

CSA Notice regarding Coordinated Blanket Order 96-932 *Re Temporary Exemptions from Certain Derivatives Data Reporting Requirements*

October 31, 2024

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing substantively harmonized exemptions from certain derivatives data reporting requirements under Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting, Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (Québec) and Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (collectively, the **Trade Reporting Rules**).

Every member of the CSA is implementing the relief through a coordinated local blanket order (collectively, the **Blanket Order**). Although the outcome is the same in all CSA jurisdictions, the language of the Blanket Order issued by each province or territory may not be identical because each jurisdiction's blanket order reflects certain differences among the Trade Reporting Rules and must fit within the authority provided in local securities legislation.

Background

For over-the-counter (**OTC**) derivatives between two end-users, reporting requirements under the Trade Reporting Rules may apply to one or both end-users. Amendments to each of the Trade Reporting Rules published on July 25, 2024 (collectively, the **Amendments**) provide, among other things, end-users of OTC derivatives with certain intended reductions in regulatory burden under the Trade Reporting Rules. The Amendments will come into force on July 25, 2025.

Description of Blanket Order

The purpose of the Blanket Order is to provide end-users with the temporary exemptions listed below from the Trade Reporting Rules to enable them to benefit from certain intended reductions in regulatory burden under the Amendments without having to wait until they come into force:

- *End-user reporting of creation data*
This exemption provides a reporting counterparty that is not a qualified reporting counterparty, as defined in the Amendments, with an extended period of time to report creation data, which they must report no later than the end of the second business day following the execution date of a transaction. This exemption applies in all CSA jurisdictions.

- *End-user reporting of life-cycle event data*
This exemption provides a reporting counterparty that is not a qualified reporting counterparty, as defined in the Amendments, with an extended period of time to report life-cycle event data, which they must report no later than the end of the second business day following the day on which the life-cycle event occurred. This exemption applies in all CSA jurisdictions.
- *End-user reporting of valuation data*
This exemption exempts a reporting counterparty that is neither a derivatives dealer nor a recognized or exempt or reporting clearing agency or reporting clearing house, from reporting valuation data. This exemption applies in all CSA jurisdictions.
- *End-user reporting of commodity derivatives*
This exemption exempts a reporting counterparty that is a local counterparty and is not a qualified reporting counterparty, each as defined in the Amendments, subject to certain conditions, from reporting commodity derivatives below a specified notional threshold. This exemption only applies in Ontario, Manitoba and Québec because Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* already provides for a substantively equivalent exclusion.
- *End-user reporting of derivatives between affiliated entities*
This exemption exempts a reporting counterparty from reporting a transaction where both parties to the transaction are not qualified reporting counterparties and are affiliated entities, each as defined in the Amendments. The term “affiliated entity” includes certain partnerships and trusts, subject to the terms of the Amendments. This exemption only applies in Ontario and Manitoba because Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* and the Autorité des marchés financiers’ Blanket Order n° 2015-PDG-0089 already provide for a substantively equivalent exclusion.

Effective Date and Term

The Blanket Order is effective on October 31, 2024. It will cease to be effective on July 25, 2025, which is the date that the Amendments will come into force, unless extended by the CSA jurisdictions.

Questions

If you have questions about this CSA Notice, please contact any of the following:

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Manitoba Securities Commission

COORDINATED BLANKET ORDER 96-932

Citation: Re Temporary Exemptions from Certain Derivatives Data Reporting Requirements

October 31, 2024

Definitions

1. Terms defined in *The Securities Act* (Manitoba) (the **Act**), National Instrument 14-101 *Definitions* and Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**) have the same meaning in this Order.
2. In this Order, each of the terms “affiliated entity” and “qualified reporting counterparty” has the same meaning as in the TR Amendments.

Background

3. On July 25, 2024, the Manitoba Securities Commission (the **Commission**) amended the TR Rule (the **TR Amendments**).¹ The TR Amendments come into force on July 25, 2025.
4. The TR Rule provides that a reporting counterparty is required to report creation data relating to a transaction in no event later than the end of the business day following the execution of the transaction. The TR Amendments provide that a reporting counterparty that is not a qualified reporting counterparty is required to report creation data no later than the end of the second business day following the execution of the transaction.
5. The TR Rule provides that a reporting counterparty is required to report life-cycle event data in no event later than the end of the business day following the day on which the life-cycle event occurs. The TR Amendments provide that a reporting counterparty that is not a qualified reporting counterparty is required to report life-cycle event data no later than the end of the second business day following the day on which the life-cycle event occurs.
6. The TR Rule requires a reporting counterparty that is not a derivatives dealer or recognized or exempt clearing agency to report valuation data quarterly. The TR Amendments provide that a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency is not required to report valuation data.
7. The TR Rule provides that a local counterparty is not required to report derivatives data for a transaction that involves a commodity derivative, other than cash or currency, if the local counterparty is not a derivatives dealer or a recognized or exempt clearing agency, and if the local counterparty has less than \$500,000 aggregate notional value, without netting, under all its outstanding transactions at the time of the transaction including the additional notional value related to that transaction. The TR Amendments replace this exclusion with an exclusion that applies, subject to the terms of the TR Amendments, with reference to \$250,000,000 aggregate month-end gross notional amount under all outstanding commodity derivatives.

¹<https://docs.mbsecurities.ca/msc/derivatives/en/item/521304/index.do>

8. The TR Rule provides that a reporting counterparty is not required to report derivatives data in relation to a transaction if, at the time the transaction is executed, the counterparties to the transaction are “affiliated companies” and neither counterparty is a derivatives dealer, recognized or exempt clearing agency, or affiliate thereof. The TR Amendments replace this exclusion with an exclusion that applies, subject to the terms of the TR Amendments, if the counterparties to the transaction are affiliated entities. The TR Amendments provide that the term “affiliated entity” includes certain partnerships, limited partnerships, and trusts, subject to the terms of the TR Amendments.
9. The Commission seeks to provide market participants with the exemptions listed below to enable them to benefit from certain intended reductions in regulatory burden under the TR Amendments without having to wait until they come into force.

Order

End-user reporting of creation data

10. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 20(1) of the Act that a reporting counterparty is exempt from reporting creation data relating to a transaction within the time periods prescribed under section 31 of the TR Rule, provided that:
 - (a) the reporting counterparty is not a qualified reporting counterparty,
 - (b) the reporting counterparty reports creation data no later than the end of the second business day following the execution date of the transaction.

End-user reporting of life-cycle event data

11. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 20(1) of the Act that a reporting counterparty is exempt from reporting life-cycle event data relating to a transaction within the time periods prescribed under section 32 of the TR Rule, provided that:
 - (a) the reporting counterparty is not a qualified reporting counterparty,
 - (b) the reporting counterparty reports life-cycle event data no later than the end of the second business day following the day on which the life-cycle event occurs.

End-user reporting of valuation data

12. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 20(1) of the Act that a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency is exempt from reporting valuation data under section 33 of the TR Rule.

End-user reporting exclusion for commodity derivatives

13. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 20(1) of the Act that a local counterparty is exempt from a requirement under the TR Rule to report derivatives data relating to a commodity derivative, provided that:
 - (a) the local counterparty is not a qualified reporting counterparty,

- (b) the aggregate month-end gross notional amount under all outstanding transactions in commodity derivatives of the local counterparty, and of each affiliated entity of the local counterparty that is a local counterparty in a jurisdiction of Canada, other than under paragraph (b) of the definition of “local counterparty” as defined under Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting*, excluding transactions with an affiliated entity, did not, in any calendar month in the preceding 12 calendar months, exceed \$250 000 000,
- (c) the local counterparty begins to report derivatives data 180 days after the date that the local counterparty ceases to satisfy a condition under paragraphs (a) or (b), unless during that 180-day period the local counterparty again satisfies the condition.

End-user reporting exclusion for transactions with affiliated entities

14. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 20(1) of the Act that a reporting counterparty is exempt from reporting derivatives data under the TR Rule in relation to a transaction if, at the time the transaction is executed, the counterparties to the transaction are affiliated entities and neither counterparty is a qualified reporting counterparty.

Effective Date and Term

15. This Order comes into effect on October 31, 2024 and will cease to be effective on July 25, 2025, unless extended by the Commission.

For the Commission:

Chris Besko
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