediately notifies the Commission of its intention to make the change to its technology requirements, and
 - (c) the designated trade repository publicly discloses on its website the changed technology requirements as soon as practicable.

Data security and confidentiality

- 22. (1)** A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.
- (2)** A designated trade repository must not release derivatives data for commercial or business purposes unless
- (a) the derivatives data has otherwise been disclosed pursuant to section 39, or
 - (b) the counterparties to the transaction have provided the designated trade repository with their express written consent to use or release the derivatives data.

Confirmation

Transactions executed anonymously on a derivatives trading facility

22.1 A designated trade repository must not disclose the identity or legal entity identifier of a counterparty to another counterparty in respect of a transaction involving a local counterparty that is executed anonymously on a derivatives trading facility and cleared through a recognized or exempt clearing agency.

Validation of data and information

~~23.22.2~~ **(1)** A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures ~~to confirm with each~~ reasonably designed to validate that the derivatives data reported under this Rule satisfies the derivatives data elements listed in Appendix A and the technical specifications set out in the OSC Derivatives Data Technical Manual.

(2) A designated trade repository must, as soon as technologically practicable after receiving the derivatives data, notify a reporting counterparty to a transaction, or agent acting on behalf of such the reporting counterparty, that whether or not the derivatives data that received by the designated trade repository receives from at the reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Rule, is accurate satisfies the derivatives data validation procedures of the designated trade repository.

(3) Subject to subsection 18(2), a designated trade repository must create and maintain records of all the derivatives data reported that failed to satisfy the derivatives data validation procedures of the designated trade repository.

~~(2) Despite subsection (1), a designated trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the designated trade repository~~

Verification of data accuracy

23. A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to allow and enable the reporting counterparty to a transaction to carry out its data verification obligations under paragraph 26.1(1)(b).

Outsourcing

24. If a designated trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the designated trade repository, the designated trade repository must

- (a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,
- (b) identify any conflicts of interest between the designated trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,
- (c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,
- (d) maintain access to the books and records of the service provider relating to the outsourced activity,
- (e) ensure that the Commission has the same access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that it would have absent the outsourcing arrangement,
- (f) ensure that all persons conducting audits or independent reviews of the designated trade repository under this Rule have appropriate access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that such persons would have absent the outsourcing arrangement,
- (g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,
- (h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of derivatives data and of users' confidential information in accordance with the requirements under section 22, and
- (i) establish, implement, maintain and enforce written rules, policies and procedures to regularly review the performance of the service provider under the outsourcing arrangement.

Links and Tiered Participation Arrangements

24.1 (1) A designated trade repository must establish, implement and maintain appropriate controls and procedures to

- (a) identify, assess, monitor, measure and manage all potential sources of risk arising from links and other arrangements with indirect participants, and
- (b) identify material dependencies between participants and indirect participants that might affect the designated trade repository.

(2) A designated trade repository must regularly review risks arising from tiered participation arrangements.

PART 3 DATA REPORTING

Reporting counterparty

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is

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- (a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,
- (b) subject to subsection (2), if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers both of which are parties to the ISDA Multilateral, the derivatives dealer determined to be the reporting counterparty under the ISDA methodology,
- (c) if paragraphs (a) and (b) do not apply to the transaction and the transaction is between two derivatives dealers, each derivatives dealer,
- (d) if the transaction is not cleared through a recognized or exempt clearing agency and is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,
- (e) if paragraphs (a) to (d) do not apply to the transaction, the counterparty determined to be the reporting counterparty under the ~~ISDA methodology~~ terms of a written agreement entered into before or at the time of the transaction, and
- (f) in any other case, each local counterparty to the transaction.

(2) ~~A party that would not be the reporting counterparty under the ISDA methodology with regard to a transaction required to be reported under this Rule may rely on paragraph~~ Paragraph (1)(b) ~~or (e)~~ applies in respect of ~~that~~ transaction only if

- (a) ~~each party to the transaction has agreed to the terms of a multilateral agreement~~ [Repealed]
 - ~~(i) — that is administered by and delivered to the International Swaps and Derivatives Association, Inc., and~~
 - ~~(ii) — under which the process set out in the ISDA methodology is required to be followed by it with respect to each transaction required to be reported under this Rule,~~
- (b) the ISDA methodology process is followed in determining the reporting counterparty in respect of that transaction, and
- (c) each party to the transaction consents to the release to the Commission by the International Swaps and Derivatives Association, Inc. of information relevant in determining the applicability of paragraphs ~~(a1)(b)~~ and (2)(b) to it.

(3) For the purposes of this section, "

- (a) "ISDA methodology" means the methodology described in the Canadian Transaction Reporting Party Requirements (issued by the International Swaps and Derivatives Association, Inc. ~~and dated on~~ April 4, 2014) and amended as of March 20, 2015), and
- (b) "ISDA Multilateral" means the ISDA 2014 Multilateral Canadian Reporting Party Agreement (Deemed Dealer Version) that is administered by and delivered to the International Swaps and Derivatives Association, Inc.

(4) A local counterparty to a transaction to which paragraph 1(e) applies must

- (a) keep a record of the written agreement referred to in that paragraph for 7 years after the date on which the transaction expires or terminates, and
- (b) keep the record referred to in paragraph (a) in a safe location and in a durable form.

(5) Despite section 40, a local counterparty that agrees under paragraph (1)(e) to be the reporting counterparty for a transaction to which section 40 applies must report derivatives data in accordance with this Rule.

Duty to report

26. (1) A reporting counterparty ~~to~~ in respect of a transaction involving a local counterparty must report, or cause to be reported, the data required to be reported under this Part to a designated trade repository.

(2) A reporting counterparty in respect of a transaction is responsible for ensuring that all reporting obligations in respect of that transaction have been fulfilled.

(3) A reporting counterparty may delegate its reporting obligations under this Rule, but remains responsible for ensuring the timely and accurate reporting of derivatives data required by this Rule.

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(4) Despite subsection (1), if no designated trade repository accepts the data required to be reported by this Part, the reporting counterparty must electronically report the data required to be reported by this Part to the Commission.

(5) A reporting counterparty satisfies the reporting obligation in respect of a transaction required to be reported under subsection (1) if

- (a) the transaction is required to be reported solely because a counterparty to the transaction is a local counterparty pursuant to paragraph ~~(b) or (c)~~ of the definition of "local counterparty";
- (b) the transaction is reported to a designated trade repository ~~pursuant to~~under
 - (i) the securities legislation of a province or territory of Canada other than Ontario, or
 - (ii) the laws of a foreign jurisdiction listed in Appendix B; and
- (c) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the data that is reported pursuant to paragraph (b) and otherwise uses its best efforts to provide the Commission with access to such data.

(6) A reporting counterparty must ensure that all reported derivatives data relating to a transaction satisfies the derivatives data validation procedures of the designated trade repository to which the transaction is reported.

~~(a) — (7)~~ A reporting counterparty must ensure that all reported derivatives data relating to a transaction is reported to the same designated trade repository or, if reported to the Commission under subsection (4), to the Commission.

~~(8)~~ [Repealed]

~~(9)~~ A recognized or exempt clearing agency must report derivatives data to the designated trade repository specified by a local counterparty and may not report derivatives data to another trade repository without the consent of the local counterparty where

- ~~(a)~~ the reporting counterparty to a transaction is the recognized or exempt clearing agency, and
- ~~(b)~~ the local counterparty to the transaction that is not a recognized or exempt clearing agency has specified a designated trade repository to which derivatives data in respect of that transaction is to be reported.

Verification of data accuracy and reporting of errors and omissions

26.1(1) A reporting counterparty must ensure that all reported derivatives data relating to a transaction

- ~~(a)~~ ~~(b)~~ is accurate and contains no misrepresentation, and
- ~~(b)~~ in the case of a reporting counterparty that is a derivatives dealer or a recognized or exempt clearing agency, is verified to be accurate and contain no misrepresentation, at least every 30 days.

~~(72)~~ A reporting counterparty must report an error or omission in the derivatives data to the designated trade repository or, if the derivatives data was reported to the Commission under subsection 26(4), to the Commission, as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

~~(83)~~ A local counterparty, other than the reporting counterparty, must notify the reporting counterparty of an error or omission with respect to derivatives data relating to a transaction to which it is a counterparty as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

~~(a) — the reporting counterparty to a transaction is the recognized or exempt clearing agency, and~~ ~~(9) — A recognized or exempt clearing agency must report derivatives data to the designated trade repository specified by a local counterparty and may not report derivatives data to another trade repository without the consent of the local counterparty where~~ 4) A reporting counterparty must notify the Commission of a significant error or omission that has occurred as soon as practicable upon discovery of the error or omission.

~~(b) — the local counterparty to the transaction that is not a recognized or exempt clearing agency has specified a designated trade repository to which derivatives data in respect of that transaction is to be reported.~~

Identifiers, general

27. A reporting counterparty must include the following in every report required by this Part:
- (a) the legal entity identifier of each counterparty to the transaction as set out in section 28;
 - (b) the unique transaction identifier for the transaction as set out in section 29;
 - (c) the unique product identifier for the transaction as set out in section 30.

Legal entity identifiers

28. (1) A designated trade repository must identify each counterparty to a transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a single legal entity identifier.

(2) Each of the following rules apply to legal entity identifiers

- (a) a legal entity identifier must be a unique identification code assigned to a counterparty in accordance with the standards set by the Global Legal Entity Identifier System, and
- (b) a local counterparty must comply with all applicable requirements imposed by the Global Legal Entity Identifier System.

(3) Despite subsection (2), if the Global Legal Entity Identifier System is unavailable to a counterparty to a transaction at the time when a report under this Rule is required to be made, all of the following rules apply

- (a) each counterparty to the transaction must obtain a substitute legal entity identifier which complies with the standards established March 8, 2013 by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers,
- (b) a local counterparty must use the substitute legal entity identifier until a legal entity identifier is assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), and
- (c) after the holder of a substitute legal entity identifier is assigned a legal entity identifier in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), the local counterparty must ensure that it is identified only by the assigned legal entity identifier in all derivatives data reported pursuant to this Rule in respect of transactions to which it is a counterparty.

(4) If a counterparty to a transaction is an individual or is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, the reporting counterparty must identify such a counterparty with ~~an~~ [a single unique](#) alternate identifier.

(5) If subsection (4) applies, then despite subsection (1), the designated trade repository must identify such a counterparty with the alternate identifier supplied by the reporting counterparty.

Maintenance and renewal of legal entity identifiers

28.1 Each ~~local~~ counterparty to a transaction required to be reported under this Rule that is eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, other than an individual, must obtain, maintain and renew a legal entity identifier assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System [if the counterparty is](#)

- [\(a\) a reporting counterparty or](#)
- [\(b\) a non-reporting counterparty that is a local counterparty.](#)

Unique transaction identifiers

29. (1) ~~A designated trade repository must identify each~~ [Each transaction that is required to be reported under this Rule must be identified by means of one unique](#) transaction [identifier](#) that [is assigned by:](#)

- [\(a\) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency;](#)

- (b) if the transaction is not cleared through a recognized or exempt clearing agency, and the transaction is executed on a derivatives trading facility that has assigned a unique transaction identifier to the transaction, that derivatives trading facility;
- (c) if paragraphs (a) and (b) do not apply to the transaction, and the transaction is also required to be reported under ~~this Rule in all recordkeeping and all reporting~~ the securities legislation of a province or territory of Canada other than Ontario or the laws of a foreign jurisdiction with a reporting deadline earlier than under this Rule, the person or company required ~~under this Rule by means of a~~ to assign the unique transaction identifier under the securities legislation of that province or territory, or under the laws of that foreign jurisdiction;
- (d) if paragraphs (a) to (c) do not apply to the transaction and the transaction is between two derivatives dealers, the reporting counterparty as determined under paragraph 25(1)(b) or a party that has been delegated a reporting obligation under subsection 26(3);
- (e) if paragraphs (a) to (d) do not apply to the transaction and the transaction is between two derivatives dealers, the derivatives dealer with the first legal entity identifier based on sorting the legal entity identifiers alphanumerically with the characters of the legal entity identifiers reversed,
- (f) if paragraphs (a) to (e) do not apply to the transaction and the transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,
- (g) in any other case, the ~~designated trade repository.~~

~~(2) — A~~

~~(2) — The unique transaction identifier must be assigned as soon as technologically practicable after execution of the transaction and in no event later than the time that the transaction is required to be reported to a designated trade repository ~~must assign a unique transaction identifier to a transaction, using its own methodology or incorporating a unique transaction identifier previously assigned to the transaction.~~~~

~~(3) — A designated trade repository must not assign more than one unique transaction identifier to a transaction. under this Rule.~~

Unique product identifiers

30. (1) For the purposes of this section, a unique product identifier means a code that uniquely identifies a derivative and is assigned ~~in accordance with international or industry standards~~ by the Derivatives Service Bureau.

(2) A reporting counterparty must identify each derivative in a transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of ~~a~~ only one unique product identifier.

~~(3) — A reporting counterparty must not assign more than one unique product identifier to a transaction. [Repealed]~~

~~(4) If international or industry standards for a unique product identifier are unavailable for a particular derivative when a report is required to be made to a designated trade repository under this Rule, a reporting counterparty must assign a unique product identifier to the transaction using its own methodology. [Repealed]~~

Creation data

31. (1) Upon execution of a transaction that is required to be reported under this Rule, a reporting counterparty must report the creation data relating to that transaction to a designated trade repository.

(2) A reporting counterparty in respect of a transaction must report creation data in real time.

(3) If it is not technologically practicable to report creation data in real time, a reporting counterparty must report creation data as soon as technologically practicable and in no event later than the end of the business day following the day on which the data would otherwise be required to be reported.

(4) ~~[Repealed.]~~

~~Life-cycle~~ Lifecycle event data

32. (1) For a transaction that is required to be reported under this Rule, the reporting counterparty must report all life-cycle event data to a designated trade repository by the end of the business day on which the life-cycle event occurs.

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(2) ~~#Despite subsection (1), if~~ it is not technologically practicable to report life-cycle event data by the end of the business day on which the life-cycle event occurs, ~~the reporting counterparty must report life-cycle/lifecycle~~ event data must be reported no later than the end of the business day following the day on which the life-cycle event occurs.

(3) Despite subsections (1) and (2), the recognized or exempt clearing agency through which a transaction is cleared must report the termination of the original transaction to the designated trade repository to which derivatives data in respect of that original transaction was reported by the end of the business day on which the original transaction is terminated.

Position level data

32.1 Despite section 32, the reporting counterparty may, at its option, report position level data in respect of transactions that are required to be reported under this Rule, where each transaction for which position level data is aggregated and reported

- (a) has no fixed expiration date, and
- (b) is in a class of derivatives in which each transaction is fungible.

Valuation data and collateral and margin data

33. (1) For a transaction that is required to be reported under this Rule, a reporting counterparty that is a derivatives dealer or a recognized or exempt clearing agency must report ~~valuation data, based on industry accepted valuation standards,~~ to a designated trade repository each business day

- ~~(a) daily, based on relevant closing market data from the previous business day, if the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency, or~~ valuation data, and
- ~~(b) quarterly, as of the last day of each calendar quarter, if the reporting counterparty is not a derivatives dealer or a recognized or exempt clearing agency.~~ collateral and margin data.

(2) ~~Valuation~~ If position level data required to be in respect of transactions have been reported pursuant to ~~paragraph 4(b) section 32.1, the valuation data and collateral and margin data~~ must be calculated and reported ~~to~~ on the ~~designated trade repository no later than 30 days after the end of the calendar quarter~~ net amount of all purchases and sales reported as position level data for the transactions.

Pre-existing transactions

34. (1) ~~Despite section 31 and subject to subsection 43(5), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before April 30, 2015 if~~ Lapsed

- ~~(a) the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency,~~
- ~~(b) the transaction was entered into before October 31, 2014, and~~
- ~~(c) there were outstanding contractual obligations with respect to the transaction on October 31, 2014.~~

(1.1) ~~Despite section 31 and subject to subsection 43(6), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before December 31, 2015 if~~ Lapsed

- ~~(a) the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency,~~
- ~~(b) the transaction was entered into before June 30, 2015, and~~
- ~~(c) there were outstanding contractual obligations with respect to the transaction on June 30, 2015.~~

(2) ~~Despite section 32, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report life-cycle event data under section 32 commences only after it has reported creation data in accordance with subsection (1) or (1.1).~~ Lapsed

(3) ~~Despite section 33, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report valuation data under section 33 commences only after it has reported creation data in accordance with subsection (1) or (1.1).~~ Lapsed

Timing requirements for reporting data to another designated trade repository

35. Despite [subsection 26\(7\) and](#) the data reporting timing requirements in sections 31, 32, 33 and 34, where a designated trade repository ceases operations or stops accepting derivatives data for a certain asset class of derivatives, the reporting counterparty may fulfill its reporting obligations under this Rule by reporting the derivatives data to another designated trade repository, or the Commission if there is not an available designated trade repository, within a reasonable period of time.

Records of data reported

36. (1) A reporting counterparty must keep transaction records for the life of each transaction and for a further 7 years after the date on which the transaction expires or terminates.

(2) A reporting counterparty must keep records referred to in subsection (1) in a safe location and in a durable form.

[Derivatives trading facility](#)

[36.1](#) Despite Section 25, with respect to a transaction involving a local counterparty that is not cleared through a recognized or exempt clearing agency, is executed anonymously on a derivatives trading facility, and is intended to be cleared,

[\(a\)](#) the derivatives trading facility has the obligations of a reporting counterparty under sections 26, 27, 30, 31, 35, 36 and 37 and under subsections 26.1(1), 26.1(2), 26.1(4) and 28(4) instead of the reporting counterparty under section 25.

[\(b\)](#) all references to "reporting counterparty" in sections 23 and 41 and in subsections 22.2(2), 26(3), 26.1(3) and 28(5) are deemed to refer to the derivatives trading facility instead of the reporting counterparty under section 25.

PART 4 DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) A designated trade repository must, at no cost

- (a) provide to the Commission direct, continuous and timely electronic access to such data in the designated trade repository's possession as is required by the Commission in order to carry out the Commission's mandate,
- (b) accept and promptly fulfil any data requests from the Commission in order to carry out the Commission's mandate,
- (c) create and make available to the Commission aggregate data derived from data in the designated trade repository's possession as required by the Commission in order to carry out the Commission's mandate, ~~and~~
- (d) disclose to the Commission the manner in which the derivatives data provided under paragraph (c) has been aggregated, and

[\(e\)](#) provide to the Commission any corrections to data under paragraphs (a) to (c) as soon as technologically practicable after recording a correction to an error or omission in the derivatives data from a participant.

(2) A designated trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.

(3) A reporting counterparty must use its best efforts to provide the Commission with access to all derivatives data that it is required to report pursuant to this Rule, including instructing a trade repository to provide the Commission with access to such data.

Data available to counterparties

38. (1) ~~A~~ [Subject to section 22.1, a](#) designated trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the designated trade repository.

(2) A designated trade repository must have appropriate ~~verification and~~ authorization procedures in place to ~~deal with~~ [enable](#) access pursuant to subsection (1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

(3) ~~Each~~ [Subject to section 22.1, each](#) counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Rule.

(4) Subsection (3) applies despite any agreement to the contrary between the counterparties to a transaction.

Data available to public

39. (1) A designated trade repository must, ~~on a periodic basis~~, create and make available to the public, at no cost,

(a) aggregate data on open ~~positions~~ transactions, volume, number and, where applicable, price, relating to the transactions reported to it pursuant to this Rule on a periodic basis, and

(b) any corrections to data under paragraph (a) resulting from a correction to an error or omission in the derivatives data that is reported to it pursuant to this Rule as soon as technologically practicable after recording a correction to an error or omission in the derivatives data from a participant and in no event later than the time when periodic aggregate data is next made available to the public.

(2) The periodic aggregate data made available to the public pursuant to subsection (1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, ~~maturity~~ expiration and whether the transaction is cleared.

(3) For each transaction reported pursuant to this Rule, a designated trade repository must make transaction level reports available to the public at no cost

(a) transaction level reports, in accordance with the requirements in Appendix C, and

(b) as soon as technologically practicable, any corrections to a report under paragraph (a) resulting from a correction to an error or omission in the derivatives data that is reported to it pursuant to this Rule, subject to the requirements in Appendix C.

(4) In disclosing transaction level reports required by subsection (3), a designated trade repository must not disclose the identity of either counterparty to the transaction.

(5) A designated trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.

(6) Despite subsections (1) to (5), a designated trade repository is not required to make public any derivatives data for transactions entered into between affiliated ~~companies as defined under subsection 1(2) of the Act~~ entities.

PART 5 EXCLUSIONS

Commodity transactions

40. Despite any other ~~section~~ provision of this Rule ~~other than subsection 25(5)~~, a local counterparty is under no obligation to report derivatives data for a transaction if,

(a) the transaction relates to a derivative the asset class of which is a commodity other than cash or currency,

(b) the local counterparty is not

(i) a derivatives dealer ~~or,~~

(ii) a recognized or exempt clearing agency, or

(iii) an affiliated entity of a person or company referred to in subparagraph (i) or (ii), and

(c) ~~the local counterparty has less than \$500,000~~ aggregate month-end gross notional ~~value, without netting amount~~ under all ~~its~~ outstanding transactions ~~at the time~~ asset class of ~~the transaction including the additional notional value related to that transaction~~ which is a commodity, other than cash or currency, and of each affiliated entity of the local counterparty that is a local counterparty in a jurisdiction of Canada, excluding transactions with an affiliated entity, did not, in any calendar month in the preceding 12 calendar months, exceed \$250 000 000.

Transactions between a government and its consolidated entity

41. Despite any other section of this Rule, a reporting counterparty is under no obligation to report derivatives data in relation to a transaction if it is entered into between

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- (a) Her Majesty in right of Ontario or the Ontario Financing Authority when acting as agent for Her Majesty in right of Ontario, and
- (b) an Ontario crown corporation or crown agency that forms part of a consolidated entity with Her Majesty in right of Ontario for accounting purposes.

Affiliated entities

41.1 Despite any other section of this Rule, a reporting counterparty is under no obligation to report derivatives data in relation to a transaction if, at the time the transaction is executed,

- (a) the counterparties to the transaction are affiliated ~~companies~~entities; and
- (b) neither counterparty is one or more of the following:
 - (i) a derivatives dealer;
 - (ii) a recognized or exempt clearing agency;
 - (iii) an ~~affiliate~~affiliated entity of a person or company referred to in subparagraph (i) or (ii).

Individuals

41.2 Despite any other section of this Rule, a counterparty that is an individual or an estate of a decedent is under no obligation to report derivatives data for a transaction.

PART 6 EXEMPTIONS

Exemptions

42. A Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 7 EFFECTIVE DATE

Effective date

- 43. (1) ~~Parts 1, 2, 4, and 6 come into force on December 31, 2013.~~ [Lapsed]
- (2) ~~Despite subsection (1), subsection 39(3) does not apply until January 16, 2017.~~ [Lapsed]
- (3) ~~Parts 3 and 5 come into force October 31, 2014.~~ [Lapsed]
- (4) ~~Despite subsection (3), Part 3 does not apply so as to require a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency to make any reports under that Part until June 30, 2015.~~ [Lapsed]
- (5) ~~Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before October 31, 2014 that expires or terminates on or before April 30, 2015 if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency.~~ [Lapsed]
- (6) ~~Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before June 30, 2015 that expires or terminates on or before December 31, 2015 if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency.~~ [Lapsed]

APPENDIX A TO OSC RULE ~~91-507~~-91-507 TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

MINIMUM DATA FIELDS REQUIRED TO BE REPORTED TO A DESIGNATED TRADE REPOSITORY

Instructions:

The

In accordance with Part 3 of OSC Rule 91-507, the reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

This Appendix A provides the data elements and their descriptions, while the OSC Derivatives Data Technical Manual provides the format and allowable values for the derivatives data specifications that are required to be reported by a reporting counterparty under Part 3 of OSC Rule 91-507, and any public dissemination of transaction level data required in accordance with Part 4 of OSC Rule 91-507 and Appendix C to OSC Rule 91-507.

The “Data Element Description” column includes globally standard descriptions. For the purpose of this Appendix, the following terms used in the “Data Element Description” column have the following meaning:

<u>Term used in “Data Element Description” column</u>	<u>Meaning for the purpose of Appendix A to OSC Rule 91-507</u>
<u>derivative transaction</u>	<u>transaction</u>
<u>fx</u>	<u>foreign exchange</u>
<u>instrument</u>	<u>derivative</u>
<u>original derivative</u>	<u>original transaction</u>
<u>OTC derivative (only in respect of Data Element Number 115)</u>	<u>derivative</u>
<u>OTC derivative transaction</u>	<u>transaction</u>
<u>product</u>	<u>derivative</u>
<u>trade</u>	<u>transaction</u>
<u>trading facility</u>	<u>derivatives trading facility</u>

Data Elements Related to Counterparties

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>1</u>	<u>Counterparty 1 (reporting counterparty)</u>	<u>Identifier of the counterparty to an OTC derivative transaction who is fulfilling its reporting obligation via the report in question. In jurisdictions where both parties must report the transaction, the identifier of Counterparty 1 always identifies the reporting counterparty. In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty. If a trading facility is fulfilling the reporting obligation, the identifier of Counterparty 1 identifies one of the counterparties to the transaction.</u>	<u>N</u>
<u>2</u>	<u>Counterparty 2</u>	<u>Identifier of the second counterparty to an OTC derivative transaction. In the case of an allocated derivative transaction executed by a fund manager on behalf of a fund, the fund and not the fund manager is reported as the counterparty.</u>	<u>N</u>
<u>3</u>	<u>Counterparty 2 identifier source</u>	<u>Source used to identify the Counterparty 2.</u>	<u>N</u>

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<u>4</u>	<u>Buyer identifier</u>	<u>Identifier of the counterparty that is the buyer, as determined at the time of the transaction.</u>	<u>N</u>
<u>5</u>	<u>Seller identifier</u>	<u>Identifier of the counterparty that is the seller as determined at the time of the transaction.</u>	<u>N</u>
<u>6</u>	<u>Payer identifier</u>	<u>Identifier of the counterparty of the payer leg as determined at the time of the transaction.</u>	<u>N</u>
<u>7</u>	<u>Receiver identifier</u>	<u>Identifier of the counterparty of the receiver leg as determined at the time of the transaction.</u>	<u>N</u>
<u>8</u>	<u>Broker ID</u>	<u>In the case where a broker acts as intermediary for the counterparty 1 without becoming a counterparty itself, the broker shall be identified by legal entity identifier.</u>	<u>N</u>
<u>9</u>	<u>Country and Province or Territory of Individual</u>	<u>In the case of a counterparty that is an individual, include the individual's country of residence. If the individual's residence is in Canada, include the province or territory.</u>	<u>N</u>
<u>10</u>	<u>Jurisdiction of Counterparty 1</u>	<u>If Counterparty 1 is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.</u>	<u>N</u>
<u>11</u>	<u>Jurisdiction of Counterparty 2</u>	<u>If Counterparty 2 is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.</u>	<u>N</u>

Data Elements Related to Transactions

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>12</u>	<u>Effective date</u>	<u>Unadjusted date at which obligations under the OTC derivative transaction come into effect, as included in the confirmation.</u>	<u>Y</u>
<u>13</u>	<u>Expiration date</u>	<u>Unadjusted date at which obligations under the OTC derivative transaction stop being effective, as included in the confirmation. Early termination does not affect this data element.</u>	<u>Y</u>
<u>14</u>	<u>Execution timestamp</u>	<u>Date and time a transaction was originally executed, resulting in the generation of a new UTI. This data element remains unchanged throughout the life of the UTI.</u>	<u>Y</u>
<u>15</u>	<u>Reporting timestamp</u>	<u>Date and time of the submission of the report to the trade repository.</u>	<u>N</u>
<u>16</u>	<u>Unique transaction identifier (UTI)</u>	<u>A unique identifier assigned at the transaction or position level which identifies them uniquely throughout their lifecycle and used for all recordkeeping and reporting.</u>	<u>N</u>
<u>17</u>	<u>Prior UTI (for one-to-one and one-to-many relations between transactions)</u>	<u>UTI assigned to the predecessor transaction that has given rise to the reported transaction due to a lifecycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions).</u>	<u>N</u>

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<u>18</u>	<u>Subsequent position UTI</u>	The UTI of the position in which a transaction is included. This field is applicable only for the reports related to the termination of a transaction due to its inclusion in a position.	<u>N</u>
<u>19</u>	<u>Prior USI (for one-to-one and one-to-many relations between transactions)</u>	Unique swap identifier (USI) assigned to the predecessor transaction that has given rise to the reported transaction due to a lifecycle event, in a one-to-one relation between transactions (e.g., in the case of a novation, when a transaction is terminated, and a new transaction is generated) or in a one-to-many relation between transactions (e.g., in clearing or if a transaction is split into several different transactions).	<u>N</u>
<u>20</u>	<u>Inter-affiliate</u>	Indicate whether the transaction is between two affiliated entities.	<u>N</u>
<u>21</u>	<u>Submitter identifier</u>	Identifier of the entity submitting the derivatives data to the trade repository, if reporting of the transaction has been delegated by the reporting counterparty to a third-party service provider, or if a trading facility is reporting the data.	<u>N</u>
<u>22</u>	<u>Platform identifier</u>	Identifier of the trading facility (e.g., exchange, multilateral trading facility, swap execution facility) on which the transaction was executed.	<u>Y</u>
<u>23</u>	<u>Master agreement type</u>	The type of master agreement, if used for the reported transaction.	<u>N</u>
<u>24</u>	<u>Master agreement version</u>	Date of the master agreement version (e.g., 1992, 2002).	<u>N</u>

Data Elements Related to Notional Amounts and Quantities

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>25</u>	<u>Notional amount</u>	<p>For each leg of the transaction, where applicable:</p> <ul style="list-style-type: none"> - for OTC derivative transactions negotiated in monetary amounts, the amount specified in the contract. - for OTC derivative transactions negotiated in non-monetary amounts, refer to the OSC Derivatives Data Technical Manual for converting notional amounts for non-monetary amounts. <p>In addition:</p> <ul style="list-style-type: none"> • For OTC derivative transactions with a notional amount schedule, the initial notional amount, agreed by the counterparties at the inception of the transaction, is reported in this data element. • For OTC foreign exchange options, in addition to this data element, the amounts are reported using the data elements Call amount and Put amount. • For amendments or lifecycle events, the resulting outstanding notional amount is reported; (steps in notional amount schedules are not considered to be amendments or lifecycle events); • Where the notional amount is not known when a new transaction is reported, the notional amount is updated as it becomes available. 	<u>Y</u>

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26	Notional currency	For each leg of the transaction, where applicable: currency in which the notional amount is denominated.	Y
27	Call amount	For foreign exchange options, the monetary amount that the option gives the right to buy.	N
28	Call currency	For foreign exchange options, the currency in which the Call amount is denominated.	N
29	Put amount	For foreign exchange options, the monetary amount that the option gives the right to sell.	N
30	Put currency	For foreign exchange options, the currency in which the Put amount is denominated.	N
31	Notional quantity	For each leg of the transaction, where applicable, for derivative transactions negotiated in non-monetary amounts with fixed notional quantity for each schedule period (e.g., 50 barrels per month). The frequency is reported in Quantity frequency and the unit of measure is reported in Quantity unit of measure.	N
32	Quantity frequency	The rate at which the quantity is quoted on the transaction e.g., hourly, daily, weekly, monthly.	N
33	Quantity frequency multiplier	The number of time units for the Quantity frequency.	N
34	Quantity unit of measure	For each leg of the transaction, where applicable: unit of measure in which the Total notional quantity and Notional quantity are expressed.	N
35	Total notional quantity	• For each leg of the transaction, where applicable: aggregate Notional quantity of the underlying asset for the term of the transaction. • Where the Total notional quantity is not known when a new transaction is reported, the Total notional quantity is updated as it becomes available.	N
36	Notional amount in effect on associated effective date	For each leg of the transaction, where applicable. For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule.	N
37	Effective date of notional quantity	Unadjusted date on which the associated notional quantity of leg 1 becomes effective.	N
38	End date of notional quantity	Unadjusted end date of the notional quantity of each leg.	N
39	Notional quantity in effect on associated effective date	Notional quantity of each leg which becomes effective on the associated unadjusted effective date.	N
40	Notional amount schedule - notional amount in effect on associated effective date	• For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Notional amount which becomes effective on the associated unadjusted effective date. • The initial notional amount and associated unadjusted effective and end dates are reported as the first values of the schedule.	N

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<u>41</u>	<u>Notional amount schedule - unadjusted effective date of the notional amount</u>	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Unadjusted date on which the associated notional amount becomes effective. 	<u>N</u>
<u>42</u>	<u>Notional amount schedule - unadjusted end date of the notional amount</u>	<ul style="list-style-type: none"> • For each leg of the transaction, where applicable. • For OTC derivative transactions negotiated in monetary amounts with a notional amount schedule. • Unadjusted end date of the notional amount. 	<u>N</u>

Data Elements Related to Prices

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>43</u>	<u>Exchange rate</u>	<u>Exchange rate between the two different currencies specified in the OTC derivative transaction agreed by the counterparties at the inception of the transaction, expressed as the rate of exchange from converting the unit currency into the quoted currency.</u>	<u>N</u>
<u>44</u>	<u>Exchange rate basis</u>	<u>Currency pair and order in which the exchange rate is denominated, expressed as unit currency/quoted currency.</u>	<u>N</u>
<u>45</u>	<u>Fixed rate</u>	<u>For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments, per annum rate of the fixed leg(s).</u>	<u>Y</u>
<u>46</u>	<u>Price</u>	<u>Price specified in the OTC derivative transaction. It does not include fees, taxes or commissions.</u>	<u>Y</u>
<u>47</u>	<u>Price currency</u>	<u>Currency in which the price is denominated.</u>	<u>Y</u>
<u>48</u>	<u>Price notation</u>	<u>Manner in which the price is expressed.</u>	<u>Y</u>
<u>49</u>	<u>Price unit of measure</u>	<u>Unit of measure in which the price is expressed.</u>	<u>N</u>
<u>50</u>	<u>Spread</u>	<u>For each leg of the transaction, where applicable: for OTC derivative transactions with periodic payments (e.g., interest rate fixed/float swaps, interest rate basis swaps, commodity swaps).</u>	<u>Y</u>
<u>51</u>	<u>Spread currency</u>	<u>For each leg of the transaction, where applicable: currency in which the spread is denominated.</u>	<u>Y</u>
<u>52</u>	<u>Spread notation</u>	<u>For each leg of the transaction, where applicable: manner in which the spread is expressed.</u>	<u>Y</u>
<u>53</u>	<u>Strike price</u>	<ul style="list-style-type: none"> • For options other than FX options, swaptions and similar products, the price at which the owner of an option can buy or sell the underlying asset of the option. • For foreign exchange options, exchange rate at which the option can be exercised, expressed as the rate of exchange from converting the unit currency into the quoted currency. Where the strike price is not known when a new transaction is reported, the strike price is updated as it becomes available. • For volatility and variance swaps and similar products, the volatility strike price is reported in this data element. 	<u>Y</u>
<u>54</u>	<u>Strike price currency/currency pair</u>	<ul style="list-style-type: none"> • For equity options, commodity options, and similar products, currency in which the strike price is denominated. • For foreign exchange options, currency pair and order in which the strike price is expressed. It is expressed as unit currency/quoted currency. 	<u>N</u>

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55	Strike price notation	Manner in which the strike price is expressed.	Y
56	Unadjusted effective date of the price	Unadjusted effective date of the price.	N
57	Unadjusted end date of the price	Unadjusted end date of the price.	N
58	Price in effect between the unadjusted effective and end dates	Price in effect between the unadjusted effective date and inclusive of the unadjusted end date.	N
59	Effective date of the strike price	Unadjusted effective date of the strike price.	N
60	End date of the strike price	Unadjusted end date of the strike price.	N
61	Strike price in effect on associated effective date	Strike price in effect between the unadjusted effective date and unadjusted end date inclusive.	N
62	Non-standardized term indicator	Indicator of whether the transaction has one or more additional term(s) or provision(s), other than those disseminated to the public, that materially affect(s) the price of the transaction.	Y
63	Day count convention	For each leg of the transaction, where applicable: day count convention (often also referred to as day count fraction or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year fraction of the calculation period and indicates the number of days in the calculation period divided by the number of days in the year.	Y
64	Floating rate reset frequency period	For each floating leg of the transaction, where applicable, time unit associated with the frequency of resets, e.g., day, week, month, year or term of the stream.	Y
65	Floating rate reset frequency period multiplier	For each floating leg of the transaction, where applicable, number of time units (as expressed by the Floating rate reset frequency period) that determines the frequency at which periodic payment dates for reset occur.	Y

Data Elements Related to Clearing

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
66	Cleared	Indicator of whether the transaction has been cleared, or is intended to be cleared, by a clearing agency.	Y
67	Central counterparty	Identifier of the clearing agency that cleared the transaction.	N
68	Clearing account origin	Indicator of whether the clearing member acted as principal for a house trade or an agent for a customer trade.	N
69	Clearing member	Identifier of the clearing member through which a derivative transaction was cleared at a clearing agency.	N
70	Clearing receipt timestamp	The date and time, expressed in Coordinated Universal Time (UTC), the original derivative was received by the clearing agency for clearing and recorded by the clearing agency's system.	N

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71	Clearing exceptions and exemptions - Counterparty 1	<ul style="list-style-type: none"> • Identifies the type of clearing exception or exemption that Counterparty 1 has elected or otherwise falls under. • All applicable exceptions and exemptions must be selected. • The values may be repeated as applicable. 	N
72	Clearing exceptions and exemptions – Counterparty 2	<ul style="list-style-type: none"> • Identifies the type of the clearing exception or exemption that Counterparty 2 has elected or otherwise falls under. • All applicable exceptions and exemptions must be selected. • The values may be repeated as applicable. 	N

[Data Elements Related to Collateral and Margin](#)

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
73	Collateralisation category	Indicator of whether a collateral agreement (or collateral agreements) between the counterparties exists (uncollateralised/partially collateralised/one-way collateralised/fully collateralised). This data element is provided for each transaction or each portfolio, depending on whether the collateralisation is performed at the transaction or portfolio level, and is applicable to both cleared and uncleared transactions.	N
74	Portfolio containing non-reportable component indicator	If collateral is reported on a portfolio basis, indicator of whether the collateral portfolio includes transactions exempt from reporting.	N
75	Initial margin posted by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transactions. • This refers to the total current value of the initial margin after application of the haircut (if applicable), rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines. • If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
76	Initial margin posted by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been posted by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin posted relates to such single transactions. • This refers to the total current value of the initial margin, rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include default fund contributions, nor collateral posted against liquidity provisions to the clearing agency, i.e., committed credit lines. 	N

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		<ul style="list-style-type: none"> • If the initial margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	
77	Currency of initial margin posted	<ul style="list-style-type: none"> • Currency in which the initial margin posted is denominated. • If the initial margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted initial margins. 	N
78	Initial margin collected by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transactions. • This refers to the total current value of the initial margin after application of the haircut (if applicable), rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity. • If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
79	Initial margin collected by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of initial margin that has been collected by the reporting counterparty, including any margin that is in transit and pending settlement. • If the collateralisation is performed at portfolio level, the initial margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the initial margin collected relates to such single transactions. • This refers to the total current value of the initial margin, rather than to its daily change. • The data element refers both to uncleared and centrally cleared transactions. For centrally cleared transactions, the data element does not include collateral collected by the clearing agency as part of its investment activity. • If the initial margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
80	Currency of initial margin collected	<ul style="list-style-type: none"> • Currency in which the initial margin collected is denominated. • If the initial margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of collected initial margins. 	N
81	Variation margin posted by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin posted by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transactions. • This data element refers to the total current value of the variation margin after application of the haircut (if applicable), cumulated 	N

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		<p>since the first reporting of posted variation margins for the portfolio /transaction.</p> <ul style="list-style-type: none"> • If the variation margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value. 	
82	Variation margin posted by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin posted by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin posted relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin posted relates to such single transactions. • This data element refers to the total current value of the variation margin, cumulated since the first reporting of variation margins posted for the portfolio/transaction • If the variation margin posted is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
83	Currency of variation margin posted	<ul style="list-style-type: none"> • Currency in which the variation margin posted is denominated. • If the variation margin posted is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of posted variation margins. 	N
84	Variation margin collected by the reporting counterparty (post-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin collected by the counterparty 1 (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. If the collateralisation is performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transactions. • This refers to the total current value of the variation margin collected after application of the haircut (if applicable), cumulated since the first reporting of collected variation margins for the portfolio /transaction. • If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the counterparty 1 and reported as one total value. 	N
85	Variation margin collected by the reporting counterparty (pre-haircut)	<ul style="list-style-type: none"> • Monetary value of the variation margin collected by the reporting counterparty (including the cash-settled one), and including any margin that is in transit and pending settlement. Contingent variation margin is not included. • If the collateralisation is performed at portfolio level, the variation margin collected relates to the whole portfolio; if the collateralisation is performed for single transactions, the variation margin collected relates to such single transactions. • This refers to the total current value of the variation margin, cumulated since the first reporting of collected variation margins for the portfolio/ transaction. • If the variation margin collected is denominated in more than one currency, those amounts are converted into a single currency chosen by the reporting counterparty and reported as one total value. 	N
86	Currency of variation margin collected	<ul style="list-style-type: none"> • Currency in which the variation margin collected is denominated. • If the variation margin collected is denominated in more than one currency, this data element reflects one of those currencies into which the reporting counterparty has chosen to convert all the values of collected variation margins. 	N

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87	Variation margin collateral portfolio code	If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate variation margin related to a set of open transactions.	N
88	Initial margin collateral portfolio code	If collateral is reported on a portfolio basis, a unique code assigned by the reporting counterparty to the portfolio that tracks the aggregate initial margin of a set of open transactions.	N
89	Excess collateral posted by the counterparty 1	<ul style="list-style-type: none"> • Monetary value of any additional collateral posted by the counterparty 1 separate and independent from initial and variation margin. This refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. • Any initial or variation margin amount posted that exceeds the required initial margin or required variation margin, is reported as part of the initial margin posted or variation margin posted respectively rather than included as excess collateral posted. For centrally cleared transactions, excess collateral is reported only to the extent it can be assigned to a specific portfolio or transaction. 	N
90	Currency of the excess collateral posted	<ul style="list-style-type: none"> • Currency in which the excess collateral posted is denominated. • If the excess collateral posted is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of posted excess collateral. 	N
91	Excess collateral collected by the counterparty 1	<ul style="list-style-type: none"> • Monetary value of any additional collateral collected by the counterparty 1 separate and independent from initial and variation margin. This data element refers to the total current value of the excess collateral before application of the haircut (if applicable), rather than to its daily change. • Any initial or variation margin amount collected that exceeds the required initial margin or required variation margin, is reported as part of the initial margin collected or variation margin collected respectively, rather than included as excess collateral collected. For centrally cleared transactions excess collateral is reported only to the extent it can be assigned to a specific portfolio or transaction. 	N
92	Currency of excess collateral collected	<ul style="list-style-type: none"> • Currency in which the excess collateral collected is denominated. • If the excess collateral is denominated in more than one currency, this data element reflects one of those currencies into which the counterparty 1 has chosen to convert all the values of collected excess collateral. 	N

Data Elements Related to Events

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
93	Event timestamp	<ul style="list-style-type: none"> • Date and time of occurrence of the event as determined by the reporting counterparty or a service provider. • In the case of a clearing event, date and time when the original derivative is accepted by the clearing agency for clearing and recorded by the clearing agency's system should be reported in this data element. • The time element is as specific as technologically practicable. 	Y
94	Level	Indication whether the reporting is done at transaction or position level. Position level report can be used only as a supplement to transaction level reporting to report post-trade lifecycle events and only if individual trades in fungible products have been replaced by the position.	N

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<u>95</u>	<u>Event identifier</u>	<u>Unique identifier to link derivative transactions resulting from an event that may be, but is not limited to, compression, and credit event. The unique identifier may be assigned by the reporting counterparty or a service provider.</u>	<u>N</u>
<u>96</u>	<u>Event type</u>	<u>Explanation or reason for the action being taken on the derivative transaction.</u>	<u>Y</u>
<u>97</u>	<u>Action type</u>	<u>Type of action taken on the derivative transaction or type of end-of-day reporting.</u>	<u>Y</u>
<u>98</u>	<u>Amendment indicator</u>	<u>Indicator of whether the modification of the swap transaction reflects newly agreed upon term(s) from the previously negotiated terms.</u>	<u>Y</u>

Data Elements Related to Valuation

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>99</u>	<u>Valuation amount</u>	<ul style="list-style-type: none"> • <u>Current value of the outstanding contract.</u> • <u>Valuation amount is expressed as the exit cost of the contract or components of the contract, i.e., the price that would be received to sell the contract (in the market in an orderly transaction at the valuation date).</u> 	<u>N</u>
<u>100</u>	<u>Valuation currency</u>	<u>Currency in which the valuation amount is denominated.</u>	<u>N</u>
<u>101</u>	<u>Valuation method</u>	<ul style="list-style-type: none"> • <u>Source and method used for the valuation of the transaction by the reporting counterparty.</u> • <u>If at least one valuation input is used that is classified as mark-to-model in Appendix 3.3 of the OSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-model.</u> • <u>If only inputs are used that are classified as mark-to-market in Appendix 3.3 of the OSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-market.</u> 	<u>N</u>
<u>102</u>	<u>Valuation timestamp</u>	<ul style="list-style-type: none"> • <u>Date and time of the last valuation marked to market, provided by the clearing agency or calculated using the current or last available market price of the inputs.</u> • <u>If for example a currency exchange rate is the basis for a transaction's valuation, then the valuation timestamp reflects the moment in time that exchange rate was current.</u> 	<u>N</u>
<u>103</u>	<u>Next floating reference reset date</u>	<u>The nearest date in the future that the floating reference resets on.</u>	<u>N</u>
<u>104</u>	<u>Last floating reference value</u>	<u>The most recent sampling of the value of the floating reference for the purposes of determining cash flow. Ties to Last floating reference reset date data element.</u>	<u>N</u>
<u>105</u>	<u>Last floating reference reset date</u>	<u>The date of the most recent sampling of the floating reference for the purposes of determining cash flow. Ties to Last floating reference value data element.</u>	<u>N</u>
<u>106</u>	<u>Delta</u>	<u>The ratio of the change in price of an OTC derivative transaction to the change in price of the underlier, at the time a new transaction is reported or when a change in the notional amount is reported.</u>	<u>N</u>

Data Elements Related to Packages

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>107</u>	<u>Package identifier</u>	<p>Identifier (determined by the reporting counterparty) in order to connect</p> <ul style="list-style-type: none"> • two or more transactions that are reported separately by the reporting counterparty, but that are negotiated together as the product of a single economic agreement. • two or more reports pertaining to the same transaction whenever jurisdictional reporting requirement does not allow the transaction to be reported with a single report to trade repositories. <p>A package may include reportable and non-reportable transactions.</p> <p>Where the Package identifier is not known when a new transaction is reported, the Package identifier is updated as it becomes available.</p>	<u>N</u>
<u>108</u>	<u>Package transaction price</u>	<ul style="list-style-type: none"> • Traded price of the entire package in which the reported derivative transaction is a component. • Prices and related data elements of the transactions (Price currency, Price notation, Price unit of measure) that represent individual components of the package are reported when available. • The Package transaction price may not be known when a new transaction is reported but may be updated later 	<u>N</u>
<u>109</u>	<u>Package transaction price currency</u>	<u>Currency in which the Package transaction price is denominated.</u>	<u>N</u>
<u>110</u>	<u>Package transaction spread</u>	<ul style="list-style-type: none"> • Traded price of the entire package in which the reported derivative transaction is a component of a package transaction. • Package transaction price when the price of the package is expressed as a spread, difference between two reference prices. • Spread and related data elements of the transactions (spread currency) that represent individual components of the package are reported when available. • Package transaction spread may not be known when a new transaction is reported but may be updated later. 	<u>N</u>
<u>111</u>	<u>Package transaction spread currency</u>	<u>Currency in which the Package transaction spread is denominated.</u>	<u>N</u>
<u>112</u>	<u>Package transaction spread notation</u>	<u>Manner in which the Package transaction spread is expressed.</u>	<u>N</u>
<u>113</u>	<u>Package transaction price notation</u>	<u>Manner in which the Package transaction price is expressed.</u>	<u>N</u>
<u>114</u>	<u>Package indicator</u>	<u>Indicator of whether the swap transaction is part of a package transaction.</u>	<u>Y</u>

Data Elements Related to Product

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>115</u>	<u>Unique product identifier</u>	<u>A unique set of characters that represents a particular OTC derivative.</u>	<u>Y</u>
<u>116</u>	<u>CDS index attachment point</u>	<u>Defined lower point at which the level of losses in the underlying portfolio reduces the notional of a tranche.</u>	<u>N</u>
<u>117</u>	<u>CDS index detachment point</u>	<u>Defined point beyond which losses in the underlying portfolio no longer reduce the notional of a tranche.</u>	<u>N</u>
<u>118</u>	<u>Index factor</u>	<u>The index version factor or percent, expressed as a decimal value, that multiplied by the Notional amount yields the notional amount covered by the seller of protection for credit default swap.</u>	<u>Y</u>
<u>119</u>	<u>Derivative based on cryptoassets</u>	<u>Indicator whether the derivative is based on cryptoassets.</u>	<u>N</u>
<u>120</u>	<u>Custom basket code</u>	<u>If the derivative transaction is based on a custom basket, unique code assigned by the structurer of the custom basket to link its constituents.</u>	<u>N</u>
<u>121</u>	<u>Custom basket indicator</u>	<u>Indicator that the derivative is based on a custom basket.</u>	<u>N</u>
<u>122</u>	<u>Source of the identifier of the basket constituents</u>	<u>Source of the underliers' identifiers that represent the constituents of a custom basket.</u>	<u>N</u>
<u>123</u>	<u>Identifier of the basket's constituents</u>	<u>Underliers that represent the constituents of a custom basket..</u>	<u>N</u>
<u>124</u>	<u>Embedded option type</u>	<u>Type of option or optional provision embedded in a contract.</u>	<u>Y</u>

Data Elements Related to Payments and Settlement

<u>Data Element Number</u>	<u>Data Element Name</u>	<u>Data Element Description</u>	<u>Publicly Disseminated</u>
<u>125</u>	<u>Final contractual settlement date</u>	<u>Unadjusted date as per the contract, by which all transfer of cash or assets should take place and the counterparties should no longer have any outstanding obligations to each other under that contract.</u>	<u>N</u>
<u>126</u>	<u>Settlement location</u>	<u>Place of settlement of the transaction as stipulated in the contract. This data element is only applicable for transactions that involve an offshore currency (i.e. a currency which is not included in the ISO 4217 currency list, for example CNH).</u>	<u>N</u>
<u>127</u>	<u>Settlement currency</u>	<u>• Currency for the cash settlement of the transaction when applicable. • For multi-currency products that do not net, the settlement currency of each leg.</u>	<u>Y</u>
<u>128</u>	<u>Other payment payer</u>	<u>Identifier of the payer of Other payment amount.</u>	<u>N</u>
<u>129</u>	<u>Other payment receiver</u>	<u>Identifier of the receiver of Other payment amount.</u>	<u>N</u>

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130	Other payment type	<ul style="list-style-type: none"> • Type of Other payment amount. • Option premium payment is not included as a payment type as premiums for option are reported using the option premium dedicated data element. 	Y
131	Other payment amount	Payment amounts with corresponding payment types to accommodate requirements of transaction descriptions from different asset classes.	Y
132	Other payment currency	Currency in which Other payment amount is denominated.	Y
133	Other payment date	Unadjusted date on which the Other payment amount is paid.	N
134	Payment frequency period	For each leg of the transaction, where applicable: time unit associated with the frequency of payments, e.g., day, week, month, year or term of the stream.	Y
135	Payment frequency period multiplier	For each leg of the transaction, where applicable: number of time units (as expressed by the Payment frequency period) that determines the frequency at which periodic payment dates occur	Y
136	Option premium amount	For options and swaptions of all asset classes, monetary amount paid by the option buyer.	Y
137	Option premium currency	For options and swaptions of all asset classes, currency in which the option premium amount is denominated.	Y
138	Option premium payment date	Unadjusted date on which the option premium is paid.	N
139	First exercise date	First unadjusted date during the exercise period in which an option can be exercised. For European-style options, this date is same as the Expiration date. For American-style options, the first possible exercise date is the unadjusted date included in the Execution timestamp. For knock-in options, where the first exercise date is not known when a new transaction is reported, the first exercise date is updated as it becomes available.	Y
140	Fixing date	Describes the specific date when a non-deliverable forward as well as various types of FX OTC options such as cash-settled options will fix against a particular exchange rate, which will be used to compute the ultimate cash settlement.	N

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Data field	Description	Required for Pre-existing Transactions
Transaction identifier	The unique transaction identifier as provided by the designated trade repository or the identifier as identified by the two counterparties, electronic trading venue of execution or clearing agency.	Y
Master agreement type	The type of master agreement, if used for the reported transaction.	N
Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	N
Cleared	Indicate whether the transaction has been cleared by a clearing agency.	Y
Intent to clear	Indicate whether the transaction will be cleared by a clearing agency.	N
Clearing agency	LEI of the clearing agency where the transaction is or will be cleared.	Y
Clearing member	LEI of the clearing member, if the clearing member is not a counterparty.	N
Clearing exemption	Indicate whether one or more of the counterparties to the transaction are exempted from a mandatory clearing requirement.	N
Broker/Clearing intermediary	LEI of the broker acting as an intermediary for the reporting counterparty without becoming a counterparty.	N
Electronic trading venue identifier	LEI of the electronic trading venue where the transaction was executed.	Y
Inter-affiliate	Indicate whether the transaction is between two affiliated companies. (This field is only required to be reported as of April 30 2015.)	N
Collateralization	Indicate whether the transaction is collateralized. Field Values: <ul style="list-style-type: none"> • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized. 	N
Identifier of reporting counterparty	LEI of the reporting counterparty or, in the case of an individual or counterparty that is not eligible to receive an LEI, its alternate identifier.	Y
Identifier of non-reporting counterparty	LEI of the non-reporting counterparty or, in the case of an individual or counterparty that is not eligible to receive an LEI, its alternate identifier.	Y
Counterparty side	Indicate whether the reporting counterparty was the buyer or seller. In the case of swaps, other than credit default, the buyer will represent the payer of leg 1 and the seller will be the payer of leg 2.	Y
Identifier of agent reporting the transaction	LEI of the agent reporting the transaction if reporting of the transaction has been delegated by the reporting counterparty.	N

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Data field	Description	Required for Pre-existing Transactions
Jurisdiction of reporting counterparty	If the reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N
Jurisdiction of non-reporting counterparty	If the non-reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N
A. Common Data	<ul style="list-style-type: none"> • These fields are required to be reported for all derivative transactions even if the information may be entered in an Asset field below. • Fields do not have to be reported if the unique product identifier adequately describes those fields. 	
Unique product identifier	Unique product identification code based on the taxonomy of the product.	N
Contract or instrument type	The name of the contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).	Y
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.	Y
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.	Y
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).	N
Effective date or start date	The date the transaction becomes effective or starts.	Y
Maturity, termination or end date	The date the transaction expires.	Y
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).	Y
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).	Y
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).	Y
Delivery type	Indicate whether transaction is settled physically or in cash.	Y
Price 1	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y
Price 2	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y

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Data field	Description	Required for Pre-existing Transactions
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y
Price multiplier	The number of units of the underlying reference entity represented by 1 unit of the transaction.	N
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.	Y
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.	Y
Currency leg 1	Currency(ies) of leg 1.	Y
Currency leg 2	Currency(ies) of leg 2.	Y
Settlement currency	The currency used to determine the cash settlement amount.	Y
Up-front payment	Amount of any up-front payment.	N
Currency or currencies of up-front payment	The currency in which any up-front payment is made by one counterparty to another.	N
Embedded option	Indicate whether the option is an embedded option.	N
B. Additional Asset Information	These additional fields are required to be reported for transactions in the respective types of derivatives set out below, even if the information is entered in a Common Data field above.	
i) Interest rate derivatives		
Fixed rate leg 1	The rate used to determine the payment amount for leg 1 of the transaction.	Y
Fixed rate leg 2	The rate used to determine the payment amount for leg 2 of the transaction.	Y
Floating rate leg 1	The floating rate used to determine the payment amount for leg 1 of the transaction.	Y
Floating rate leg 2	The floating rate used to determine the payment amount for leg 2 of the transaction.	Y
Fixed rate day count convention	Factor used to calculate the fixed payer payments (e.g., 30/360, actual/360).	Y
Fixed leg payment frequency or dates	Frequency or dates of payments for the fixed rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating leg payment frequency or dates	Frequency or dates of payments for the floating rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating rate reset frequency or dates	The dates or frequency at which the floating leg of the transaction resets (e.g., quarterly, semi-annually, annually).	Y
ii) Currency derivatives		
Exchange rate	Contractual rate(s) of exchange of the currencies.	Y
iii) Commodity derivatives		
Sub-asset class	Specific information to identify the type of commodity derivative (e.g., Agriculture, Power, Oil, Natural Gas, Freights, Metals, Index, Environmental, Exotic).	Y
Quantity	Total quantity in the unit of measure of an underlying commodity.	Y

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Data field	Description	Required for Pre-existing Transactions
Unit of measure	Unit of measure for the quantity of each side of the transaction (e.g., barrels, bushels, etc.).	Y
Grade	Grade of product being delivered (e.g., grade of oil).	Y
Delivery point	The delivery location.	N
Load type	For power, load profile for the delivery.	Y
Transmission days	For power, the delivery days of the week.	Y
Transmission duration	For power, the hours of day transmission starts and ends.	Y
C. Options	These additional fields are required to be reported for options transactions set out below, even if the information is entered in a Common Data field above.	
Option exercise date	The date(s) on which the option may be exercised.	Y
Option premium	Fixed premium paid by the buyer to the seller.	Y
Strike price (cap/floor rate)	The strike price of the option.	Y
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction (e.g., American, European, Bermudan, Asian).	Y
Option type	Put/call.	Y
D. Event Data		
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).	N
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).	Y (If available)
Post-transaction events	Indicate whether the transaction resulted from a post-transaction service (e.g., compression, reconciliation, etc.) or from a lifecycle event (e.g., novation, amendment, etc.).	N
Reporting timestamp	The time and date the transaction was submitted to the trade repository, expressed using UTC.	N
E. Valuation data	These additional fields are required to be reported on a continuing basis for all reported derivative transactions, including reported pre-existing transactions.	
Value of transaction calculated by the reporting counterparty	Mark-to-market valuation of the transaction, or mark-to-model valuation	N
Valuation currency	Indicate the currency used when reporting the value of the transaction.	N
Valuation date	Date of the latest mark-to-market or mark-to-model valuation.	N
F. Other details		
Other details	Where the terms of the transaction cannot be effectively reported in the above prescribed fields, provide any additional information that may be necessary.	Y

APPENDIX B TO OSC RULE 91-507 – TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

EQUIVALENT TRADE REPORTING LAWS OF FOREIGN JURISDICTIONS
SUBJECT TO DEEMED COMPLIANCE PURSUANT TO SUBSECTION 26(5)

The Commission has determined that the laws and regulations of the following jurisdictions outside of Ontario are equivalent for the purposes of the deemed compliance provision in subsection 26(5).

Jurisdiction	Law, Regulation and/or Instrument
United States of America	<p><i>CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. pt. 43 (2013).</i></p> <p><i>CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. pt. 45 (2013).</i></p> <p><i>CFTC Swap Data Recordkeeping and Reporting Requirements: Pro-Enactment and Transition Swaps, 17 C.F.R. pt. 46 (2013).</i></p>
European Union	<p>Regulation (EU) 648/2012 Regulation (EU) 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Delegated Regulation (EU) No 148/2013</p> <p>Commission Delegated Regulation (EU) 2017/979 of 2 March 2017 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities</p> <p>Commission Delegated Regulation (EU) 2019/460 of 30 January 2019 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to the list of exempted entities</p> <p>Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories</p> <p>Commission Delegated Regulation (EU) No 148/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories</p> <p>Commission Delegated Regulation (EU) No 151/2013</p> <p>Commission Delegated Regulation (EU) 2017/104 of 19 October 2016 amending Delegated Regulation (EU) No 148/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories</p> <p>Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, with central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data</p> <p>Commission Implementing Regulation (EU) No 1247/2012</p>

Jurisdiction	Law, Regulation and/or Instrument
	<p>Commission Delegated Regulation (EU) 2017/1800 of 29 June 2017 amending Delegated Regulation (EU) No 151/2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council</p> <p>Commission Delegated Regulation (EU) 2019/361 of 13 December 2018 amending Delegated Regulation (EU) No 151/2013 with regard to access to the data held in trade repositories</p> <p>Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Implementing Regulation (EU) 2017/105 of 19 October 2016 amending Implementing Regulation (EU) No 1247/2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories</p> <p>Commission Implementing Regulation (EU) 2019/363 of 13 December 2018 laying down implementing technical standards with regard to the format and frequency of reports on the details of securities financing transactions (SFTs) to trade repositories in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) No 1247/2012 with regard to the use of reporting codes in the reporting of derivative contracts</p>
<p>United Kingdom</p>	<p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020</p> <p>The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 1) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 2) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 3) Instrument 2019</p> <p>The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 4) Instrument 2019</p> <p>The Technical Standards (Miscellaneous Amendments) (EU Exit) Instrument 2020</p>
<p>United States of America</p>	<p>CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. Part 43</p> <p>CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. Part 45</p> <p>CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps, 17 C.F.R. Part 46</p>

APPENDIX C TO OSC RULE 91-507 — TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

REQUIREMENTS FOR THE PUBLIC DISSEMINATION OF TRANSACTION LEVEL DATA

Instructions:

1. A designated trade repository is required to disseminate to the public at no cost the information contained in [Appendix A marked as “Y” under the “Publicly Disseminated” column together with the data elements contained in Table 1](#) for each of the asset classes and underlying asset identifiers listed in Table 2 for:
 - (a) [each](#) transaction reported to the designated trade repository pursuant to this Rule;
 - (b) [each](#) lifecycle event that changes the pricing of an existing derivative reported to the designated trade repository pursuant to this Rule;
 - (c) [each](#) cancellation or correction of previously disseminated data relating to a transaction referred to in paragraph (a) or a lifecycle event referred to in paragraph (b).

Table 1

Data field	Description
Cleared	Indicate whether the transaction has been cleared by a clearing agency.
Electronic trading venue identifier	Indicate whether the transaction was executed on an electronic trading venue.
Collateralization	Indicate whether the transaction is collateralized.
Unique product identifier	Unique product identification code based on the taxonomy of the product.
Contract or instrument type	The name of the contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).
Effective date or start date	The date the transaction becomes effective or starts.
Maturity, termination or end date	The date the transaction expires.
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).
Price 1	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price 2	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).

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Data field	Description
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.
Currency leg 1	Currency(ies) of leg 1.
Currency leg 2	Currency(ies) of leg 2.
Settlement currency	The currency used to determine the cash settlement amount.
Embedded option	Indicate whether the option is an embedded option.
Option exercise date	The date(s) on which the option may be exercised.
Option premium	Fixed premium paid by the buyer to the seller.
Strike price (cap/floor rate)	The strike price of the option.
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction. (e.g., American, European, Bermudan, Asian).
Option type	Put, call.
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).

#	Data Element Name	Definition for Data Element	Format	Allowable Values
D1	Dissemination identifier	TR generated unique and random identifier for each publicly disseminated message.	Varchar(52)	Up to 52 alphanumeric characters
D2	Original dissemination identifier	For action types other than "New", this identifier will hold the Dissemination identifier of the original, publicly-disseminated transaction and pricing data.	Varchar(52)	Up to 52 alphanumeric characters
D3	Dissemination timestamp	Date and time, to the nearest second, that a TR publicly disseminates.	YYYY-MM-DDThh:mm:ssZ, based on Coordinated Universal Time (UTC)	Any valid date/time based on ISO 8601 Date and time format.
D4	Unique product identifier short name	A humanly readable description made available by the UPI issuer corresponding to the UPI.	A list of allowable values and their format will be published by the UPI issuer.	A list of allowable values and their format will be published by the UPI issuer.

Table 2

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
Interest Rate	USD-LIBOR-BBA
Interest Rate	EUR-EURIBOR-Reuters
Interest Rate	GBP-LIBOR-BBA

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Credit	All Indexes
Equity	All Indexes

Exclusions:

2. Notwithstanding item 1, each of the following is excluded from the requirement to be publicly disseminated:
- (a) a transaction in a derivative that requires the exchange of more than one currency;
 - (b) a transaction resulting from a bilateral or multilateral portfolio compression exercise;
 - (c) a transaction resulting from novation by a recognized or exempt clearing agency¹⁵.

Rounding:

3. A designated trade repository must round the notional amount of a transaction for which it disseminates transaction level data pursuant to this Rule and this Appendix in accordance with the rounding conventions contained in Table 3.

Table 3

Reported Notional Amount Leg 1 or 2	Rounded Notional Amount
<1,000	Round to nearest 5
>1,000, <10,000	Round to nearest 100
>10,000, <100,000	Round to nearest 1,000
>100,000, <1 million	Round to nearest 10,000
>1 million, <10 million	Round to nearest 100,000
>10 million, <50 million	Round to nearest 1 million
>50 million, <100 million	Round to nearest 10 million
>100 million, <500 million	Round to nearest 50 million
>500 million, <1 billion	Round to nearest 100 million
>1 billion, <100 billion	Round to nearest 500 million
>100 billion	Round to nearest 50 billion

Capping:

4. Where the rounded notional amount of a transaction, as set out in Table 3, would exceed the capped rounded notional amount in CAD of that transaction as set out in Table 4, a designated trade repository must disseminate the capped rounded notional amount for the transaction in place of the rounded notional amount.
5. ~~5.~~ When disseminating transaction level data pursuant to this Rule and this Appendix, for a transactions to which item 4 applies, a designated trade repository must indicate that the notional amount for a transaction has been capped.
6. ~~6.~~ For each transaction for which the capped rounded notional amount is disseminated, if the information to be disseminated includes an option premium, a designated trade repository must adjust the option premium in a manner that is consistent and proportionate relative to the capping and rounding of the reported notional amount of the transaction.

Table 4

Asset Class	Maturity <u>Expiration</u> Date less Effective Date	Capped Rounded Notional Amount in CAD
Interest Rate	Less than or equal to two years	250 million
Interest Rate	Greater than two years and less than or equal to ten years	100 million
Interest Rate	Greater than ten years	50 million
Credit	All dates	50 million
Equity	All dates	50 million

Timing:~~7.~~

7. A designated trade repository must disseminate the required information ~~contained in Table 1-48~~ 48 hours after the time and date represented by the execution timestamp field of the transaction.

8. If it is not technologically practicable to disseminate the required information 48 hours after the time and date represented by the execution timestamp field of the transaction due to periods of downtime required for operational maintenance, system upgrades, system repairs, disaster recovery exercises or any other exercises related to operating the designated trade repository in accordance with this Rule and its designation order, the designated trade repository must disseminate the required information as soon as technologically practicable following the conclusion of the period of downtime.

ANNEX C

This Annex sets out a clean version of proposed changes to Companion Policy 91-507CP to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*. Because of the extent of the proposed changes, it is proposed that the entire Companion Policy be replaced.

**COMPANION POLICY 91-507CP
TO ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING**

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**PART 1
GENERAL COMMENTS**

Introduction

This companion policy (the “Policy”) sets out the views of the Commission (“our” or “we”) on various matters relating to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the “Rule”) and related securities legislation.

Except for Part 1, the numbering and headings of Parts, sections and subsections in this Policy correspond to the numbering and headings in the Rule. Any general guidance for a Part or section appears immediately after the Part or section name. Any specific guidance on a section or subsection follows any general guidance. If there is no guidance for a Part or section, the numbering in this Policy will skip to the next provision that does have guidance.

Unless otherwise stated, any reference to a Part, section, subsection, paragraph, subparagraph or definition in this Policy is a reference to the corresponding Part, section, subsection, paragraph, subparagraph or definition in the Rule.

Definitions and interpretation

Unless defined in the Rule or this Policy, terms used in the Rule and in this Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions* and OSC Rule 14-501 *Definitions*.

In this Policy,

“cleared transaction” means a transaction that is created under the rules of a recognized or exempt clearing agency and to which the recognized or exempt clearing agency is a counterparty, including any transaction resulting from a novation of an original transaction upon acceptance of the original transaction for clearing;

“CPMI” means the Committee on Payments and Market Infrastructures;¹

“derivatives party”² means, in relation to a derivatives dealer, either of the following:

- (a) a person or company for which the derivatives dealer acts or proposes to act as an agent in relation to a transaction;
- (b) a person or company that is, or is proposed to be, a party to a derivative if the derivatives dealer is the counterparty;

“FMI” means a financial market infrastructure, as described in the PFMI Report;

“Global LEI System” means the Global Legal Entity Identifier System;

“IOSCO” means the Technical Committee of the International Organization of Securities Commissions;

“LEI” means a legal entity identifier;

“LEI ROC” means the Legal Entity Identifier Regulatory Oversight Committee;

“original transaction” means the original bilateral transaction between two counterparties that has been, or is intended to be, accepted for clearing by a recognized or exempt clearing agency;

“PFMI Report” means the April 2012 final report entitled *Principles for financial market infrastructures* published by CPMI and IOSCO, as amended from time to time;³

“principle” means, unless the context otherwise indicates, a principle set out in the PFMI Report;

“uncleared transaction” means a transaction that is not a cleared transaction, and includes both (i) an original transaction and (ii) a transaction that is not intended to be cleared (for example, under the terms of an ISDA Master Agreement);

“UPI” means a unique product identifier;

“UTI” means unique transaction identifier.

¹ Prior to September 1, 2014, CPMI was known as the Committee on Payment and Settlement Systems.

² The term “derivatives party” is similar to the concept of a “client” in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations (NI 31-103)*. We have used the term “derivatives party” instead of “client” to reflect the circumstance where a derivatives dealer may not regard its counterparty as its “client.”

³ The PFMI Report is available on the Bank for International Settlements’ website (www.bis.org) and the IOSCO website (www.iosco.org).

Interpretation of terms defined in the Instrument

Section 1 – Definition of derivatives dealer

A person or company that meets the definition of “derivatives dealer” in Ontario is subject to the obligations of a derivatives dealer under the Rule, whether or not it is registered or exempted from the requirement to be registered in Ontario.

A person or company will be subject to the obligations of a “derivatives dealer” under the Rule if it is either of the following:

- in the business of trading derivatives;
- otherwise required to register as a derivatives dealer under securities legislation.

Factors in determining a business purpose – derivatives dealer

In determining whether a person or company is in the business of trading in derivatives, a number of factors should be considered. Several factors that we consider relevant are described below. This is not a complete list and other factors may also be considered.

- *Acting as a market maker* – Market making is generally understood as the practice of routinely standing ready to transact derivatives by
 - responding to requests for quotes on derivatives, or
 - making quotes available to other persons or companies that seek to transact derivatives, whether to hedge a risk or to speculate on changes in the market value of the derivative.

Market makers are typically compensated for providing liquidity through spreads, fees or other compensation, including fees or compensation paid by an exchange or a trading facility that do not relate to the change in the market value of the derivative transacted. A person or company that contacts another person or company about a transaction to accommodate its own risk management needs or to speculate on the market value of a derivative will not, typically, be considered to be acting as a market maker.

A person or company will be considered to be “routinely standing ready” to transact derivatives if it is responding to requests for quotes or it is making quotes available with some frequency, even if it is not on a continuous basis. Persons or companies that respond to requests or make quotes available occasionally are not “routinely standing ready”.

A person or company would also typically be considered to be a market maker when it holds itself out as undertaking the activities of a market maker.

Engaging in bilateral discussions relating to the terms of a transaction will not, on its own, constitute market making activity.

- *Directly or indirectly carrying on the activity with repetition, regularity or continuity* – Frequent or regular transactions are a common indicator that a person or company may be engaged in trading for a business purpose. The activity does not have to be its sole or even primary endeavour for it to be in the business. We consider regularly trading in any way that produces, or is intended to produce, profits to be for a business purpose.
- *Facilitating or intermediating transactions* – The person or company provides services relating to the facilitation of trading or intermediation of transactions between third-party counterparties to derivatives contracts.
- *Transacting with the intention of being compensated* – The person or company receives, or expects to receive, any form of compensation for carrying on transaction activity. This would include any compensation that is transaction or value-based including compensation from spreads or built-in fees. It does not matter if the person or company actually receives compensation or what form the compensation takes. However, a person or company would not be considered to be a derivatives dealer solely by reason that it realizes a profit from changes in the market price for the derivative (or its underlying reference asset), regardless of whether the derivative is intended for the purpose of hedging or speculating.
- *Directly or indirectly soliciting in relation to transactions* – The person or company directly solicits transactions. Solicitation includes contacting someone by any means, including communication that offers (i) transactions, (ii) participation in transactions or (iii) services relating to transactions. This would include providing quotes to

derivatives parties or potential derivatives parties that are not provided in response to a request. This also includes advertising on the internet with the intention of encouraging transacting in derivatives by local persons or companies. A person or company might not be considered to be soliciting solely because it contacts a potential counterparty, or a potential counterparty contacts them to enquire about a transaction, unless it is the person or company's intention or expectation to be compensated as a result of the contact. For example, a person or company that wishes to hedge a specific risk is not necessarily soliciting for the purpose of the Instrument if it contacts multiple potential counterparties to enquire about potential transactions to hedge the risk.

- *Engaging in activities similar to a derivatives dealer* – The person or company carries out any activities related to transactions involving derivatives that would reasonably appear, to a third party, to be similar to the activities discussed above. This would not include the operator of an exchange or a clearing agency.
- *Providing derivatives clearing services* – The person or company provides services to allow third parties, including counterparties to transactions involving the person or company, to clear derivatives through a clearing agency. These services are actions in furtherance of a trade conducted by a person or company that would typically play the role of an intermediary in the derivatives market.

In determining whether or not it is, for the purposes of the Rule, a derivatives dealer, a person or company should consider its activities holistically. We do not consider that all of the factors discussed above necessarily carry the same weight or that any one factor will be determinative.

Factors in determining a business purpose – general

Generally, we would consider a person or company that engages in the activities discussed above in an organized and repetitive manner to be a derivatives dealer. Ad hoc or isolated instances of the activities discussed above may not necessarily result in a person or company being a derivatives dealer. Similarly, organized and repetitive proprietary trading, in and of itself, absent other factors described above, may not result in a person or company being considered to be a derivatives dealer for the purposes of the Rule.

A person or company does not need to have a physical location, staff or other presence in Ontario to be a derivatives dealer in Ontario. A derivatives dealer in Ontario is a person or company that conducts the described activities in Ontario. For example, this would include a person or company that is located in Ontario and that conducts dealing activities in Ontario or in a foreign jurisdiction. This would also include a person or company located in a foreign jurisdiction that conducts dealing activities with a derivatives party located in Ontario.

Where dealing activities are provided to derivatives parties in Ontario or where dealing activities are otherwise conducted within Ontario, regardless of the location of the derivatives party, we would generally consider a person or company to be a derivatives dealer.

In particular, a person or company may be a derivatives dealer under the Rule regardless of whether it meets the definition of a "local counterparty". For example, if an Ontario local counterparty that is a non-dealer transacts with a foreign person or company that meets the definition of a "derivatives dealer" but is not a local counterparty, the transaction is required to be reported under the Rule because it involves a local counterparty, and the foreign derivatives dealer has the reporting obligation under paragraph 25(1)(d), unless it is an original transaction executed anonymously on a derivatives trading facility. Similarly, if an Ontario local counterparty that is a derivatives dealer transacts with a foreign person or company that is also a derivatives dealer but is not a local counterparty, the transaction is required to be reported under the Rule because it involves a local counterparty, and the foreign derivatives dealer may have a reporting obligation as determined according to paragraphs 25(1)(b) or (c), unless it is an original transaction executed anonymously on a derivatives trading facility.

Section 1 – Definition of lifecycle event

A "lifecycle event" is defined in the Rule as an event that results in a change to derivatives data previously reported to a designated trade repository. Where a lifecycle event occurs, the corresponding lifecycle event data must be reported under section 32 of the Rule by the end of the business day on which the lifecycle event occurs. When reporting a lifecycle event, there is no obligation to re-report derivatives data that has not changed – only new data and changes to previously reported data need to be reported. Examples of a lifecycle event would include

- a change to the termination date for the transaction,
- a change in the cash flows, payment frequency, currency, numbering convention, spread, benchmark, reference entity or rates originally reported,

- the availability of a LEI for a counterparty previously identified by name or by some other identifier,
- a corporate action affecting a security or securities on which the transaction is based (e.g., a merger, dividend, stock split, or bankruptcy),
- a change to the notional amount of a transaction including contractually agreed upon changes (e.g., amortization schedule),
- the exercise of a right or option that is an element of the expired transaction, and
- the satisfaction of a level, event, barrier or other condition contained in the original transaction.

Section 1 – Definition of local counterparty

The definition of “local counterparty” includes a number of factors that are different from the addresses under a counterparty’s LEI. As a result, the Commission does not view using the address information in a counterparty’s LEI as an acceptable substitute for determining whether the counterparty is a local counterparty in Ontario.

Section 1 – Definition of transaction

The term “transaction” is defined in the Rule and used instead of the term “trade”, as defined in the Act, in order to reflect the types of activities that require a unique transaction report, as opposed to the modification of an existing transaction report. The primary difference between the two definitions is that unlike the term “transaction”, the term “trade” includes material amendments and terminations.

A material amendment is not referred to in the definition of “transaction” but is required to be reported as a lifecycle event in connection with an existing transaction under section 32.

In addition, unlike the definition of “trade”, the definition of “transaction” includes a novation to a clearing agency. Each transaction resulting from a novation of a bilateral transaction to a clearing agency is required to be reported as a separate, new transaction with reporting links to the original transaction.

PART 2 TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Introduction

Part 2 contains rules for designation of a trade repository and ongoing requirements for a designated trade repository. To obtain and maintain a designation as a trade repository, a person or entity must comply with these rules and requirements in addition to all of the terms and conditions in the designation order made by the Commission. In order to comply with the reporting obligations contained in Part 3, a reporting counterparty must report to a designated trade repository. While there is no prohibition on an undesignated trade repository operating in Ontario, a counterparty that reports a transaction to an undesignated trade repository would not be in compliance with its reporting obligations under the Rule with respect to that transaction.

The legal entity that applies to be a designated trade repository will typically be the entity that operates the facility and collects and maintains records of completed transactions reported to the trade repository by other persons or companies. In some cases, the applicant may operate more than one trade repository facility. In such cases, the trade repository may file separate forms in respect of each trade repository facility, or it may choose to file one form to cover all of the different trade repository facilities. If the latter alternative is chosen, the trade repository must clearly identify the facility to which the information or changes submitted under this Part apply.

Section 2 – Trade repository initial filing of information and designation

In determining whether to designate an applicant as a trade repository under section 21.2.2 of the Act, it is anticipated that the Commission will consider a number of factors, including

- whether it is in the public interest to designate the applicant,
- the manner in which the trade repository proposes to comply with the Rule,
- whether the trade repository has meaningful representation on its governing body,
- whether the trade repository has sufficient financial and operational resources for the proper performance of its functions,

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- whether the rules and procedures of the trade repository ensure that its business is conducted in an orderly manner that fosters fair, efficient and competitive capital markets, and improves transparency in the derivatives market,
- whether the trade repository has policies and procedures to effectively identify and manage conflicts of interest arising from its operation or the services it provides,
- whether the requirements of the trade repository relating to access to its services are fair and reasonable,
- whether the trade repository's process for setting fees is fair, transparent and appropriate,
- whether the trade repository's fees are inequitably allocated among the participants, have the effect of creating barriers to access or place an undue burden on any participant or class of participants,
- the manner and process for the Commission and other applicable regulatory agencies to receive or access derivatives data, including the timing, type of reports, and any confidentiality restrictions,
- whether the trade repository has robust and comprehensive policies, procedures, processes and systems to ensure the security and confidentiality of derivatives data, and
- whether the trade repository has entered into a memorandum of understanding with its local securities regulator.

The Commission will examine whether the trade repository has been, or will be, in compliance with securities legislation. This includes compliance with the Rule and any terms and conditions attached to the Commission's designation order in respect of a designated trade repository.

As part of this examination, a trade repository that is applying for designation must demonstrate that it has established, implemented, maintained and enforced appropriate written rules, policies and procedures that are in accordance with standards applicable to trade repositories, as required by the Rule. We consider that these rules, policies and procedures include, but are not limited to, the principles and key considerations and explanatory notes applicable to trade repositories in the PFMI Report. The applicable principles, which have been incorporated into the Rule and the interpretation of which we consider ought to be consistent with the PFMI Report, are set out in the following chart, along with the corresponding sections of the Rule:

Principle in the PFMI Report applicable to a trade repository	Relevant section(s) of the Rule
Principle 1: Legal Basis	Section 7 – Legal framework Section 17 – Rules, policies and procedures (in part)
Principle 2: Governance	Section 8 – Governance Section 9 – Board of directors Section 10 – Management
Principle 3: Framework for the comprehensive management of risks	Section 19 – Comprehensive risk management framework Section 20 – General business risk (in part)
Principle 15: General business risk	Section 20 – General business risk
Principle 17: Operational risk	Section 21 – System and other operational risks Section 22 – Data security and confidentiality Section 24 – Outsourcing

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Principle 18: Access and participation requirements	Section 13 – Access to designated trade repository services Section 16 – Due process (in part) Section 17 – Rules, policies and procedures (in part)
Principle 19: Tiered participation arrangements	Section 7 – Legal Framework Section 24.1 – Links and Tiered Participation Arrangements
Principle 20: FMI links	Section 7 – Legal Framework Section 24.1 – Links and Tiered Participation Arrangements
Principle 21: Efficiency and effectiveness	Section 8 - Governance Section 12 – Fees Section 14.1 – Operational efficiency and effectiveness
Principle 22: Communication procedures and standards	Section 15 – Communication policies, procedures and standards
Principle 23: Disclosure of rules, key procedures, and market data	Section 17 – Rules, policies and procedures (in part)
Principle 24: Disclosure of market data by trade repositories	Sections in Part 4 – Data Dissemination and Access to Data

It is anticipated that the Commission will apply the principles in its oversight activities of designated trade repositories. Therefore, in complying with the Rule, designated trade repositories will be expected to observe the principles.

The forms filed by an applicant or designated trade repository under the Rule will be kept confidential in accordance with the provisions of securities legislation. The Commission is of the view that the forms generally contain proprietary financial, commercial and technical information, and that the cost and potential risks to the filers of disclosure outweigh the benefit of the principle requiring that forms be made available for public inspection. However, the Commission would expect a designated trade repository to publicly disclose its responses to the CPMI-IOSCO consultative report entitled *Disclosure framework for financial market infrastructures*, which is a supplement to the PFMI Report.⁴ In addition, much of the information that will be included in the forms that are filed will be required to be made publicly available by a designated trade repository pursuant to the Rule or the terms and conditions of the designation order imposed by the Commission.

While Form 91-507F1 – *Application for Designation and Trade Repository Information Statement* and any amendments to it will be kept generally confidential, if the Commission considers that it is in the public interest to do so, it may require the applicant or designated trade repository to publicly disclose a summary of the information contained in the form, or amendments to it.

Notwithstanding the confidential nature of the forms, an applicant's application itself (excluding forms) will be published for comment for a minimum period of 30 days.

Section 3 – Change in information

Significant changes

Under subsection 3(1), a designated trade repository is required to file an amendment to the information provided in Form 91-507F1 at least 45 days prior to implementing a significant change. The Commission considers a change to be significant when it could impact a designated trade repository, its users, participants, market participants, investors, or the capital markets (including

⁴ Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

derivatives markets and the markets for assets underlying a derivative). The Commission would consider a significant change to include, but not be limited to,

- a change in the structure of the designated trade repository, including procedures governing how derivatives data is collected and maintained (included in any back-up sites), that has or may have a direct impact on users in Ontario,
- a change to the services provided by the designated trade repository, or a change that affects the services provided, including the hours of operation, that has or may have a direct impact on users in Ontario,
- a change to means of access to the designated trade repository's facility and its services, including changes to data formats or protocols, that has or may have a direct impact on users in Ontario,
- a change to the types of derivative asset classes or categories of derivatives that may be reported to the designated trade repository,
- a change to the systems and technology used by the designated trade repository that collect, maintain and disseminate derivatives data, including matters affecting capacity,
- a change to the governance of the designated trade repository, including changes to the structure of its board of directors or board committees and their related mandates,
- a change in control of the designated trade repository,
- a change in entities that provide key services or systems to, or on behalf of, the designated trade repository,
- a change to outsourcing arrangements for key services or systems of the designated trade repository,
- a change to fees or the fee structure of the designated trade repository,
- a change in the designated trade repository's policies and procedures relating to risk-management, including relating to business continuity and data security, that has or may have an impact on the designated trade repository's provision of services to its participants,
- the commencement of a new type of business activity, either directly or indirectly through an affiliate, and
- a change in the location of the designated trade repository's head office or primary place of business or the location where the main data servers or contingency sites are housed.

The Commission generally considers a change in a designated trade repository's fees or fee structure to be a significant change. However, the Commission recognizes that designated trade repositories may frequently change their fees or fee structure and may need to implement fee changes within timeframes that are shorter than the 45-day notice period contemplated in subsection (1). To facilitate this process, subsection 3(2) provides that a designated trade repository may provide information that describes the change to fees or fee structure in a shorter timeframe (at least 15 days before the expected implementation date of the change to fees or fee structure). See below in relation to section 12 for guidance with respect to fee requirements applicable to designated trade repositories.

The Commission will make best efforts to review amendments to Form 91-507F1 filed in accordance with subsections 3(1) and 3(2) before the proposed date of implementation of the change. However, where the changes are complex, raise regulatory concerns, or when additional information is required, the Commission's review may exceed these timeframes.

Changes that are not significant

Subsection 3(3) sets out the filing requirements for changes to information provided in a filed Form 91 -507F1 other than those described in subsections 3(1) or (2). Such changes to information are not considered significant and include changes that:

- would not have an impact on the designated trade repository's structure or participants, or more broadly on market participants, investors or the capital markets; or
- are administrative changes, such as
 - changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,

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- changes due to standardization of terminology,
- changes to the types of designated trade repository participants in Ontario,
- necessary changes to conform to applicable regulatory or other legal requirements of Ontario or Canada, and
- minor system or technology changes that would not significantly impact the system or its capacity.

For the changes referred to in subsection 3(3), the Commission may review these filings to ascertain whether they have been categorized appropriately. If the Commission disagrees with the categorization, the designated trade repository will be notified in writing. Where the Commission determines that changes reported under subsection 3(3) are in fact significant changes under subsection 3(1), the designated trade repository will be required to file an amended Form 91-507F1 that will be subject to review by the Commission.

Section 6 – Ceasing to carry on business

In addition to filing a completed Form 91-507F3 – *Cessation of Operations Report for Trade Repository* referred to in subsection 6(1), a designated trade repository that intends to cease carrying on business in Ontario as a designated trade repository must make an application to voluntarily surrender its designation to the Commission pursuant to securities legislation. The Commission may accept the voluntary surrender subject to terms and conditions.⁵

Section 7 – Legal framework

Under subsection 7(1), we would generally expect designated trade repositories to have rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions where they have activities, whether within Canada or any foreign jurisdiction.

Subsection 7(2) requires designated trade repositories to establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that all contractual arrangements and links are supported by the laws of all relevant jurisdictions.

Under paragraph 7(2)(a.2), designated trade repositories will need to collect basic information that will enable them to assess and mitigate material risks that could arise from indirect participant arrangements. For example, it is necessary to identify an indirect participant's transaction volumes or values that are large relative to that of a smaller participant through which they access their services in order to mitigate the material risks arising from such an arrangement.

The information collected should enable the designated trade repository, at a minimum, to identify (a) the proportion of activity that direct participants conduct on behalf of indirect participants, (b) direct participants that act on behalf of a material number of indirect participants, (c) indirect participants with significant volumes or values of transactions in the system, and (d) indirect participants whose transaction volumes or values are large relative to those of the direct participants through which they access the designated trade repository.

Section 8 – Governance

Designated trade repositories are required to have in place governance arrangements that meet the minimum requirements and policy objectives set out in subsections 8(1) and 8(2).

Under subsection 8(1), the board of directors must establish a well-defined, clear and transparent risk management framework. The governance arrangements established by the board of directors of a designated trade repository should ensure that the risk management and internal control functions have sufficient authority, independence, resources and access to the board of directors.

Under subsection 8(3), a designated trade repository is required to make the written governance arrangements required under subsections 8(1) and 8(2) available to the public on its website. The Commission expects that this information will be posted on the trade repository's publicly accessible website and that interested parties will be able to locate the information through a web search or through clearly identified links on the designated trade repository's website.

⁵ Section 21.4 of the Act provides that the Commission may impose terms and conditions on an application for voluntary surrender. The transfer of derivatives data/information can be addressed through the terms and conditions imposed by the Commission on such application.

Section 9 – Board of directors

The board of directors of a designated trade repository is subject to various requirements, such as requirements pertaining to board composition and conflicts of interest. To the extent that a designated trade repository is not organized as a corporation, the requirements relating to the board of directors may be fulfilled by a body that performs functions that are equivalent to the functions of a board of directors.

Paragraph 9(2)(a) requires individuals who comprise the board of directors of a designated trade repository to have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations. This would include individuals with experience and skills in areas such as business recovery, contingency planning, financial market systems and data management.

Under paragraph 9(2)(b), the board of directors of a designated trade repository must include individuals who are independent of the designated trade repository. The Commission would view individuals who have no direct or indirect material relationship with the designated trade repository as independent. The Commission would expect that independent directors of a designated trade repository would represent the public interest by ensuring that regulatory and public transparency objectives are fulfilled, and that the interests of participants who are not derivatives dealers are considered.

Under subsections 9(3) and 9(5), it is expected that in its governance arrangements, the designated trade repository will clarify the roles and responsibilities of its board of directors, including procedures for its functioning. We expect such procedures to, among other things, identify, address, and manage board member conflicts of interest. The board of directors should also review its overall performance and the performance of its individual board members regularly.

Section 11 – Chief compliance officer

References to harm to the capital markets in subsection 11(3) may be in relation to domestic or international capital markets.

Section 12 – Fees

A designated trade repository is responsible for ensuring that the fees it sets are in compliance with section 12. In assessing whether a designated trade repository's fees and costs are fairly and equitably allocated among participants as required under paragraph 12(a), the Commission will consider a number of factors, including

- the number and complexity of the transactions being reported,
- the amount of the fee or cost imposed relative to the cost of providing the services,
- the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- with respect to market data fees and costs, the amount of market data fees charged relative to the market share of the designated trade repository, and
- whether the fees or costs represent a barrier to accessing the services of the designated trade repository for any category of participant.

A designated trade repository should provide clear descriptions of priced services for comparability purposes. Other than fees for individual services, a designated trade repository should also disclose other fees and costs related to connecting to or accessing the trade repository. For example, a designated trade repository should disclose information on the system design, as well as technology and communication procedures, that influence the costs of using the designated trade repository. A designated trade repository is also expected to provide timely notice to participants and the public of any changes to services and fees. A designated trade repository should regularly review its fee and cost structures, including any indirect charges to customers, to ensure efficiency and effectiveness of service.

Section 13 – Access to designated trade repository services

The criteria for participation established by a designated trade repository under subsection 13(1) should not limit access to its services except in limited circumstances where the designated trade repository has a reasonable belief that such access would result in risks to the trade repository, its technology systems or to the accuracy or integrity of the data it provides to the Commission or the public. In addition, such criteria could restrict access to a person that has failed to pay the designated trade repository's fees, in whole or in part, that have been set in accordance with section 12 of the Rule.

Under subsection 13(3), a designated trade repository is prohibited from unreasonably limiting access to its services, permitting unreasonable discrimination among its participants, imposing unreasonable burdens on competition or requiring the use or purchase of another service in order for a person or company to utilize its trade reporting service. For example, a designated trade repository should not engage in anti-competitive practices such as setting overly restrictive terms of use or engaging in anti-competitive price discrimination. A designated trade repository should not develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by the designated trade repository. As an example, a designated trade repository that is an affiliated entity of a clearing agency must not impose barriers that would make it difficult for a competing clearing agency to report derivatives data to the designated trade repository.

Section 14 – Acceptance of reporting

Subsection 14(1) requires that a designated trade repository accept derivatives data for all derivatives of the asset class or classes set out in its designation order. For example, if the designation order of a designated trade repository includes interest rate derivatives, the designated trade repository is required to accept transaction data for all types of interest rate derivatives that are entered into by a local counterparty. It is possible that a designated trade repository may accept derivatives data for only a subset of a class of derivatives if this is indicated in its designation order. For example, there may be designated trade repositories that accept derivatives data for only certain types of commodity derivatives such as energy derivatives.

The requirement in subsection 14(2) to accept corrections to errors or omissions in derivatives data applies after the expiration or termination of a transaction, subject to the record retention period under section 18. Only derivatives data that conforms to the derivatives data elements in Appendix A of the Rule and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual must be accepted. We view the term “participant” under subsection 14(2) to be limited to counterparties to the transaction and their agents or service providers.

Subsection 14(2) includes a requirement to record a correction as soon as technologically practicable after acceptance. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Section 14.1 – Operational efficiency and effectiveness

Section 14.1 requires that a designated trade repository design its services to meet the needs of its participants and the markets it serves while being provided in a secure, efficient and effective manner. This would include, but is not limited to, the design of its operating structure (including connections with trading venues or service providers), the scope of products that are reportable and the use of technology and procedures.

A designated trade repository should have mechanisms in place to review on a regular basis its service levels, pricing structure, costs and operational reliability.

A designated trade repository should have policies and procedures that define measurable and achievable goals and objectives in reference to its business operations, risk management priorities, and business objectives so that it is able to meet its obligations in a timely manner, while producing data that is accurate and operating securely, efficiently, and effectively.

Section 15 – Communication policies, procedures and standards

Section 15 sets out the communication standards required to be used by a designated trade repository in communications with other specified entities. The reference in paragraph 15(d) to “other service providers” could include persons or companies who offer technological or transaction processing or post-transaction services.

Section 17 – Rules, policies and procedures

Section 17 requires that the publicly disclosed written rules and procedures of a designated trade repository be clear and comprehensive, and include explanatory material written in plain language so that participants can fully understand the system’s design and operations, their rights and obligations, and the risks of participating in the system. Moreover, a designated trade repository should disclose to its participants and to the public, basic operational information and responses to the CPMI-IOSCO Disclosure framework for financial market infrastructures.

Subsection 17(2) requires that a designated trade repository monitor compliance with its rules and procedures. The methodology of monitoring such compliance should be fully documented.

Subsection 17(3) requires a designated trade repository to implement processes for dealing with non-compliance with its rules and procedures. This subsection does not preclude enforcement action by any other person or company, including the Commission or other regulatory body.

Subsection 17(5) requires a designated trade repository to file its rules and procedures with the Commission for approval, in accordance with the terms and conditions of the designation order. Upon designation, the Commission may develop and implement a protocol with the designated trade repository that will set out the procedures to be followed with respect to the review and approval of rules and procedures and any amendments thereto. Generally, such a rule protocol will be appended to and form part of the designation order. Depending on the nature of the changes to the designated trade repository's rules and procedures, such changes may also impact the information contained in Form 91-507F1. In such cases, the designated trade repository will be required to file a revised Form 91-507F1 with the Commission. See section 3 of this Policy for a discussion of the filing requirements.

Section 18 – Records of data reported

A designated trade repository is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 18 are in addition to the requirements under securities legislation.

Subsection 18(2) requires that records be maintained for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction. A correction to data after expiration or termination of the transaction, as required under section 14, does not alter the record retention period.

As part of the record-keeping requirements under section 18, we expect a designated trade repository will maintain records relating to errors or omissions in derivatives data, including corrections to derivatives data that has previously been disseminated under Part 4. In addition, we expect a designated trade repository will maintain records relating to derivatives data that does not satisfy the derivatives data validation procedures of the designated trade repository, including, but not limited to, validation errors, messages and timestamps.

Section 19 – Comprehensive risk-management framework

Requirements for a comprehensive risk-management framework of a designated trade repository are set out in section 19.

Features of framework

A designated trade repository should have a written risk-management framework (including policies, procedures, and systems) that enable it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by, a designated trade repository. A designated trade repository's framework should include the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.

Establishing a framework

A designated trade repository should have comprehensive internal processes to help its board of directors and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes should be fully documented and readily available to the designated trade repository's personnel who are responsible for implementing them.

Maintaining a framework

A designated trade repository should regularly review the material risks it bears from, and poses to, other entities (such as other FMI, settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develop appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become nonviable.

Section 20 – General business risk

Subsection 20(1) requires a designated trade repository to manage its general business risk effectively. General business risk includes any potential impairment of the designated trade repository's financial position (as a business concern) as a consequence of a decline in its revenues or an increase in its expenses, such that expenses exceed revenues and result in a loss that must be charged against capital or an inadequacy of resources necessary to carry on business as a designated trade repository.

For the purposes of subsection 20(2), the amount of liquid net assets funded by equity that a designated trade repository should hold is to be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services, if such action is taken. Subsection 20(3) requires a designated trade

repository, for the purposes of subsection (2), to hold, at a minimum, liquid net assets funded by equity equal to no less than six months of current operating expenses.

For the purposes of subsections 20(4) and (5), and in connection with developing a comprehensive risk-management framework under section 19, a designated trade repository should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern, and assess the effectiveness of a full range of options for recovery or orderly wind-down. These scenarios should take into account the various independent and related risks to which the designated trade repository is exposed.

Based on the required assessment of scenarios under subsection 20(4) (and taking into account any constraints potentially imposed by legislation), the designated trade repository should prepare an appropriate written plan for its recovery or orderly wind-down. The plan should contain, among other elements, a substantive summary of the key recovery or orderly wind-down strategies, the identification of the designated trade repository's critical operations and services, and a description of the measures needed to implement the key strategies. The designated trade repository should maintain the plan on an ongoing basis, to achieve recovery and orderly wind-down, and should hold sufficient liquid net assets funded by equity to implement this plan (also see above in connection with subsections 20(2) and (3)). A designated trade repository should also take into consideration the operational, technological, and legal requirements for participants to establish and move to an alternative arrangement in the event of an orderly wind-down.

Subsection 20(7) requires a designated trade repository, for the purposes of subsection 20(3), to maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed to fund the appropriate level of liquid net assets. This plan should be approved by the board of directors and updated regularly.

Section 21 – System and other operational risks

Subsection 21(1) sets out a general principle concerning the management of operational risk. In interpreting subsection 21(1), the following key considerations should be applied:

- a designated trade repository should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks;
- a designated trade repository should review, audit, and test systems, operational policies, procedures, and controls, periodically and after any significant changes; and
- a designated trade repository should have clearly defined operational-reliability objectives and policies in place that are designed to achieve those objectives.

Under subsection 21(2), the board of directors of a designated trade repository should clearly define the roles and responsibilities for addressing operational risk and approve the designated trade repository's operational risk-management framework.

Paragraph 21(3)(a) requires a designated trade repository to develop and maintain an adequate system of internal control over its systems as well as adequate general information-technology controls. The latter controls are implemented to support information technology planning, acquisition, development and maintenance, computer operations, information systems support, and security. COBIT from ISACA may provide guidance as to what constitutes adequate information technology controls. A designated trade repository should ensure that its information-technology controls address the integrity of the data that it maintains, by protecting all derivatives data submitted from corruption, loss, improper disclosure, unauthorized access and other processing risks.

Paragraph 21(3)(b) requires a designated trade repository to thoroughly assess future needs and make systems capacity and performance estimates in a method consistent with prudent business practice at least once a year. The paragraph also imposes an annual requirement for designated trade repositories to conduct periodic capacity stress tests. Continual changes in technology, risk management requirements and competitive pressures will often result in these activities or tests being carried out more frequently.

Paragraph 21(3)(c) requires a designated trade repository to notify the Commission of any material systems failure. The Commission would consider a failure, malfunction, delay or other disruptive incident to be "material" if the designated trade repository would in the normal course of its operations escalate the incident to, or inform, its senior management that is responsible for technology, or the incident would have an impact on participants. The Commission also expects that, as part of this notification, the designated trade repository will provide updates on the status of the failure, the resumption of service, and the results of its internal review of the failure. Further, the designated trade repository should have comprehensive and well-documented procedures in place to record, analyze, and resolve all systems failures, malfunctions, delays and security incidents. In this regard, the designated trade repository should undertake a "post-mortem" review to identify the causes and any required improvement to the normal operations or business continuity arrangements. Such reviews should, where relevant, include an analysis of the effects

on the trade repository's participants. The results of such internal reviews are required to be communicated to the Commission as soon as practicable.

Subsection 21(4) requires that a designated trade repository establish, implement, maintain and enforce business continuity plans, including disaster recovery plans. The Commission believes that these plans should allow the designated trade repository to provide continuous and undisrupted service, as back-up systems ideally should commence processing immediately. Where a disruption is unavoidable, a designated trade repository is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event. Under paragraph 21(4)(c), an emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption.

Subsection 21(5) requires a designated trade repository to test and audit its business continuity plans at least once a year. The expectation is that the designated trade repository would engage relevant industry participants, as necessary, in tests of its business continuity plans, including testing of back-up facilities for both the designated trade repository and its participants.

Subsection 21(6) requires a designated trade repository to engage a qualified party to conduct an annual independent audit of the internal controls referred to in paragraphs 21(3)(a) and (b) and subsections 21(4) and (5). A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. The Commission is of the view that this obligation may also be satisfied by an independent assessment by an internal audit department that is compliant with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Audit. Before engaging a qualified party, the designated trade repository should notify the Commission.

Subsection 21(8) requires designated trade repositories to make public all material changes to technology requirements to allow participants a reasonable period to make system modifications and test their modified systems. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Subsection 21(9) requires designated trade repositories to make available testing facilities in advance of material changes to technology requirements to allow participants a reasonable period to test their modified systems and interfaces with the designated trade repository. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Section 22 – Data security and confidentiality

Subsection 22(1) provides that a designated trade repository must establish policies and procedures to ensure the safety, privacy and confidentiality of derivatives data to be reported to it under the Rule. The policies must include limitations on access to confidential trade repository data and safeguards to protect against entities affiliated with the designated trade repository from using trade repository data for their personal benefit or the benefit of others.

Subsection 22(2) prohibits a designated trade repository from releasing reported derivatives data, for a commercial or business purpose, that is not required to be publicly disclosed under section 39 without the express written consent of the counterparties to the transaction or transactions to which the derivatives data relates. The purpose of this provision is to ensure that users of the designated trade repository have some measure of control over their derivatives data.

Section 22.1 – Transactions executed anonymously on a derivatives trading facility

The purpose of section 22.1 is to ensure that the identities of counterparties to a transaction executed anonymously on a derivatives trading facility are not disclosed to users of the designated trade repository post-execution. Only a transaction in respect of which a counterparty does not know the identity of its counterparty prior to or at the time of execution of the transaction is protected under section 22.1. For greater certainty, section 22.1 does not apply to data provided or made available to the Commission under the Rule or pursuant to a designated trade repository's designation order.

A derivatives trading facility means a person or company that constitutes, maintains, or provides a facility or market that brings together buyers and sellers of over-the-counter derivatives, brings together the orders of multiple buyers and multiple sellers, and uses methods under which the orders interact with each other and the buyers and sellers agree to the terms of trades. For example, the following are examples of derivatives trading facilities: a "swap execution facility" as defined in the Commodity Exchange Act 7 U.S.C. §(1a)(50); a "security-based swap execution facility" as defined in the Securities Exchange Act of 1934 15 U.S.C.

§78c(a)(77); a “multilateral trading facility” as defined in Directive 2014/65/EU Article 4(1)(22) of the European Parliament; and an “organized trading facility” as defined in Directive 2014/65/EU Article 4(1)(23) of the European Parliament.

Section 22.2 – Validation of data

In accordance with subsection 22.2(1) and any other validation conditions set out in its designation order, a designated trade repository must validate that the derivatives data that it receives from a reporting counterparty satisfies the derivatives data elements listed in Appendix A and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual.

Subsection 22.2(2) requires a designated trade repository, as soon as technologically practicable after receiving derivatives data, to notify a reporting counterparty whether or not the derivatives data satisfies the derivatives data validation procedures, and the designated trade repository will reject derivatives data that has failed to satisfy the derivatives data validation procedures. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Section 23 – Verification of data accuracy

Under paragraph 26.1(1)(b), reporting counterparties that are derivatives dealers or recognized or exempt clearing agencies must verify the accuracy of the derivatives data that they are reporting at least every 30 days. Subsection 23 requires a designated trade repository to maintain and adhere to written policies and procedures that are designed to enable such reporting counterparties to meet their obligations under paragraph 26.1(1)(b).

A designated trade repository may satisfy its obligation under section 23 by providing the reporting counterparty, or its delegated third-party representative, where applicable, a means of accessing derivatives data for open transactions involving the reporting counterparty that is maintained by the designated trade repository as of the time of the reporting counterparty’s access to the derivatives data. Access provided to a third-party representative is in addition to, and not instead of, the access provided to a relevant counterparty.

Section 24 – Outsourcing

Section 24 sets out requirements applicable to a designated trade repository that outsources any of its key services or systems to a service provider. Generally, a designated trade repository must establish policies and procedures to evaluate and approve these outsourcing arrangements. Such policies and procedures include assessing the suitability of potential service providers and the ability of the designated trade repository to continue to comply with securities legislation in the event of bankruptcy, insolvency or the termination of business of the service provider. A designated trade repository is also required to monitor the ongoing performance of a service provider to which it outsources a key service, system or facility. The requirements under section 24 apply regardless of whether the outsourcing arrangements are with third-party service providers or affiliates of the designated trade repository. A designated trade repository that outsources its services or systems remains responsible for those services or systems and for compliance with securities legislation.

Section 24.1 – Links and Tiered Participation Arrangements

Requirements for links and tiered participation arrangements of a designated trade repository are set out in section 24.1.

Links

A designated trade repository should carefully assess the risks, including the additional operational risks, related to its links to ensure the scalability and reliability of information technology and related resources. For example, a designated trade repository may be part of a network linking various entities (such as clearing agencies, dealers, custodians, and service providers) and could transmit risk or cause processing delays to such linked entities in the event of an operational disruption. Therefore, links should be designed such that each linked entity is able to observe the risk management and other principles in the PFMI Report.

Tiered participation arrangements

A designated trade repository, when applicable, is expected to adequately oversee and mitigate the material risks associated with tiered participation arrangements. The rules, policies and procedures of the designated trade repository should be designed to effectively identify indirect participants, the risks they create and the impact that processing the indirect participant’s derivatives data has on the designated trade repository and on the services it offers. The designated trade repository is expected to regularly review all risks associated with these arrangements in order to take appropriate action to address and mitigate any of these risks.

When applicable, the designated trade repository should be able to identify and monitor the material dependencies that exist between the participants and the indirect participants in order to mitigate the material risks arising from these reporting arrangements. This includes identifying those indirect participants whose transaction volumes or values are large relative to the capacity of the participants through which they access their services. For this purpose, a designated trade repository will need to have readily available information regarding the significant indirect participants that may be affected by problems at a particular participant.

PART 3 DATA REPORTING

Introduction

Part 3 addresses reporting obligations for transactions that involve a local counterparty, including the determination of which counterparty is required to report derivatives data, when derivatives data is required to be reported, different types of derivatives data that are required to be reported, and other requirements regarding verification of data accuracy and reporting of errors and omissions.

Section 25 – Reporting counterparty

Introduction

Subsection 25(1) outlines a hierarchy for determining which counterparty to a transaction is required to report derivatives data based on the counterparty to the transaction that is best suited to fulfill the reporting obligation.

The hierarchy does not apply to original transactions that are executed anonymously on a derivatives trading facility (and, for greater certainty, are intended to be cleared). Under section 36.1, the derivatives trading facility has the obligations of a reporting counterparty in respect of these original transactions. However, the hierarchy applies to all other transactions involving a local counterparty that are executed on a derivatives trading facility and to all transactions involving a local counterparty that are not executed on a derivatives trading facility.

Please see above under Part 1 for the Commission's views on the definition of "derivatives dealer" and the factors in determining a business purpose. The reporting obligation with respect to a transaction involving a local counterparty applies to a derivatives dealer as set out in the hierarchy regardless of whether the derivatives dealer is a local counterparty.

Cleared transactions

Under paragraph 25(1)(a), derivatives data relating to a cleared transaction is required to be reported by the recognized or exempt clearing agency. The recognized or exempt clearing agency is required to report each cleared transaction resulting from a novation of the original transaction to the clearing agency as a separate, new transaction with reporting links to the original transaction, and is also required to report the termination of the original transaction under subsection 32(3). For clarity, the recognized or exempt clearing agency is not the reporting counterparty for an original transaction.

The following chart illustrates reporting responsibilities in respect of transactions in relation to clearing:

Transaction	Reporting counterparty
Original transaction between Party A and Party B (sometimes referred to as the " <i>alpha</i> " transaction)	If executed anonymously on a derivatives trading facility, the derivatives trading facility has the obligations of a reporting counterparty under section 36.1. If not executed anonymously on a derivatives trading facility, the reporting counterparty is determined under section 25. For example, if Party A were a derivatives dealer and Party B were not, Party A would be the reporting counterparty.
Cleared transaction between Party A and the clearing agency (sometimes referred to as the " <i>beta</i> " transaction)	Clearing agency
Cleared transaction between Party B and the clearing agency (sometimes referred to as the " <i>gamma</i> " transaction)	Clearing agency
Termination of the original transaction between Party A and Party B	Clearing agency

Uncleared transactions between derivatives dealers that are both party to the ISDA Multilateral

The reporting hierarchy in respect of an uncleared transaction between derivatives dealers is designed to enable automated, consistent and static reporting logic with as few variables as possible, which promotes efficiency in reporting systems and ensures the Commission's ability to readily discern which derivatives dealer is the reporting counterparty.

Under paragraph 25(1)(b), where an uncleared transaction is between two derivatives dealers both of which are party to the ISDA Multilateral, the reporting counterparty under the Rule is determined in accordance with the ISDA methodology.⁶ The ISDA Multilateral is a multilateral agreement administered by the International Swaps and Derivatives Association, Inc. Parties to the ISDA Multilateral agree, as between each other, to follow the ISDA methodology to determine the reporting counterparty. The ISDA methodology sets out a consistent and static logic for determining the reporting counterparty.

Derivatives dealers may contact ISDA to adhere to the ISDA Multilateral. ISDA provides all parties to the ISDA Multilateral and the Commission with any updates to the list of the parties to the ISDA Multilateral. This enables both the parties and the Commission to determine which derivatives dealer is the reporting counterparty for a transaction under paragraph 25(1)(b).

Paragraphs 25(1)(b) only applies where both derivatives dealers have adhered to the ISDA Multilateral in advance of the transaction and have followed the ISDA methodology in determining the reporting counterparty.

Uncleared transactions between derivatives dealers that are not both party to the ISDA Multilateral

There is no requirement for a derivatives dealer to be a party to the ISDA Multilateral. Under paragraph 25(1)(c), where an uncleared transaction is between two derivatives dealers, and only one is a party to the ISDA Multilateral or neither is a party to the ISDA Multilateral, each derivatives dealer is the reporting counterparty under the Rule.

In this situation, the counterparties should delegate the reporting obligation to one of the counterparties or to a third party service provider, as this would avoid duplicative reporting. The intention is to facilitate single counterparty reporting through delegation while requiring both dealers to have procedures or contractual arrangements in place to ensure that reporting occurs. Please see below under Subsection 26(3) for further discussion regarding delegated reporting.

Uncleared transactions between a derivatives dealer and a counterparty that is not a derivatives dealer

Under paragraph 25(1)(d), if an uncleared transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer has the reporting obligation under the Rule.

Uncleared transactions between counterparties that are not derivatives dealers – written agreement

Where both counterparties to an uncleared transaction are not derivatives dealers, the counterparties may (at or before the time the transaction occurs) enter into a written agreement to determine which of them is the reporting counterparty. To avoid duplicative reporting, counterparties that are not derivatives dealers are encouraged to enter into such an agreement. Under paragraph 25(1)(e), the counterparty that is determined to be the reporting counterparty under this agreement is the reporting counterparty under the Rule.

Under subsection 25(4), a local counterparty to a transaction where the reporting counterparty is determined through such a written agreement must keep a record of the written agreement for 7 years, in a safe location and durable form, following expiration or termination of the transaction. A local counterparty has the obligation to retain this record even if it is not the reporting counterparty under the agreement.

The written agreement under paragraph 25(1)(e) may take the form of a multilateral agreement;⁷ alternatively, it may be a bilateral agreement between the counterparties. Use of a multilateral agreement does not alleviate a local counterparty from its obligation under subsection 25(4) to keep a record of the agreement; such a record should show that both counterparties were party to the multilateral agreement in advance of the transaction. A bilateral agreement to determine the reporting counterparty may be achieved through exchange of written representation letters by each counterparty,⁸ provided both counterparties have agreed in their respective representation letter to the same reporting counterparty determination. In this situation, a local counterparty should retain a record of the representation letters of both counterparties under subsection 25(4).

Subsection 25(5) provides that a local counterparty that agrees to be the reporting counterparty for a transaction under paragraph 25(1)(e) must fulfill all reporting obligations as the reporting counterparty in relation to that transaction even if that local counterparty would otherwise be excluded from the trade reporting obligation under section 40.

⁶ The terms of the ISDA Multilateral and ISDA methodology are available at www.isda.com.

⁷ For example, the ISDA 2015 Multilateral Non-Dealer Canadian Reporting Party Agreement.

⁸ For example, an exchange of the ISDA Canadian Representation Letter.

A written agreement does not determine the reporting counterparty under the Rule in respect of transactions between a derivatives dealer and a non-derivatives dealer; such transactions are always required to be reported by the derivatives dealer pursuant to paragraph 25(1)(d). Similarly, a written agreement (other than the ISDA Multilateral) does not determine the reporting counterparty under the Rule in respect of transactions between derivatives dealers.

Uncleared transactions between counterparties that are not derivatives dealers – no written agreement

Under paragraph 25(1)(f), where both counterparties to an uncleared transaction are not derivatives dealers and have not entered into a written agreement to determine which of them is the reporting counterparty, each local counterparty to the transaction has the reporting obligation under the Rule. In this situation, a local counterparty may delegate the reporting obligation to a third party service provider. Please see below under Subsection 26(3) for further discussion regarding delegated reporting. However, a local counterparty that is an individual is excluded from the reporting obligation under section 41.2.

Section 26 – Duty to report

Section 26 outlines the duty to report derivatives data. For certainty, the duty to report derivatives data does not apply to contracts or instruments prescribed not to be derivatives by OSC Rule 91-506 *Derivatives: Product Determination*.

Subsection 26(1) requires that, subject to certain limited exclusions under the Rule, derivatives data for each transaction to which one or more counterparties is a local counterparty be reported to a designated trade repository in accordance with the Rule. The counterparty required to report the derivatives data is the reporting counterparty as determined under section 25.

Under subsection 26(2), the reporting counterparty for a transaction must ensure that all reporting obligations are fulfilled. This includes ongoing requirements such as the reporting of lifecycle event data, valuation data, collateral and margin data and position level data.

Subsection 26(3) permits the delegation of all reporting obligations of a reporting counterparty. This includes reporting of initial creation data, lifecycle event data, valuation data and collateral and margin data. For example, some or all of the reporting obligations may be delegated to either of the counterparties or to a third-party service provider.

A reporting delegation agreement does not alter the reporting counterparty obligation as determined under section 25. A reporting counterparty under the Rule remains responsible for ensuring that the derivatives data is accurate and reported within the timeframes required under the Rule. However, if Commission staff are provided with a reporting delegation agreement between the counterparties to the transaction, staff would in some situations attempt to address any reporting errors or omissions with the delegated party before addressing them with the delegating party. Counterparties should put into place contracts, systems and practices to implement delegation under subsection 26(3) before entering into a reportable transaction.

With respect to subsection 26(4), in this situation market participants should contact the Commission in advance to make arrangements to report the data electronically.

Subsection 26(5) provides for limited substituted compliance with the Rule where a transaction has been reported to a designated trade repository under the securities legislation of a province or territory of Canada other than Ontario or under the laws of a foreign jurisdiction listed in Appendix B, provided that the additional conditions set out in paragraphs (a) and (c) are satisfied. The transaction data reported to a designated trade repository under paragraph (b) may be provided to the Commission under paragraph (c) in the same form as required to be reported pursuant to the applicable foreign jurisdiction's requirements for reporting transaction data.

Under Subsection 26(6), the reporting counterparty to a derivative has not fulfilled its reporting obligations under the Rule unless and until all derivatives data that it has reported satisfies the validation procedures of the designated trade repository, which may include timing, methods of reporting, and data standards in respect of the elements listed in Appendix A to the Rule and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual. Under subsection 22.2(2), the trade repository is required to notify a reporting counterparty or its agent whether or not the derivatives data received by the designated trade repository satisfies its validation procedures and will reject derivatives data that does not satisfy its validation procedures.

The purpose of subsection 26(7) is to ensure the Commission has access to all derivatives data reported to a designated trade repository for a particular transaction (from the initial submission to the designated trade repository through all lifecycle events to termination or expiration) from one designated trade repository. It is not intended to restrict counterparties' ability to report to multiple trade repositories or from choosing to report derivatives data to a new designated trade repository. Should a reporting counterparty begin reporting its data to a new designated trade repository, all derivatives data relevant to open transactions need to be transferred to the new designated trade repository. Where the entity to which the transaction was originally reported is no longer a designated trade repository, all derivatives data relevant to that transaction should be reported to another designated trade repository as otherwise required by the Rule.

Under subsection 26(9), for a cleared transaction, the designated trade repository to which the clearing agency must report all derivatives data is the designated trade repository holding the derivatives data reported in respect of the original transaction, unless the clearing agency obtains the consent of the local counterparties to the original transaction.

Section 26.1 – Verification of data accuracy and reporting of errors and omissions

Under paragraph 26.1(1)(a), the reporting counterparty in respect of a transaction is responsible for ensuring that reported derivatives data is accurate and contains no misrepresentation. To facilitate this, subsection 38(1) requires designated trade repositories to provide counterparties with timely access to data. For greater certainty, paragraph 26.1(1)(a) applies both to open transactions and (unless the record-keeping requirements under section 36 have expired at the time that the error or omission is discovered) transactions that have expired or terminated.

In addition to the requirement paragraph 26.1(1)(a), reporting counterparties that are derivatives dealers and recognized or exempt clearing agencies must also, under paragraph 26.1(1)(b), verify that reported derivatives data is accurate and contains no misrepresentation at least every 30 days. This involves following the policies and procedures of the designated trade repository (established under section 23) to compare all derivatives data for each transaction for which it is the reporting counterparty with all derivatives data contained in the reporting counterparty's internal books and records to ensure that there are no errors or omissions. Paragraph 26.1(1)(b) does not apply to transactions that have expired or terminated.

Similar to the reporting obligations under section 26, the obligations under subsection 26.1(1) can also be delegated under section 26(3) to a third party.

Under subsection 26.1(2), a reporting counterparty must report an error or omission in derivatives data to the designated trade repository as soon as technologically practicable upon discovery of the error or omission and in any case no later than the end of the business day following the day on which the error or omission is discovered. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. This requirement applies both to open and expired or terminated transactions, subject to the record retention period under section 36.

Under subsection 26.1(3), where a local counterparty that is not a reporting counterparty discovers an error or omission in respect of derivatives data that is reported to a designated trade repository, such local counterparty has an obligation to report the error or omission to the reporting counterparty as soon as technologically practicable upon discovery of the error or omission and in any case no later than the end of the business day following the day on which the error or omission is discovered. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. Once the error or omission is reported to the reporting counterparty, the reporting counterparty then has an obligation under subsection 26.1(2) to report the error or omission to the designated trade repository or to the Commission.

Under subsection 26.1(4), a reporting counterparty must notify the Commission of a significant error or omission that has occurred as soon as practicable upon discovery of the error or omission. We consider a significant error or omission to include, but not be limited to, an error or omission impacting a substantial number of transactions. A significant error or omission may also arise where a transaction itself is significant in the context of the reporting counterparty's other derivatives transactions, such as a transaction where a counterparty is in default or where there has been another event giving rise to a right of termination of the transaction. The reporting counterparty should describe the general nature of the error or omission, the reason the error or omission is significant, the number of transactions impacted, the date and duration of error, the steps taken to remedy the error or omission, and any planned remediation steps. This requirement applies both to open and expired or terminated transactions, subject to the record retention period under section 36.

Section 28 – Legal entity identifiers

Subsection 28(1) requires that a designated trade repository identify all counterparties to a transaction by a legal entity identifier under the Global LEI System. The Global LEI System is a G20 endorsed initiative that uniquely identifies parties to transactions. It is designed and implemented under the direction of the ROC, a governance body endorsed by the G20.

The “Global Legal Entity Identifier System” referred to in subsection 28(2) means the G20 endorsed system that serves as a public-good utility responsible for overseeing the issuance of legal entity identifiers globally to counterparties who enter into transactions. LEIs can only be obtained from a Local Operating Unit (LOU) endorsed by the ROC.⁹

If the Global LEI System is not available at the time counterparties are required to report their LEI under the Rule, they must use a substitute legal entity identifier. The substitute legal entity identifier must be in accordance with the standards established by the

⁹ The list of LEI ROC-endorsed LOUs and their contact information is available at <https://www.gleif.org/>.

ROC for pre-LEI identifiers. At the time the Global LEI System is operational; counterparties must cease using their substitute LEI and commence reporting their LEI. The substitute LEI and LEI could be identical.

Some counterparties to a reportable transaction are not eligible to receive an LEI. In such cases, the reporting counterparty must use an alternate identifier to identify each counterparty that is ineligible for an LEI when reporting derivatives data to a designated trade repository. An individual is not required to obtain an LEI and the reporting counterparty must use an alternate identifier to identify each counterparty that is an individual when reporting derivatives data to a designated trade repository. The alternate identifier must be unique for each such counterparty and the same alternate identifier must be used in respect of all transactions involving that counterparty.

Section 28.1 – Maintenance and renewal of legal entity identifiers

Under Section 28.1, a counterparty (other than an individual) that is either:

- a reporting counterparty (regardless of whether it is a local counterparty) or
- a non-reporting counterparty that is a local counterparty,

and that is party to a transaction that is required to be reported to a designated trade repository, must obtain, maintain and renew an LEI.

This requirement applies for such time as the counterparty has open transactions. When all of the counterparty's transactions that are required to be reported under the Rule have expired or terminated, the counterparty is no longer required to maintain or renew its LEI until such time as it may enter into a new transaction.

Maintenance of an LEI means ensuring that the reference data associated with the LEI assigned to the counterparty is updated with all relevant and accurate information in a timely manner. Renewal of an LEI means providing the associated Local Operating Unit with acknowledgement that the reference data associated with the LEI assigned to the counterparty is accurate.

The Rule does not require a reporting counterparty to verify that its counterparties to each transaction that it reports have maintained and renewed their LEIs, although the reporting counterparty must maintain and renew its own LEI.

Section 29 – Unique transaction identifiers

Introduction

Subsection 29(1) is intended to ensure that a transaction is identified by means of only one UTI. Subsection 29(1) outlines a hierarchy for determining which person or company has the obligation to assign a UTI for a transaction that is required to be reported. Further to the February 2017 publication of *Technical Guidance on the Harmonisation of the Unique Transaction Identifier* by the CPMI-IOSCO working group for the harmonization of key OTC derivatives data elements, section 29 intends to achieve a globally common UTI generator outcome, while generally aligning with the reporting counterparty determination under subsection 25(1).

If more than one counterparty is the reporting counterparty for a transaction (for example, both derivatives dealers are the reporting counterparty), both reporting counterparties must identify the transaction using the same UTI. A recognized or exempt clearing agency should reference the unique transaction identifier of the original transaction in its reports of the cleared transactions.

Please see above under Part 1 for the Commission's views on the definition of "derivatives dealer" and the factors in determining a business purpose. Please see above under section 22.1 for the Commission's views on the term "derivatives trading facility".

Similar to the reporting obligations in section 26, UTI assignment under section 29 can be delegated to a third party, but the person or company responsible for generating the UTI to the transaction remains ultimately responsible for ensuring compliance with section 29.

Cleared transactions

Under paragraph 29(1)(a), where transactions are cleared through a recognized or exempt clearing agency, the clearing agency must generate the UTI. For clarity, the clearing agency does not generate the UTI in respect of an original transaction that is intended to be cleared, to which it is not a counterparty.

Transactions executed on a derivatives trading facility

Under paragraph 29(1)(b), where an uncleared transaction is executed on a derivatives trading facility that has assigned a UTI to the transaction, that derivatives trading facility must generate the UTI under the Rule. The reporting counterparty must not assign another UTI to a transaction that is executed on a derivatives trading facility where that derivatives trading facility has already assigned a UTI to the transaction.

Earlier UTI generator

If paragraphs 29(1)(a) and (b) do not apply, and where an uncleared transaction is required to be reported in a jurisdiction other than Ontario with an earlier reporting deadline, under paragraph 29(1)(c) the person or company required to assign the UTI under the laws of that other jurisdiction must generate the UTI under the Rule. This reflects the intention that a transaction should be assigned the same UTI for the purposes of trade reporting under the laws of all jurisdictions.

Derivatives dealer

If paragraphs 29(1)(a) to (c) do not apply, and where an uncleared transaction is between two derivatives dealers, paragraph 29(1)(d) provides that

- the reporting counterparty must generate the UTI only if paragraph 25(1)(b) applies, such that the reporting counterparty is determined according to the ISDA Multilateral, or
- a party that has been delegated the reporting obligation under subsection 26(3) must generate the UTI.

If paragraphs 29(1)(a) to (d) do not apply, such that both derivatives dealers have the reporting obligation under paragraph 25(1)(c) and they have not delegated the reporting obligation under subsection 26(3), paragraph 29(1)(e) provides that the derivatives dealer with the first LEI must generate the UTI. The first LEI is based on sorting the LEIs alphanumerically with the characters of the LEIs reversed.

If paragraphs 29(1)(a) to (e) do not apply, and where an uncleared transaction is between a derivatives dealer and a non-derivatives dealer, the derivatives dealer must generate the UTI.

Transactions between non-derivatives dealers

In any other case, the designated trade repository must generate the UTI. This should only arise for an uncleared transaction where both counterparties are not derivatives dealers.

Timeframe

Subsection 29(2) requires the UTI to be assigned as soon as technologically practicable after execution of the transaction and in no event later than the time that the transaction is required to be reported to a designated trade repository under the Rule. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable persons or companies located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology.

Section 30 – Unique product identifiers

Section 30 requires that a reporting counterparty identify each derivative that is subject to the reporting obligation under the Rule by means of a single UPI. The UPI must be obtained from the Derivatives Services Bureau.

Section 31 – Creation data

Section 31 requires that reporting of creation data be made in real time. If it is not technologically practicable to report creation data in real time, it must be reported as soon as technologically practicable. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction.

Section 32 – Lifecycle event data

Lifecycle event data is not required to be reported in real time but rather at the end of the business day on which the lifecycle event occurs. The end of business day report may include multiple lifecycle events that occurred on that day. If it is not

technologically practicable to report lifecycle event data by the end of the business day on which the lifecycle event occurs, it must be reported by the end of the business day following the day on which the lifecycle event occurs. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology.

The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).

A clearing agency is required to report the termination of the original transaction in respect of a cleared transaction under subsection 32(3). The termination report must be made to the same designated trade repository to which the original transaction was reported by the end of the business day on which the original transaction is terminated.

Section 32.1 – Position level data

As an alternative to reporting lifecycle events, a reporting counterparty may, at its option, report aggregated position level data. This option is only available in respect of transactions that meet the criteria under paragraphs 32.1(a) and (b). We view the term “fungible” in paragraph 32.1(b) to refer to transactions involving identical contract specifications that are replaceable with one another or can be easily bought or sold to offset a prior transaction having identical contract specifications. Contracts that exhibit these features are commonly referred to as contracts for difference. If a person or company is the reporting counterparty in respect of some transactions that meet this criteria and others that do not, it may only report position level data in respect of the transactions that meet this criteria, and must report lifecycle events under section 32 in respect of transactions that do not. If a reporting counterparty chooses not to report position level data, it must instead report lifecycle events under section 32.

Section 33 – Valuation data and collateral and margin data

Under subsection 33(1), a reporting counterparty must report valuation data and collateral and margin data with respect to a transaction that is subject to the reporting obligations under the Rule each business day until the transaction is terminated or expires. The Commission notes that, in accordance with subsection 26(7), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository.

Subsection 33(2) requires a reporting counterparty that is reporting position level data for certain transactions under section 32.1 to calculate and report valuation data and collateral and margin data on the net amount of all purchases and sales reported as position level data for such transactions.

Section 36 – Records of data reported

A reporting counterparty is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 36 are in addition to the requirements under securities legislation.

A reporting counterparty must keep transaction records for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction.

As part of the record-keeping requirements under section 36, we expect a reporting counterparty will maintain records of each verification it performs to confirm the accuracy of reported derivatives data as well as records relating to any error or omissions discovered in reported derivatives data or any corrections to such data.

Section 36.1 – Derivatives trading facility

Under section 36.1, where a transaction involving a local counterparty is executed anonymously on a derivatives trading facility and is intended to be cleared, the derivatives trading facility has the obligations of a reporting counterparty under the provisions enumerated in paragraph 36.1(a), and references to “reporting counterparty” under the provisions enumerated in paragraph 36.1(b) are deemed to refer to the derivatives trading facility.

Section 36.1 only applies to the original transaction. If a derivatives trading facility reports an original transaction under section 36.1, the recognized or exempt clearing agency is required to report the termination of the original transaction under subsection 32(3) and report the cleared transactions under paragraph 25(1)(a).

Please see above under section 22.1 for the Commission’s views on the term “derivatives trading facility”.

Section 36.1 applies only where it is not possible for a counterparty to establish the identity of the other counterparty prior to execution of a transaction.

PART 4 DATA DISSEMINATION AND ACCESS TO DATA

Introduction

Part 4 includes obligations on designated trade repositories to make data available to the Commission, counterparties and the public.

Section 37 – Data available to regulators

The derivatives data covered by this subsection are data necessary to carry out the Commission's mandate to protect against unfair, improper or fraudulent practices, to foster fair, efficient and competitive capital markets and confidence in the capital markets, to foster capital formation, and to contribute to the stability of the financial system and the reduction of systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact Ontario's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Ontario or Canada can impact Ontario's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the Commission has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Rule, but is held by a designated trade repository.

Electronic access under paragraph 37(1)(a) includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.

Paragraph 37(1)(e) requires designated trade repositories to, at no cost to the Commission, provide to the Commission any corrections to data as soon as technologically practicable after recording the correction. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Subsection 37(2) requires a designated trade repository to conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPMI and IOSCO. It is expected that all designated trade repositories will comply with the access recommendations in CPMI-IOSCO's final report.⁷

The Commission interprets the requirement under subsection 37(3) for a reporting counterparty to use best efforts to provide the Commission with access to derivatives data to mean, at a minimum, instructing the designated trade repository to release derivatives data to the Commission.

Section 38 – Data available to counterparties

Subsections 38(1) and (2) are intended to ensure that each counterparty, and any person or company acting on behalf of a counterparty, has access to all derivatives data relating to its transaction(s) in a timely manner and that designated trade repositories have appropriate authorization procedures in place to enable such access. The Commission is of the view that where a counterparty has provided consent to a trade repository to grant access to data to a third-party service provider, the trade repository should grant such access on the terms consented to.

We note that reporting counterparties require access to derivatives data relating to their transactions in order to fulfill their obligation under subsection 26(1) to ensure the accuracy of reported data.

We expect that data made available by a designated trade repository to counterparties and any person or company acting on their behalf will not include the identity or LEI of the other counterparty in respect of transactions executed anonymously on a derivatives trading facility and cleared through a recognized or exempt clearing agency, as required under section 22.1.

Section 39 – Data available to public

Subsection 39(1) requires a designated trade repository to make available to the public at no cost certain aggregate data for all transactions reported to it under the Rule (including open positions, volume, number of transactions, and price). It is expected that a designated trade repository will provide aggregate data by notional amounts outstanding and level of activity. Such aggregate data is expected to be available on the designated trade repository's website. A designated trade repository is required to make corrections, where applicable, to data that has been made available to the public as soon as technologically practicable after recording a correction, and in no event later than the time when aggregate data is next made available to the public. In evaluating

⁷ See report entitled *Authorities' access to trade repository data* available at <http://www.bis.org/publ/cpss110.htm>.

what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Subsection 39(2) requires that the aggregate data that is disclosed under subsection 39(1), be broken down into various categories of information. The following are examples of the aggregate data required under subsection 39(2):

- currency of denomination (the currency in which the derivative is denominated);
- asset class of underlier (e.g., fixed income, credit, or equity);
- product type (e.g., options, forwards, or swaps);
- cleared or uncleared;
- expiration (broken down into expiration ranges, such as less than one year, 1-2 years, 2-3 years).

Subsection 39(3) requires a designated trade repository to make available to the public at no cost transaction level reports that meet the requirements under Appendix C to the Rule. Such transaction level reports are expected to be available on the designated trade repository’s website. A designated trade repository is required to make corrections, where applicable, to reports that have been made available to the public as soon as technologically practicable after recording a correction. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Subsection 39(4) provides that a designated trade repository must not disclose the identity of either counterparty to the transaction. This means that published data must be anonymized and the names or legal entity identifiers of counterparties must not be published. This provision is not intended to create a requirement for a designated trade repository to determine whether anonymized published data could reveal the identity of a counterparty based on the terms of the transaction.

PART 5 EXCLUSIONS

Introduction

Part 5 provides for various exclusions from the reporting requirements under the Rule.

Section 40 – Commodity transactions

Section 40 provides that the reporting obligation for a physical commodity transaction entered into between two non-derivatives dealers does not apply in certain limited circumstances.

The exclusion under section 40 applies to physical commodity transactions that are not excluded derivatives under paragraph 2(d) of OSC Rule 91-506 *Derivatives: Product Determination* for the purpose of the reporting obligation. An example of a physical commodity transaction that is required to be reported (and therefore could benefit from the exclusion under section 40) is a physical commodity contract that allows for cash settlement in place of delivery.

We take the position that commodities include goods such as agricultural products, forest products, products of the sea, minerals, metals, hydrocarbon fuel, precious stones or other gems, electricity, oil and natural gas (and by-products, and associated refined products, thereof), and water. We also consider certain intangible commodities, such as carbon credits and emission allowances, to be commodities. In contrast, this exclusion will not apply to financial commodities such as currencies, interest rates, securities and indexes, as well as crypto assets that would be considered to be financial commodities.

In calculating the month-end notional outstanding for any month, the notional amount of all outstanding transactions required to be reported under the Rule and relating to a commodity other than cash or currency, with all counterparties other than affiliated entities, whether domestic or foreign, should be included.

A local counterparty that qualifies for this exclusion is required to report a transaction involving an asset class other than commodity or involving cash or currency, if it is the reporting counterparty for the transaction under section 25.

As provided under subsection 25(5), a local counterparty that agrees to be the reporting counterparty for a transaction under paragraph 25(1)(e) must fulfill all reporting obligations as the reporting counterparty in relation to that transaction even if that local counterparty would otherwise be excluded from the trade reporting obligation under section 40.

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This exclusion is not relevant to an original transaction that is executed anonymously on a derivatives trading facility. In this situation, even if both local counterparties to the transaction would otherwise qualify for this exclusion, the derivatives trading facility must report the original transaction under section 36.1.

In a transaction between two local counterparties, where the reporting counterparty is determined under paragraph 25(1)(f), and where section 36.1 does not apply, each local counterparty should determine whether it qualifies for this exclusion. If only one local counterparty to the transaction qualifies for the exclusion, the other local counterparty must still report the transaction. If each local counterparty qualifies for the exclusion, the transaction is not required to be reported under the Rule.

In a transaction between a local counterparty that qualifies for this exclusion and a non-local counterparty, where the reporting counterparty is determined under paragraph 25(1)(f) and where section 36.1 does not apply, the transaction is not required to be reported under the Rule.

Section 41.1 – Affiliated entities

Section 41.1 provides an exclusion from the reporting requirement for all transactions between counterparties that are affiliated entities and that are not derivatives dealers or recognized or exempt clearing agencies, nor affiliated entities of a derivatives dealer or a recognized or exempt clearing agency. For example, if an affiliated entity of a derivatives dealer enters into a transaction with its affiliated derivatives dealer, or with another affiliated entity of the derivatives dealer, the transaction must still be reported to a designated trade repository. Also, the exclusion does not apply to a derivatives trading facility with respect to derivatives data for a transaction that is executed anonymously on such facility and intended to be cleared.

Section 41.2 – Individuals

Section 41.2 provides an exclusion from the reporting requirement for individuals. While an individual may be a local counterparty, an individual (or an estate of a deceased individual) is not required to report transactions under the Rule.

Appendix C**Item 1**

Item 1 of Appendix C describes the types of transactions that must be publicly disseminated by the designated trade repository. Public dissemination is not required for lifecycle events that do not contain new price information compared to the derivatives data reported initially reported for the transaction.

Table 2

The identifiers listed under the Underlying Asset Identifier for the Interest Rate Asset Class in Table 2 refer to the following:

“CAD-BA-CDOR” means all tenors of the Canadian Dollar Offered Rate (CDOR). CDOR is a financial benchmark for bankers’ acceptances with a term to expiration of one year or less currently calculated and administered by Thomson Reuters.

“USD-LIBOR-BBA” means all tenors of the U.S. Dollar ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration and provides an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

“EUR-EURIBOR-Reuters” means all tenors of the Euro Interbank Offered Rate (Euribor). Euribor is a reference rate published by the European Banking Authority based on the average interest rates at which selected European prime banks borrow funds from one another.

“GBP-LIBOR-BBA” means all tenors of the GBP Pound Sterling ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration providing an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

The identifiers listed under the Underlying Asset Identifier for the Credit and Equity Asset Classes in Table 2 refer to the following:

“All Indexes” means any statistical measure of a group of assets that is administered by an organization that is not affiliated with the counterparties and whose value and calculation methodologies are publicly available.

Item 2

Item 2 of Appendix C specifies certain types of transactions that are excluded from the public dissemination requirement of Section 39 of the Rule. An example of a transaction excluded under item 2(a) is cross currency swaps. The types of transactions excluded

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under item 2(b) result from portfolio compression activity which occurs whenever a transaction is amended or entered into in order to reduce the gross notional exposure of an outstanding transaction or group of transactions without impacting the net exposure. Under item 2(c), transactions resulting from novation on the part of a recognized or exempt clearing agency when facilitating the clearing of a transaction between counterparties are excluded from public dissemination. As a result, with respect to transactions involving a recognized or exempt clearing agency, the public dissemination requirements under paragraph 7 apply only to transactions entered into by the recognized or exempt clearing agency on its own behalf.

Item 3

The rounding thresholds are to be applied to the notional amount of a transaction in the currency of the transaction. For example, a transaction denominated in US dollars would be rounded and disseminated in US dollars and not the CAD equivalent.

Item 4

For transactions denominated in a non-CAD currency, item 4 of Appendix C requires the designated trade repository to compare the rounded notional amount of the transaction in a non-CAD currency to the capped rounded notional amount in CAD that corresponds to the asset class and tenor of that transaction. Therefore, the designated trade repository must convert the non-CAD currency into CAD in order to determine whether it would be above the capping threshold. The designated trade repository must utilise a transparent and consistent methodology for converting to and from CAD for the purposes of comparing and publishing the capped notional amount.

For example, in order to compare the rounded notional amount of a transaction denominated in GBP to the thresholds in Table 4, the designated trade repository must convert this amount to a CAD equivalent amount. If the CAD equivalent notional amount of the GBP denominated transaction is above the capping threshold, the designated trade repository must disseminate the capped rounded notional amount converted back to the currency of the transaction using a consistent and transparent process.

Item 6

Item 6 of Appendix C requires the designated trade repository to adjust the option premium field in a consistent and proportionate manner if the transaction's rounded notional amount is greater than the capped rounded notional amount. The option premium field adjustment should be proportionate to the size of the capped rounded notional amount compared to the rounded notional amount.

Item 7

Item 7 of Appendix C sets out when the designated trade repository must publicly disseminate the required information from Table 1. The purpose of the public reporting delay is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. The time delay applies to all transactions, regardless of transaction size.

Item 8

Item 8 of Appendix C allows for certain periods of downtime for a designated trade repository to perform testing, maintenance and upgrades. The designated trade repository must publicly disseminate the required information from Table 1 as soon as technologically practicable following the conclusion of the period of downtime. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

We expect periods of downtime will be scheduled during times when the designated trade repository receives the least amount of derivatives data. A designated trade repository should provide prior notice to its participants and to the public of such downtime on its website, where possible.

Only maintenance and upgrades that cannot otherwise be performed during routine downtime should be performed on an ad hoc basis. In such cases, the downtime should be during a time that would be least disruptive to the designated trade repository's obligations under the Rule.

ANNEX D

This Annex sets out a blackline showing the proposed changes to Companion Policy 91-507CP to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, as set out in Annex C.

**COMPANION POLICY 91-507CP
TO ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING**

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PART 1 GENERAL COMMENTS

Introduction

This companion policy (the "Policy") sets out the views of the Commission ("our" or "we") on various matters relating to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the "Rule") and related securities legislation.

~~The~~Except for Part 1, the numbering and headings of Parts, sections and subsections ~~from Part 2 on~~ in this Policy ~~generally corresponds~~correspond to the numbering and headings in the Rule. Any general guidance for a Part or section appears immediately after the Part's or section name. Any specific guidance on a section or subsection follows any general guidance. If there is no guidance for a Part, or section ~~or subsection~~, the numbering in this Policy will skip to the next provision that does have guidance.

Unless otherwise stated, any reference to a Part, section, subsection, paragraph, subparagraph or definition in this Policy is a reference to the corresponding Part, section, subsection, paragraph, subparagraph or definition in the Rule.

Definitions and interpretation

Unless defined in the Rule or this Policy, terms used in the Rule and in this Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions* and OSC Rule 14-501 *Definitions*.

Definitions and interpretation

~~1. (1) —~~

In this Policy,

~~"CPSS"~~

"cleared transaction" means a transaction that is created under the rules of a recognized or exempt clearing agency and to which the recognized or exempt clearing agency is a counterparty, including any transaction resulting from a novation of an original transaction upon acceptance of the original transaction for clearing;

"CPMI" means the Committee on ~~Payment~~Payments and ~~Settlement Systems~~Market Infrastructures;¹

"

"derivatives party"² means, in relation to a derivatives dealer, either of the following:

(a) a person or company for which the derivatives dealer acts or proposes to act as an agent in relation to a transaction;

(b) a person or company that is, or is proposed to be, a party to a derivative if the derivatives dealer is the counterparty;

"FMI" means a financial market infrastructure, as described in the PFMI Report;²

"Global LEI System" means the Global Legal Entity Identifier System;²

"IOSCO" means the Technical Committee of the International Organization of Securities Commissions;²

"LEI" means a legal entity identifier;²

"LEI ROC" means the ~~LEI~~Legal Entity Identifier Regulatory Oversight Committee;²

"

"original transaction" means the original bilateral transaction between two counterparties that has been, or is intended to be, accepted for clearing by a recognized or exempt clearing agency;

¹ Prior to September 1, 2014, CPMI was known as the Committee on Payment and Settlement Systems.

² The term "derivatives party" is similar to the concept of a "client" in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations (NI 31-103)*. We have used the term "derivatives party" instead of "client" to reflect the circumstance where a derivatives dealer may not regard its counterparty as its "client."

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“PFMI Report”^{4,3} means the April 2012 final report entitled *Principles for financial market infrastructures* published by [CPSS](#)[CPMI](#) and IOSCO, as amended from time to time,^{4,3} ~~and~~

“principle” means, unless the context otherwise indicates, a principle set out in the PFMI Report;

“uncleared transaction” means a transaction that is not a cleared transaction, and includes both (i) an original transaction and (ii) a transaction that is not intended to be cleared (for example, under the terms of an ISDA Master Agreement);

“UPI” means a unique product identifier;

“UTI” means unique transaction identifier.

~~(2) — A “life-cycle event” is~~ [Interpretation of terms](#) defined in the [Instrument](#)

Section 1 – Definition of derivatives dealer

A person or company that meets the definition of “derivatives dealer” in Ontario is subject to the obligations of a derivatives dealer under the Rule, whether or not it is registered or exempted from the requirement to be registered in Ontario.

A person or company will be subject to the obligations of a “derivatives dealer” under the Rule if it is either of the following:

- in the business of trading derivatives;
- otherwise required to register as a derivatives dealer under securities legislation.

Factors in determining a business purpose – derivatives dealer

In determining whether a person or company is in the business of trading in derivatives, a number of factors should be considered. Several factors that we consider relevant are described below. This is not a complete list and other factors may also be considered.

- *Acting as a market maker* – Market making is generally understood as the practice of routinely standing ready to transact derivatives by
 - responding to requests for quotes on derivatives, or
 - making quotes available to other persons or companies that seek to transact derivatives, whether to hedge a risk or to speculate on changes in the market value of the derivative.

Market makers are typically compensated for providing liquidity through spreads, fees or other compensation, including fees or compensation paid by an exchange or a trading facility that do not relate to the change in the market value of the derivative transacted. A person or company that contacts another person or company about a transaction to accommodate its own risk management needs or to speculate on the market value of a derivative will not, typically, be considered to be acting as a market maker.

A person or company will be considered to be “routinely standing ready” to transact derivatives if it is responding to requests for quotes or it is making quotes available with some frequency, even if it is not on a continuous basis. Persons or companies that respond to requests or make quotes available occasionally are not “routinely standing ready”.

A person or company would also typically be considered to be a market maker when it holds itself out as undertaking the activities of a market maker.

Engaging in bilateral discussions relating to the terms of a transaction will not, on its own, constitute market making activity.

- *Directly or indirectly carrying on the activity with repetition, regularity or continuity* – Frequent or regular transactions are a common indicator that a person or company may be engaged in trading for a business purpose. The activity does not have to be its sole or even primary endeavour for it to be in the business. We consider regularly trading in any way that produces, or is intended to produce, profits to be for a business purpose.

^{4,3} The PFMI Report is available on the Bank for International Settlements’ website (www.bis.org) and the IOSCO website (www.iosco.org).

- *Facilitating or intermediating transactions* – The person or company provides services relating to the facilitation of trading or intermediation of transactions between third-party counterparties to derivatives contracts.
- *Transacting with the intention of being compensated* – The person or company receives, or expects to receive, any form of compensation for carrying on transaction activity. This would include any compensation that is transaction or value-based including compensation from spreads or built-in fees. It does not matter if the person or company actually receives compensation or what form the compensation takes. However, a person or company would not be considered to be a derivatives dealer solely by reason that it realizes a profit from changes in the market price for the derivative (or its underlying reference asset), regardless of whether the derivative is intended for the purpose of hedging or speculating.
- *Directly or indirectly soliciting in relation to transactions* – The person or company directly solicits transactions. Solicitation includes contacting someone by any means, including communication that offers (i) transactions, (ii) participation in transactions or (iii) services relating to transactions. This would include providing quotes to derivatives parties or potential derivatives parties that are not provided in response to a request. This also includes advertising on the internet with the intention of encouraging transacting in derivatives by local persons or companies. A person or company might not be considered to be soliciting solely because it contacts a potential counterparty, or a potential counterparty contacts them to enquire about a transaction, unless it is the person or company's intention or expectation to be compensated as a result of the contact. For example, a person or company that wishes to hedge a specific risk is not necessarily soliciting for the purpose of the Instrument if it contacts multiple potential counterparties to enquire about potential transactions to hedge the risk.
- *Engaging in activities similar to a derivatives dealer* – The person or company carries out any activities related to transactions involving derivatives that would reasonably appear, to a third party, to be similar to the activities discussed above. This would not include the operator of an exchange or a clearing agency.
- *Providing derivatives clearing services* – The person or company provides services to allow third parties, including counterparties to transactions involving the person or company, to clear derivatives through a clearing agency. These services are actions in furtherance of a trade conducted by a person or company that would typically play the role of an intermediary in the derivatives market.

In determining whether or not it is, for the purposes of the Rule, a derivatives dealer, a person or company should consider its activities holistically. We do not consider that all of the factors discussed above necessarily carry the same weight or that any one factor will be determinative.

Factors in determining a business purpose – general

Generally, we would consider a person or company that engages in the activities discussed above in an organized and repetitive manner to be a derivatives dealer. Ad hoc or isolated instances of the activities discussed above may not necessarily result in a person or company being a derivatives dealer. Similarly, organized and repetitive proprietary trading, in and of itself, absent other factors described above, may not result in a person or company being considered to be a derivatives dealer for the purposes of the Rule.

A person or company does not need to have a physical location, staff or other presence in Ontario to be a derivatives dealer in Ontario. A derivatives dealer in Ontario is a person or company that conducts the described activities in Ontario. For example, this would include a person or company that is located in Ontario and that conducts dealing activities in Ontario or in a foreign jurisdiction. This would also include a person or company located in a foreign jurisdiction that conducts dealing activities with a derivatives party located in Ontario.

Where dealing activities are provided to derivatives parties in Ontario or where dealing activities are otherwise conducted within Ontario, regardless of the location of the derivatives party, we would generally consider a person or company to be a derivatives dealer.

In particular, a person or company may be a derivatives dealer under the Rule regardless of whether it meets the definition of a "local counterparty". For example, if an Ontario local counterparty that is a non-dealer transacts with a foreign person or company that meets the definition of a "derivatives dealer" but is not a local counterparty, the transaction is required to be reported under the Rule because it involves a local counterparty, and the foreign derivatives dealer has the reporting obligation under paragraph 25(1)(d), unless it is an original transaction executed anonymously on a derivatives trading facility. Similarly, if an Ontario local counterparty that is a derivatives dealer transacts with a foreign person or company that is also a derivatives dealer but is not a local counterparty, the transaction is required to be reported under the Rule because it involves a local counterparty, and the foreign derivatives dealer may have a reporting obligation as determined according to paragraphs 25(1)(b) or (c), unless it is an original transaction executed anonymously on a derivatives trading facility.

Section 1 – Definition of lifecycle event

A “lifecycle event” is defined in the Rule as an event that results in a change to derivatives data previously reported to a designated trade repository. Where a life-cycle event occurs, the corresponding life-cycle event data must be reported under section 32 of the Rule by the end of the business day on which the life-cycle event occurs. When reporting a life-cycle event, there is no obligation to re-report derivatives data that has not changed – only new data and changes to previously reported data need to be reported. Examples of a life-cycle event would include

- a change to the termination date for the transaction,
- a change in the cash flows, payment frequency, currency, numbering convention, spread, benchmark, reference entity or rates originally reported,
- the availability of a ~~legal entity identifier~~ LEI for a counterparty previously identified by name or by some other identifier,
- a corporate action affecting a security or securities on which the transaction is based (e.g., a merger, dividend, stock split, or bankruptcy),
- a change to the notional amount of a transaction including contractually agreed upon changes (e.g., amortization schedule),
- the exercise of a right or option that is an element of the expired transaction, and
- the satisfaction of a level, event, barrier or other condition contained in the original transaction.

~~(3) Paragraph (c) of the definition of “~~

Section 1 – Definition of local counterparty” ~~captures affiliates of parties mentioned in paragraph (a) of the “~~

~~The definition of “local counterparty” definition, provided that such party guarantees the liabilities of the affiliate. It is our” includes a number of factors that are different from the addresses under a counterparty’s LEI. As a result, the Commission does not view that using the guarantee must be for all or substantially all of the affiliate’s liabilities address information in a counterparty’s LEI as an acceptable substitute for determining whether the counterparty is a local counterparty in Ontario.~~

Section 1 – Definition of transaction

~~(4) The term “transaction” is defined in the Rule and used instead of the term “trade”, as defined in the Act, in order to reflect the types of activities that require a unique transaction report, as opposed to the modification of an existing transaction report. The primary difference between the two definitions is that unlike the term “transaction”, the term “trade” includes material amendments and terminations.~~

A material amendment is not referred to in the definition of “transaction” but is required to be reported as a life-cycle event in connection with an existing transaction under section 32.

In addition, unlike the definition of “trade”, the definition of “transaction” includes a novation to a clearing agency. Each transaction resulting from a novation of a bilateral transaction to a clearing agency is required to be reported as a separate, new transaction with reporting links to the original transaction.

~~(5) The term “valuation data” is defined in the Rule as data that reflects the current value of a transaction. It is the Commission’s view that valuation data can be calculated based upon the use of an industry accepted methodology such as mark-to-market or mark-to-model, or another valuation method that is in accordance with accounting principles and will result in a reasonable valuation of a transaction.² The valuation methodology should be consistent over the entire life of a transaction.~~

PART 2 TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Introduction

Part 2 contains rules for designation of a trade repository and ongoing requirements for a designated trade repository. To obtain and maintain a designation as a trade repository, a person or entity must comply with these rules and requirements in addition to all of the terms and conditions in the designation order made by the Commission. In order to comply with the reporting obligations

²For example, see International Financial Reporting Standard 13, *Fair Value Measurement*.

contained in Part 3, [counterparties a reporting counterparty](#) must report to a designated trade repository. While there is no prohibition on an undesignated trade repository operating in Ontario, a counterparty that reports a transaction to an undesignated trade repository would not be in compliance with its reporting obligations under ~~this~~[the](#) Rule with respect to that transaction.

The legal entity that applies to be a designated trade repository will typically be the entity that operates the facility and collects and maintains records of completed transactions reported to the trade repository by other persons or companies. In some cases, the applicant may operate more than one trade repository facility. In such cases, the trade repository may file separate forms in respect of each trade repository facility, or it may choose to file one form to cover all of the different trade repository facilities. If the latter alternative is chosen, the trade repository must clearly identify the facility to which the information or changes submitted under this Part apply.

Section 2 – Trade repository initial filing of information and designation

~~2. (1)~~ In determining whether to designate an applicant as a trade repository under section 21.2.2 of the Act, it is anticipated that the Commission will consider a number of factors, including

- whether it is in the public interest to designate the applicant,
- the manner in which the trade repository proposes to comply with the Rule,
- whether the trade repository has meaningful representation on its governing body,
- whether the trade repository has sufficient financial and operational resources for the proper performance of its functions,
- whether the rules and procedures of the trade repository ensure that its business is conducted in an orderly manner that fosters fair, efficient and competitive capital markets, and improves transparency in the derivatives market,
- whether the trade repository has policies and procedures to effectively identify and manage conflicts of interest arising from its operation or the services it provides,
- whether the requirements of the trade repository relating to access to its services are fair and reasonable,
- whether the trade repository's process for setting fees is fair, transparent and appropriate,
- whether the trade repository's fees are inequitably allocated among the participants, have the effect of creating barriers to access or place an undue burden on any participant or class of participants,
- the manner and process for the Commission and other applicable regulatory agencies to receive or access derivatives data, including the timing, type of reports, and any confidentiality restrictions,
- whether the trade repository has robust and comprehensive policies, procedures, processes and systems to ensure the security and confidentiality of derivatives data, and
- whether the trade repository has entered into a memorandum of understanding with its local securities regulator.

The Commission will examine whether the trade repository has been, or will be, in compliance with securities legislation. This includes compliance with the Rule and any terms and conditions attached to the Commission's designation order in respect of a designated trade repository.

~~As part of this examination, a~~ [trade repository](#) that is applying for designation must demonstrate that it has established, implemented, maintained and enforced appropriate written rules, policies and procedures that are in accordance with standards applicable to trade repositories, [as required by the Rule](#). We consider that these rules, policies and procedures include, but are not limited to, the principles and key considerations and explanatory notes applicable to trade repositories in the PFMI Report. ~~These~~ [The applicable principles, which have been incorporated into the Rule and the interpretation of which we consider ought to be consistent with the PFMI Report,](#) are set out in the following chart, along with the corresponding sections of the Rule ~~the interpretation of which we consider ought to be consistent with the principles:~~

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Principle in the PFMI Report applicable to a trade repository	Relevant section(s) of the Rule
Principle 1: Legal Basis	Section 7 – Legal framework Section 17 – Rules, policies and procedures (in part)
Principle 2: Governance	Section 8 – Governance Section 9 – Board of directors Section 10 – Management
Principle 3: Framework for the comprehensive management of risks	Section 19 – Comprehensive risk management framework Section 20 – General business risk (in part)
Principle 15: General business risk	Section 20 – General business risk
Principle 17: Operational risk	Section 21 – System and other operational risk requirements risks Section 22 – Data security and confidentiality Section 24 – Outsourcing
Principle 18: Access and participation requirements	Section 13 – Access to designated trade repository services Section 16 – Due process (in part) Section 17 – Rules, policies and procedures (in part)
Principle 19: Tiered participation arrangements	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable. Section 7 – Legal Framework Section 24.1 – Links and Tiered Participation Arrangements
Principle 20: FMI links	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable. Section 7 – Legal Framework Section 24.1 – Links and Tiered Participation Arrangements
Principle 21: Efficiency and effectiveness	No equivalent provisions in the Rule; Section 8 - Governance Section 12 – Fees Section 14.1 – Operational efficiency and effectiveness
<i>Principle in the PFMI Report applicable to a trade repository</i>	<i>Relevant section(s) of the Rule</i>
	however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 22: Communication procedures and standards	Section 15 – Communication policies, procedures and standards

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Principle 23: Disclosure of rules, key procedures, and market data	Section 17 – Rules, policies and procedures (in part)
Principle 24: Disclosure of market data by trade repositories	Sections in Part 4 – Data Dissemination and Access to Data

It is anticipated that the Commission will apply the principles in its oversight activities of designated trade repositories. Therefore, in complying with the Rule, designated trade repositories will be expected to observe the principles.

The forms filed by an applicant or designated trade repository under the Rule will be kept confidential in accordance with the provisions of securities legislation. The Commission is of the view that the forms generally contain proprietary financial, commercial and technical information, and that the cost and potential risks to the filers of disclosure outweigh the benefit of the principle requiring that forms be made available for public inspection. However, the Commission would expect a designated trade repository to publicly disclose its responses to the [CPSS-CPMI-IOSCO](#) consultative report entitled *Disclosure framework for financial market infrastructures*, which is a supplement to the PFMI Report.³⁴ In addition, much of the information that will be included in the forms that are filed will be required to be made publicly available by a designated trade repository pursuant to the Rule or the terms and conditions of the designation order imposed by the Commission.

While Form 91-507F1 – *Application for Designation and Trade Repository Information Statement* and any amendments to it will be kept generally confidential, if the Commission considers that it is in the public interest to do so, it may require the applicant or designated trade repository to publicly disclose a summary of the information contained in ~~such~~[the](#) form, or amendments to it.

Notwithstanding the confidential nature of the forms, an applicant's application itself (excluding forms) will be published for comment for a minimum period of 30 days.

Section 3 – Change in information

Significant changes

~~3. (1)~~ Under subsection 3(1), a designated trade repository is required to file an amendment to the information provided in Form 91-507F1 at least 45 days prior to implementing a significant change. The Commission considers a change to be significant when it could impact a designated trade repository, its users, participants, market participants, investors, or the capital markets (including derivatives markets and the markets for assets underlying a derivative). The Commission would consider a significant change to include, but not be limited to,

- a change in the structure of the designated trade repository, including procedures governing how derivatives data is collected and maintained (included in any back-up sites), that has or may have a direct impact on users in Ontario,
- a change to the services provided by the designated trade repository, or a change that affects the services provided, including the hours of operation, that has or may have a direct impact on users in Ontario,
- a change to means of access to the designated trade repository's facility and its services, including changes to data formats or protocols, that has or may have a direct impact on users in Ontario,
- a change to the types of derivative asset classes or categories of derivatives that may be reported to the designated trade repository,
- a change to the systems and technology used by the designated trade repository that collect, maintain and disseminate derivatives data, including matters affecting capacity,
- a change to the governance of the designated trade repository, including changes to the structure of its board of directors or board committees and their related mandates,
- a change in control of the designated trade repository,
- a change in ~~affiliates~~[entities](#) that provide key services or systems to, or on behalf of, the designated trade repository,
- a change to outsourcing arrangements for key services or systems of the designated trade repository,

³⁴ Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

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- a change to fees or the fee structure of the designated trade repository,
- a change in the designated trade repository's policies and procedures relating to risk-management, including relating to business continuity and data security, that has or may have an impact on the designated trade repository's provision of services to its participants,
- the commencement of a new type of business activity, either directly or indirectly through an affiliate, and
- a change in the location of the designated trade repository's head office or primary place of business or the location where the main data servers or contingency sites are housed.

~~(2)~~ The Commission generally considers a change in a designated trade repository's fees or fee structure to be a significant change. However, the Commission recognizes that designated trade repositories may frequently change their fees or fee structure and may need to implement fee changes within timeframes that are shorter than the 45-day notice period contemplated in subsection (1). To facilitate this process, subsection 3(2) provides that a designated trade repository may provide information that describes the change to fees or fee structure in a shorter timeframe (at least 15 days before the expected implementation date of the change to fees or fee structure). See [below in relation to](#) section 12 ~~of this Policy~~ for guidance with respect to fee requirements applicable to designated trade repositories.

The Commission will make best efforts to review amendments to Form 91-507F1 filed in accordance with subsections 3(1) and 3(2) before the proposed date of implementation of the change. However, where the changes are complex, raise regulatory concerns, or when additional information is required, the Commission's review may exceed these timeframes.

Changes that are not significant

~~(3)~~ Subsection 3(3) sets out the filing requirements for changes to information provided in a filed Form 91-507F1 other than those described in subsections 3(1) or (2). Such changes to information are not considered significant and include changes that:

- would not have an impact on the designated trade repository's structure or participants, or more broadly on market participants, investors or the capital markets; or
- are administrative changes, such as
 - ~~changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,~~
 - ~~changes due to standardization of terminology,~~
 - ~~corrections of spelling or typographical errors,~~
 - ~~changes to the types of designated trade repository participants in Ontario,~~
 - ~~necessary changes to conform to applicable regulatory or other legal requirements of Ontario or Canada, and~~
 - ~~minor system or technology changes that would not significantly impact the system or its capacity.~~

For the changes referred to in subsection 3(3), the Commission may review these filings to ascertain whether they have been categorized appropriately. If the Commission disagrees with the categorization, the designated trade repository will be notified in writing. Where the Commission determines that changes reported under subsection 3(3) are in fact significant changes under subsection 3(1), the designated trade repository will be required to file an amended Form 91-507F1 that will be subject to review by the Commission.

Section 6 – Ceasing to carry on business

~~6.~~ ~~(1)~~ In addition to filing a completed Form 91-507F3 – *Cessation of Operations Report for Trade Repository* [referred to in subsection 6\(1\)](#), a designated trade repository that intends to cease carrying on business in Ontario as a designated trade repository must make an application to voluntarily surrender its designation to the Commission pursuant to securities legislation. The Commission may accept the voluntary surrender subject to terms and conditions.⁴⁵

⁴⁵ Section 21.4 of the Act provides that the Commission may impose terms and conditions on an application for voluntary surrender. The transfer of derivatives data/information can be addressed through the terms and conditions imposed by the Commission on such application.

Section 7 – Legal framework

~~7. (1) Designated~~ Under subsection 7(1), we would generally expect designated trade repositories ~~are required~~ to have rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions where they have activities, whether within Canada or any foreign jurisdiction, ~~where they have activities~~.

Subsection 7(2) requires designated trade repositories to establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that all contractual arrangements and links are supported by the laws of all relevant jurisdictions.

Under paragraph 7(2)(a.2), designated trade repositories will need to collect basic information that will enable them to assess and mitigate material risks that could arise from indirect participant arrangements. For example, it is necessary to identify an indirect participant's transaction volumes or values that are large relative to that of a smaller participant through which they access their services in order to mitigate the material risks arising from such an arrangement.

The information collected should enable the designated trade repository, at a minimum, to identify (a) the proportion of activity that direct participants conduct on behalf of indirect participants, (b) direct participants that act on behalf of a material number of indirect participants, (c) indirect participants with significant volumes or values of transactions in the system, and (d) indirect participants whose transaction volumes or values are large relative to those of the direct participants through which they access the designated trade repository.

Section 8 – Governance

~~8.~~ Designated trade repositories are required to have in place governance arrangements that meet the minimum requirements and policy objectives set out in subsections 8(1) and 8(2).

Under subsection 8(1), the board of directors must establish a well-defined, clear and transparent risk management framework. The governance arrangements established by the board of directors of a designated trade repository should ensure that the risk management and internal control functions have sufficient authority, independence, resources and access to the board of directors.

~~(3)~~ Under subsection 8(3), a designated trade repository is required to make the written governance arrangements required under subsections 8(1) and ~~(2)~~ available to the public on its website. The Commission expects that this information will be posted on the trade repository's publicly accessible website and that interested parties will be able to locate the information through a web search or through clearly identified links on the designated trade repository's website.

Section 9 – Board of directors

~~9.~~ The board of directors of a designated trade repository is subject to various requirements, such as requirements pertaining to board composition and conflicts of interest. To the extent that a designated trade repository is not organized as a corporation, the requirements relating to the board of directors may be fulfilled by a body that performs functions that are equivalent to the functions of a board of directors.

~~(2)~~ Paragraph 9(2)(a) requires individuals who comprise the board of directors of a designated trade repository to have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations. This would include individuals with experience and skills in areas such as business recovery, contingency planning, financial market systems and data management.

Under paragraph 9(2)(b), the board of directors of a designated trade repository must include individuals who are independent of the designated trade repository. The Commission would view individuals who have no direct or indirect material relationship with the designated trade repository as independent. The Commission would expect that independent directors of a designated trade repository would represent the public interest by ensuring that regulatory and public transparency objectives are fulfilled, and that the interests of participants who are not derivatives dealers are considered.

Under subsections 9(3) and 9(5), it is expected that in its governance arrangements, the designated trade repository will clarify the roles and responsibilities of its board of directors, including procedures for its functioning. We expect such procedures to, among other things, identify, address, and manage board member conflicts of interest. The board of directors should also review its overall performance and the performance of its individual board members regularly.

Section 11 – Chief compliance officer

~~11. (3)~~ References to harm to the capital markets in subsection 11(3) may be in relation to domestic or international capital markets.

Section 12 – Fees

~~40-~~A designated trade repository is responsible for ensuring that the fees it sets are in compliance with section 12. In assessing whether a designated trade repository's fees and costs are fairly and equitably allocated among participants as required under paragraph 12(a), the Commission will consider a number of factors, including

- the number and complexity of the transactions being reported,
- the amount of the fee or cost imposed relative to the cost of providing the services,
- the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- with respect to market data fees and costs, the amount of market data fees charged relative to the market share of the designated trade repository, and
- whether the fees or costs represent a barrier to accessing the services of the designated trade repository for any category of participant.

A designated trade repository should provide clear descriptions of priced services for comparability purposes. Other than fees for individual services, a designated trade repository should also disclose other fees and costs related to connecting to or accessing the trade repository. For example, a designated trade repository should disclose information on the system design, as well as technology and communication procedures, that influence the costs of using the designated trade repository. A designated trade repository is also expected to provide timely notice to participants and the public of any changes to services and fees.

~~Access to~~ A designated trade repository ~~services~~ should regularly review its fee and cost structures, including any indirect charges to customers, to ensure efficiency and effectiveness of service.

Section 13 – Access to designated trade repository services

The criteria for participation established by a designated trade repository under subsection 13(1) should not limit access to its services except in limited circumstances where the designated trade repository has a reasonable belief that such access would result in risks to the trade repository, its technology systems or to the accuracy or integrity of the data it provides to the Commission or the public. In addition, such criteria could restrict access to a person that has failed to pay the designated trade repository's fees, in whole or in part, that have been set in accordance with section 12 of the Rule.

~~(3)~~ Under subsection 13(3), a designated trade repository is prohibited from unreasonably limiting access to its services, permitting unreasonable discrimination among its participants, imposing unreasonable burdens on competition or requiring the use or purchase of another service in order for a person or company to utilize its trade reporting service. For example, a designated trade repository should not engage in anti-competitive practices such as setting overly restrictive terms of use or engaging in anti-competitive price discrimination. A designated trade repository should not develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by the designated trade repository. As an example, a designated trade repository that is an affiliated entity of a clearing agency must not impose barriers that would make it difficult for a competing clearing agency to report derivatives data to the designated trade repository.

Section 14 – Acceptance of reporting

~~14-~~ ~~Section 14~~ Subsection 14(1) requires that a designated trade repository accept derivatives data for all derivatives of the asset class or classes set out in its designation order. For example, if the designation order of a designated trade repository includes interest rate derivatives, the designated trade repository is required to accept transaction data for all types of interest rate derivatives that are entered into by a local counterparty. It is possible that a designated trade repository may accept derivatives data for only a subset of a class of derivatives if this is indicated in its designation order. For example, there may be designated trade repositories that accept derivatives data for only certain types of commodity derivatives such as energy derivatives.

The requirement in subsection 14(2) to accept corrections to errors or omissions in derivatives data applies after the expiration or termination of a transaction, subject to the record retention period under section 18. Only derivatives data that conforms to the derivatives data elements in Appendix A of the Rule and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual must be accepted. We view the term "participant" under subsection 14(2) to be limited to counterparties to the transaction and their agents or service providers.

Subsection 14(2) includes a requirement to record a correction as soon as technologically practicable after acceptance. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Section 14.1 – Operational efficiency and effectiveness

Section 14.1 requires that a designated trade repository design its services to meet the needs of its participants and the markets it serves while being provided in a secure, efficient and effective manner. This would include, but is not limited to, the design of its operating structure (including connections with trading venues or service providers), the scope of products that are reportable and the use of technology and procedures.

A designated trade repository should have mechanisms in place to review on a regular basis its service levels, pricing structure, costs and operational reliability.

A designated trade repository should have policies and procedures that define measurable and achievable goals and objectives in reference to its business operations, risk management priorities, and business objectives so that it is able to meet its obligations in a timely manner, while producing data that is accurate and operating securely, efficiently, and effectively.

Section 15 – Communication policies, procedures and standards

~~15~~–Section 15 sets out the communication ~~standard~~standards required to be used by a designated trade repository in communications with other specified entities. The reference in paragraph 15(d) to “other service providers” could include persons or companies who offer technological or transaction processing or post-transaction services.

Section 17 – Rules, policies and procedures

~~17~~–Section 17 requires that the publicly disclosed written rules and procedures of a designated trade repository be clear and comprehensive, and include explanatory material written in plain language so that participants can fully understand the system’s design and operations, their rights and obligations, and the risks of participating in the system. Moreover, a designated trade repository should disclose to its participants and to the public, basic operational information and responses to the ~~CPSS~~CPMI-IOSCO Disclosure framework for financial market infrastructures.

~~(2)~~–Subsection 17(2) requires that a designated trade repository monitor compliance with its rules and procedures. The methodology of monitoring such compliance should be fully documented.

~~(3)~~–Subsection 17(3) requires a designated trade repository to implement processes for dealing with non-compliance with its rules and procedures. This subsection does not preclude enforcement action by any other person or company, including the Commission or other regulatory body.

~~(5)~~–Subsection 17(5) requires a designated trade repository to file its rules and procedures with the Commission for approval, in accordance with the terms and conditions of the designation order. Upon designation, the Commission may develop and implement a protocol with the designated trade repository that will set out the procedures to be followed with respect to the review and approval of rules and procedures and any amendments thereto. Generally, such a rule protocol will be appended to and form part of the designation order. Depending on the nature of the changes to the designated trade repository’s rules and procedures, such changes may also impact the information contained in Form 91-507F1. In such cases, the designated trade repository will be required to file a revised Form 91-507F1 with the Commission. See section 3 of this Policy for a discussion of the filing requirements.

Section 18 – Records of data reported

~~18~~–A designated trade repository is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 18 are in addition to the requirements under securities legislation.

~~(2)~~–Subsection 18(2) requires that records be maintained for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction. A correction to data after expiration or termination of the transaction, as required under section 14, does not alter the record retention period.

As part of the record-keeping requirements under section 18, we expect a designated trade repository will maintain records relating to errors or omissions in derivatives data, including corrections to derivatives data that has previously been disseminated under Part 4. In addition, we expect a designated trade repository will maintain records relating to derivatives data that does not satisfy the derivatives data validation procedures of the designated trade repository, including, but not limited to, validation errors, messages and timestamps.

Section 19 – Comprehensive risk-management framework

~~19-~~ Requirements for a comprehensive risk-management framework of a designated trade repository are set out in section 19.

Features of framework

A designated trade repository should have a written risk-management framework (including policies, procedures, and systems) that enable it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by, a designated trade repository. A designated trade repository's framework should include the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.

Establishing a framework

A designated trade repository should have comprehensive internal processes to help its board of directors and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes should be fully documented and readily available to the designated trade repository's personnel who are responsible for implementing them.

Maintaining a framework

A designated trade repository should regularly review the material risks it bears from, and poses to, other entities (such as other FMI, settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develop appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become nonviable.

Section 20 – General business risk

~~20. (1)~~ Subsection 20(1) requires a designated trade repository to manage its general business risk effectively. General business risk includes any potential impairment of the designated trade repository's financial position (as a business concern) as a consequence of a decline in its revenues or an increase in its expenses, such that expenses exceed revenues and result in a loss that must be charged against capital or an inadequacy of resources necessary to carry on business as a designated trade repository.

~~(2)~~ For the purposes of subsection 20(2), the amount of liquid net assets funded by equity that a designated trade repository should hold is to be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services, if such action is taken. ~~(3)~~ Subsection ~~(3)~~~~20(3)~~ requires a designated trade repository, for the purposes of subsection (2), to hold at a minimum, liquid net assets funded by equity equal to no less than six months of current operating expenses.

~~(4)~~ For the purposes of subsections 20(4) and (5), and in connection with developing a comprehensive risk-management framework under section 19, a designated trade repository should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern, and assess the effectiveness of a full range of options for recovery or orderly wind-down. These scenarios should take into account the various independent and related risks to which the designated trade repository is exposed.

Based on the required assessment of scenarios under subsection 20(4) (and taking into account any constraints potentially imposed by legislation), the designated trade repository should prepare an appropriate written ~~plans~~plan for its recovery or orderly wind-down. The plan should contain, among other elements, a substantive summary of the key recovery or orderly wind-down strategies, the identification of the designated trade repository's critical operations and services, and a description of ~~th-e~~the measures needed to implement the key strategies. The designated trade repository should maintain the plan on an ongoing basis, to achieve recovery and orderly wind-down, and should hold sufficient liquid net assets funded by equity to implement this plan (also see ~~also~~above in connection with subsections 20(2) and (3)~~-above~~). A designated trade repository should also take into consideration the operational, technological, and legal requirements for participants to establish and move to an alternative arrangement in the event of an orderly wind-down.

Systems

Subsection 20(7) requires a designated trade repository, for the purposes of subsection 20(3), to maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed to fund the appropriate level of liquid net assets. This plan should be approved by the board of directors and updated regularly.

Section 21 – System and other operational risk requirements~~risks~~

~~21. (1)~~ Subsection 21(1) sets out a general principle concerning the management of operational risk. In interpreting subsection 21(1), the following key considerations should be applied:

- a designated trade repository should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks;
- a designated trade repository should review, audit, and test systems, operational policies, procedures, and controls, periodically and after any significant changes; and
- a designated trade repository should have clearly defined operational-reliability objectives and policies in place that are designed to achieve those objectives.

~~(2)~~ ~~The~~ Under subsection 21(2), the board of directors of a designated trade repository should clearly define the roles and responsibilities for addressing operational risk and approve the designated trade repository's operational risk-management framework.

~~(3)~~ Paragraph 21(3)(a) requires a designated trade repository to develop and maintain an adequate system of internal control over its systems as well as adequate general information-technology controls. The latter controls are implemented to support information technology planning, acquisition, development and maintenance, computer operations, information systems support, and security. ~~Recommended Canadian guides~~ COBIT from ISACA may provide guidance as to what constitutes adequate information technology controls ~~include 'Information Technology Control Guidelines' from CPA Canada and 'COBIT from the IT Governance Institute~~. A designated trade repository should ensure that its information-technology controls address the integrity of the data that it maintains, by protecting all derivatives data submitted from corruption, loss, improper disclosure, unauthorized access and other processing risks.

Paragraph 21(3)(b) requires a designated trade repository to thoroughly assess future needs and make systems capacity and performance estimates in a method consistent with prudent business practice at least once a year. The paragraph also imposes an annual requirement for designated trade repositories to conduct periodic capacity stress tests. Continual changes in technology, risk management requirements and competitive pressures will often result in these activities or tests being carried out more frequently.

Paragraph 21(3)(c) requires a designated trade repository to notify the Commission of any material systems failure. The Commission would consider a failure, malfunction, delay or other disruptive incident to be "material" if the designated trade repository would in the normal course of its operations escalate the incident to, or inform, its senior management that is responsible for technology, or the incident would have an impact on participants. The Commission also expects that, as part of this notification, the designated trade repository will provide updates on the status of the failure, the resumption of service, and the results of its internal review of the failure. Further, the designated trade repository should have comprehensive and well-documented procedures in place to record, analyze, and resolve all systems failures, malfunctions, delays and security incidents. In this regard, the designated trade repository should undertake a "post-mortem" review to identify the causes and any required improvement to the normal operations or business continuity arrangements. Such reviews should, where relevant, include an analysis of the effects on the trade repository's participants. The results of such internal reviews are required to be communicated to the Commission as soon as practicable.

~~(4)~~ Subsection 21(4) requires that a designated trade repository establish, implement, maintain and enforce business continuity plans, including disaster recovery plans. The Commission believes that these plans should allow the designated trade repository to provide continuous and undisrupted service, as back-up systems ideally should commence processing immediately. Where a disruption is unavoidable, a designated trade repository is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event. Under paragraph 21(4)(c), an emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption.

~~(5)~~ Subsection 21(5) requires a designated trade repository to test and audit its business continuity plans at least once a year. The expectation is that the designated trade repository would engage relevant industry participants, as necessary, in tests of its business continuity plans, including testing of back-up facilities for both the designated trade repository and its participants.

~~(6)~~ Subsection 21(6) requires a designated trade repository to engage a qualified party to conduct an annual independent ~~assessment~~ audit of the internal controls referred to in paragraphs 21(3)(a) and (b) and subsections 21(4) and (5). A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. The Commission is of the view that this obligation may also be satisfied by an independent

assessment by an internal audit department that is compliant with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Audit. Before engaging a qualified party, the designated trade repository should notify the Commission.

~~(8)~~ Subsection 21(8) requires designated trade repositories to make public all material changes to technology requirements to allow participants a reasonable period to make system modifications and test their modified systems. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

~~(9)~~ Subsection 21(9) requires designated trade repositories to make available testing facilities in advance of material changes to technology requirements to allow participants a reasonable period to test their modified systems and interfaces with the designated trade repository. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Section 22 – Data security and confidentiality

~~22. (1)~~ Subsection 22(1) provides that a designated trade repository must establish policies and procedures to ensure the safety, privacy and confidentiality of derivatives data to be reported to it under the Rule. The policies must include limitations on access to confidential trade repository data and safeguards to protect against ~~persons and companies~~ entities affiliated with the designated trade repository from using trade repository data for their personal benefit or the benefit of others.

~~(2)~~ Subsection 22(2) prohibits a designated trade repository from releasing reported derivatives data, for a commercial or business purpose, that is not required to be publicly disclosed under section 39 without the express written consent of the counterparties to the transaction or transactions to which the derivatives data relates. The purpose of this provision is to ensure that users of the designated trade repository have some measure of control over their derivatives data.

Confirmation of data and information

~~23. — Subsection 23(1) requires a designated trade repository to have and follow written policies and procedures for confirming the accuracy of the derivatives data received from a reporting counterparty. A designated trade repository must confirm the accuracy of the derivatives data with each counterparty to a reported transaction provided that the non-reporting counterparty is a participant of the trade repository. Where the non-reporting counterparty is not a participant of the trade repository, there is no obligation to confirm with such non-reporting counterparty.~~

~~The purpose of the confirmation requirement in subsection 23(1) is to ensure that the reported information is agreed to by both counterparties. However, in cases where a non-reporting counterparty is not a participant of the relevant designated trade repository, the designated trade repository would not be in a position to confirm the accuracy of the derivatives data with such counterparty. As such, under subsection 23(2) a designated trade repository will not be obligated to confirm the accuracy of the derivatives data with a counterparty that is not a participant of the designated trade repository. Additionally, similar to the reporting obligations in section 26, confirmation under subsection 23(1) can be delegated under section 26(3) to a third party representative.~~

Section 22.1 – Transactions executed anonymously on a derivatives trading facility

The purpose of section 22.1 is to ensure that the identities of counterparties to a transaction executed anonymously on a derivatives trading facility are not disclosed to users of the designated trade repository post-execution. Only a transaction in respect of which a counterparty does not know the identity of its counterparty prior to or at the time of execution of the transaction is protected under section 22.1. For greater certainty, section 22.1 does not apply to data provided or made available to the Commission under the Rule or pursuant to a designated trade repository's designation order.

A derivatives trading facility means a person or company that constitutes, maintains, or provides a facility or market that brings together buyers and sellers of over-the-counter derivatives, brings together the orders of multiple buyers and multiple sellers, and uses methods under which the orders interact with each other and the buyers and sellers agree to the terms of trades. The following are examples of derivatives trading facilities: a "swap execution facility" as defined in the Commodity Exchange Act 7 U.S.C. §(1a)(50); a "security-based swap execution facility" as defined in the Securities Exchange Act of 1934 15 U.S.C. §78c(a)(77); a "multilateral trading facility" as defined in Directive 2014/65/EU Article 4(1)(22) of the European Parliament; and an "organized trading facility" as defined in Directive 2014/65/EU Article 4(1)(23) of the European Parliament.

Section 22.2 – Validation of data

In accordance with subsection 22.2(1) and any other validation conditions set out in its designation order, a designated trade repository must validate that the derivatives data that it receives from a reporting counterparty satisfies the derivatives data elements listed in Appendix A and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual.

Subsection 22.2(2) requires a designated trade repository, as soon as technologically practicable after receiving derivatives data, to notify a reporting counterparty whether or not the derivatives data satisfies the derivatives data validation procedures, and the designated trade repository will reject derivatives data that has failed to satisfy the derivatives data validation procedures. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

Section 23 – Verification of data accuracy

Under paragraph 26.1(1)(b), reporting counterparties that are derivatives dealers or recognized or exempt clearing agencies must verify the accuracy of the derivatives data that they are reporting at least every 30 days. Subsection 23 requires a designated trade repository to maintain and adhere to written policies and procedures that are designed to enable such reporting counterparties to meet their obligations under paragraph 26.1(1)(b).

A designated trade repository may satisfy its obligation under section 23 ~~to confirm by providing the derivatives data reported for a transaction by notice to each counterparty to the transaction that is a participant of the designated trade repository reporting counterparty,~~ or its delegated third-party representative, where applicable, ~~that a report has been made naming the participant as a counterparty to a transaction, accompanied by~~ a means of accessing ~~a report of the derivatives data submitted. The policies and procedures of the designated trade repository may provide~~ for open transactions involving the reporting counterparty that ~~is maintained by~~ the designated trade repository ~~does not receive a response from a counterparty within 48 hours, as of the time of the reporting counterparty is deemed's access~~ to confirm the derivatives data ~~as reported. Access provided to a third-party representative is in addition to, and not instead of, the access provided to a relevant counterparty.~~

Section 24 – Outsourcing

~~24.~~ Section 24 sets out requirements applicable to a designated trade repository that outsources any of its key services or systems to a service provider. Generally, a designated trade repository must establish policies and procedures to evaluate and approve these outsourcing arrangements. Such policies and procedures include assessing the suitability of potential service providers and the ability of the designated trade repository to continue to comply with securities legislation in the event of bankruptcy, insolvency or the termination of business of the service provider. A designated trade repository is also required to monitor the ongoing performance of a service provider to which it outsources a key service, system or facility. The requirements under section 24 apply regardless of whether the outsourcing arrangements are with third-party service providers or affiliates of the designated trade repository. A designated trade repository that outsources its services or systems remains responsible for those services or systems and for compliance with securities legislation.

Section 24.1 – Links and Tiered Participation Arrangements

Requirements for links and tiered participation arrangements of a designated trade repository are set out in section 24.1.

Links

A designated trade repository should carefully assess the risks, including the additional operational risks, related to its links to ensure the scalability and reliability of information technology and related resources. For example, a designated trade repository may be part of a network linking various entities (such as clearing agencies, dealers, custodians, and service providers) and could transmit risk or cause processing delays to such linked entities in the event of an operational disruption. Therefore, links should be designed such that each linked entity is able to observe the risk management and other principles in the PFMI Report.

Tiered participation arrangements

A designated trade repository, when applicable, is expected to adequately oversee and mitigate the material risks associated with tiered participation arrangements. The rules, policies and procedures of the designated trade repository should be designed to effectively identify indirect participants, the risks they create and the impact that processing the indirect participant's derivatives data has on the designated trade repository and on the services it offers. The designated trade repository is expected to regularly review all risks associated with these arrangements in order to take appropriate action to address and mitigate any of these risks.

When applicable, the designated trade repository should be able to identify and monitor the material dependencies that exist between the participants and the indirect participants in order to mitigate the material risks arising from these reporting arrangements. This includes identifying those indirect participants whose transaction volumes or values are large relative to the capacity of the participants through which they access their services. For this purpose, a designated trade repository will need to have readily available information regarding the significant indirect participants that may be affected by problems at a particular participant.

PART 3 DATA REPORTING

Introduction

Part 3 ~~deals with~~ addresses reporting obligations for transactions ~~and includes a description of the counterparties that will be subject to the duty to report, requirements as to~~ that involve a local counterparty, including the timing determination of reports and a description of the data that is required to be reported.

Reporting counterparty

~~25. Section 25 outlines how the counterparty~~ which counterparty is required to report derivatives data ~~and fulfil the ongoing reporting obligations under the Rule is determined,~~ when derivatives data is required to be reported, different types of derivatives data that are required to be reported, and other requirements regarding verification of data accuracy and reporting of errors and omissions.

~~Section 25 – Reporting obligations on derivatives dealers apply irrespective of whether the derivatives dealer is a registrant.~~ counterparty

Introduction

~~(1) Subsection 25(1) outlines a hierarchy for determining which counterparty to a transaction will be~~ is required to report ~~the transaction~~ derivatives data based on the counterparty to the transaction that is best suited to fulfill the reporting obligation. ~~For example, for transactions that are cleared through a recognized or exempt clearing agency, the clearing agency is best positioned to report derivatives data and is therefore required to act as reporting counterparty~~

~~Although there may be situations in which the reporting obligation falls on both counterparties to a transaction, it is the Commission's view that in such cases the counterparties should select one counterparty to fulfill the reporting obligation to avoid duplicative reporting. For example, if a transaction required to be reported is between two dealers, each dealer has an obligation to report under paragraph 25(1)(c). Similarly, if a transaction is between two local counterparties that are not dealers, both local counterparties have an obligation to report under paragraph 25(1)(f). However, because a reporting counterparty may delegate its reporting obligations under subsection 26(3), the Commission expects that the practical outcome is that one counterparty will delegate its reporting obligation to the other (or a mutually agreed upon third party) and only one report will be filed in respect of the transaction. Therefore, although both counterparties to the transaction examples described above ultimately have the reporting obligation, they may institute contracts, systems and practices to agree to~~

The hierarchy does not apply to original transactions that are executed anonymously on a derivatives trading facility (and, for greater certainty, are intended to be cleared). Under section 36.1, the derivatives trading facility has the obligations of a reporting counterparty in respect of these original transactions. However, the hierarchy applies to all other transactions involving a local counterparty that are executed on a derivatives trading facility and to all transactions involving a local counterparty that are not executed on a derivatives trading facility.

Please see above under Part 1 for the Commission's views on the definition of "derivatives dealer" and the factors in determining a business purpose. The reporting obligation with respect to a transaction involving a local counterparty applies to a derivatives dealer as set out in the hierarchy regardless of whether the derivatives dealer is a local counterparty.

Cleared transactions

Under paragraph 25(1)(a), derivatives data relating to a cleared transaction is required to be reported by the recognized or exempt clearing agency. The recognized or exempt clearing agency is required to report each cleared transaction resulting from a novation of the original transaction to the clearing agency as a separate, new transaction with reporting links to the original transaction, and is also required to report the termination of the original transaction under subsection 32(3). For clarity, the recognized or exempt clearing agency is not the reporting counterparty for an original transaction.

The following chart illustrates reporting responsibilities in respect of transactions in relation to clearing:

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<u>Transaction</u>	<u>Reporting counterparty</u>
<u>Original transaction between Party A and Party B (sometimes referred to as the “alpha” transaction)</u>	<u>If executed anonymously on a derivatives trading facility, the derivatives trading facility has the obligations of a reporting counterparty under section 36.1.</u> <u>If not executed anonymously on a derivatives trading facility, the reporting counterparty is determined under section 25. For example, if Party A were a derivatives dealer and Party B were not, Party A would be the reporting counterparty.</u>
<u>Cleared transaction between Party A and the clearing agency (sometimes referred to as the “beta” transaction)</u>	<u>Clearing agency</u>
<u>Cleared transaction between Party B and the clearing agency (sometimes referred to as the “gamma” transaction)</u>	<u>Clearing agency</u>
<u>Termination of the original transaction between Party A and Party B</u>	<u>Clearing agency</u>

Uncleared transactions between derivatives dealers that are both party to the ISDA Multilateral

The reporting hierarchy in respect of an uncleared transaction between derivatives dealers is designed to enable automated, consistent and static reporting logic with as few variables as possible, which promotes efficiency in reporting systems and ensures the Commission’s ability to readily discern which derivatives dealer is the reporting counterparty.

Under paragraph 25(1)(b), where an uncleared transaction is between two derivatives dealers both of which are party to the ISDA Multilateral, the reporting counterparty under the Rule is determined in accordance with the ISDA methodology.⁶ The ISDA Multilateral is a multilateral agreement administered by the International Swaps and Derivatives Association, Inc. Parties to the ISDA Multilateral agree, as between each other, to follow the ISDA methodology to determine the reporting counterparty. The ISDA methodology sets out a consistent and static logic for determining the reporting counterparty.

Derivatives dealers may contact ISDA to adhere to the ISDA Multilateral. ISDA provides all parties to the ISDA Multilateral and the Commission with any updates to the list of the parties to the ISDA Multilateral. This enables both the parties and the Commission to determine which derivatives dealer is the reporting counterparty for a transaction under paragraph 25(1)(b).

Paragraphs 25(1)(b) only applies where both derivatives dealers have adhered to the ISDA Multilateral in advance of the transaction and have followed the ISDA methodology in determining the reporting counterparty.

Uncleared transactions between derivatives dealers that are not both party to the ISDA Multilateral

There is no requirement for a derivatives dealer to be a party to the ISDA Multilateral. Under paragraph 25(1)(c), where an uncleared transaction is between two derivatives dealers, and only one is a party to the ISDA Multilateral or neither is a party to the ISDA Multilateral, each derivatives dealer is the reporting counterparty under the Rule.

In this situation, the counterparties should delegate the reporting function obligation to one party of the counterparties or to a third party service provider, as this would avoid duplicative reporting. The intention of these provisions is to facilitate one single counterparty reporting through delegation while requiring both counterparties/dealers to have procedures or contractual arrangements in place to ensure that reporting occurs. Please see below under Subsection 26(3) for further discussion regarding delegated reporting.

~~Subsections 25(1)(b) and (c) also provide for an alternate reporting option for situations in which the reporting obligation falls on both counterparties to a transaction. For example, pursuant to subsection 25(1)(b) the reporting counterparty for a transaction involving two derivatives dealers may, subject to certain preconditions, be determined in accordance with the ISDA methodology. This option is also available for two non-dealers pursuant to 25(1)(c). The ISDA methodology is publicly available at www.isda.com. It has been developed in order to facilitate one-sided transaction reporting and provides a consistent method for determining the party required to act as reporting counterparty. The non-reporting counterparty as determined under the ISDA Methodology is~~

Uncleared transactions between a derivatives dealer and a counterparty that is not a derivatives dealer

Under paragraph 25(1)(d), if an uncleared transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer has the reporting obligation under the Rule.

⁶ The terms of the ISDA Multilateral and ISDA methodology are available at www.isda.com.

Uncleared transactions between counterparties that are not derivatives dealers – written agreement

Where both counterparties to an uncleared transaction are not derivatives dealers, the counterparties may (at or before the time the transaction occurs) enter into a written agreement to determine which of them is the reporting counterparty. To avoid duplicative reporting, counterparties that are not derivatives dealers are encouraged to enter into such an agreement. Under paragraph 25(1)(e), the counterparty that is determined to be the reporting counterparty under this agreement is the reporting counterparty under the Rule.

Under subsection 25(4), a local counterparty to a transaction where the reporting counterparty is determined through such a written agreement must keep a record of the written agreement for 7 years, in a safe location and durable form, following expiration or termination of the transaction. A local counterparty has the obligation to retain this record even if it is not the reporting counterparty under the agreement.

The written agreement under paragraph 25(1)(e) may take the form of a multilateral agreement;⁷ alternatively, it may be a bilateral agreement between the counterparties. Use of a multilateral agreement does not alleviate a local counterparty from its obligation under subsection 25(4) to keep a record of the agreement; such a record should show that both counterparties were party to the multilateral agreement in advance of the transaction. A bilateral agreement to determine the reporting counterparty may be achieved through exchange of written representation letters by each counterparty,⁸ provided both counterparties have agreed in their respective representation letter to the same reporting counterparty determination. In this situation, a local counterparty should retain a record of the representation letters of both counterparties under subsection 25(4).

Subsection 25(5) provides that a local counterparty that agrees to be the reporting counterparty for a transaction under paragraph 25(1)(e) must fulfill all reporting obligations as the reporting counterparty in relation to that transaction even if that local counterparty would otherwise be excluded from the trade reporting obligation under section 40.

A written agreement does not determine the reporting counterparty for under the purposes of the TR Rule in respect of a transaction in which the parties have chosen to use the ISDA Methodology. There is no requirement for counterparties to a transaction to use the ISDA Methodology. Further, the ISDA Methodology is not available in respect of transactions between a derivatives dealer and a non-derivatives dealer; such transactions are always required to be reported by the derivatives dealer pursuant to paragraph 25(1)(d). Similarly, a written agreement (other than the ISDA Multilateral) does not determine the reporting counterparty under the Rule in respect of transactions between derivatives dealers.

~~(2) — Subsection 25(2) prescribes the conditions under which the ISDA Methodology can be used. Paragraphs 25(1)(b) and (e) are only available where both counterparties to the transaction have agreed in advance to the terms of the multilateral ISDA agreement which incorporates the process for determining a reporting counterparty in accordance with ISDA methodology. This is done through the execution and delivery to ISDA of the ISDA Representation Letter that includes an agreement to follow the ISDA Methodology for determining the reporting counterparty. The ISDA Representation Letter is available at www.ISDA.com.~~

~~Paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction if the parties to the transaction have executed and delivered the ISDA Representation Letter to ISDA and have agreed to follow the ISDA Methodology for that transaction. In situations where both counterparties to a transaction have executed and delivered the ISDA Representation Letter but agree to report using a different method, paragraphs 25(1)(b) and (e) would not be applicable. Further, paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction where the parties to that transaction have consented to ISDA's release to the Commission of information which indicates that the parties have signed the ISDA Representation Letter.~~

Uncleared transactions between counterparties that are not derivatives dealers – no written agreement

Under paragraph 25(1)(f), where both counterparties to an uncleared transaction are not derivatives dealers and have not entered into a written agreement to determine which of them is the reporting counterparty, each local counterparty to the transaction has the reporting obligation under the Rule. In this situation, a local counterparty may delegate the reporting obligation to a third party service provider. Please see below under Subsection 26(3) for further discussion regarding delegated reporting. However, a local counterparty that is an individual is excluded from the reporting obligation under section 41.2.

Section 26 – Duty to report

~~26.~~ Section 26 outlines the duty to report derivatives data. For certainty, the duty to report derivatives data does not apply to contracts or instruments prescribed not to be derivatives by OSC Rule 91-506 *Derivatives: Product Determination*.

~~(1)~~ Subsection 26(1) requires that, subject to ~~sections 40, 41, 41.1, 42 and 43~~ certain limited exclusions under the Rule, derivatives data for each transaction to which one or more counterparties is a local counterparty be reported to a designated trade repository

⁷ For example, the ISDA 2015 Multilateral Non-Dealer Canadian Reporting Party Agreement.

⁸ For example, an exchange of the ISDA Canadian Representation Letter.

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[in accordance with the Rule](#). The counterparty required to report the derivatives data is the reporting counterparty as determined under section 25.

~~(2)~~ Under subsection 26(2), the reporting counterparty for a transaction must ensure that all reporting obligations are fulfilled. This includes ongoing requirements such as the reporting of life-cycle event data ~~and~~ valuation [data, collateral and margin data and position level](#) data.

~~(3)~~ Subsection 26(3) permits the delegation of all reporting obligations of a reporting counterparty. This includes reporting of initial creation data, life-cycle event data ~~and~~ valuation data [and collateral and margin data](#). For example, some or all of the reporting obligations may be delegated to [either of the counterparties or to](#) a third-party service provider. ~~However,~~

[A reporting delegation agreement does not alter](#) the reporting counterparty [obligation as determined under section 25. A reporting counterparty under the Rule](#) remains responsible for ensuring that the derivatives data is accurate and reported within the timeframes required under the Rule. [However, if Commission staff are provided with a reporting delegation agreement between the counterparties to the transaction, staff would in some situations attempt to address any reporting errors or omissions with the delegated party before addressing them with the delegating party. Counterparties should put into place contracts, systems and practices to implement delegation under subsection 26\(3\) before entering into a reportable transaction.](#)

~~(4)~~ With respect to subsection 26(4), ~~prior to the reporting rules in Part 3 coming into force, in this situation market participants should contact~~ the Commission ~~will provide public guidance on how reports for transactions that are not accepted for reporting by any designated trade repository should be~~ [in advance to make arrangements to report the data](#) electronically ~~submitted to the Commission~~.

~~(5)~~ Subsection 26(5) provides for limited substituted compliance with ~~this~~[the](#) Rule where a transaction has been reported to a designated trade repository ~~pursuant to~~[under](#) the ~~law~~[securities legislation](#) of a province [or territory](#) of Canada other than Ontario or [under the laws](#) of a foreign jurisdiction listed in Appendix B, provided that the additional conditions set out in paragraphs (a) and (c) are satisfied. The transaction data reported to a designated trade repository under paragraph (b) may be provided to the Commission under paragraph (c) in the same form as required to be reported pursuant to the applicable foreign jurisdiction's requirements for reporting transaction data.

[Under Subsection 26\(6\), the reporting counterparty to a derivative has not fulfilled its reporting obligations under the Rule unless and until all derivatives data that it has reported satisfies the validation procedures of the designated trade repository, which may include timing, methods of reporting, and data standards in respect of the elements listed in Appendix A to the Rule and the administrative technical specifications set out in the OSC Derivatives Data Technical Manual. Under subsection 22.2\(2\), the trade repository is required to notify a reporting counterparty or its agent whether or not the derivatives data received by the designated trade repository satisfies its validation procedures and will reject derivatives data that does not satisfy its validation procedures.](#)

~~(6)~~ The purpose of subsection ~~26(6)~~[26\(7\)](#) is to ensure the Commission has access to all derivatives data reported to a designated trade repository for a particular transaction (from the initial submission to the designated trade repository through all life-cycle events to termination or ~~maturity~~[expiration](#)) from one designated trade repository. It is not intended to restrict counterparties' ability to report to multiple trade repositories or from choosing to report derivatives data to a new designated trade repository. Should a reporting counterparty begin reporting its data to a new designated trade repository, all derivatives data relevant to open transactions need to be transferred to the new designated trade repository. Where the entity to which the transaction was originally reported is no longer a designated trade repository, all derivatives data relevant to that transaction should be reported to another designated trade repository as otherwise required by the Rule.

~~For a bilateral~~[Under subsection 26\(9\), for a cleared](#) transaction ~~that is assumed by a clearing agency (novation), the designated trade repository to which the clearing agency must report all derivatives data for the assumed transactions must be reported~~ is the designated trade repository holding the derivatives data reported in respect of the original ~~bilateral~~[transaction, unless the clearing agency obtains the consent of the local counterparties to the original](#) transaction.

~~(7)~~ ~~—The Commission interprets the requirement in subsection 26(7) to report errors or omissions~~ [Section 26.1 – Verification of data accuracy and reporting of errors and omissions](#)

[Under paragraph 26.1\(1\)\(a\), the reporting counterparty in respect of a transaction is responsible for ensuring that reported derivatives data is accurate and contains no misrepresentation. To facilitate this, subsection 38\(1\) requires designated trade repositories to provide counterparties with timely access to data. For greater certainty, paragraph 26.1\(1\)\(a\) applies both to open transactions and \(unless the record-keeping requirements under section 36 have expired at the time that the error or omission is discovered\) transactions that have expired or terminated.](#)

[In addition to the requirement paragraph 26.1\(1\)\(a\), reporting counterparties that are derivatives dealers and recognized or exempt clearing agencies must also, under paragraph 26.1\(1\)\(b\), verify that reported derivatives data is accurate and contains no misrepresentation at least every 30 days. This involves following the policies and procedures of the designated trade repository](#)

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(established under section 23) to compare all derivatives data for each transaction for which it is the reporting counterparty with all derivatives data contained in the reporting counterparty's internal books and records to ensure that there are no errors or omissions. Paragraph 26.1(1)(b) does not apply to transactions that have expired or terminated.

Similar to the reporting obligations under section 26, the obligations under subsection 26.1(1) can also be delegated under section 26(3) to a third party.

Under subsection 26.1(2), a reporting counterparty must report an error or omission in derivatives data "to the designated trade repository as soon as technologically practicable" ~~after it is discovered, to mean~~ upon discovery of the error or omission and in any case no later than the end of the business day following the day on which the error or omission is discovered. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. This requirement applies both to open and expired or terminated transactions, subject to the record retention period under section 36.

~~(8)~~ Under subsection ~~26(8)~~26.1(3), where a local counterparty that is not a reporting counterparty discovers an error or omission in respect of derivatives data that is reported to a designated trade repository, such local counterparty has an obligation to report the error or omission to the reporting counterparty as soon as technologically practicable upon discovery of the error or omission and in any case no later than the end of the business day following the day on which the error or omission is discovered. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. Once the error or omission is reported to the reporting counterparty, the reporting counterparty then has an obligation under subsection ~~26(7)~~26.1(2) to report the error or omission to the designated trade repository or to the Commission ~~in accordance with subsection 26(6). The Commission interprets the requirement in~~

Under subsection ~~26(8)~~ to notify the 26.1(4), a reporting counterparty ~~of errors or omissions in derivatives data to mean~~ must notify the Commission of a significant error or omission that has occurred as soon as practicable upon discovery ~~and in any case no later than the end of the business day following the day on which~~ the error or omission ~~is discovered. We consider a significant error or omission to include, but not be limited to, an error or omission impacting a substantial number of transactions. A significant error or omission may also arise where a transaction itself is significant in the context of the reporting counterparty's other derivatives transactions, such as a transaction where a counterparty is in default or where there has been another event giving rise to a right of termination of the transaction. The reporting counterparty should describe the general nature of the error or omission, the reason the error or omission is significant, the number of transactions impacted, the date and duration of error, the steps taken to remedy the error or omission, and any planned remediation steps. This requirement applies both to open and expired or terminated transactions, subject to the record retention period under section 36.~~

Section 28 – Legal entity identifiers

~~28. (1)~~ Subsection 28(1) requires that a designated trade repository identify all counterparties to a transaction by a legal entity identifier. ~~It is envisioned that this identifier be an LEI under the Global LEI System. The Global LEI System is a G20 endorsed initiative⁵ that will uniquely identify/identifies parties to transactions. It is currently being designed and implemented under the direction of the LEI ROC, a governance body endorsed by the G20.~~

~~(2)~~ The ~~"Global Legal Entity Identifier System"~~ referred to in subsection 28(2) means the G20 endorsed system that ~~will serve/serves~~ as a public-good utility responsible for overseeing the issuance of legal entity identifiers globally to counterparties who enter into transactions. LEIs can only be obtained from a Local Operating Unit (LOU) endorsed by the ROC.⁹

~~(3)~~ If the Global LEI System is not available at the time counterparties are required to report their LEI under the Rule, they must use a substitute legal entity identifier. The substitute legal entity identifier must be in accordance with the standards established by the ~~LEI~~ ROC for pre-LEI identifiers. At the time the Global LEI System is operational; counterparties must cease using their substitute LEI and commence reporting their LEI. The substitute LEI and LEI could be identical.

~~(4)~~ Some counterparties to a reportable transaction are not eligible to receive an LEI. In such cases, the reporting counterparty must use an alternate identifier to identify each counterparty that is ineligible for an LEI when reporting derivatives data to a designated trade repository. An individual is not required to obtain an LEI and the reporting counterparty must use an alternate identifier to identify each counterparty that is an individual when reporting derivatives data to a designated trade repository. The alternate identifier must be unique for each such counterparty and the same alternate identifier must be used in respect of all transactions involving that counterparty.

⁵ See http://www.financialstabilityboard.org/policy_area/lei/ for more information.

⁹ The list of LEI ROC-endorsed LOUs and their contact information is available at <https://www.gleif.org/>.

~~28.1~~ **Section 28.1** ~~requires that each local~~ **Maintenance and renewal of legal entity identifiers**

Under Section 28.1, a counterparty, ~~(other than an individual and those not eligible to receive an LEI,)~~ that is either:

- a reporting counterparty (regardless of whether it is a local counterparty) or
- a non-reporting counterparty that is a local counterparty.

and that is party to a transaction that is required to be reported to a designated trade repository, must obtain, maintain and renew an LEI, ~~regardless of whether the local counterparty is the reporting counterparty.~~

This requirement applies for such time as the counterparty has open transactions. When all of the counterparty's transactions that are required to be reported under the Rule have expired or terminated, the counterparty is no longer required to maintain or renew its LEI until such time as it may enter into a new transaction.

Maintenance of an LEI means ensuring that the reference data associated with the LEI assigned to the ~~local~~ counterparty is updated with all relevant and accurate information in a timely manner. Renewal of an LEI means providing the associated Local Operating Unit with acknowledgement that the reference data associated with the LEI assigned to the ~~local~~ counterparty is accurate.

Unique transaction identifier

~~29. — A unique transaction identifier will be assigned by the designated trade repository to each transaction which has been submitted to it. The designated trade repository may utilize its own methodology or incorporate a previously assigned identifier that has been assigned by, for example, a clearing agency, trading platform, or third party service provider. However, the designated trade repository must ensure that no other transaction shares the same identifier. A transaction in this context means~~

The Rule does not require a reporting counterparty to verify that its counterparties to each transaction that it reports have maintained and renewed their LEIs, although the reporting counterparty must maintain and renew its own LEI.

Section 29 – Unique transaction identifiers

Introduction

Subsection 29(1) is intended to ensure that a transaction is identified by means of only one UTI. Subsection 29(1) outlines a hierarchy for determining which person or company has the obligation to assign a UTI for a transaction that is required to be reported. Further to the February 2017 publication of *Technical Guidance on the Harmonisation of the Unique Transaction Identifier* by the CPMI-IOSCO working group for the harmonization of key OTC derivatives data elements, section 29 intends to achieve a globally common UTI generator outcome, while generally aligning with the reporting counterparty determination under subsection 25(1).

If more than one counterparty is the reporting counterparty for a transaction from the perspective of all counterparties to the transaction. For (for example, both derivatives dealers are the reporting counterparty), both reporting counterparties to a single swap transaction would must identify the transaction by using the same single identifier. For a bilateral transaction that is novated to a UTI. A recognized or exempt clearing agency, the reporting of the novated transactions should reference the unique transaction identifier of the original ~~bilateral~~ transaction in its reports of the cleared transactions.

Unique product identifier

~~30. — Section 30 requires that a reporting counterparty identify each transaction that is subject to the reporting obligation under the Rule by means of a unique product identifier. There is currently a system of product taxonomy that may be used for this purpose.⁶ To the extent that a unique product identifier is not available for a particular transaction type, a reporting counterparty would be required to create one using an alternative methodology.~~

Creation data

Please see above under Part 1 for the Commission's views on the definition of "derivatives dealer" and the factors in determining a business purpose. Please see above under section 22.1 for the Commission's views on the term "derivatives trading facility".

⁶ See <http://www2.isda.org/identifiers-and-otc-taxonomies/> for more information.

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Similar to the reporting obligations in section 26, UTI assignment under section 29 can be delegated to a third party, but the person or company responsible for generating the UTI to the transaction remains ultimately responsible for ensuring compliance with section 29.

Cleared transactions

Under paragraph 29(1)(a), where transactions are cleared through a recognized or exempt clearing agency, the clearing agency must generate the UTI. For clarity, the clearing agency does not generate the UTI in respect of an original transaction that is intended to be cleared, to which it is not a counterparty.

Transactions executed on a derivatives trading facility

Under paragraph 29(1)(b), where an uncleared transaction is executed on a derivatives trading facility that has assigned a UTI to the transaction, that derivatives trading facility must generate the UTI under the Rule. The reporting counterparty must not assign another UTI to a transaction that is executed on a derivatives trading facility where that derivatives trading facility has already assigned a UTI to the transaction.

Earlier UTI generator

If paragraphs 29(1)(a) and (b) do not apply, and where an uncleared transaction is required to be reported in a jurisdiction other than Ontario with an earlier reporting deadline, under paragraph 29(1)(c) the person or company required to assign the UTI under the laws of that other jurisdiction must generate the UTI under the Rule. This reflects the intention that a transaction should be assigned the same UTI for the purposes of trade reporting under the laws of all jurisdictions.

Derivatives dealer

If paragraphs 29(1)(a) to (c) do not apply, and where an uncleared transaction is between two derivatives dealers, paragraph 29(1)(d) provides that

- the reporting counterparty must generate the UTI only if paragraph 25(1)(b) applies, such that the reporting counterparty is determined according to the ISDA Multilateral, or
- a party that has been delegated the reporting obligation under subsection 26(3) must generate the UTI.

If paragraphs 29(1)(a) to (d) do not apply, such that both derivatives dealers have the reporting obligation under paragraph 25(1)(c) and they have not delegated the reporting obligation under subsection 26(3), paragraph 29(1)(e) provides that the derivatives dealer with the first LEI must generate the UTI. The first LEI is based on sorting the LEIs alphanumerically with the characters of the LEIs reversed.

If paragraphs 29(1)(a) to (e) do not apply, and where an uncleared transaction is between a derivatives dealer and a non-derivatives dealer, the derivatives dealer must generate the UTI.

Transactions between non-derivatives dealers

In any other case, the designated trade repository must generate the UTI. This should only arise for an uncleared transaction where both counterparties are not derivatives dealers.

Timeframe

~~31-~~ Subsection ~~31(2)~~29(2) requires ~~that reporting of creation data be made in real time, which means that creation data should~~the UTI to be reported~~assigned~~ as soon as technologically practicable after ~~the~~ execution of ~~a transaction~~the transaction and in no event later than the time that the transaction is required to be reported to a designated trade repository under the Rule. In evaluating what will be considered to be ~~"technological"~~technologically practicable~~"~~, the Commission will take into account the prevalence ~~of~~, implementation and use of technology by comparable ~~counterparties~~persons or companies located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of ~~reporting~~ technology.

~~(3) — Subsection 31(3) is intended to take into account the fact that not all counterparties will have the same technological capabilities. For example, counterparties that do not regularly engage in transactions would, at least in the near term, likely not be as well situated to achieve real-time reporting. Further, for certain post-transaction operations, such as trade compressions involving numerous transactions, real-time reporting may not currently be practicable~~

Section 30 – Unique product identifiers

Section 30 requires that a reporting counterparty identify each derivative that is subject to the reporting obligation under the Rule by means of a single UPI. The UPI must be obtained from the Derivatives Services Bureau.

Section 31 – Creation data

Section 31 requires that reporting of creation data be made in real time. If it is not technologically practicable to report creation data in real time, it must be reported as soon as technologically practicable. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction.

~~Life-cycle~~ Section 32 – Lifecycle event data

Lifecycle event data is not required to be reported in real time but rather at the end of the business day on which the lifecycle event occurs. The end of business day report may include multiple lifecycle events that occurred on that day. If it is not technologically practicable to report lifecycle event data by the end of the business day on which the lifecycle event occurs, it must be reported by the end of the business day following the day on which the lifecycle event occurs. In evaluating what will be considered to be “technologically practicable”, the Commission will take into account the prevalence, implementation and use of technology by comparable counterparties located in Canada and in comparable foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of technology.

~~32.~~ The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).

~~(1) — Life cycle event data is not required to be reported in real time but rather at the end of the business day on which the life cycle event occurs. The end of business day report may include multiple life cycle events that occurred on that day.~~

A clearing agency is required to report the termination of the original transaction in respect of a cleared transaction under subsection 32(3). The termination report must be made to the same designated trade repository to which the original transaction was reported by the end of the business day on which the original transaction is terminated.

Section 32.1 – Position level data

As an alternative to reporting lifecycle events, a reporting counterparty may, at its option, report aggregated position level data. This option is only available in respect of transactions that meet the criteria under paragraphs 32.1(a) and (b). We view the term “fungible” in paragraph 32.1(b) to refer to transactions involving identical contract specifications that are replaceable with one another or can be easily bought or sold to offset a prior transaction having identical contract specifications. Contracts that exhibit these features are commonly referred to as contracts for difference. If a person or company is the reporting counterparty in respect of some transactions that meet this criteria and others that do not, it may only report position level data in respect of the transactions that meet this criteria, and must report lifecycle events under section 32 in respect of transactions that do not. If a reporting counterparty chooses not to report position level data, it must instead report lifecycle events under section 32.

Section 33 – Valuation data and collateral and margin data

~~33. — Valuation~~ Under subsection 33(1), a reporting counterparty must report valuation data and collateral and margin data with respect to a transaction that is subject to the reporting obligations under the Rule is required to be reported by the reporting counterparty. For both cleared and uncleared transactions, counterparties may, as described in subsection 26(3), delegate the reporting of valuation data to a third party, but such counterparties remain ultimately responsible for ensuring the timely and accurate reporting of this data each business day until the transaction is terminated or expires. The Commission notes that, in accordance with subsection ~~26(6)~~26(7), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository ~~or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).~~

~~(1) — Subsection 33(1) provides for differing frequency of valuation data reporting based on the type of entity that is the reporting counterparty.~~

Pre-existing derivatives

Subsection 33(2) requires a reporting counterparty that is reporting position level data for certain transactions under section 32.1 to calculate and report valuation data and collateral and margin data on the net amount of all purchases and sales reported as position level data for such transactions.

~~34. Section 34 outlines reporting obligations in relation to transactions that were entered into prior to the commencement of the reporting obligations. Where the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency, subsection 34(1) requires that pre-existing transactions that were entered into before October 31, 2014 and that will not expire or terminate on or before April 30, 2015 to be reported to a designated trade repository no later than April 30, 2015. Similarly, where the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency, subsection 34(1.1) requires that pre-existing transactions that were entered into before June 30, 2015 and that will not expire or terminate on or before December 31, 2015 to be reported to a designated trade repository no later than December 31, 2015. In addition, only the data indicated in the column entitled "Required for Pre-existing Transactions" in Appendix A will be required to be~~
36 =
Records of data reported for pre-existing transactions.

~~Transactions that are entered into before October 31, 2014 and that expire or terminate on or before April 30, 2015 will not be subject to the reporting obligation, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency. Similarly, transactions for which the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency will not be subject to the reporting obligation if they are entered into before June 30, 2015 but will expire or terminate on or before December 31, 2015. These transactions are exempted from the reporting obligation in the Rule, to relieve some of the reporting burden for counterparties and because they would provide marginal utility to the Commission due to their imminent termination or expiry.~~

~~The derivatives data required to be reported for pre-existing transactions under section 34 is substantively the same as the requirement under CFTC Rule 17 CFR Part 46 *Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*. Therefore, to the extent that a reporting counterparty has reported pre-existing transaction derivatives data required by the CFTC rule, this would meet the derivatives data reporting requirements under section 34. This interpretation applies only to pre-existing transactions.~~

A reporting counterparty is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 36 are in addition to the requirements under securities legislation.

A reporting counterparty must keep transaction records for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction.

As part of the record-keeping requirements under section 36, we expect a reporting counterparty will maintain records of each verification it performs to confirm the accuracy of reported derivatives data as well as records relating to any error or omissions discovered in reported derivatives data or any corrections to such data.

Section 36.1 – Derivatives trading facility

Under section 36.1, where a transaction involving a local counterparty is executed anonymously on a derivatives trading facility and is intended to be cleared, the derivatives trading facility has the obligations of a reporting counterparty under the provisions enumerated in paragraph 36.1(a), and references to "reporting counterparty" under the provisions enumerated in paragraph 36.1(b) are deemed to refer to the derivatives trading facility.

Section 36.1 only applies to the original transaction. If a derivatives trading facility reports an original transaction under section 36.1, the recognized or exempt clearing agency is required to report the termination of the original transaction under subsection 32(3) and report the cleared transactions under paragraph 25(1)(a).

Please see above under section 22.1 for the Commission's views on the term "derivatives trading facility".

Section 36.1 applies only where it is not possible for a counterparty to establish the identity of the other counterparty prior to execution of a transaction.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Introduction

Part 4 includes obligations on designated trade repositories to make data available to the Commission, counterparties and the public.

Section 37 – Data available to regulators

~~37. (1) Subsection 37(1) requires designated trade repositories to, at no cost to the Commission: (a) provide to the Commission continuous and timely electronic access to derivatives data; (b) promptly fulfill data requests from the Commission; (c) provide aggregate derivatives data; and (d) disclose how data has been aggregated. Electronic access includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.~~

The derivatives data covered by this subsection are data necessary to carry out the Commission's mandate to protect against unfair, improper or fraudulent practices, to foster fair, efficient and competitive capital markets and confidence in the capital markets, to foster capital formation, and to promote confidence in the capital markets, and to address contribute to the stability of the financial system and the reduction of systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact Ontario's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Ontario or Canada can impact Ontario's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the Commission has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Rule, but is held by a designated trade repository.

Electronic access under paragraph 37(1)(a) includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.

Paragraph 37(1)(e) requires designated trade repositories to, at no cost to the Commission, provide to the Commission any corrections to data as soon as technologically practicable after recording the correction. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

~~(2) Subsection 37(2) requires a designated trade repository to conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPSSCPMI and IOSCO. It is expected that all designated trade repositories will comply with the access recommendations in CPSSCPMI-IOSCO's final report.⁷~~

~~(3) The Commission interprets the requirement under subsection 37(3) for a reporting counterparty to use best efforts to provide the Commission with access to derivatives data to mean, at a minimum, instructing the designated trade repository to release ~~derivative~~ derivatives data to the Commission.~~

~~**Data available to counterparties**~~

~~**38. Section 38 is – Data available to counterparties**~~

Subsections 38(1) and (2) are intended to ensure that each counterparty, and any person or company acting on behalf of a counterparty, has access to all derivatives data relating to its transaction(s) in a timely manner and that designated trade repositories have appropriate authorization procedures in place to enable such access. The Commission is of the view that where a counterparty has provided consent to a trade repository to grant access to data to a third-party service provider, the trade repository ~~shall~~ should grant such access on the terms consented to.

We note that reporting counterparties require access to derivatives data relating to their transactions in order to fulfill their obligation under subsection 26(1) to ensure the accuracy of reported data.

We expect that data made available by a designated trade repository to counterparties and any person or company acting on their behalf will not include the identity or LEI of the other counterparty in respect of transactions executed anonymously on a derivatives trading facility and cleared through a recognized or exempt clearing agency, as required under section 22.1.

⁷ See report entitled "Authorities' Access to TR-Data" trade repository data available at <http://www.bis.org/publ/cpss110.htm>.

Section 39 – Data available to public

~~39. (1)~~ Subsection 39(1) requires a designated trade repository to make available to the public, ~~free of charge, at no cost~~ certain aggregate data for all transactions reported to it under the Rule (including open positions, volume, number of transactions, and price). It is expected that a designated trade repository will provide aggregate data by notional amounts outstanding and level of activity. Such aggregate data is expected to be available on the designated trade repository's website. A designated trade repository is required to make corrections, where applicable, to data that has been made available to the public as soon as technologically practicable after recording a correction, and in no event later than the time when aggregate data is next made available to the public. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

~~(2)~~ Subsection 39(2) requires that the aggregate data that is disclosed under subsection 39(1), be broken down into various categories of information. The following are examples of the aggregate data required under subsection 39(2):

- currency of denomination (the currency in which the derivative is denominated);
- ~~geographic location of the underlying reference entity (e.g., Canada for derivatives which reference the TSX60 index);~~
- asset class of ~~reference entity~~underlier (e.g., fixed income, credit, or equity);
- product type (e.g., options, forwards, or swaps);
- cleared or uncleared;
- ~~maturity~~expiration (broken down into ~~maturity~~expiration ranges, such as less than one year, 1-2 years, 2-3 years).

Subsection 39(3) requires a designated trade repository to make available to the public at no cost transaction level reports that meet the requirements under Appendix C to the Rule. Such transaction level reports are expected to be available on the designated trade repository's website. A designated trade repository is required to make corrections, where applicable, to reports that have been made available to the public as soon as technologically practicable after recording a correction. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

~~(4)~~ Subsection 39(4) provides that a designated trade repository must not disclose the identity of either counterparty to the transaction. This means that published data must be anonymized and the names or legal entity identifiers of counterparties must not be published. This provision is not intended to create a requirement for a designated trade repository to determine whether anonymized published data could reveal the identity of a counterparty based on the terms of the transaction.

PART 5 EXCLUSIONS

Introduction

Part 5 provides for various exclusions from the reporting requirements under the Rule.

Section 40 – Commodity transactions

Section 40 provides that the reporting obligation for a physical commodity transaction entered into between two non-derivatives dealers does not apply in certain limited circumstances. ~~This~~

The exclusion ~~only under section 40~~ applies ~~if a local counterparty to a transaction has less than \$500,000 aggregate notional value under all outstanding derivatives transactions, including the additional notional value related to that transaction.~~ ~~to physical commodity transactions that are not excluded derivatives under paragraph 2(d) of OSC Rule 91-506 Derivatives: Product Determination for the purpose of the reporting obligation. An example of a physical commodity transaction that is required to be reported (and therefore could benefit from the exclusion under section 40) is a physical commodity contract that allows for cash settlement in place of delivery.~~

We take the position that commodities include goods such as agricultural products, forest products, products of the sea, minerals, metals, hydrocarbon fuel, precious stones or other gems, electricity, oil and natural gas (and by-products, and associated refined products, thereof), and water. We also consider certain intangible commodities, such as carbon credits and emission allowances.

to be commodities. In contrast, this exclusion will not apply to financial commodities such as currencies, interest rates, securities and indexes, as well as crypto assets that would be considered to be financial commodities.

In calculating ~~this exposure~~the month-end notional outstanding for any month, the notional ~~value~~amount of all outstanding transactions required to be reported under the Rule and relating to a commodity other than cash or currency, including transactions from all asset classes and with all counterparties, other than affiliated entities, whether domestic and/or foreign, should be included. The notional value of a physical commodity transaction would be calculated by multiplying the quantity of the physical commodity by the price for that commodity.

A local counterparty that ~~is above the \$500,000 threshold~~qualifies for this exclusion is required to ~~act~~report a transaction involving an asset class other than commodity or involving cash or currency, if it is the reporting counterparty for the transaction under section 25.

As provided under subsection 25(5), a local counterparty that agrees to be the reporting counterparty for a transaction under paragraph 25(1)(e) must fulfill all reporting obligations as the reporting counterparty for a transaction involving a party even if that is exempt. ~~local counterparty would otherwise be excluded~~ from the trade reporting obligation under section 40.

This exclusion is not relevant to an original transaction that is executed anonymously on a derivatives trading facility. In ~~a~~this situation ~~where, even if~~ both local counterparties to ~~a~~the transaction would otherwise qualify for this exclusion, ~~it would not be necessary to determine a reporting counterparty in accordance with~~the derivatives trading facility must report the original transaction under section ~~25~~36.1.

~~This relief applies to physical commodity transactions that are not excluded derivatives for the purpose of the reporting obligation in paragraph 2(d) of OSC Rule 91-506 Derivatives: Product Determination. An example of a physical commodity transaction that is required to be reported (and therefore could benefit from this relief) is a physical commodity contract that allows for cash settlement in place of delivery.~~

In a transaction between two local counterparties, where the reporting counterparty is determined under paragraph 25(1)(f), and where section 36.1 does not apply, each local counterparty should determine whether it qualifies for this exclusion. If only one local counterparty to the transaction qualifies for the exclusion, the other local counterparty must still report the transaction. If each local counterparty qualifies for the exclusion, the transaction is not required to be reported under the Rule.

In a transaction between a local counterparty that qualifies for this exclusion and a non-local counterparty, where the reporting counterparty is determined under paragraph 25(1)(f) and where section 36.1 does not apply, the transaction is not required to be reported under the Rule.

Section 41.1 – Affiliated entities

Section 41.1 provides an exclusion from the reporting requirement for all transactions between counterparties that are affiliated ~~companies~~entities and that are not derivatives dealers or recognized or exempt clearing agencies, nor affiliated ~~companies~~entities of a derivatives dealer or a recognized or exempt clearing agency. For example, if an affiliated entity of a derivatives dealer (or its affiliate) and a non-dealer are counterparties to enters into a transaction with its affiliated derivatives dealer, or with another affiliated entity of the derivatives dealer, the transaction must still be required to be reported to a designated trade repository. Also, the exclusion does not apply to a derivatives trading facility with respect to derivatives data for a transaction that is executed anonymously on such facility and intended to be cleared.

PART 7 EFFECTIVE DATE

Effective date

~~43. (2) The requirement under subsection 39(3) to make transaction level data reports available to the public does not apply until January 16, 2017.~~

~~(3) — Where the counterparty is a derivatives dealer or recognized or exempt clearing agency, subsection 43(3) provides that no reporting is required until October 31, 2014.~~

~~(4) — Where neither of the counterparties is a derivatives dealer or a recognized or exempt clearing agency, subsection 43(4) provides that no reporting is required until June 30, 2015.~~

~~(5) — Subsection 43(5) provides that, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency, no reporting is required for preexisting transactions that terminate or expire on or before April 30, 2015.~~

~~(6) — Subsection 43(6) provides that, if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before December 31, 2015.~~

APPENDIX C

Instructions

~~(1) — The instructions provided at item 1 of~~

Section 41.2 – Individuals

Section 41.2 provides an exclusion from the reporting requirement for individuals. While an individual may be a local counterparty, an individual (or an estate of a deceased individual) is not required to report transactions under the Rule.

Appendix C ~~describe~~

Item 1

Item 1 of Appendix C describes the types of transactions that must be publicly disseminated by the designated trade repository. Public dissemination is not required for life-cycle events that do not contain new price information compared to the derivatives data reported initially reported for the transaction.

~~Table 1~~

~~Table 1 lists the transaction related information that must be publicly disseminated. Table 1 is a subset of the information that the trade repository is required to submit to the regulator and does not include all the fields required to be reported to a designated trade repository pursuant to Appendix A. For example, valuation data fields are not required to be publicly disseminated.~~

Table 2

~~Only those transactions with the Asset Class and Underlying Asset Identifiers fields listed in Table 2 are subject to the public dissemination requirement under section 39 of the Rule.~~

~~For further clarification, the~~

The identifiers listed under the Underlying Asset Identifier for the Interest Rate Asset Class in Table 2 refer to the following:

“CAD-BA-CDOR” means all tenors of the Canadian Dollar Offered Rate (CDOR). CDOR is a financial benchmark for bankers’ acceptances with a term to ~~maturity~~expiration of one year or less currently calculated and administered by Thomson Reuters.

“USD-LIBOR-BBA” means all tenors of the U.S. Dollar ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration and provides an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

“EUR-EURIBOR-Reuters” means all tenors of the Euro Interbank Offered Rate (Euribor). Euribor is a reference rate published by the European Banking Authority based on the average interest rates at which selected European prime banks borrow funds from one another.

“GBP-LIBOR-BBA” means all tenors of the GBP Pound Sterling ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration providing an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

~~For further clarification, the~~The identifiers listed under the Underlying Asset Identifier for the Credit and Equity Asset Classes in Table 2 refer to the following:

“All Indexes” means any statistical measure of a group of assets that is administered by an organization that is not affiliated with the counterparties and whose value and calculation methodologies are publicly available. ~~Examples of indexes that would satisfy this meaning are underlying assets that would be included in ISDA’s Unique Product Identifier Taxonomy⁶ under the categories of (i) Index and Index Tranche for credit products and (ii) the Single Index category for equity products.~~

⁶ ISDA’s Unique Product Identifier Taxonomy can be found at <http://www2.isda.org/functional-areas/technology-infrastructure/data-and-reporting/identifiers/>.

Exclusions

Item 2

~~(2)~~ Item 2 of Appendix C specifies certain types of transactions that are excluded from the public dissemination requirement of Section 39 of the Rule. An example of a transaction excluded under item 2(a) is cross currency swaps. The types of transactions excluded under item 2(b) result from portfolio compression activity which occurs whenever a transaction is amended or entered into in order to reduce the gross notional exposure of an outstanding transaction or group of transactions without impacting the net exposure. Under item 2(c), transactions resulting from novation on the part of a recognized or exempt clearing agency when facilitating the clearing of a transaction between counterparties are excluded from public dissemination. As a result, with respect to transactions involving a recognized or exempt clearing agency, the public dissemination requirements under paragraph 7 apply only to transactions entered into by the recognized or exempt clearing agency on its own behalf.

Rounding

Item 3

~~(3)~~ The rounding thresholds are to be applied to the notional amount of a transaction in the currency of the transaction. For example, a transaction denominated in US dollars would be rounded and disseminated in US dollars and not the CAD equivalent.

Capping

Item 4

~~(4)~~ For transactions denominated in a non-CAD currency, item 4 of Appendix C requires the designated trade repository to compare the rounded notional amount of the transaction in a non-CAD currency to the capped rounded notional amount in CAD that corresponds to the asset class and tenor of that transaction. Therefore, the designated trade repository must convert the non-CAD currency into CAD in order to determine whether it would be above the capping threshold. The designated trade repository must utilise a transparent and consistent methodology for converting to and from CAD for the purposes of comparing and publishing the capped notional amount.

For example, in order to compare the rounded notional amount of a transaction denominated in GBP to the thresholds in Table 4, the ~~recognized~~ designated trade repository must convert this amount to a CAD equivalent amount. If the CAD equivalent notional amount of the GBP denominated transaction is above the capping threshold, the designated trade repository must disseminate the capped rounded notional amount converted back to the currency of the transaction using a consistent and transparent process.

Item 6

~~(6)~~ Item 6 of Appendix C requires the designated trade repository to adjust the option premium field in a consistent and proportionate manner if the transaction's rounded notional amount is greater than the capped rounded notional amount. The option premium field adjustment should be proportionate to the size of the capped rounded notional amount compared to the rounded notional amount.

Timing

Item 7

~~(7)~~ Item 7 of Appendix C sets out when the designated trade repository must publicly disseminate the required information from Table 1. The purpose of the public reporting delay is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. The time delay applies to all transactions, regardless of transaction size.

Item 8

Item 8 of Appendix C allows for certain periods of downtime for a designated trade repository to perform testing, maintenance and upgrades. The designated trade repository must publicly disseminate the required information from Table 1 as soon as technologically practicable following the conclusion of the period of downtime. In evaluating what will be considered to be "technologically practicable", the Commission will take into account the prevalence, implementation and use of technology by comparable trade repositories. The Commission may also conduct independent reviews to determine the state of technology.

We expect periods of downtime will be scheduled during times when the designated trade repository receives the least amount of derivatives data. A designated trade repository should provide prior notice to its participants and to the public of such downtime on its website, where possible.

B.6: Request for Comments

Only maintenance and upgrades that cannot otherwise be performed during routine downtime should be performed on an ad hoc basis. In such cases, the downtime should be during a time that would be least disruptive to the designated trade repository's obligations under the Rule.

ANNEX E

Alternative Reporting Hierarchy

This Annex sets out a potential alternative to Subsection 25(1) of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, together with a new definition of “financial entity” that would be inserted in subsection 1(1) of the Rule.

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is
- (a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,
 - (b) subject to subsection (2), if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers both of which are parties to the ISDA Multilateral, the derivatives dealer determined to be the reporting counterparty under the ISDA methodology,
 - (c) if paragraphs (a) and (b) do not apply to the transaction and the transaction is between a derivatives dealer that is a financial entity and a derivatives dealer that is not a financial entity, the financial entity,
 - (d) if paragraphs (a) to (c) do not apply to the transaction and the transaction is between two derivatives dealers that are financial entities, each derivatives dealer,
 - (e) if paragraphs (a) to (d) do not apply to the transaction and the transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,
 - (f) if paragraphs (a) to (e) do not apply to the transaction, the counterparty determined to be the reporting counterparty under the terms of a written agreement entered into before or at the time of the transaction, and
 - (g) in any other case, each local counterparty to the transaction.

“financial entity” means a person or company that is any of the following:

- (a) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;
- (b) a bank, loan company, loan corporation, trust company, trust corporation, factoring company, financing company¹, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (c) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- (d) an investment fund;
- (e) a person or company, other than an individual, that is any of the following:
 - (i) a person or company that is subject to a requirement to register under the securities legislation or commodities futures legislation of any jurisdiction of Canada;
 - (ii) a person or company that is exempt from the requirement to register under the securities legislation or commodities futures legislation of any jurisdiction of Canada, other than a person or company that is exempt from the requirement to register as a result of section 8.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
- (f) a person or company that is an affiliated entity of a person or company referred to in any of paragraphs (a) to (e);
- (g) a person or company that is organized under the laws of a foreign jurisdiction that is analogous to an entity referred to in any of paragraphs (a) to (f).

¹ We interpret this term to include entities that provide financing services.

ANNEX F

Blackline of Alternative Reporting Hierarchy

This Annex sets out a blackline showing the changes between Subsection 25(1) of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, as set out in Annexes A and B, and the alternative reporting hierarchy as set out in Annex E.

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is
- (a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,
 - (b) subject to subsection (2), if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers both of which are parties to the ISDA Multilateral, the derivatives dealer determined to be the reporting counterparty under the ISDA methodology,
 - (c) if paragraphs (a) and (b) do not apply to the transaction and the transaction is between a derivatives dealer that is a financial entity and a derivatives dealer that is not a financial entity, the financial entity,
 - (d) if paragraphs (a) to (c) do not apply to the transaction and the transaction is between two derivatives dealers that are financial entities, each derivatives dealer,
 - (e) ~~(d)~~ if paragraphs (a) to (d) do not apply to the transaction ~~is not cleared through a recognized or exempt clearing agency~~ and the transaction is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,
 - (f) ~~(e)~~ if paragraphs (a) to (d) do not apply to the transaction, the counterparty determined to be the reporting counterparty under the terms of a written agreement entered into before or at the time of the transaction, and
 - (g) ~~(f)~~ in any other case, each local counterparty to the transaction.

“financial entity” means a person or company that is any of the following:

- (a) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;
- (b) a bank, loan company, loan corporation, trust company, trust corporation, factoring company, financing company, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (c) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- (d) an investment fund;
- (e) a person or company, other than an individual, that is any of the following:
 - (i) a person or company that is subject to a requirement to register under the securities legislation or commodities futures legislation of any jurisdiction of Canada;
 - (ii) a person or company that is exempt from the requirement to register under the securities legislation or commodities futures legislation of any jurisdiction of Canada, other than a person or company that is exempt from the requirement to register as a result of section 8.4 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- (f) a person or company that is an affiliated entity of a person or company referred to in any of paragraphs (a) to (e);
- (g) a person or company that is organized under the laws of a foreign jurisdiction that is analogous to an entity referred to in any of paragraphs (a) to (f).

ANNEX G

PROPOSED CHANGES TO
COMPANION POLICY 91-506CP
TO ONTARIO SECURITIES COMMISSION RULE 91-506
DERIVATIVES: PRODUCT DETERMINATION

1. *Companion Policy 91-506CP to Ontario Securities Commission Rule 91-506 Derivatives: Product Determination is changed by this document.*
2. *Paragraph 2(1)(d) is changed by adding “, as well as crypto assets that would be considered to be financial commodities” after “indexes”.*
3. *This change becomes effective on ●.*

ANNEX H

This Annex sets out a blackline showing the proposed changes to Companion Policy 91-506CP to Ontario Securities Commission Rule 91-506 *Derivatives: Product Determination*, as set out in Annex G.

**COMPANION POLICY 91-506CP
TO ONTARIO SECURITIES COMMISSION RULE 91-506
DERIVATIVES: PRODUCT DETERMINATION**

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**PART 1
GENERAL COMMENTS**

Introduction

This Companion Policy (the “Policy”) sets out the views of the Commission (“our” or “we”) on various matters relating to Ontario Securities Commission Rule 91-506 *Derivatives: Product Determination* (the “Rule”).

Except for Part 1, the numbering and headings in this Companion Policy correspond to the numbering and headings in the Rule. Any general guidance for a Section appears immediately after the Section name. Any specific guidance on sections in the Rule follows any general guidance.

The Rule applies only to the Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.

Unless defined in the Rule or this Companion Policy, terms used in the Rule and in this Companion Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions and Ontario Securities Commission Rule 14-501 Definitions*.

In this Companion Policy, the term “contract” is interpreted to mean “contract or instrument”.

**PART 2
GUIDANCE**

Excluded derivatives

2. (1)(a) Gaming contracts

Paragraph 2(1)(a) of the Rule prescribes certain domestic and foreign gaming contracts not to be “derivatives”. While a gaming contract may come within the definition of “derivative”, it is generally not recognized as being a financial derivative and typically does not pose the same potential risk to the financial system as other derivatives products. In addition, the Commission does not believe that the derivatives regulatory regime will be appropriate for this type of contract. Further, gaming control legislation of Canada (or a jurisdiction of Canada), or equivalent gaming control legislation of a foreign jurisdiction, generally has consumer protection as an objective and is therefore aligned with the objective of securities legislation to provide protection to investors from unfair, improper or fraudulent practices.

With respect to subparagraph 2(1)(a)(ii), a contract that is regulated by gaming control legislation of a foreign jurisdiction would only qualify for this exclusion if: (1) its execution does not violate legislation of Canada or Ontario, and (2) it would be considered a gaming contract under domestic legislation. If a contract would be treated as a derivative if entered into in Ontario, but would be considered a gaming contract in a foreign jurisdiction, the contract does not qualify for this exclusion, irrespective of its characterization in the foreign jurisdiction.

(b) Insurance and annuity contracts

Paragraph 2(1)(b) of the Rule prescribes qualifying insurance or annuity contracts not to be “derivatives”. A reinsurance contract would be considered to be an insurance or annuity contract.

While an insurance contract may come within the definition of “derivative”, it is generally not recognized as a financial derivative and typically does not pose the same potential risk to the financial system as other derivatives products. The Commission does not believe that the derivatives regulatory regime will be appropriate for this type of contract. Further, a comprehensive regime is already in place that regulates the insurance industry in Canada and the insurance legislation of Canada (or a jurisdiction of Canada), or equivalent insurance legislation of a foreign jurisdiction, has consumer protection as an objective and is therefore aligned with the objective of securities legislation to provide protection to investors from unfair, improper or fraudulent practices.

Certain derivatives that have characteristics similar to insurance contracts, including credit derivatives and climate-based derivatives, will be treated as derivatives and not insurance or annuity contracts.

Subparagraph 2(1)(b)(i) requires an insurance or annuity contract to be entered into with a domestically licensed insurer and that the contract be regulated as an insurance or annuity contract under Canadian insurance legislation. Therefore, for example, an interest rate derivative entered into by a licensed insurance company would not be an excluded derivative.

With respect to subparagraph 2(1)(b)(ii), an insurance or annuity contract that is made outside of Canada would only qualify for this exclusion if it would be regulated under insurance legislation of Canada or Ontario if made in Ontario. Where a contract would otherwise be treated as a derivative if entered into in Canada, but is considered an insurance contract in a foreign jurisdiction, the contract does not qualify for this exclusion, irrespective of its characterization in the foreign jurisdiction. Subparagraph 2(1)(b)(ii) is included to address the situation where a local counterparty purchases insurance for an interest that is located outside of Canada and the insurer is not required to be licensed in Canada.

(c) Currency exchange contracts

Paragraph 2(1)(c) of the Rule prescribes a short-term contract for the purchase and sale of a currency not to be a “derivative” if it is settled within the time limits set out in subparagraph 2(1)(c)(i). This provision is intended to apply exclusively to contracts that facilitate the conversion of one currency into another currency specified in the contract. These currency exchange services are often provided by financial institutions or other businesses that exchange one currency for another for clients’ personal or business use (e.g., for purposes of travel or to make payment of an obligation denominated in a foreign currency).

Timing of delivery (subparagraph 2(1)(c)(i))

To qualify for this exclusion the contract must require physical delivery of the currency referenced in the contract within the time periods prescribed in subparagraph 2(1)(c)(i). If a contract does not have a fixed settlement date or otherwise allows for settlement beyond the prescribed periods or permits settlement by delivery of a currency other than the currency referenced in the contract, it will not qualify for this exclusion.

Clause 2(1)(c)(i)(A) applies to a transaction that settles by delivery of the referenced currency within two business days – being the industry standard maximum settlement period for a spot foreign exchange transaction.

Clause 2(1)(c)(i)(B) allows for a longer settlement period if the foreign exchange transaction is entered into contemporaneously with a related securities trade. This exclusion reflects the fact that the settlement period for certain securities trades can be three or more days. In order for the provision to apply, the securities trade and foreign exchange transaction must be related, meaning that the currency to which the foreign exchange transaction pertains was used to facilitate the settlement of the related security purchase.

Where a contract for the purchase or sale of a currency provides for multiple exchanges of cash flows, all such exchanges must occur within the timelines prescribed in subparagraph 2(1)(c)(i) in order for the exclusion in paragraph 2(1)(c) to apply.

Settlement by delivery except where impossible or commercially unreasonable (subparagraph 2(1)(c)(i))

Subparagraph 2(1)(c)(i) requires that a contract must not permit settlement in a currency other than what is referenced in the contract unless delivery is rendered impossible or commercially unreasonable as a result of events not reasonably within the control of the counterparties.

B.6: Request for Comments

Settlement by delivery of the currency referenced in the contract requires the currency contracted for to be delivered and not an equivalent amount in a different currency. For example, where a contract references Japanese Yen, such currency must be delivered in order for this exclusion to apply. We consider delivery to mean actual delivery of the original currency contracted for either in cash or through electronic funds transfer. In situations where settlement takes place through the delivery of an alternate currency or account notation without actual currency transfer, there is no settlement by delivery and therefore the exclusion in paragraph 2(1)(c) would not apply.

We consider events that are not reasonably within the control of the counterparties to include events that cannot be reasonably anticipated, avoided or remedied. An example of an intervening event that would render delivery to be commercially unreasonable would include a situation where a government in a foreign jurisdiction imposes capital controls that restrict the flow of the currency required to be delivered. A change in the market value of the currency itself will not render delivery commercially unreasonable.

Intention requirement (subparagraph 2(1)(c)(ii))

Subparagraph 2(1)(c)(ii) excludes from the reporting requirement a contract for the purchase and sale of a currency that is intended to be settled through the delivery of the currency referenced in such contract. The intention to settle a contract by delivery may be inferred from the terms of the relevant contract as well as from the surrounding facts and circumstances.

When examining the specific terms of a contract for evidence of intention to deliver, we take the position that the contract must create an obligation on the counterparties to make or take delivery of the currency and not merely an option to make or take delivery. Any agreement, arrangement or understanding between the parties, including a side agreement, standard account terms or operational procedures that allow for the settlement in a currency other than the referenced currency or on a date after the time period specified in subparagraph 2(1)(c)(i) is an indication that the parties do not intend to settle the transaction by delivery of the prescribed currency within the specified time periods.

We are generally of the view that certain provisions, including standard industry provisions, the effect of which may result in a transaction not being physically settled, will not necessarily negate the intention to deliver. The contract as a whole needs to be reviewed in order to determine whether the counterparties' intention was to actually deliver the contracted currency. Examples of provisions that may be consistent with the intention requirement under subparagraph 2(1)(c)(ii) include:

- a netting provision that allows two counterparties who are party to multiple contracts that require delivery of a currency to net offsetting obligations, provided that the counterparties intended to settle through delivery at the time the contract was created and the netted settlement is physically settled in the currency prescribed by the contract, and
- a provision where cash settlement is triggered by a termination right that arises as a result of a breach of the terms of the contract.

Although these types of provisions permit settlement by means other than the delivery of the relevant currency, they are included in the contract for practical and efficiency reasons.

In addition to the contract itself, intention may also be inferred from the conduct of the counterparties. Where a counterparty's conduct indicates an intention not to settle by delivery, the contract will not qualify for the exclusion in paragraph 2(1)(c). For example, where it could be inferred from the conduct that counterparties intend to rely on breach or frustration provisions in the contract in order to achieve an economic outcome that is, or is akin to, settlement by means other than delivery of the relevant currency, the contract will not qualify for this exclusion. Similarly, a contract would not qualify for this exclusion where it can be inferred from their conduct that the counterparties intend to enter into collateral or amending agreements which, together with the original contract, achieve an economic outcome that is, or is akin to, settlement by means other than delivery of the relevant currency.

Rolling over (subparagraph 2(1)(c)(iii))

Subparagraph 2(1)(c)(iii) provides that, in order to qualify for the reporting exclusion in paragraph 2(1)(c), a currency exchange contract must not permit a rollover of the contract. Therefore, physical delivery of the relevant currencies must occur in the time periods prescribed in subparagraph 2(1)(c)(i). To the extent that a contract does not have a fixed settlement date or otherwise allows for the settlement date to be extended beyond the periods prescribed in subparagraph 2(1)(c)(i), the Commission would consider it to permit a rollover of the contract. Similarly, any terms or practice that permits the settlement date of the contract to be extended by simultaneously closing the contract and entering into a new contract without delivery of the relevant currencies would also not qualify for the exclusion in paragraph 2(1)(c).

The Commission does not intend that the exclusion in paragraph 2(1)(c) will apply to contracts entered into through platforms that facilitate investment or speculation based on the relative value of currencies. These platforms typically do not provide for physical delivery of the currency referenced in the contract, but instead close out the positions by crediting client accounts held by the person operating the platform, often applying the credit using a standard currency.

(d) *Commodities*

Paragraph 2(1)(d) of the Rule prescribes a contract for the delivery of a commodity not to be a “derivative” if it meets the criteria in subparagraphs 2(1)(d)(i) and (ii).

Commodity

The exclusion available under paragraph 2(1)(d) is limited to commercial transactions in goods that can be delivered either in a physical form or by delivery of the instrument evidencing ownership of the commodity. We take the position that commodities include goods such as agricultural products, forest products, products of the sea, minerals, metals, hydrocarbon fuel, precious stones or other gems, electricity, oil and natural gas (and by-products, and associated refined products, thereof), and water. We also consider certain intangible commodities, such as carbon credits and emission allowances, to be commodities. In contrast, this exclusion will not apply to financial commodities such as currencies, interest rates, securities and indexes, [as well as crypto assets that would be considered to be financial commodities.](#)

Intention requirement (subparagraph 2(1)(d)(i))

Subparagraph 2(1)(d)(i) of the Rule requires that counterparties intend to settle the contract by delivering the commodity. Intention can be inferred from the terms of the relevant contract as well as from the surrounding facts and circumstances.

When examining the specific terms of a contract for evidence of an intention to deliver, we take the position that the contract must create an obligation on the counterparties to make or take delivery of the commodity and not merely an option to make or take delivery. Subject to the comments below on subparagraph 2(1)(d)(ii), we are of the view that a contract containing a provision that permits the contract to be settled by means other than delivery of the commodity, or that includes an option or has the effect of creating an option to settle the contract by a method other than through the delivery of the commodity, would not satisfy the intention requirement and therefore does not qualify for this exclusion.

We are generally of the view that certain provisions, including standard industry provisions, the effect of which may result in a transaction not being physically settled, may not necessarily negate the intention to deliver. The contract as a whole needs to be reviewed in order to determine whether the counterparties’ intention was to actually deliver the commodity. Examples of provisions that may be consistent with the intention requirement under subparagraph 2(1)(d)(i) include:

- an option to change the volume or quantity, or the timing or manner of delivery, of the commodity to be delivered;
- a netting provision that allows two counterparties who are party to multiple contracts that require delivery of a commodity to net offsetting obligations provided that the counterparties intended to settle each contract through delivery at the time the contract was created,
- an option that allows the counterparty that is to accept delivery of a commodity to assign the obligation to accept delivery of the commodity to a third-party; and
- a provision where cash settlement is triggered by a termination right arising as a result of the breach of the terms of the contract or an event of default thereunder.

Although these types of provisions permit some form of cash settlement, they are included in the contract for practical and efficiency reasons.

In addition to the contract itself, intention may also be inferred from the conduct of the counterparties. For example, where it could be inferred from the conduct that counterparties intend to rely on breach or frustration provisions in the contract in order to achieve an economic outcome that is, or is akin to, cash settlement, the contract will not qualify for this exclusion. Similarly, a contract will not qualify for this exclusion where it can be inferred from their conduct that the counterparties intend to enter into collateral or amending agreements which, together with the original contract, achieve an economic outcome that is, or is akin to, cash settlement of the original contract.

When determining the intention of the counterparties, we will examine their conduct at execution and throughout the duration of the contract. Factors that we will consider include whether a counterparty is in the business of producing, delivering or using the commodity in question and whether the counterparties regularly make or take delivery of the commodity relative to the frequency with which they enter into such contracts in relation to the commodity.

Situations may exist where, after entering into the contract for delivery of the commodity, the counterparties enter into an agreement that terminates their obligation to deliver or accept delivery of the commodity (often referred to as a “book-out” agreement). Book-out agreements are typically separately negotiated, new agreements where the counterparties have no obligation to enter into such agreements and such book-out agreements are not provided for by the terms of the contract as initially entered into. We will generally not consider a book-out to be a “derivative” provided that, at the time of execution of the original contract, the counterparties intended that the commodity would be delivered.

Settlement by delivery except where impossible or commercially unreasonable (subparagraph 2(1)(d)(ii))

Subparagraph 2(1)(d)(ii) requires that a contract not permit cash settlement in place of delivery unless physical settlement is rendered impossible or commercially unreasonable as a result of an intervening event or occurrence not reasonably within the control of the counterparties, their affiliates or their agents. A change in the market value of the commodity itself will not render delivery commercially unreasonable. In general, we consider examples of events not reasonably within the control of the counterparties would include:

- events to which typical force majeure clauses would apply,
- problems in delivery systems such as the unavailability of transmission lines for electricity or a pipeline for oil or gas where an alternative method of delivery is not reasonably available, and
- problems incurred by a counterparty in producing the commodity that they are obliged to deliver such as a fire at an oil refinery or a drought preventing crops from growing where an alternative source for the commodity is not reasonably available.

In our view, cash settlement in these circumstances would not preclude the requisite intention under subparagraph 2(1)(d)(i) from being satisfied.

(e) and (f) *Evidence of a deposit*

Paragraphs 2(1)(e) and (f) of the Rule prescribe certain evidence of deposits not to be a “derivative”.

Paragraph 2(1)(f) refers to “similar statutes of Canada or a jurisdiction of Canada”. While the Credit Unions and Caisses Populaires Act, 1994 (Ontario) is Ontario legislation, it is intended that all federal or province-specific statutes will receive the same treatment in every province or territory. For example, if a credit union to which the Ontario *Credit Unions and Caisses Populaires Act, 1994* (Ontario) applies issues an evidence of deposit to a market participant that is located in a different province, that province would apply the same treatment under its equivalent legislation.

(g) *Exchange-traded derivatives*

Paragraph 2(1)(g) of the Rule prescribes a contract not to be a derivative if it is traded on certain prescribed exchanges. Exchange-traded derivatives provide a measure of transparency to regulators and to the public, and for this reason are not required to be reported. We note that where a transaction is cleared through a clearing agency, but not traded on an exchange, it will not be considered to be exchange-traded and will be required to be reported.

Subsection 2(2) of the Rule excludes derivatives trading facilities from the meaning of exchange as it is used in paragraph 2(1)(g). A derivatives trading facility means a person or company that constitutes, maintains, or provides a facility or market that brings together buyers and sellers of over-the-counter derivatives, brings together the orders of multiple buyers and multiple sellers, and uses methods under which the orders interact with each other and the buyers and sellers agree to the terms of trades.

For example, the following would not be considered an exchange for purposes of paragraph 2(1)(g): a “swap execution facility” as defined in the Commodity Exchange Act 7 U.S.C. §(1a)(50); a “security-based swap execution facility” as defined in the Securities Exchange Act of 1934 15 U.S.C. §78c(a)(77); a “multilateral trading facility” as defined in Directive 2014/65/EU Article 4(1)(22) of the European Parliament; and an “organized trading facility” as defined in Directive 2014/65/EU Article 4(1)(23) of the European Parliament. Therefore derivatives traded on the foregoing facilities that would otherwise be considered derivatives for the purposes of this Rule are required to be reported.

(h) *Additional contracts not considered to be derivatives*

Apart from the contracts expressly prescribed not to be derivatives in section 2 of the Rule, there are other contracts that we do not consider to be “derivatives” for the purposes of securities or derivatives legislation. A feature common to these contracts is that they are entered into for consumer, business or non-profit purposes that do not involve investment, speculation or hedging. Typically, they provide for the transfer of ownership of a good or the provision of a service. In most cases, they are not traded on a market.

These contracts include, but are not limited to:

- a consumer or commercial contract to acquire, or lease real or personal property, to provide personal services, to sell or assign rights, equipment, receivables or inventory, or to obtain a loan or mortgage, including a loan or mortgage with a variable rate of interest, interest rate cap, interest rate lock or embedded interest rate option;
- a consumer contract to purchase non-financial products or services at a fixed, capped or collared price;

- an employment contract or retirement benefit arrangement;
- a guarantee;
- a performance bond;
- a commercial sale, servicing, or distribution arrangement;
- a contract for the purpose of effecting a business purchase and sale or combination transaction;
- a contract representing a lending arrangement in connection with building an inventory of assets in anticipation of a securitization of such assets; and
- a commercial contract containing mechanisms indexing the purchase price or payment terms for inflation such as via reference to an interest rate or consumer price index.

Investment contracts and over-the-counter options

3. Section 3 of the Rule prescribes a contract (to which section 2 of the Rule does not apply) that is a derivative and a security solely by reason of being an investment contract under paragraph (n) of the definition of “security” in subsection 1(1) of the Act, not to be a security. Some types of contracts traded over-the-counter, such as foreign exchange contracts and contracts for difference meet the definition of “derivative” (because their market price, value, delivery obligations, payment obligations or settlement obligations are derived from, referenced to or based on an underlying interest) but also meet the definition of “security” (because they are investment contracts). This section prescribes that such instruments will be treated as derivatives and therefore be required to be reported to a designated trade repository.

Similarly, options fall within both the definition of “derivative” and the definition of “security”. Section 3 of the Rule prescribes an option that is only a security by virtue of paragraph (d) of the definition of “security” in subsection 1(1) of the Act (and not described in section 5 of the Rule), not to be a security. This section prescribes that such instruments will be treated as derivatives and therefore will be required to be reported to a designated trade repository. This treatment will only apply to options that are traded over-the-counter. Under paragraph 2(g), exchange-traded options will not be required to be reported to a designated trade repository. Further, options that are entered into on a commodity futures exchange pursuant to standardized terms and conditions are commodity futures options and therefore regulated under the Commodity Futures Act (Ontario) and excluded from the definition of “derivative”.

Derivatives that are securities

4. Section 4 of the Rule prescribes a contract (to which sections 2 and 3 of the Rule do not apply) that is a security and a derivative, not to be a derivative. Derivatives that are securities and which are contemplated as falling within this section include structured notes, asset-backed securities, exchange-traded notes, capital trust units, exchangeable securities, income trust units, securities of investment funds and warrants. This section ensures that such instruments will continue to be subject to applicable prospectus disclosure and continuous disclosure requirements in securities legislation as well as applicable registration requirements for dealers and advisers. The Commission anticipates that it will again review the categorization of instruments as securities and derivatives once the comprehensive derivatives regime has been implemented.

Derivatives prescribed to be securities

5. Section 5 of the Rule prescribes a security-based derivative that is used by an issuer or its affiliate to compensate an officer, director, employee or service provider, or as a financing instrument, not to be a derivative. Examples of the compensation instruments that are contemplated as falling within section 5 include stock options, phantom stock units, restricted share units, deferred share units, restricted share awards, performance share units, stock appreciation rights and compensation instruments provided to service providers, such as broker options. Securities treatment would also apply to the aforementioned instruments when used as a financing instrument, for example, rights, warrants and special warrants, or subscription rights/receipts or convertible instruments issued to raise capital for any purpose. The Commission takes the view that an instrument would only be considered a financing instrument if it is used for capital-raising purposes. An equity swap, for example, would generally not be considered a financing instrument. The classes of derivatives referred to in section 5 can have similar or the same economic effect as a securities issuance and are therefore subject to requirements generally applicable to securities. As they are prescribed not to be derivatives they are not subject to the derivatives reporting requirements.

ANNEX I

REGULATORY IMPACT ASSESSMENT

OSC staff have undertaken an analysis of the anticipated costs and benefits of the proposed amendments (the **Proposed Amendments**) to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **Trade Reporting Rule**), as set forth below, to analyze the regulatory need for the Proposed Amendments. This analysis includes the potential economic impacts, including anticipated costs and benefits, relative to the current baseline.

A. Background

1. Background of the Trade Reporting Rule

In 2009, the G20 agreed that all over-the-counter (**OTC**) derivatives transactions should be reported to trade repositories (**TRs**) to improve transparency, mitigate systemic risk and prevent market abuse. As a result of this commitment, capital market regulators around the world prioritized the implementation of trade reporting rules in their own jurisdictions before undertaking the lengthy process of developing harmonized international data standards agreed by all authorities.

The Trade Reporting Rule became effective in October 2014 and required all OTC derivative trades entered into by local counterparties to be reported to a TR, which in turn provides derivatives data to the OSC.

2. Commentary on data quality issues

Since 2014, the OSC has reviewed the data submitted to the TRs by reporting counterparties and noted that the quality needs improvement (see **CSA Staff Notice 91-306**)¹. One reason for the poor quality is the lack of recognized data standards, which has resulted in TRs establishing different ways to collect the required data. Further, without recognized standards, the TRs have not been able to establish suitable vetting and validation processes to keep poor quality data from being sent to the OSC and publicly disseminated.

3. International efforts to standardize

Other regulators noted similar data quality issues and, as a result, the Committee on Payments and Market Infrastructure led by the Bank of International Settlements and the International Organization of Securities Commissions (together, **CPMI-IOSCO**) established a working group to develop harmonized international derivatives data standards that could be incorporated into domestic derivatives reporting rules to clarify requirements and standardize data fields.

In April 2018, CPMI-IOSCO published globally accepted guidance² that defines how certain derivatives transaction details (such as dates, valuation, collateral, and price) should be reported (the **CPMI-IOSCO Data Standards**).

Capital market regulators globally are now in the process of adopting these standards through revisions to existing trade reporting rules. For example, in the US, the Commodity Futures Trading Commission (the **CFTC**) has revised its swap data reporting rules to adopt the CPMI-IOSCO Data Standards. These are scheduled to take effect from December 2022 for certain amendments and December 2023 for the remaining amendments. Similarly, in the EU, the European Securities and Markets Authority (**ESMA**) has also adopted the CPMI-IOSCO data standards effective in 2023.

One of the goals of the Proposed Amendments is likewise to incorporate the new CPMI-IOSCO Data Standards into the Trade Reporting Rule.

4. Rationale for intervention

The adoption of common data standards reduces regulatory reporting burdens for market participants while improving the quality and reliability of data received by both the public and the OSC.

Better quality data fosters confidence in OTC derivatives markets by enabling the OSC to monitor for the emergence of risks and vulnerabilities (market fragmentation, concentration, interconnections, liquidity) that threaten the stability of Ontario's capital markets and financial system.

5. Proposed intervention

For a summary of the Proposed Amendments, please see the accompanying Notice and Request for Comment (the **Notice**).

¹ See <https://www.osc.ca/en/securities-law/instruments-rules-policies/9/91-306/multilateral-csa-staff-notice-91-306-compliance-review-findings-reporting-counterparties>

² See February 2017 *Guidance on the Harmonisation of the Unique Transaction Identifier* at <https://www.bis.org/cpmi/publ/d158.pdf>, September 2017 *Technical Guidance on the Harmonisation of the Unique Product Identifier* at <https://www.bis.org/cpmi/publ/d169.pdf> and April 2018 *Technical Guidance on the Harmonisation of Critical OTC Derivatives Data Elements (other than UTI and UPI)* at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD598.pdf>.

6. Affected stakeholders

Stakeholders affected by the Proposed Amendments include:

- entities currently required to report transaction data under the Trade Reporting Rule (approximately 100 Canadian-based, and 100 foreign-based as of the date this Regulatory Impact Assessment was prepared). These entities are almost always domestic and foreign derivatives dealers (predominantly domestic and foreign banks) and clearing agencies, rather than non-dealers³ under the list below of unaffected stakeholders;
- U.S. based swap execution facilities (**SEFs**) that will be required to report transaction data under the Proposed Amendments in respect of anonymous transactions (approximately sixteen such SEFs may provide access to Ontario market participants but not all may provide anonymous transactions);⁴
- the three designated TRs in Ontario.

7. Unaffected stakeholders

Because the Proposed Amendments change the way data is reported to TRs, only those entities that are required to report under the Trade Reporting Rule will be affected. Therefore, non-dealers, which are usually not required to report their OTC derivatives trades, will generally be unaffected and include:⁵

- retail investors
- institutional investors (pension funds, insurance companies, investment funds)
- commercial non-dealers
- governments
- central banks

B. Qualitative Analysis

1. Benefits of derivatives data reporting standardisation

The primary purpose of the Proposed Amendments is to significantly reduce regulatory burden on affected stakeholders by aligning our reporting requirements with accepted international data standards. This simplifies the trade reporting process because it clarifies and codifies precisely what has to be reported and aligns with what other global regulators are requiring.

Derivatives markets are global in nature and entities are typically required to report their trading activity in several jurisdictions. Canadian banks, for example, are active in international derivatives markets and must report their OTC derivatives trades to the proper Canadian authority and to the authority in which their counterparty is located.⁶ Similarly, many large foreign banks also report OTC derivatives trades both in Canada and in their home jurisdiction. Clearing agencies may also report OTC derivatives trades in multiple jurisdictions.

Without an agreed set of data standards adopted by all authorities, entities would have to be aware of the reporting requirements in each jurisdiction and set up their systems to ensure data is reported correctly to each one. This means derivatives dealers would have many different types of data submissions depending on who their trading partner is.

Standardisation of derivatives data also allows entities that trade derivatives to know exactly what data is required and to use the same data for multiple regulators, which makes reporting systems easier and cheaper to manage and maintain.

The three designated TRs in Ontario also act as trade repositories in the U.S. derivatives market. Harmonizing data standards fosters the efficient operation of these important financial market infrastructures.

³ These are entities that generally are considered end-users of OTC derivatives.

⁴ As discussed in the Notice, we have proposed that a facility or platform for trading derivatives be required to report anonymous transactions that are executed on the platform. This is necessary because the counterparties to these transactions are not able to report these transactions as currently required under the Trade Reporting Rule. We are only aware of swap execution facilities in the U.S. that enable market participants to enter into anonymous transactions.

⁵ These entities are generally unaffected because they almost always transact with a derivatives dealer that would have the reporting obligation under the Trade Reporting Rule. There are also several exclusions from the reporting requirement in relation to non-dealers. We have also broadened exclusions for non-dealers in the Proposed Amendments (see below under the heading "*Benefits for non-dealers*").

⁶ Only where that counterparty's local authority requires such activity be reported.

It is difficult to quantify this benefit, but we understand that the five largest Canadian banks, which are among the largest reporters of data under the Trade Reporting Rule, are all strongly in favour of the OSC harmonizing with the CFTC's adoption of the CPML-IOSCO Data Standards.

2. Benefits of standardization on compliance monitoring

The harmonization of data reporting standards will reduce regulatory burden by enabling market participants to take a more consistent approach to compliance.

Currently, the Trade Reporting Rule includes data elements that are not standardized across global regulators, and therefore create inconsistencies and regulatory uncertainty for market participants. In addition, many data elements lack clarity on the method and format for reporting, which results in market participants over-reporting data in order to ensure they are meeting the requirements under the Trade Reporting Rule.

The Proposed Amendments will significantly reduce burden by both harmonizing and clarifying the format and values for data elements, which will reduce the data that market participants provide and enable them to harmonize their reporting requirements across multiple global regulators.

This should reduce the complexity of their reporting systems and decrease ongoing operational and compliance costs involved in interpreting and monitoring global reporting requirements and investigating and remediating instances of non-compliance.⁷

For example, the "Other details" data element in the Trade Reporting Rule requires market participants to "provide any additional information that may be necessary". Because market participants are uncertain as to what is required under this data element, they are reporting thousands of details. The Proposed Amendments will eliminate this data element. Instead, the Proposed Amendments will ensure that market participants know what to report and how to report it, without having to interpret what is required.

3. Benefits of higher data quality

As discussed in the Notice, improvements to data quality promote confidence in Ontario's capital markets by enabling the Commission to more effectively:

- provide oversight of the emergence of risks and vulnerabilities that can threaten the stability of Ontario's capital markets and the financial system,
- identify challenges (such as access to liquidity, market fragmentation, and trends in price formation) that may impede market efficiency,
- identify opportunities to strengthen and increase the competitiveness of Ontario markets, and improve policy development, and
- monitor markets for market manipulation and other fraudulent trading activity that can harm investors.

The Proposed Amendments also improve the quality of data that is made available to the public. This enables all market participants that use this public data (for example, to determine pricing) to receive more accurate and consistent data. These improvements to transparency in the derivatives market promote fair and competitive capital markets.

These benefits also apply to our proposal to require swap execution facilities to report anonymous transactions. The primary benefit associated with this proposal is accurate and complete reporting of these anonymous transactions, which will provide the above benefits to the Commission and the public. As discussed in the Notice, without this requirement, many of these transactions are not reported and the data that is reported is incomplete.

4. Benefits for non-dealers

Although non-dealers are generally unaffected as discussed above, several amendments have been proposed that further reduce the potential for regulatory burden on smaller non-dealers including:

- flexibility for two non-dealers to decide which is better suited to report,
- removal of the requirement for non-dealers to report valuation data quarterly, and

⁷ During compliance examinations as reported in CSA Staff Notice 91-306, the OSC has found that many firms have been reporting data incorrectly which has required an investigation into the root cause of the error and remediation to address the non-compliance. Adopting well understand standards would reduce the time spent by compliance, legal and operations staff to address these instances of non-compliance.

- the exclusion from reporting commodity derivatives for non-dealers with less than \$250,000,000 gross notional outstanding in commodity derivatives.

5. Cost to the industry of adopting new derivatives data reporting standards

While the Proposed Amendments will require reporting parties (as highlighted above this includes approximately 200 domestic and global banks, derivatives dealers, hedge funds and clearing agencies) to initially change how their current systems report data to the OSC, many of these firms (approximately 60%) are already in the process of making these changes to satisfy trade reporting requirements in other jurisdictions (see above). We are aiming to finalize the Proposed Amendments and implement them in 2024, by which time these market participants should already have completed these changes to meet the reporting requirements in these other jurisdictions.

In fact, the longer the length of time where new reporting requirements exist in other jurisdictions and the existing requirements remain in Ontario, the greater the cost to firms that will be required to maintain multiple reporting systems and data definitions.

This dynamic also holds for the TRs who are similarly in the process of changing their systems to accommodate the CFTC rule change. By adopting similar standards and validation requirements, the Proposed Amendments are simplifying how the TRs collect, validate and distribute data.

As we outlined in the Notice, the costs associated with our proposed requirement to require swap execution facilities to report anonymous transactions should be mitigated because these facilities are already required to report these transactions under the CFTC's trade reporting rules. As the TRs are the same entities in the U.S., these facilities should be able to continue reporting to the same TR that they currently use for CFTC reporting, and the data elements under the Trade Reporting Rule will generally align with CFTC reporting requirements. In addition, there should be no ongoing costs associated with reporting a given transaction because these particular transactions are typically transferred to a clearing agency almost immediately, after which the clearing agency would become the reporting counterparty for the cleared transaction.

6. Cost to the industry of not adopting new derivatives data reporting standards

Given the international dynamics of derivatives markets and the difficulty reporting counterparties have maintaining multiple trade reporting systems using divergent definitions, it can be argued that there is a cost to the industry if the OSC were to not adopt the CPMI-IOSCO Data Standards by amending the Trade Reporting Rule.

As explained in the previous section, we have understood, anecdotally, that maintaining multiple reporting systems with different data specifications and standards is more complex and costly than maintaining one so there would likely be a significant cost to the affected stakeholders were the OSC not to adopt the CPMI-IOSCO Data Standards.

This also applies to TRs. It would not be feasible or efficient for TRs to continue in the long-term to support the current data elements in parallel with the new global data standards adopted in other jurisdictions.

Therefore, we believe that the costs to industry of not adopting the Proposed Amendments would be much greater than the cost of adopting them.

C. Quantitative Analysis

1. Benefits to firms of adopting new derivatives data reporting standards

As described above, the benefits to firms of using data standards to meet their reporting obligations will be significant and enduring, but without additional extensive research, our ability to quantify these benefits is limited.

2. Costs to firms of adopting new derivatives data reporting standards

The largest costs incurred to comply with global changes to trade reporting rules will be the one-time data system and validation process upgrades at the reporting firms and the TRs. While it is difficult to quantify these costs without further research, we assume they could be significant.⁸

However, as mentioned above, reporting firms that are required to meet CFTC, ESMA and UK rule requirements (approximately 60% of Affected Stakeholders) and the three TRs are already making these system upgrades and will incur the majority of these costs regardless of the Proposed Amendments and before the Proposed Amendments are implemented. So for the purposes of this Regulatory Impact Assessment, we consider these as "sunk costs".

⁸ Given that many aspects of trade reporting rules do not dictate the means by which TRs or reporting counterparties must comply, the quantitative impact (i.e. estimated costs) of amendments will necessarily vary by each entity because the affected market participants vary in technological and operational structure. Cost may also vary depending on whether a market participant has internal reporting systems or uses a third-party service provider to report.

B.6: Request for Comments

Reporting firms that are not likely to have already undergone system changes to comply with CFTC, ESMA and UK rule changes (approximately 80) will experience an initial cost related to data system upgrades to comply with the Proposed Amendments. While we are unable to quantify these specific costs without further research, we expect the longer-term benefits of adopting the required data standards to outweigh them (ongoing benefits to these firms include reducing the data that they provide and reducing operational and compliance costs involved in interpreting and monitoring their reporting requirements).

Other costs associated with the amendment, which we can quantify, are the initial legal, compliance and operational costs to reporting parties and TRs to review the proposed amendment and to update policies and procedures to comply with it. We have estimated these costs as follows:

Cost to each reporting party (approximately 200 entities) and the three TRs associated with reviewing the amendment, and updating existing policies and procedures to comply with the new requirements: \$8,792 CAD⁹

We expect the Proposed Amendments not to result in any increase in legal, compliance or operational costs for reporting firms or TRs on an on-going basis above what is currently incurred.

In the event a smaller reporting firm does not have the resources to undertake this initial system upgrade, the rule permits these firms to delegate their reporting processes to a third-party service provider.

⁹ This estimate is based on the following calculation: compliance staff average costs (28 hours x \$79/hour = \$2,212) + legal staff average costs (28 hours x \$92/hour = \$2,576) + business/database analyst average costs (44 hours x \$91/hour = \$4,004).

B.7 Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9 IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Harvest Brand Leaders Plus Income ETF
Harvest Canadian Equity Income Leaders ETF
Harvest Energy Leaders Plus Income ETF
Harvest Global REIT Leaders Income ETF
Harvest Healthcare Leaders Income ETF
Harvest Tech Achievers Growth & Income ETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jun 6, 2022
NP 11-202 Final Receipt dated Jun 6, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3380329

Issuer Name:

Manulife Climate Action Balanced Fund
Manulife Climate Action Bond Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus
dated Jun 3, 2022
NP 11-202 Preliminary Receipt dated Jun 3, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3396212

Issuer Name:

LDIC North American Small Business Fund (Corporate
Class)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 31, 2022
NP 11-202 Final Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3373682

Issuer Name:

MDPIM Bond Pool
MDPIM Canadian Equity Pool
MDPIM Dividend Pool
MDPIM Emerging Markets Equity Pool
MDPIM International Equity Index Pool
MDPIM International Equity Pool
MDPIM S&P 500 Index Pool
MDPIM S&P/TSX Capped Composite Index Pool
MDPIM Short-Term Bond Pool
MDPIM Strategic Opportunities Pool
MDPIM Strategic Yield Pool
MDPIM US Equity Pool
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 27, 2022
NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3371270

Issuer Name:

Caldwell Canadian Value Momentum Fund
Caldwell U.S. Dividend Advantage Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 30, 2022
NP 11-202 Final Receipt dated Jun 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3370145

Issuer Name:

Caldwell North American Fund (formerly Caldwell Balanced Fund)

Tactical Sovereign Bond Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 30, 2022
NP 11-202 Final Receipt dated Jun 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3370144

Issuer Name:

Global Healthcare Dividend Fund

INDEXPLUS Income Fund

Middlefield Canadian Dividend Growers Class

Middlefield Global Agriculture Class

Middlefield Global Dividend Growers Class

Middlefield Global Energy Transition Class

Middlefield Global Infrastructure Fund

Middlefield Global Real Estate Class

Middlefield High Interest Income Class (formerly Middlefield Short-Term Income Class)

Middlefield Income Plus Class

Middlefield Innovation Dividend Class

Middlefield U.S. Dividend Growers Class

Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated May 31, 2022

NP 11-202 Final Receipt dated Jun 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3371172

Issuer Name:

Yorkville American QVR Enhanced Protection Class

Yorkville Canadian QVR Enhanced Protection Class

Yorkville Crypto, Blockchain and FinTech Opportunities Class

Yorkville Dividend Income Class

Yorkville Enhanced Protection Class

Yorkville Focused Growth Class

Yorkville Global Opportunities Class

Yorkville Health Care Opportunities Class

Yorkville International QVR Enhanced Protection Class

Yorkville Optimal Return Bond Class

Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated May 30, 2022

NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3373128

Issuer Name:

Canada Life Sustainable Emerging Markets Equity Fund

Canada Life U.S. Carbon Transition Equity Fund

Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated May 31, 2022

NP 11-202 Preliminary Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3394907

Issuer Name:

RP Alternative Global Bond Fund

RP Strategic Income Plus Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 2, 2022

NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3377022

Issuer Name:

MM Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 30, 2022
NP 11-202 Final Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3372912

Issuer Name:

CI ONE Global Equity ETF
CI ONE North American Core Plus Bond ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated May 31, 2022
NP 11-202 Final Receipt dated Jun 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3335477

Issuer Name:

CI ICBCCS S&P China 500 Index ETF
CI WisdomTree Canada Quality Dividend Growth Index ETF
CI WisdomTree Emerging Markets Dividend Index ETF
CI WisdomTree Europe Hedged Equity Index ETF
CI WisdomTree International Quality Dividend Growth Index ETF
CI WisdomTree International Quality Dividend Growth Variably Hedged Index ETF
CI WisdomTree Japan Equity Index ETF
CI WisdomTree U.S. MidCap Dividend Index ETF
CI WisdomTree U.S. Quality Dividend Growth Index ETF
CI WisdomTree U.S. Quality Dividend Growth Variably Hedged Index ETF
CI Yield Enhanced Canada Aggregate Bond Index ETF
CI Yield Enhanced Canada Short-Term Aggregate Bond Index ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated May 31, 2022
NP 11-202 Final Receipt dated Jun 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3335475

Issuer Name:

1832 AM Canadian All Cap Equity Pool (formerly Scotia Private Canadian All Cap Equity Pool)
1832 AM Emerging Markets Equity Pool (formerly Scotia Emerging Markets Equity Fund)
1832 AM Fundamental Canadian Equity Pool (formerly Scotia Private Fundamental Canadian Equity Pool)
1832 AM Global Credit Pool (formerly Scotia Private Global Credit Pool)
1832 AM International Growth Equity Pool (formerly Scotia Private International Growth Equity Pool)
1832 AM Investment Grade Canadian Corporate Bond Pool
1832 AM U.S. \$ Investment Grade U.S. Corporate Bond Pool (formerly 1832 AM Investment Grade U.S. Corporate Bond Pool)
Pinnacle Balanced Portfolio (formerly Pinnacle Conservative Balanced Growth Portfolio)
Scotia Aria Conservative Build Portfolio
Scotia Aria Conservative Defend Portfolio (formerly Scotia Aria Conservative Core Portfolio)
Scotia Aria Conservative Pay Portfolio
Scotia Aria Equity Build Portfolio
Scotia Aria Equity Defend Portfolio
Scotia Aria Equity Pay Portfolio
Scotia Aria Moderate Build Portfolio
Scotia Aria Moderate Defend Portfolio (formerly Scotia Aria Moderate Core Portfolio)
Scotia Aria Moderate Pay Portfolio
Scotia Aria Progressive Build Portfolio
Scotia Aria Progressive Defend Portfolio (formerly Scotia Aria Progressive Core Portfolio)
Scotia Aria Progressive Pay Portfolio
Scotia Canadian Balanced Fund
Scotia Canadian Bond Fund (formerly Scotia Bond Fund)
Scotia Canadian Bond Index Fund
Scotia Canadian Dividend Class
Scotia Canadian Dividend Fund
Scotia Canadian Equity Blend Class
Scotia Canadian Equity Fund (formerly Scotia Canadian Blue Chip Fund)
Scotia Canadian Equity Index Fund (formerly Scotia Canadian Index Fund)
Scotia Canadian Growth Fund
Scotia Canadian Income Fund
Scotia Canadian Small Cap Fund
Scotia Conservative Fixed Income Portfolio (formerly Scotia Conservative Income Fund)
Scotia Diversified Balanced Fund (formerly Scotia Balanced Opportunities Fund)
Scotia Diversified Monthly Income Fund
Scotia Dividend Balanced Fund (formerly Scotia Canadian Dividend Income Fund)
Scotia European Equity Fund (formerly Scotia European Fund)
Scotia Global Balanced Fund
Scotia Global Bond Fund
Scotia Global Dividend Class
Scotia Global Dividend Fund
Scotia Global Equity Fund (formerly Scotia Global Opportunities Fund)
Scotia Global Growth Fund
Scotia Global Small Cap Fund
Scotia Income Advantage Fund

B.9: IPOs, New Issues and Secondary Financings

Scotia INNOVA Balanced Growth Portfolio	Scotia Wealth Canadian Equity Pool (formerly Scotia Private Canadian Equity Pool)
Scotia INNOVA Balanced Growth Portfolio Class	Scotia Wealth Canadian Growth Pool (formerly Scotia Private Canadian Growth Pool)
Scotia INNOVA Balanced Income Portfolio	Scotia Wealth Canadian Mid Cap Pool (formerly Scotia Private Canadian Mid Cap Pool)
Scotia INNOVA Balanced Income Portfolio Class	Scotia Wealth Canadian Preferred Share Pool (formerly Scotia Private Canadian Preferred Share Pool)
Scotia INNOVA Growth Portfolio	Scotia Wealth Canadian Small Cap Pool (formerly Scotia Private Canadian Small Cap Pool)
Scotia INNOVA Growth Portfolio Class	Scotia Wealth Canadian Value Pool (formerly Scotia Private Canadian Value Pool)
Scotia INNOVA Income Portfolio	Scotia Wealth Emerging Markets Pool (formerly Scotia Private Emerging Markets Pool)
Scotia INNOVA Income Portfolio Class	Scotia Wealth Floating Rate Income Pool (formerly Scotia Private Floating Rate Income Pool)
Scotia INNOVA Maximum Growth Portfolio	Scotia Wealth Global Equity Pool (formerly Scotia Private Global Equity Pool)
Scotia INNOVA Maximum Growth Portfolio Class	Scotia Wealth Global High Yield Pool (formerly Scotia Private Global High Yield Pool)
Scotia International Equity Blend Class	Scotia Wealth Global Infrastructure Pool (formerly Scotia Private Global Infrastructure Pool)
Scotia International Equity Fund (formerly Scotia International Value Fund)	Scotia Wealth Global Real Estate Pool (formerly Scotia Private Global Real Estate Pool)
Scotia International Equity Index Fund (formerly Scotia International Index Fund)	Scotia Wealth High Yield Bond Pool (formerly Scotia Private High Yield Bond Pool)
Scotia Low Carbon Canadian Fixed Income Fund	Scotia Wealth High Yield Income Pool (formerly Scotia Private High Yield Income Pool)
Scotia Low Carbon Global Balanced Fund	Scotia Wealth Income Pool (formerly Scotia Private Income Pool)
Scotia Low Carbon Global Equity Fund	Scotia Wealth International Core Equity Pool (formerly Scotia Private International Core Equity Pool)
Scotia Money Market Fund	Scotia Wealth International Equity Pool (formerly Scotia Private International Equity Pool)
Scotia Mortgage Income Fund	Scotia Wealth International Small to Mid Cap Value Pool (formerly Scotia Private International Small to Mid Cap Value Po
Scotia Nasdaq Index Fund	Scotia Wealth North American Dividend Pool (formerly Scotia Private North American Dividend Pool)
Scotia Partners Balanced Growth Portfolio (formerly Scotia Partners Balanced Income & Growth Portfolio)	Scotia Wealth Premium Payout Pool (formerly Scotia Private Premium Payout Pool)
Scotia Partners Balanced Growth Portfolio Class	Scotia Wealth Real Estate Income Pool (formerly Scotia Private Real Estate Income Pool)
Scotia Partners Balanced Income Portfolio (formerly Scotia Partners Income & Modest Growth Portfolio)	Scotia Wealth Short Term Bond Pool (formerly Scotia Private Short Term Bond Pool)
Scotia Partners Balanced Income Portfolio Class	Scotia Wealth Short-Mid Government Bond Pool (formerly Scotia Private Short-Mid Government Bond Pool)
Scotia Partners Growth Portfolio (formerly Scotia Partners Moderate Growth Portfolio)	Scotia Wealth Strategic Balanced Pool (formerly Scotia Private Strategic Balanced Pool)
Scotia Partners Growth Portfolio Class	Scotia Wealth Total Return Bond Pool (formerly Scotia Private Total Return Bond Pool)
Scotia Partners Income Portfolio (formerly Scotia Partners Diversified Income Portfolio)	Scotia Wealth U.S. Dividend Pool (formerly Scotia Private U.S. Dividend Pool)
Scotia Partners Maximum Growth Portfolio (formerly Scotia Partners Aggressive Growth Portfolio)	Scotia Wealth U.S. Large Cap Growth Pool (formerly Scotia Private U.S. Large Cap Growth Pool)
Scotia Partners Maximum Growth Portfolio Class	Scotia Wealth U.S. Mid Cap Value Pool (formerly Scotia Private U.S. Mid Cap Value Pool)
Scotia Resource Fund	Scotia Wealth U.S. Value Pool (formerly Scotia Private U.S. Value Pool)
Scotia Selected Balanced Growth Portfolio (formerly Scotia Selected Balanced Income & Growth Portfolio)	Scotia Wealth World Infrastructure Pool (formerly Scotia Private World Infrastructure Pool)
Scotia Selected Balanced Income Portfolio (formerly Scotia Selected Income & Modest Growth Portfolio)	Principal Regulator – Ontario
Scotia Selected Growth Portfolio (formerly Scotia Selected Moderate Growth Portfolio)	Type and Date:
Scotia Selected Income Portfolio	
Scotia Selected Maximum Growth Portfolio (formerly Scotia Selected Aggressive Growth Portfolio)	
Scotia U.S. \$ Balanced Fund	
Scotia U.S. \$ Bond Fund	
Scotia U.S. \$ Money Market Fund	
Scotia U.S. Dividend Fund	
Scotia U.S. Equity Blend Class	
Scotia U.S. Equity Fund (formerly Scotia U.S. Blue Chip Fund)	
Scotia U.S. Equity Index Fund (formerly Scotia U.S. Index Fund)	
Scotia U.S. Opportunities Fund (formerly Scotia U.S. Value Fund)	
Scotia Wealth American Core-Plus Bond Pool (formerly Scotia Private American Core-Plus Bond Pool)	
Scotia Wealth Canadian Core Bond Pool (formerly Scotia Private Canadian Core Bond Pool)	
Scotia Wealth Canadian Corporate Bond Pool (formerly Scotia Private Canadian Corporate Bond Pool)	

B.9: IPOs, New Issues and Secondary Financings

Final Simplified Prospectus dated May 31, 2022

NP 11-202 Final Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3369912

Issuer Name:

MD American Growth Fund

MD American Value Fund

MD Bond Fund

MD Canadian Equity Fund

MD Dividend Growth Fund

MD Equity Fund

MD Fossil Fuel Free Bond Fund

MD Fossil Fuel Free Equity Fund

MD Growth Investments Limited

MD International Growth Fund

MD International Value Fund

MD Money Fund

MD Precision Balanced Growth Portfolio

MD Precision Balanced Income Portfolio

MD Precision Canadian Balanced Growth Fund

MD Precision Canadian Moderate Growth Fund

MD Precision Conservative Portfolio

MD Precision Maximum Growth Portfolio

MD Precision Moderate Balanced Portfolio

MD Precision Moderate Growth Portfolio

MD Short-Term Bond Fund

MD Strategic Opportunities Fund

MD Strategic Yield Fund

MDPIM Canadian Equity Pool

MDPIM US Equity Pool

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated May 27, 2022

NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3371229

Issuer Name:

Purpose Silver Bullion Fund

Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Jun 3, 2022

NP 11-202 Final Receipt dated Jun 6, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3379058

Issuer Name:

Goodwood Capital Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Jun 2, 2022

NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3369839

Issuer Name:

Black Diamond Impact Core Equity Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated May 27, 2022

NP 11-202 Final Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3338291

Issuer Name:

NCM Core Global

NCM Growth and Income Portfolio

Principal Regulator - Alberta

Type and Date:

Amendment #1 to Final Simplified Prospectus dated May 30, 2022

NP 11-202 Final Receipt dated Jun 2, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3368749

Issuer Name:

Fidelity Systematic U.S. High Yield Bond ETF
Fidelity Systematic U.S. High Yield Bond Currency Neutral
ETF

Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Long Form Prospectus dated May
20, 2022

NP 11-202 Final Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3250218

Issuer Name:

Horizons Enhanced Income Gold Producers ETF
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated June
2, 2022

NP 11-202 Final Receipt dated Jun 6, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3210909

Issuer Name:

Canadian Banc Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 30, 2022 to Final Shelf
Prospectus (NI 44-102) dated June 22, 2021

NP 11-202 Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3238792

Issuer Name:

Family Single Student Education Savings Plan
Flex First Plan
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 30, 2022

NP 11-202 Receipt dated June 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3372166

Issuer Name:

Flex First Plan
Family Single Student Education Savings Plan
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated May 30, 2022

NP 11-202 Receipt dated June 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3372163

NON-INVESTMENT FUNDS

Issuer Name:

Argonaut Gold Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated June 2, 2022
Preliminary Receipt dated June 3, 2022

Offering Price and Description:

Common Shares, Debt Securities, Warrants, Subscription
Receipts, Convertible Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3396160

Issuer Name:

Auric Minerals Corp.

Type and Date:

Preliminary Long Form Prospectus dated May 26, 2022
(Preliminary) Received on May 31, 2022

Offering Price and Description:

11,857,500 Common Shares Issuable on Exercise of
Outstanding Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3370000

Issuer Name:

Canadian Western Bank
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated June 1, 2022
Preliminary Receipt dated June 1, 2022

Offering Price and Description:

Debt Securities (subordinated indebtedness) Common
Shares First Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3395554

Issuer Name:

Cross Border Capital I Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated May 27, 2022 to Preliminary Long Form
Prospectus dated May 16, 2022 Preliminary
Receipt dated May 31, 2022

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3343545

Issuer Name:

Definity Financial Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated May 30, 2022
Preliminary Receipt dated May 31, 2022

Offering Price and Description:

\$2,000,000,000.00 - Debt Securities, Common Shares,
Preferred Shares, Subscription Receipts, Warrants, Share
Purchase Contracts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3394297

Issuer Name:

EarthRenew Inc. (Formerly known as Valencia Ventures
Inc.)

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 2, 2022
Preliminary Receipt dated June 2, 2022

Offering Price and Description:

\$800,000.00 - (32,000,000 Units) Price: \$0.25 per Unit

Underwriter(s) or Distributor(s):

Eight Capital

Promoter(s):

-

Project #3396044

Issuer Name:

Flying Nickel Mining Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated May 31, 2022
Preliminary Receipt dated June 1, 2022

Offering Price and Description:

\$30,000,000.00 - Common Shares, Warrants, Debt Securities, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

SILVER ELEPHANT MINING CORP.

Project #3395618

Issuer Name:

Goodbridge Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated May 26, 2022
Preliminary Receipt dated May 31, 2022

Offering Price and Description:

Minimum Offering: \$200,000.00 - 2,000,000 Common Shares

Maximum Offering: \$300,000 - 3,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

Anthony Viele

Project #3390417

Issuer Name:

Hydro One Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated June 3, 2022
Preliminary Receipt dated June 6, 2022

Offering Price and Description:

\$4,000,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3396429

Issuer Name:

Karora Resources Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated May 30, 2022
Preliminary Receipt dated May 31, 2022

Offering Price and Description:

\$60,000,000.00 - 12,500,000 COMMON SHARES

\$4.80 per Offered Share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
RED CLOUD SECURITIES INC.
STIFEL NICOLAUS CANADA INC.

Promoter(s):

-

Project #3388972

Issuer Name:

Li-FT Power Ltd.
Principal Regulator - British Columbia

Type and Date:

Amendment dated June 1, 2022 to Preliminary Long Form Prospectus dated March 3, 2022 Preliminary Receipt dated June 2, 2022

Offering Price and Description:

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Julie Hajduk
Project #3346925

Issuer Name:

Padlock Partners UK Fund III
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated June 3, 2022
Preliminary Receipt dated June 3, 2022

Offering Price and Description:

Minimum: \$25,000,000.00 of Class A Units, Class F Units, Class C Units and/or Class U Units

Maximum: \$40,000,000.00 of Class A Units, Class F Units, Class C Units and/or Class U Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RICHARDSON WEALTH LIMITED
WELLINGTON-ALTUS PRIVATE WEALTH INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.

Promoter(s):

CLEAR SKY CAPITAL INC.
Project #3396318

Issuer Name:

Silverfish Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Amendment dated May 31, 2022 to Preliminary Long Form Prospectus dated March 4, 2022
Preliminary Receipt dated June 2, 2022

Offering Price and Description:

\$1,000,000.00 - 4,000,000

Price: \$0.25

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.

Promoter(s):

Joseph Cullen

Project #3347067

Issuer Name:

Trillion Energy International Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated June 2, 2022
Preliminary Receipt dated June 3, 2022

Offering Price and Description:

Up to \$12,000,000.00 - Up to 38,709,677 Units, \$0.31 per Unit

Underwriter(s) or Distributor(s):

Echelon Wealth Partners Inc.

Promoter(s):

-

Project #3396154

Issuer Name:

Western Exploration Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated June 6, 2022 to Preliminary Shelf Prospectus dated March 7, 2022
Preliminary Receipt dated June 6, 2022

Offering Price and Description:

\$40,000,000.00 - COMMON SHARES, DEBT SECURITIES, WARRANTS, SUBSCRIPTION RECEIPTS, CONVERTIBLE SECURITIES UNITS

Underwriter(s) or Distributor(s):

-

Promoter(s):

CORAL REEF CAPITAL LLC

Project #3347954

Issuer Name:

Argonaut Gold Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 2, 2022
Receipt dated June 3, 2022

Offering Price and Description:

Common Shares, Debt Securities, Warrants, Subscription Receipts, Convertible Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3396160

Issuer Name:

Arras Minerals Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated May 31, 2022
Receipt dated June 1, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3347241

Issuer Name:

Bunker Hill Mining Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated May 31, 2022
Receipt dated May 31, 2022

Offering Price and Description:

C\$11,204,797.50 - 37,349,325 Common Shares and 37,349,325 Common Share Purchase Warrants on exercise or deemed exercise of 37,349,325 Special Warrants

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.

BMO NESBITT BURNS INC.

LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #3381269

Issuer Name:

Canadian Banc Corp.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 30, 2022 to Final Shelf
Prospectus dated June 22, 2021
Receipt dated May 31, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3238792

Issuer Name:

Canadian Western Bank
Principal Regulator - Alberta

Type and Date:

Final Shelf Prospectus dated June 1, 2022
Receipt dated June 1, 2022

Offering Price and Description:

Debt Securities (subordinated indebtedness) Common
Shares. First Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3395554

Issuer Name:

Centenario Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated June 3, 2022
Receipt dated June 6, 2022

Offering Price and Description:

Minimum: \$3,000,000.00 - 12,000,000 Units)
Maximum: \$5,000,000.00 - 20,000,000 Units)
Price: \$0.25 per Unit

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

Douglas Fulcher

Project #3347276

Issuer Name:

Clear Sky Lithium Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated May 30, 2022
Receipt dated June 1, 2022

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3346106

Issuer Name:

Eagle Credit Card Trust
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 2, 2022
Receipt dated June 3, 2022

Offering Price and Description:

Up to \$1,250,000,000 of Credit Card Receivables-Backed
Notes

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

Promoter(s):

PRESIDENT'S CHOICE BANK

Project #3382341

Issuer Name:

Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #12 dated May 31, 2022 to Final Long Form
Prospectus dated June 7, 2021
Receipt dated June 3, 2022

Offering Price and Description:

Unlimited Number of Common Shares
Price: \$30.00 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

W.A. ROBINSON ASSET MANAGEMENT LTD.

Project #3209666

Issuer Name:

Heritage Mining Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated May 31, 2022
Receipt dated May 31, 2022

Offering Price and Description:

Minimum Offering: \$2,000,000.00 - Up to 15,000,000 FT
Units Price per FT Unit: \$0.275
Maximum Offering: \$6,000,000.00 - Up to 24,000,000 Units
Price per Unit: \$0.25

Underwriter(s) or Distributor(s):

RED CLOUD SECURITIES INC.

Promoter(s):

Peter Schloo
Project #3346650

Issuer Name:

Terra Balcanica Resources Corp.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated June 1, 2022
Receipt dated June 3, 2022

Offering Price and Description:

\$2,370,830.00 - 900,000 Common Shares issuable upon
deemed exercise of \$0.20 outstanding Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

Kim Oishi
Carl Desjardins
Aleksandar Miskovic
Aleksander Ilic
Project #3345065

Issuer Name:

Hydro One Inc.
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 3, 2022
Receipt dated June 6, 2022

Offering Price and Description:

\$4,000,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3396429

Issuer Name:

Spectrum Global Investments Inc.
Principal Regulator - Alberta

Type and Date:

Final CPC Prospectus dated May 27, 2022
Receipt dated June 3, 2022

Offering Price and Description:

MINIMUM OFFERING: \$204,000.00 (1,700,000 Common
Shares)

MAXIMUM OFFERING: \$504,000.00 (4,200,000 Common
Shares) Price: \$0.12 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3357733

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B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	PBY Capital Limited	From: Exempt Market Dealer To: Exempt Market Dealer and Investment Fund Manager	May 31, 2022
New Registration	VirgoCX Inc.	Restricted Dealer	May 31, 2022
Change in Registration Category	Pictet Asset Management Inc.	From: Portfolio Manager To: Exempt Market Dealer and Portfolio Manager	June 2, 2022
New Registration	Axia Real Assets LP	Exempt Market Dealer and Portfolio Manager	June 2, 2022
New Registration	Concord Delta Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 6, 2022

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Editor's Note: On Friday, April 29, 2022, the Securities Commission Act, 2021, came into force by proclamation of the Lieutenant Governor of Ontario. The new structural and governance changes are now reflected in the Bulletin index with the use of the "Capital Markets Tribunal" designation to differentiate those proceedings from the proceedings of the Ontario Securities Commission: www.capitalmarketstribunal.ca.

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