MANITOBA SECURITIES COMMISSION NOTICE AND REQUEST FOR COMMENT

NOTICE OF PROPOSED AMENDMENTS TO
MANITOBA SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

AND

PROPOSED CHANGES TO COMPANION POLICY 91-507CP
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

AND
PROPOSED CHANGES TO COMPANION POLICY 91-506 CP
PRODUCT DETERMINATION

June 9, 2022

1.   Introduction

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

- Proposed amendments to MSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the Trade Reporting Rule);

- Proposed changes to MSC Companion Policy 91-507CP (the Trade Reporting CP) to the Trade Reporting Rule;

(a)   Proposed changes (the Proposed Product Determination Changes) to MSC Companion Policy 91-506CP (the Product Determination CP) to MSC Rule 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.

2.   Background

The Product Determination Rule and the Trade Reporting Rule became effective on December 31, 2013.[1]

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.

3.   Substance and Purpose of the TR Amendments

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.

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[1] Amendments to the Trade Reporting Rule were made effective on July 2, 2014, September 9, 2014, October 31, 2014, April 30, 2015, and July 29, 2016.

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.

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 Ontario Securities Commission. 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.[2]

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

- 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.

4.   Summary of the TR 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 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.

In addition, a new MSC 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 MSC Derivatives Data Technical Manual has been published in a Staff Notice available on the MSC'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"***

    The proposed amendments to the concept of "affiliated entity" align with that concept under proposed National Instrument 93-101 *Derivatives: Business Conduct*,[3] which will result in increased harmonization under OTC derivatives related rules and across the trade reporting rules applicable in other Canadian jurisdictions.

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[2] 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)* (**CDE Technical Guidance**). The data elements are anticipated to be harmonized across the trade reporting rules of the Canadian Securities Administrators (**CSA**).
[3] 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**).

- **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 Manitoba 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 Manitoba. 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 standards[4] and to address comments that arose in connection with a CPMI-IOSCO assessment that addressed the implementation of these standards.[5] 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 requirements[6] 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 MSC 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 MSC Derivatives Data Technical Manual.[7] 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.[8]

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[4] See https://www.bis.org/cpmi/publ/d101a.pdf
[5] See https://www.iosco.org/library/pubdocs/pdf/IOSCOPD608.pdf
[6] 17 CFR § 49.17(f)(2).
[7] Pursuant to a proposed new subsection 14(3), a designated trade repository must accept derivatives data that conforms to these data elements and specifications.
[8] 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.[9]

  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.[10]

- *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.

  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:

  o 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 Party B's local counterparty jurisdiction, if applicable, as required under the Rule.

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[9] 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 due to the burden it would impose on the non-dealer community.

[10] 17 CFR § 45.4(b).

- 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 Manitoba'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;[11]

- the three CFTC registered swap data repositories are the same entities as the designated trade repositories in Manitoba, 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:

- *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.

- *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.

- ***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, a Manitoba derivatives dealer transacting with an individual). Where a transaction is between an individual located in Manitoba 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 located in Manitoba to the definition of "local counterparty". Consequently, for example, a transaction between an individual located in Manitoba and a foreign derivatives dealer will now be required to be reported by the foreign derivatives dealer.

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[11] 17 CFR § 43.3(a)(2) and 17 CFR § 45.3(a).

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 [*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.

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 phrases, 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 Manitoba. 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*].

Legislative Authority for Rulemaking

The Commission's rulemaking authority for derivatives data reporting requirements under the Trade Reporting Rule is provided under section 149(g) of the Securities Act (*Manitoba*).

5.   Annexes

Included as part of this Notice is:

- 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   (not provided)
- Annex E   Proposed changes to the Product Determination CP
- Annex F   Blackline of proposed changes to the Product Determination CP
- MSC Staff Notice 91-705 Draft MSC Derivatives Data Technical Manual

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 MSC 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 MSC Derivatives Data Technical Manual will reduce regulatory burden and increase efficiency and clarity when meeting trade reporting requirements.

2) Reporting hierarchy

We invite comments on the differences in the reporting counterparty hierarchy among the various CSA jurisdictions and how these differences affect market participants. We note that the Ontario Securities Commission has developed a potential alternative reporting hierarchy, set out in Annex E to the OSC Noticed dated June 9, 2022, which reduces the need for delegated reporting.

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.

7.   Comments

You may provide written comments in hard copy or electronic form. The comment period expires on October 7, 2022.

Any comments received will not be held as confidential, and be may be published by the Commission.

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

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Questions

Please refer your questions to any of:

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ANNEX A

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

1. *Manitoba 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;

   "MSC Derivatives Data Technical Manual" means the MSC 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 Manitoba 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 Manitoba or an estate of a decedent who was a resident of Manitoba 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 "MSC Derivatives Data Technical Manual":*

> *The MSC 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:

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 MSC 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 MSC 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 adding the following:*
25(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)   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.*,*

(d)   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*

(e)   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:**

   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 Manitoba 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 laws of that province, territory or 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) adding "*other than subsection 25(5)*" after "*Rule*",*

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

        (b) the local counterparty is not

            (i) a derivatives dealer,

            (ii) a recognized or exempt clearing agency,

            (iii) a Canadian Financial Institution

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

(d)   *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.   *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.*.*

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

Exemptions*.*

39.   *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 MSC 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 MSC 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 MSC Rule 91-507, and any public dissemination of transaction level data required in accordance with Part 4 of MSC Rule 91-507 and Appendix C to MSC 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 MSC Rule 91-507
derivative transaction	transaction
fx	foreign exchange
instrument	derivative
original derivative	original transaction
OTC derivative (*only in respect of Data Element Number 115*)	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
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 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
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
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	For each leg of the transaction, where applicable: - for OTC derivative transactions negotiated in monetary amounts, amount specified in the contract. - for OTC derivative transactions negotiated in non-monetary amounts, refer to the MSC Derivatives Data Technical Manual for converting notional amounts for non-monetary amounts.	Y

		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.	
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 (i.e., 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 date are reported as the first values of the schedule.	N
41	Notional amount schedule - unadjusted effective date of the notional amount	• 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
42	Notional amount schedule - unadjusted end date of the notional amount	• 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

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	N

		currency into the quoted currency.	
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
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	• 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	• 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
57	Unadjusted end date of the price	Unadjusted end date of the price.	N
58	Price in effect between the unadjusted effective and end date	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 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	• 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	• 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)	• 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	N

		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.	
76	Initial margin posted by the reporting counterparty (pre-haircut)	• 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	• 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)	• 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	N

		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.	
79	Initial margin collected by the reporting counterparty (pre-haircut)	• 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	•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)	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	N

		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)	• 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	•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)	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	• Monetary value of the variation margin collected by the reporting counterparty (including the cash-settled one), and	N

	reporting counterparty (pre-haircut)	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.	
86	Currency of variation margin collected	• 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	• 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	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	N

		chosen to convert all the values of posted excess collateral.	
91	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 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	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	• 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

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
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	• 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	• 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 MSC 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 MSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-market.	N
102	Valuation timestamp	• 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 cash flow. Ties to Last floating reference value data element.	N
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	Identifier (determined by the reporting counterparty) in order to connect • 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. A package may include reportable and non-reportable transactions. Where the Package identifier is not known when a new transaction is reported, the Package identifier is updated as it becomes available.	N
108	Package transaction price	• 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
109	Package transaction price currency	Currency in which the Package transaction price is denominated.	N
110	Package transaction spread	• 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	Manner in which the Package transaction price is expressed.	N

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
	price notation		
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
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	N

		each other under that contract.	
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	• 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
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	• 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	Y

		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 that will fix against a particular exchange rate, which will be used to compute the ultimate cash settlement.	N	

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

Jurisdiction	Law, Regulation and/or Instrument
European Union	Regulation (EU) 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
	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
	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
	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
	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
	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
	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

Jurisdiction	Law, Regulation and/or Instrument
	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
	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
	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
	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
	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
	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
United Kingdom	The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019
	The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019
	The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020

Jurisdiction	Law, Regulation and/or Instrument
	The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018
	The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 1) Instrument 2019
	The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 2) Instrument 2019
	The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 3) Instrument 2019
	The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 4) Instrument 2019
	The Technical Standards (Miscellaneous Amendments) (EU Exit) Instrument 2020
United States of America	CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. Part 43
	CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. Part 45
	CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps, 17 C.F.R. Part 46

41. *Appendix C is amended by deleting "Instructions:".*

42. *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*".*

43. *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 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.

44. *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

45. *Table 4 in Appendix C is amended by replacing "Maturity" with "Expiration".*

46. *Section 7 of Appendix C is amended by adding* "required" *before* "information" *and deleting* "contained in Table 1".

47. *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.*.*

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

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

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

This blackline is provided for convenience.

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 fieldselements 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

(a)   a person or company engaging in or holding himself, herself or itselfthemselves out as engaging in the business of trading in derivatives in Manitoba 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*;

"**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 Manitoba or that has its head office or principal place of business in Manitoba;

(b) the counterparty is ~~registered under~~an individual who is a resident of Manitoba ~~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 Manitoba at the time of death;

(c) 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;

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

> *The MSC 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.*

"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 clearing agency" means either of the following:

(a) a person or company recognized or exempted from recognition as a clearing agency under securities legislation in the local jurisdiction;

(b) a clearing agency that has provided a written undertaking to the regulator or securities regulatory authority to act as the reporting counterparty with respect to transactions cleared by it that are subject to the reporting obligations under this Instrument;

"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~~".

1(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".

1(3) In this Rule, "interim period" has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

1(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.

1(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.

1(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 31.6 of the Act must file a completed Form 91-507F1 – *Application For Designation and Trade Repository Information Statement*.

2(2) In addition to the requirement set out in subsection (1), an applicant for designation under section 31.6 of the Act whose head office or principal place of business is located outside of Manitoba 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.

2(3) In addition to the requirements set out in subsections (1) and (2), an applicant for designation under section 31.6 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*.

2(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.

3(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(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 31.6 of the Act.

4(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.

4(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.

5(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.

5(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 Manitoba 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.

6(2)　　　　A designated trade repository that involuntarily ceases to carry on business in Manitoba 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.

7(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.

8(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.

8(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.

9(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.

9(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.

9(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.

9(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.

10(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.

11(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.

11(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.

11(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

(h) fairly and equitably allocated among participants, ~~and~~

(i) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data, and

(j) 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.

13(2) A designated trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).

13(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.

14(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.

14(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 MSC Derivatives Data Technical Manual.

Operational efficiency and effectiveness

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

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

(l) 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

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

(n) 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.

17(2) A designated trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

17(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.

17(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.

17(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.

18(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.

18(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.

20(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.

20(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.

20(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.

20(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).

20(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.

20(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.

21(2)   The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the designated trade repository.

21(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 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 ~~a~~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.

21(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.

21(5) A designated trade repository must test its business continuity plans, including disaster recovery plans, at least annually.

21(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).

21(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

(b) the Commission not later than the 30th day after providing the report to its board of directors or audit committee.

21(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.

21(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.

21(10)   A designated trade repository must not begin operations in Manitoba unless it has complied with paragraphs (8)(a) and (9)(a).

21(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.

22(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.

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 MSC Derivatives Data Technical Manual.

22.2(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 ~~a~~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.

22.2(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

      (o)   identify, assess, monitor, measure and manage all potential sources of risk arising from links and other arrangements with indirect participants, and

      (p)   identify material dependencies between participants and indirect participants that might affect the designated trade repository.

24.1(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

(a) if the transaction is cleared through a reporting clearing agency , the reporting clearing agency,

(b) if paragraph (a) does 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,

(c) if neither paragraph (a) nor (b) apply to the transaction and the transaction is between a Canadian financial institution that is not a derivatives dealer and a counterparty that is not a Canadian financial institution or a derivatives dealer, the Canadian financial institution,

(d) if none of paragraphs (a) to (c) apply to the transaction and the counterparties have, at the time the transaction occurs, agreed in writing that one of them will be the reporting counterparty, the counterparty determined to be the reporting counterparty under the terms of that agreement, and

(e) in each other case, each local counterparty to the transaction.

25(2)			Each local counterparty to a transaction to which paragraph 1(d) applies must keep a record of the written agreement referred to in paragraph 1(d) for 7 years after the date on which the transaction expires or terminates.

25(3)		The records required to be maintained under subsection (2) must be

(a) kept in a safe location and in a durable form, and

(b) provided to the regulator within a reasonable time following request.

25(4)		No later than the end of the 5th day after the day of execution of a transaction to which paragraph (1) (e) applies, each local counterparty to the transaction must submit to the regulator, in an electronic format, a document identifying both

(a) the unique transaction identifier assigned to the transaction by the recognized trade repository to which the local counterparty reported the transaction, and

(b) the unique transaction identifier assigned to the transaction by the recognized trade repository to which the other local counterparty reported the transaction.

25(5)	Despite section 40, a local counterparty that agrees under paragraph (1)(d) 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 to 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.

26(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.

26(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.

26(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.

26(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) (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 of Canada other than Manitoba, 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.

26(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)   **26(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.

26(8)   [Repealed]

26(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.

(7 26.1(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.

(8 26.1(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.

(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 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.

(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.

28(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.

28(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.

28(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.

28(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 Manitoba 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 laws of that province, territory or 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~~

29(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.

30(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.

~~**30(3)** A reporting counterparty must not assign more than one unique product identifier to a transaction.~~ **[Repealed]**

~~**30(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.

31(2) A reporting counterparty in respect of a transaction must report creation data in real time.

31(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.

~~**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.

32(2)　　　　~~If~~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.

32(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.

33(2)　　　　~~Valuation~~If position level data ~~required to be~~in respect of transactions have been reported pursuant to ~~paragraph 1(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 <u>subsection 26(7) and</u> 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.

36(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, 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.

37(2)   A designated trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.

37(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.

38(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.

38(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.

38(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

39(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.

39(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.

39(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.

39(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.

39(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 of this Rule other than subsection 25(5), a local counterparty is under no obligation to report derivatives data for a transaction if,

     (c)   the transaction relates to a derivative the asset class of which is a commodity other than cash or currency,

     (d)   the local counterparty is not

          (i)   a derivatives dealer ~~or~~,

          (ii)   a recognized or exempt clearing agency, or

          (iii)   a Canadian Financial Institution

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

     (e)   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.

<u>Transactions between a government and its consolidated entity</u>

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

(a) Her Majesty in right of Manitoba, and

(b) an Manitoba crown corporation or crown agency that forms part of a consolidated entity with Her Majesty in right of Manitoba for accounting purposes.

<u>Individuals</u>

<u>41.1</u>   <u>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.</u>

PART 6 – 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]**

43(2)   ~~Despite subsection (1), subsection 39(3) does not apply until January 16, 2017.~~**[Lapsed]**

43(3)   ~~Parts 3 and 5 come into force October 31, 2014.~~**[Lapsed]**

43(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]**

43(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]**

43(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 MSC 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 MSC 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 MSC 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 MSC Rule 91-507, and any public dissemination of transaction level data required in accordance with Part 4 of MSC Rule 91-507 and Appendix C to MSC 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 MSC Rule 91-507
derivative transaction	transaction
fx	foreign exchange
instrument	derivative
original derivative	original transaction
OTC derivative (*only in respect of Data Element Number 115*)	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
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 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
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
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	For each leg of the transaction, where applicable: - for OTC derivative transactions negotiated in monetary amounts, amount specified in the contract. - for OTC derivative transactions negotiated in non-monetary amounts, refer to the MSC Derivatives Data Technical Manual for converting notional amounts for non-monetary amounts. 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.	Y
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 (i.e., 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 date are reported as the first values of the schedule.	N
41	Notional amount schedule - unadjusted effective date of the notional amount	• 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
42	Notional amount schedule - unadjusted end date of the notional amount	• 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

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
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	• 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	• 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
57	Unadjusted end date of the price	Unadjusted end date of the price.	N
58	Price in effect between the unadjusted effective and end date	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

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
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 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	• 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	• 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	N

		applicable to both cleared and uncleared transactions.	
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)	• 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)	• 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	• 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)	• 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)	• 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	N

		chosen by the reporting counterparty and reported as one total value.	
80	Currency of initial margin collected	•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)	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.	N
82	Variation margin posted by the reporting counterparty (pre-haircut)	• 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	•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)	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)	• 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

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
86	Currency of variation margin collected	• 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	• 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	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	• 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	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	• 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

Data Element Number	Data Element Name	Data Element Description	Publicly Disseminated
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	• 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	• 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 MSC 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 MSC Derivatives Data Technical Manual, then the whole valuation is classified as mark-to-market.	N
102	Valuation timestamp	• 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 cash flow. Ties to Last floating reference value data element.	N
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	Identifier (determined by the reporting counterparty) in order to connect • 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. A package may include reportable and non-reportable transactions. Where the Package identifier is not known when a new transaction is reported, the Package identifier is updated as it becomes available.	N
108	Package transaction price	• 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
109	Package transaction price currency	Currency in which the Package transaction price is denominated.	N
110	Package transaction spread	• 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
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	• 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

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	• 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 that will fix against a particular exchange rate, which will be used to compute the ultimate cash settlement.	N

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: • 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	Y

Data field	Description	Required for Pre-existing Transactions
	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.	
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
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	• 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	Factor used to calculate the payments (e.g., 30/360,	Y

Data field	Description	Required for Pre-existing Transactions
convention	actual/360).	
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
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	Factor used to calculate the fixed payer payments	Y

Data field	Description	Required for Pre-existing Transactions
convention	(e.g., 30/360, actual/360).	
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
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,	N

Data field	Description	Required for Pre-existing Transactions
	etc.).	
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 MSC 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 Manitoba are equivalent for the purposes of the deemed compliance provision in subsection 26(5).

Jurisdiction	Law, Regulation and/or Instrument
United States of America	CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. pt. 43 (2013). CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. pt. 45 (2013). CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps, 17 C.F.R. pt. 46 (2013).
European Union	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 Commission Delegated Regulation (EU) No 148/2013 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 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 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 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

Jurisdiction	Law, Regulation and/or Instrument
	to be reported to trade repositories
	~~Commission Delegated Regulation (EU) No 151/2013~~
	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
	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
	~~Commission Implementing Regulation (EU) No 1247/2012~~
	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
	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
	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
	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
	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

Jurisdiction	Law, Regulation and/or Instrument
	Implementing Regulation (EU) No 1247/2012 with regard to the use of reporting codes in the reporting of derivative contracts
United Kingdom	The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019

The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) (No. 2) Regulations 2019

The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020

The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018

The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 1) Instrument 2019

The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 2) Instrument 2019

The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 3) Instrument 2019

The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 4) Instrument 2019

The Technical Standards (Miscellaneous Amendments) (EU Exit) |

Jurisdiction	Law, Regulation and/or Instrument
	Instrument 2020
United States of America	CFTC Real-Time Public Reporting of Swap Transaction Data, 17 C.F.R. Part 43 CFTC Swap Data Recordkeeping and Reporting Requirements, 17 C.F.R. Part 45 CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps, 17 C.F.R. Part 46

APPENDIX C TO MSC 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 of 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,

Data field	Description
	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.).
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 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
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 agency;.

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~~ **Expiration** 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 Manitoba 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 MANITOBA SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

TABLE OF CONTENTS

PART   TITLE

Introduction

This companion policy (the "Policy") sets out the views of the Commission ("our" or "we") on various matters relating to Manitoba 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 MSC 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;

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[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."

"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.

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 Manitoba 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 Manitoba.

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

    o   responding to requests for quotes on derivatives, or

    o   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.

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[3] The PFMI Report is available on the Bank for International Settlements' website (www.bis.org) and the IOSCO website (www.iosco.org).

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 Manitoba to be a derivatives dealer in Manitoba. A derivatives dealer in Manitoba is a person or company that conducts the described activities in Manitoba. For example, this would include a person or company that is located in Manitoba and that conducts dealing activities in Manitoba 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 Manitoba.

Where dealing activities are provided to derivatives parties in Manitoba or where dealing activities are otherwise conducted within Manitoba, 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 Manitoba 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 Manitoba 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 Manitoba.

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 Manitoba, 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,

- 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
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 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 Manitoba,

- 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 Manitoba,

- 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 Manitoba,

- 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,

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[4] Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

- 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

  o changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,

  o changes due to standardization of terminology,

  o changes to the types of designated trade repository participants in Manitoba,

  o necessary changes to conform to applicable regulatory or other legal requirements of Manitoba or Canada, and

  o 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 Manitoba 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)(c), designated trade repositories will need to collect basic information that will enable them to assess and mitigate material risks that could arise from the contractual and link relationships. 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 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.

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.

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 affiliated with 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 MSC 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 FMIs, 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 MSC 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 participant 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.

<center>**PART 3**
DATA REPORTING</center>

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.

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 MSC 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 pursuant to the law of a province or territory of Canada other than Manitoba or 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 MSC 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.[6]

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 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,

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[6] The list of LEI ROC-endorsed LOUs and their contact information is available at https://www.gleif.org/

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 *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) or (b) do not apply, and where an uncleared transaction is required to be reported in a jurisdiction other than Manitoba 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.

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PART 4
DATA DISSEMINATION AND ACCESS TO DATA

</div>

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 Manitoba's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Manitoba or Canada can impact Manitoba'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 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):

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[7] See report entitled *Authorities' access to trade repository data* available at http://www.bis.org/publ/cpss110.htm.

- 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 MSC 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.

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 – 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 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

Blackline of proposed changes to the Trade Reporting CP (not provided)

ANNEX E

PROPOSED CHANGES TO COMPANION POLICY 91-506CP TO MANITOBA SECURITIES COMMISSION RULE 91-506 *DERIVATIVES: PRODUCT DETERMINATION*

1. *Companion Policy 91-506CP to Manitoba 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 ●.*

**COMPANION POLICY 91-506CP
TO MANITOBA SECURITIES COMMISSION RULE 91-506
DERIVATIVES: PRODUCT DETERMINATION**

TABLE OF CONTENTS

**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 Manitoba 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 Manitoba 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 Manitoba 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 Manitoba, 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 Manitoba 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 Manitoba if made in Manitoba. 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).

<u>Timing of delivery (subparagraph 2(1)(c)(i))</u>

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.

<u>Settlement by delivery except where impossible or commercially unreasonable (subparagraph 2(1)(c)(i))</u>

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.

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 (Manitoba) is Manitoba 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 Manitoba *Credit Unions and Caisses Populaires Act, 1994* (Manitoba) 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 (Manitoba) 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.