



MANITOBA SECURITIES COMMISSION STAFF NOTICE 2016-10

RECOGNITION OF CLEARING AGENCIES

On December 31, 2013 amendments to section 31 of *The Securities Act* (Manitoba) (“the Act”) came into force that required that a clearing agency be recognized in writing by The Manitoba Securities Commission (“the Commission”) in order to conduct business in Manitoba.

The Commission, by way of Orders 6859 and 7135, provided a temporary exemption from the clearing recognition requirement so that the Canadian Securities Administrators (“the CSA”) were able to develop a Rule to set out both the process for recognition and continuing requirements to maintain recognition by a clearing agency.

In December 2015, the CSA published National Instrument *24-102 Clearing Agency Requirements* (“NI 24-102”) and its related Companion Policy (“NI 24-102CP”). The Instrument came into force on February 17, 2016 with some provisions coming into force on December 31, 2016.

A clearing agency that carries on or seeks to carry on business in Manitoba will be required to either apply for recognition under section 31 of the Act or apply for an exemption under section 20 of the Act. Clearing agencies should consult NI 24-102 and its related Companion Policy for guidance regarding the application process and regulatory framework that will apply to its operations.

The application process for both recognition and exemption from recognition as a clearing agency is similar. The requirements for application are set out in Part 2 of NI 24-102. A recognition order or exemption order issued by the Commission will be subject to terms and conditions that are determined based on an assessment of the requirements set out in NI 24-102, the operations of the clearing agency and any other relevant factors.

We encourage all entities operating, or intending to operate in Manitoba as a clearing agency to contact Staff listed in the Notice as soon as possible with any questions regarding the new recognition requirements. In order to ensure adequate time for clearing agency applications to be reviewed, it is the intention of Staff to have the blanket exemption remain in effect until September 30, 2016.

Please refer any questions to:

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