

THE SECURITIES ACT)	Order No. 7010
)	
Section 42 of MSC)	
Rule 91-507)	October 22, 2014

DTCC Data Repository (U.S.) LLC

WHEREAS

(A) DTCC Data Repository (U.S.) LLC (DDR) has applied to the Manitoba Securities Commission (MSC) for designation as a trade repository under section 31.6(1) of the Act, and will be subject to MSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (MSC Rule 91-507) and the terms and conditions of its designation order;

(B) AND WHEREAS the Director may, pursuant to section 42 of MSC Rule 91-507, exempt DDR, in whole or in part, from a requirement in MSC Rule 91-507;

(C) AND WHEREAS MSC Rule 91-507 would require DDR:

(a) to file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation pursuant to subsection 4(1);

(b) to file annual audited financial statements with the Commission no later than the 90th day after the end of its financial year pursuant to subsection 5(1);

(c) to file its proposed new or amended rules, policies and procedures (collectively, rules) for approval pursuant to subsection 17(5);

(d) to hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses pursuant to subsection 20(2);

(e) to identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and to establish, implement, maintain and enforce written rules reasonably designed to facilitate its orderly wind-down pursuant to subsections 20(4) and 20(5) respectively; and

(f) to create and make available to the public on a periodic basis, at no cost, aggregate data on volume, number (of transactions) and, where applicable, price, relating to the transactions reported to it pursuant to subsection 39(1);

(D) AND WHEREAS DDR has applied for an exemption from the requirements under each of subsections 4(1), 5(1), 17(5), 20(2), 20(4), 20(5) and 39(1) of MSC Rule 91-507;

(E) AND WHEREAS DDR is provisionally registered as a Swap Data Repository (SDR) with the Commodity Futures Trading Commission (CFTC) in the United States and is subject to CFTC's requirements;

(F) AND WHEREAS DDR does not have audited financial statements for its most recently completed financial year, and DDR has provided to the Commission its unaudited financial statements and audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation, for the most recent financial year;

(G) AND WHEREAS DDR is not required to file annual audited financial statements with the CFTC, but is required to file annual unaudited financial statements and to maintain liquid net assets equal to a minimum of six months of operating expenses pursuant to CFTC requirements; and DDR has represented that it will provide annually unaudited financial statements to the Commission concurrently with filing with the CFTC and will maintain the required liquid net assets;

(H) AND WHEREAS DDR is required to file with the CFTC proposed new or amended rules pursuant to CFTC's requirements, and application of subsection 17(5) of MSC Rule 91-507 to DDR may result in regulatory duplication, to the extent that proposed new or amended rules are subject to prior approval by the CFTC;

(I) AND WHEREAS DDR holds sufficient liquid net assets, in the amount of at least six months current operating expenses, to cover potential general business losses pursuant to MSC Rule 91-507, although it does not maintain insurance coverage for this purpose; DDR is required under CFTC's requirements to maintain sufficient financial resources to perform its SDR functions and such amount should cover its operating costs for a period of at least one year, and to maintain liquid financial assets equal to at least six months' operating costs; and therefore maintenance of insurance is duplicative for the purposes of covering business risk;

(J) AND WHEREAS international work on wind-down planning is ongoing at CPSS-IOSCO level, and DDR is not currently subject to CFTC's requirements relating to orderly wind-down;

(K) AND WHEREAS the Acting Director is satisfied it would not be prejudicial to the public interest to exempt DDR from:

- (a) Subsection 4(1) of MSC Rule 91-507,
- (b) Subsection 5(1) of MSC Rule 91-507,

- (c) Subsection 17(5) of MSC Rule 91-507 for proposed new or amended rules that are not applied exclusively to Canada-Based Participants
- (d) Subsection 20(2) of MSC Rule 91-507,
- (e) Subsections 20(4) and 20(5) of MSC Rule 91-507 for a temporary period, and
- (f) Subsection 39(1) of MSC Rule 91-507 for a temporary period;

(L) AND WHEREAS "Canada-Based Participant" has the meaning ascribed to it in the Commission's order designating DDR as a trade repository pursuant to section 31.6(1) of the Act;

IT IS ORDERED

- (1) **THAT** pursuant to section 42 of MSC Rule 91-507, DDR is exempt from:
- (a) Subsection 4(1) of MSC Rule 91-507,
 - (b) Subsection 5(1) of MSC Rule 91-507,
 - (c) Subsection 17(5) of MSC Rule 91-507 for proposed new or amended rules that are not applied exclusively to Canada-Based Participants,
 - (d) Subsection 20(2) of MSC Rule 91-507,
 - (e) Subsections 20(4) and 20(5) of MSC Rule 91-507, until the earlier of (i) two years from the effective date of the order designating DDR as a trade repository, and (ii) the effective date of any CFTC requirement applicable to DDR relating to the development of a wind-down plan, and
 - (f) Subsection 39(1) of MSC Rule 91-507 with respect to creating and making available to the public aggregate data on volume, number (of transactions) and, where applicable, price, relating to the transactions reported to it, until March 31, 2015;

PROVIDED THAT:

- (a) DDR remains registered as a Swap Data Repository and subject to the regulatory oversight and requirements of the CFTC;
- (b) DDR files with the Commission, concurrently with filing with the CFTC and no later than the 90th day after the end of its financial year:
 - (i) Annual unaudited financial statements of DDR prepared in accordance with U.S. GAAP as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107); and
 - (ii) Annual audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation, prepared in accordance with U.S. GAAP as defined in NI 52-107;
- (c) DDR complies with section 49.25 of CFTC's Rules relating to financial resources;
- (d) DDR's proposed new or amended rules are submitted to the CFTC 10 business days prior to the intended effective date and become effective on the intended effective date provided the CFTC does not object; and
- (e) DDR creates and make available to the public on a periodic basis as required by the Commission, at no cost, aggregate data on open positions relating to the transactions reported to it.

DATED October 22, 2014 and **EFFECTIVE** on the following dates:

(a) immediately, regarding the decision of the Acting Director with respect to subsection 4(1) of MSC Rule 91-507; and

(b) On the effective date of the designation of DDR, regarding the decision of the Acting Director with respect to all other subsections of MSC Rule 91-507 from which DDR is exempt.

Chris Besko
Acting Director