

B.11.4 Trade Repositories

B.11.4.1 KOR Reporting Inc. – Application for Designation as a Trade Repository – OSC Staff Notice and Request for Comment

OSC STAFF NOTICE AND REQUEST FOR COMMENT

KOR REPORTING INC.

APPLICATION FOR DESIGNATION AS A TRADE REPOSITORY

A. Introduction

KOR Reporting Inc. (**KOR**) has applied to the Commission for an order pursuant to subsection 21.2.2(1) of the *Securities Act* (Ontario) to be designated as a trade repository (the **Application**).

KOR is incorporated under the laws of the State of Delaware in the U.S. and is a wholly owned subsidiary of KOR US Holdings Inc. KOR is provisionally registered with the Commodity Futures Trading Commission (**CFTC**), its primary regulator, as a Swap Data Repository (**SDR**) for interest rate, credit, equity, foreign exchange and other commodity derivatives under the U.S. *Commodity Exchange Act*. KOR intends to provide trade repository services in Ontario for commodity, credit, equity, interest rate, and foreign exchange asset classes.

B. Background

At the 2009 G20 Pittsburgh Summit, Canada joined other jurisdictions in committing to substantial reforms to practices in over-the-counter (**OTC**) derivative markets. One of the key G20 commitments to OTC derivatives regulatory reform was increased market transparency through the reporting of OTC derivative transactions to trade repositories. On November 14, 2013, in accordance with Canada's G20 commitments, the Ontario Securities Commission published OSC Rule 91-506 *Derivatives: Product Determination* (**OSC Rule 91-506**) and OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**). OSC Rule 91-506 and OSC Rule 91-507 became effective on December 31, 2013 as subsequently amended by the Commission.¹

The purpose of OSC Rule 91-507 is to improve transparency in the OTC derivatives market and to ensure that designated trade repositories operate in a manner that promotes the public interest. OTC derivatives data is essential for effective regulatory oversight of the derivatives market, including the ability to identify and address systemic risk and the risk of market abuse. OTC derivatives data reported to designated trade repositories supports policy-making by providing regulators with information on the nature and characteristics of the Canadian derivatives market.

Under OSC Rule 91-507, OTC derivatives transactions involving Ontario counterparties are required to be reported to a trade repository designated by the Commission. The OSC has designated the following companies as trade repositories operating in Ontario:

- Chicago Mercantile Exchange Inc.;
- DTCC Data Repository (U.S.) LLC; and
- ICE Trade Vault, LLC.

C. Proposed regulatory approach and Draft Order

The Application describes how KOR meets the relevant criteria for designation as a trade repository set out in OSC Rule 91-507. In reviewing the Application, staff also considered the regulatory and oversight regime of the CFTC with respect to SDRs in determining an appropriate scope for the Commission's oversight going forward. The proposed designation order (**Draft Order**) is based on the regulatory regime in their home jurisdiction. The Draft Order contains various terms and conditions, including relating to:

1. Regulation in home jurisdiction
2. Ownership of parent
3. Services offered
4. Access and participation

¹ See <https://www.osc.ca/en/securities-law/instruments-rules-policies/9/91-507> for further information

5. Data collection and reporting
6. Change of information
7. Rules
8. Systems
9. Fees
10. Commercialization of data
11. Transition requirements
12. Reporting requirements
13. Information sharing and regulatory cooperation

D. Comment process

The Commission is publishing for public comment the Application and Draft Order. We are seeking comment on all aspects of the Application and Draft Order. A copy of KOR's Application can be found on the Commission website at: <https://www.osc.ca/en/industry/market-regulation/trade-repositories>

You are asked to provide your comments in writing, via e-mail and delivered on or before November 20th, 2023 addressed to the attention of the:

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

The confidentiality of submissions cannot be maintained as the comment letters and a summary of written comments received during the comment period will be published. All comments received will be posted on the website of the OSC at <http://www.osc.gov.on.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 may be referred to:

Aaron Ferguson
Manager, Market Regulation
Tel: 416-593-3676
Email: aferguson@osc.gov.on.ca

Emily Sutlic
Senior Legal Counsel, Market Regulation
Tel: 416-593-2362
Email: esutlic@osc.gov.on.ca

Jarrod Smith
Senior Accountant, Market Regulation
Tel: 416-263-3778
Email: jsmith@osc.gov.on.ca

Matthew Andreacchi
Accountant, Market Regulation
Tel: 416-204-8977
Email: mandreacchi@osc.gov.on.ca

Greg Toczylowski
Manager, Derivatives
Tel: 416-419-1133
Email: gtoczylowski@osc.gov.on.ca

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Shaun Olson
Senior Derivatives Analyst, Derivatives
Tel: 416-457-8338
Email: solson@osc.gov.on.ca

Tim Reibetanz
Senior Legal Counsel, Derivatives
Tel: 416-263-7722
Email: TReibetanz@osc.gov.on.ca

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

AND

**IN THE MATTER OF
KOR REPORTING INC.**

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

WHEREAS KOR Reporting Inc. (**KOR**) has submitted an application (the **Application**) with the Ontario Securities Commission (the **Commission**) requesting an order pursuant to section 21.2.2(1) of the Act designating KOR as a trade repository;

AND WHEREAS KOR has represented to the Commission that:

- a. KOR is incorporated under Delaware law and is a wholly owned subsidiary of KOR US Holdings Inc. KOR is provisionally registered with the Commodity Futures Trading Commission (**CFTC**), its primary regulator, as a swap data repository (**SDR**) for interest rate, credit, equity, foreign exchange and other commodity derivatives under the U.S. *Commodity Exchange Act*;
- b. KOR will comply with all applicable requirements for designated trade repositories under Ontario securities laws, including applicable requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting (OSC Rule 91-507)* and pursuant to its application to be a designated trade repository; and
- c. KOR seeks to be designated as a trade repository in order to offer trade repository services in Ontario with respect to the following asset classes: interest rates, credit, equity, foreign exchange, and commodities (**Trade Repository Services**);

AND WHEREAS KOR is currently subject to the oversight of the CFTC as a SDR;

AND WHEREAS the CFTC, the Commission, the Alberta Securities Commission, the British Columbia Securities Commission, the Autorité des marchés financiers, the Manitoba Securities Commission, Financial and Consumer Services Commission (New Brunswick), Financial and Consumer Affairs Authority of Saskatchewan, Nova Scotia Securities Commission, Superintendent of Securities (Yukon), Superintendent of Securities (Northwest Territories), Superintendent of Securities (Nunavut), Superintendent of Securities (Prince Edward Island) and Superintendent of Securities (Newfoundland and Labrador) have entered into a Memorandum of Understanding regarding cooperation and the exchange of information related to the supervision of cross-border covered entities;

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

AND WHEREAS the Director has granted an exemption in part from the requirement under subsection 17(5) of OSC Rule 91-507, as set out in Schedule "B" of this order.

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

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

AND WHEREAS KOR has demonstrated that it is compliant with the applicable requirements in OSC Rule 91-507 and the respective terms and conditions that are set out in Schedule "A" of this order;

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

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

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

DATED – [effective the date signed by the Commission]

SCHEDULE "A"
TERMS and CONDITIONS

DEFINITIONS

For the purposes of this Schedule:

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

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

"participant" means a KOR client that has executed all applicable KOR agreements and addendums.

"Rule" means a proposed new, amendment to, or deletion of, any provision or other requirement in KOR's Canadian TR Rulebook, policies, and procedures governing the rights and obligations between KOR and Ontario-based participants.

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

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

REGULATION IN HOME JURISDICTION

1. KOR must maintain its status as an SDR in the United States and will continue to be subject to the regulatory oversight of the CFTC.
2. KOR must continue to comply with its ongoing regulatory requirements as an SDR in the United States.
3. KOR must provide prompt written notice to the Commission of any material change or proposed material change to its status as an SDR in the United States or the regulatory oversight of the CFTC.

OWNERSHIP OF PARENT

4. KOR must provide to the Commission 90 days prior written notice and a detailed description and assessment of the impact of a change in control of KOR US Holdings Inc. and KOR.

SERVICES OFFERED

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

ACCESS AND PARTICIPATION

6. KOR must, on a semi-annual basis, 30 days after the end of each period, provide the Commission with a list that specifies each self-identified Ontario-based participant that has been granted access to KOR's Trade Repository Services.
7. KOR must promptly notify the Commission when an applicant has been denied access to KOR's Trade Repository Services and who would otherwise be an Ontario-based participant.

DATA REPORTING

(a) Collection of Data

8. KOR must provide the Commission with notice of any material changes to the specifications of data KOR sends to the Commission, either in how the Commission reviews or in the format the Commission receives data under OSC Rule 91-507 at least 45 days before implementing the changes. For material changes to the specifications of the methods used to collect data from participants, or to the definition, structure and format of the data, which shall cause participants to make changes, KOR must provide the Commission with notice at least 7 days before implementing the changes.
9. KOR must amend, create, remove, define or otherwise modify any data elements (including format) required to be reported by participants who are reporting, or who are reporting on behalf of reporting counterparties, under OSC Rule

91-507, in a manner and within a time frame required by the Commission from time to time after consultation with KOR and taking into consideration any practical implication of such modification on KOR.

10. KOR must use best efforts to adapt to relevant internationally accepted communication procedures and standards for the collection and reporting of data for each required data element under OSC Rule 91-507 as requested by the Commission, in a manner and within a time frame acceptable to the Commission.
11. For life-cycle event data that is required to be reported under OSC Rule 91-507, KOR must sequence and link life-cycle events to the creation data relating to the original transaction.
12. For any data elements that are specific to a particular asset class or product required to be reported under OSC Rule 91-507 for each transaction, KOR must provide Ontario-based participants with the option to either not populate the field, not submit the field, or populate a value indicating that a field is not applicable to a transaction.
13. KOR must not accept transactions that are required to be reported under OSC Rule 91-507 if any mandatory data elements under OSC Rule 91-507 have been left blank.

(b) Public Dissemination of Data

14. KOR must ensure that data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is in a format, and is disseminated in a manner, that is acceptable to the Commission. Without limiting the generality of the foregoing, KOR must ensure that such data is readily available and easily accessible to the public through its website.
15. KOR must ensure that aggregate data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 satisfies the criteria set out in Appendix "A" to this Schedule, as amended from time to time. KOR must ensure that all other data required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is not made publicly available until the Commission has approved of the method and format of the dissemination.
16. KOR must (a) anonymize, or (b) make any other modifications based on thresholds or other criteria to, data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, in a manner prescribed by the Commission.
17. KOR must exclude inter-affiliate transactions from data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.
18. KOR must amend, create, remove, define or otherwise modify data (including format) required to be publicly disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a timeframe required by the Commission from time to time after consultation with KOR and taking into consideration any practical implication of such modification to KOR.
19. Upon the Commission's request, KOR must delay, and subsequently resume, the public dissemination of data that is required to be disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a time frame acceptable to the Commission.

(c) Provision of Data to the Commission

20. For greater clarity with respect to section 37 of OSC Rule 91-507, KOR must at a minimum, on a daily basis, provide the Commission with creation data that reflects life-cycle events up to and including the most current life-cycle event and valuation data through secured portal access with respect to data reported to it under OSC Rule 91-507; as well as work with the Commission to provide data reported to it under OSC Rule 91-507 that is in KOR's possession as is required by the Commission to fulfill its mandate, including but not limited to creation, life-cycle event, and valuation data, through either secured portal or SFTP access or both, in a manner and within a timeframe acceptable to the Commission.
21. KOR must work with the Commission to provide such reports as may be required by the Commission, including but not limited to life-cycle event and transaction level reports relating to data reported to it under OSC Rule 91-507, in a manner and within a timeframe acceptable to the Commission.
22. KOR must ensure that a version number, including a date stamp, clearly identifies changes to the processes used to extract and load data that is required to be reported to the Commission pursuant to OSC Rule 91-507 using industry best practices.

CHANGE OF INFORMATION

23. In the event that KOR amends Form 91-507F1 under subsection 3(1) of OSC Rule 91-507 and the proposed change must also be submitted with the CFTC, KOR may satisfy its requirement under subsection 3(1) of OSC Rule 91-507 by providing the information submitted with the CFTC concurrently to the Commission. KOR must also provide the Commission with the annual update to its Form SDR submitted with the CFTC concurrently. Where a significant change

to a matter set out in Form 91-507F1 is not otherwise subject to submitting with the CFTC or the significant change is Canadian-specific in that it relates solely to the trade repository activities of KOR in Canada, KOR must comply with the requirement as set out in subsection 3(1) of OSC Rule 91-507.

RULES

24. KOR must apply only the KOR Canadian TR Rulebook to its Trade Repository Services.
25. KOR must provide to the Commission, no later than 10 business days prior to the intended effective date, a Rule Subject to Approval in accordance with Appendix "B" to this Schedule.
26. KOR must provide to the Commission on a quarterly basis, within 30 days after the end of each quarter, a copy of its Rules showing all cumulative changes to the Rules made during the quarter. If no changes were made, no Rules shall be submitted.
27. In the event that KOR is required to submit a Rule with the CFTC for approval, KOR must provide to the Commission, concurrently with the submission to the CFTC and no later than 10 business days prior to the effective date, a Rule that is not a Rule Subject to Approval but that is applicable to Ontario-based participants.

SYSTEMS

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

FEES

29. KOR must at times as requested by the Commission, conduct a review of its fees for KOR's Trade Repository Services. KOR must provide a written report on the outcome of such review to the Commission within 30 days after the completion of the review.

COMMERCIALIZATION OF DATA

30. KOR must not unreasonably restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.
31. KOR must not restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 without prior written approval of the Commission.
32. KOR must provide the Commission with 30 days prior written notice of any intended changes to the terms of access or use as they pertain to data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, which will include a detailed description of any such changes.
33. KOR must not, as a term or condition of becoming a participant or as a term or condition of reporting data reported to it under OSC Rule 91-507 by a participant, require the consent of the participant to the release of any or all reported data for commercial or business purposes.
34. For greater clarity with respect to paragraph 22(2)(a) of OSC Rule 91-507, KOR must not release data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 for commercial or business purposes until after its public dissemination.
35. KOR must be responsible for securing any and all necessary consents from any third parties whose proprietary information is contained in the data reported to it under OSC Rule 91-507 before using it for commercial or business purposes.
36. In addition to the requirements set out in subsection 22(2) of OSC Rule 91-507, KOR must not release data that is required to be reported pursuant to OSC Rule 91-507 for commercial or business purposes in relation to a product or service line without the Commission's prior written approval of the type and nature of the commercial or business product or service line, in the following manner:
 - a. KOR must provide the Commission with written notification of the type and nature of the commercial or business product or service line offered by KOR, at least 10 business days prior to the intended launch date of the product or service line;
 - b. If Commission staff within 10 business days of receipt of the notification do not object to such product or service line, then the product or service line shall be deemed to be approved by the Commission;

- c. If Commission staff within 10 business days of receipt of the notification object to such product or service line, then the Commission will review and make a decision regarding approval of such product or service line within 30 days of KOR providing notification to the Commission pursuant to paragraph (a) above.

TRANSITION REQUIREMENTS

37. For a period of 2 years from the date of this order, KOR must provide a report, 30 days after the end of each quarter, summarizing (a) the number of applications in Ontario for access outstanding at the end of each quarter, and (b) any material issues encountered during each quarter relating to the onboarding of new participants or reporting from Ontario-based participants as well as KOR's plans to address them.
38. Following its designation in Ontario, and on an ongoing basis, KOR must (a) ensure that appropriate access, including direct access, data feeds, browser and internet-based interfaces, reports or any other relevant form of access, is provided to the Commission, (b) monitor the development by any service provider it engages for all systems (including applications) supporting its trade repository functions, and (c) ensure that its systems are secure and that any security vulnerabilities are monitored and promptly corrected once identified.
39. Following its designation in Ontario, KOR must ensure that any necessary maintenance and enhancement of its Trade Repository Services and systems is being appropriately prioritized and staffed, and that any issues are appropriately escalated to senior management.

REPORTING REQUIREMENTS

40. KOR must promptly notify the Commission of any event, circumstance, or situation that could materially prevent KOR's ability to continue to comply with the terms and conditions of the order.
41. KOR must, as soon as reasonably possible, notify the Commission of any intended use of its emergency powers to modify, limit, suspend or interrupt KOR's Trade Repository Services.
42. KOR must promptly provide to the Commission information regarding any material known investigations or legal proceedings instituted against it, to the extent that it is not prohibited from doing so under applicable law.
43. KOR must promptly provide to the Commission the details of any appointment of a receiver or the making of any voluntary arrangement with its creditors.

INFORMATION SHARING AND REGULATORY COOPERATION

44. KOR must provide to the Commission any information related to its business as a designated trade repository as may be requested from time to time, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.
45. KOR must provide regulators other than the Commission with access to data that is required to be reported pursuant to Ontario securities law in compliance with the relevant laws and regulations governing such access.

APPENDIX "A"

CANADIAN PUBLIC AGGREGATE DATA REPORTING TEMPLATE

KOR is required to publicly disseminate the range and type of aggregate metrics set out in this Appendix "A" in order to satisfy its obligations under section 39 of OSC Rule 91-507.

Part I. Current Notional and Number of Positions Outstanding

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

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

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Index	Other	Exotic	Other	Option
Agriculture	_____	Other	_____	Forward
Environment	_____	_____	_____	Exotic
Freight	_____	_____	_____	Other
Exotic	_____	_____	_____	_____
Other	_____	_____	_____	_____

5. Despite section 4, KOR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of "Other" where there is less than 30 open positions in that Product Category for a given period.
6. Despite sections 3 and 4, KOR is not required to report the gross notional amount of all open positions for the "Commodity" Asset Class.
7. KOR must commence publication of the data required under this Part I Section 2 starting after the first week it accepts data in its production environment.

Part II. Turnover Notional and Number of Transactions

1. For each reporting period, KOR must publish on the Report Date
 - a. the gross notional turnover (i.e. the gross notional amount of all new transactions entered into for that period), and
 - b. the total number of transactions.
2. At a minimum, KOR must publish the data described in section 1 for the following reporting periods:
 - a. current week,
 - b. previous week, and
 - c. the trailing 4-week period.
3. KOR must publish the data required by section 1 according to the following breakdowns:
 - a. Asset Class: Commodity, Interest Rate, Credit, Foreign Exchange and Equity;
 - b. Asset Classes in (a) by Tenor: 0-3 month, 3-6 month, 6-12 months, 12-24 months, 24-60 months, and greater than 60 months; and
 - c. Asset Classes in (a) by cleared/uncleared

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4. KOR must publish the data required by section 1 according to the following Product Categories for each Asset Class:

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

5. Despite section 4, KOR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of "Other" where there are fewer than five new transactions a week in that Product Category during the previous four-week period.
6. Despite sections 3 and 4, KOR is not required to report the turnover notional amount for the "Commodity" Asset Class.
7. KOR must commence publication of the data required under this Part II starting after the first week it has become an Ontario-designated TR.

Explanatory Notes

Currency	The denomination currency of the reports is Canadian dollars . TRs are free to choose the conversion rate, but need to include the source in the reports. If the denomination currency of a transaction is non-Canadian dollar, the Canadian dollar equivalent notional amount should be calculated with report run date conversion rate.
Number of transactions	Represents the number of new unique transactions that are reported to a TR during the one-week period.
	Each transaction is recorded once, and netting arrangements and offsets (including compression) are ignored.
Pre-existing transactions	Pre-existing transactions should be included in calculating total outstanding notional and number of outstanding positions, while it should be excluded in calculating turnover notional and number of new positions.
Position Outstanding	It refers to a snapshot view of open transactions as of the end of the reporting period.
Report Date	TRs are expected to publish aggregation data by the following Wednesday after the report week
Tenor	For Current Notional and/or Positions Outstanding, use remaining contract maturity which is determined by the difference between the weekly end date of the reporting period and the expiry date for the position.
	For Turnover Notional and/or Number of Transactions, use original maturity which is determined by the difference between the end date and the start date.
	The tenor should be rounded into month. The upper bound of a bucket is included in the bucket (i.e. the 0-3M bucket includes 0, 1, 2 and 3M. and the 3-6 bucket does not include 3M.).
Week	A week is defined as having an execution timestamp between Saturday 12:00:00 AM UTC -- Friday 11:59:59PM UTC. Transactions with an execution timestamp in the above period but reported in the following two days at the end of the week should be included in the weekly report. Transactions with an execution timestamp in the above period but reported after the following two days at the end of the week should not be included in the weekly report.
Criteria of assessing usability of public data	Data is downloadable using tools readily available to the public.
	Data available for download is in a format that can be manipulated and analyzed using tools readily available to the public.

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	Data made available to the public according to this Order can be viewed and downloaded without any conditions.
Counterparty identity	A designated trade repository must not disclose the identity of either counterparty to the transaction.

APPENDIX "B"

RULE REVIEW and APPROVAL PROTOCOL

1. PURPOSE

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

2. DEFINITIONS

For the purposes of this Appendix:

- "Canada-Based Participant" means a KOR client that (a) is a person or company organized under the laws of an Applicable Canadian Province or that has its head office or principal place of business in an Applicable Canadian Province, (b) is registered under the securities legislation of an Applicable Canadian Province as a derivatives dealer or in an alternative category as a consequence of trading in derivatives, or (c) is an affiliate of a person or company described in (a) and such person or company is responsible for the liabilities of that affiliated party, and (d) has executed all applicable KOR agreements and addendums.
- "Applicable Canadian Province" means Manitoba, Ontario, Quebec, Alberta, British Columbia, New Brunswick, Nova Scotia, Saskatchewan, Yukon, Nunavut, Northwest Territories, Newfoundland and Labrador, Prince Edward Island or any other province or territory in Canada in which KOR is designated or recognized as a trade repository;
- "Rule Subject to Approval" means a Rule that applies exclusively to Canada-Based Participants, excluding any amendments that are intended to effect:
 - (i) changes to the routine internal processes, practice or administration of KOR;
 - (ii) changes to correct spelling, punctuation, typographical or grammatical mistakes, or inaccurate cross-referencing; or
 - (iii) stylistic or formatting changes, including changes to headings or paragraph numbers.

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

3. PROCEDURES FOR REVIEW AND APPROVAL OF RULES

(a) Documents

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

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

(b) Confirmation of Receipt

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

(c) Deemed Approval of Rules Subject to Approval

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

(d) Publication of a Rule by the Commission

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

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

(e) Review by Commission Staff

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

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

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

(g) Approval of Rules by the Commission

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

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

(h) Effective Date of a Rule

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

4. IMMEDIATE IMPLEMENTATION OF A RULE

(a) Criteria for Immediate Implementation

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

(b) Prior Notification

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

(c) Disagreement on Need for Immediate Implementation

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

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

(d) Review of Rule Implemented Immediately

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

5. MISCELLANEOUS

(a) *Waiving Provisions of the Protocol*

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

(b) *Amendments*

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

SCHEDULE "B"

DIRECTOR'S EXEMPTION

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

AND

**IN THE MATTER OF
KOR REPORTING INC.**

DECISION

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

WHEREAS KOR Reporting Inc. (**KOR**) has applied to the Commission for designation as a trade repository under section 21.2.2 of the Act, and will be subject to OSC Rule 91-507 and the terms and conditions of its designation order;

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

AND WHEREAS subsection 17(5) of OSC Rule 91-507 would require KOR to file its proposed new or amended rules, policies and procedures for approval;

AND WHEREAS KOR has applied for an exemption from the requirement under subsection 17(5) of OSC Rule 91-507;

AND WHEREAS KOR is provisionally registered as a Swap Data Repository with the Commodity Futures Trading Commission (**CFTC**) in the United States and is subject to regulatory requirements that include submission to and/or prior approval of proposed new or amended rules, policies and procedures;

AND WHEREAS application of subsection 17(5) of OSC Rule 91-507 to KOR may result in regulatory duplication, to the extent that proposed new or amended rules, policies and procedures are subject to submission to and/or prior approval by the CFTC;

AND WHEREAS the Director is satisfied that an exemption in part from subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules, policies and procedures that are not applied exclusively to Canada-Based Participants would not be prejudicial to the public interest;

AND WHEREAS "Canada-Based Participant" has the meaning ascribed to it in the Commission's order designating KOR as a trade repository pursuant to section 21.2.2 of the Act;

IT IS THE DECISION of the Director that pursuant to section 42 of Rule 91-507, KOR is exempt from subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules, policies and procedures that are not applied exclusively to Canada-Based Participants;

PROVIDED THAT:

- (a) KOR remains registered as a Swap Data Repository and subject to the regulatory oversight of the CFTC; and
- (b) KOR's proposed new or amended rules, policies and procedures are subject to submission to and/or prior approval by the CFTC.

DATED [X date] and **EFFECTIVE** on the effective date of the designation order.