Regulation 91-506 respecting Derivatives Determination
Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting

Derivatives Act
(chapter I-14.01, s. 175, par.1, subpars. (2) (3), (7), (9), (12), (26), (27) and (29))

The *Autorité des marchés financiers* (the "Authority") is publishing amended text, in English and French, of the following Regulations:

- *Regulation 91-506 respecting Derivatives Determination* ("Regulation 91-506");

- *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (**"**Regulation 91-507");

Collectively, the "Regulations".

The Authority is also publishing in this Bulletin amended texts, in English and French, of the following policies:

- *Policy Statement to Regulation 91-506 respecting Derivatives Determination* (Policy Statement 91-506);

- *Policy statement to Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (Policy Statement 91-507).

In Québec, the Regulations will be made under section 175 of the *Derivatives Act* and will be submitted to the Minister of Finance and the Economy for approval, with or without amendment. The Regulations will come into force on the date of their publication in the *Gazette officielle du Québec* or on a later date indicated in the Regulations. The Policy Statements will be adopted as policies and will take effect concomitantly with the Regulations.

Background

On December 6, 2012, the Canada Securities Administrators Derivatives Committee (the "Committee") published *CSA Staff Consultation Paper 91-301 Model Provincial Rules – Derivatives: Product Determination and Trade Repositories and Derivatives Data Reporting* (the "Draft Model Rules"). The Committee invited public comment on all aspects of the Draft Model Rules. Thirty-five comment letters were received. The Committee reviewed the comments received and made determinations on revisions to the Draft Model Rules (the "Updated Draft Model Rules"). Based on the Updated Draft Model Rules, some of the CSA jurisdictions developed harmonized province-specific rules. On June 6, 2013, the Authority published *Draft Regulation 91-506 respecting Derivatives Determination; Draft Policy Statement to Regulation 91-506 respecting Derivatives Determination, Draft Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting, and Draft Policy Statement 91-507 respecting Trade Repositories and Derivatives Data Reporting* (the "Draft Regulations"). On the same date, the Ontario Securities Commission (OSC) and Manitoba Securities Commission published proposed province specific rules while the Alberta Securities Commission, the British Columbia Securities Commission, the Financial and Consumer Services Commission (New Brunswick), the Nova Scotia Securities Commission and the Financial and Consumer Affairs Authority of Saskatchewan published a Multilateral Staff Notice and the Updated Model Rules (collectively with the "Draft Regulations" and the Ontario Securities

Commission and Manitoba Securities Commission proposed province specific rules, the "Draft Provincial Regulations").

Twenty-seven comment letters were received on the Draft Provincial Regulations. A chart summarizing the comments received and the Committee's responses to them are attached at Appendix A to this Notice. The Committee has reviewed all comment letters on the Draft Provincial Regulations and made final determinations on harmonized changes to the province specific rules with minor variations to accommodate differences in provincial securities and derivatives legislation. Changes to the Regulations are discussed further below. These Regulations are the final Québec Regulations.

Regulation 91-506 and Policy Statement 91-506

The purpose of the Regulation 91-506 is to define the types of derivatives that will not be subject to reporting requirements under Regulation 91-507and will initially only apply for the purposes of Regulation 91-507. The excluded contracts or instruments are contracts or instruments that have not traditionally been considered to be over-the-counter derivatives

The QDA governs both over-the-counter and exchange-traded derivatives. The treatment of certain contracts or instruments prescribed by other province specific rules such as OSC Rule 91-506 *Derivatives: Product Determination* ("OSC Regulation") has already been implemented under the QDA. As such, the Authority does not propose the adoption of some sections of the OSC Regulation in Regulation 91-506 because these sections are already covered by or excluded from the QDA, the Securities Act (chapter V-1.1) (the "QSA") or Regulation 91-507.

The following is a list of the provisions that will not be adopted and the corresponding QDA, QSA or Regulation 91-507 provisions:

Updated Model Rule - Derivatives Product Determination	QDA, QSA or Regulation 91-507
Insurance or annuity contracts adequately regulated by a domestic regulatory regime – subparagraph 2(b)(i)	This subparagraph is already covered by paragraph 6(3) of the QDA.
Evidence of a deposit – paragraphs 2(e) and (f)	Deposits are securities under the QSA - see paragraph 1(3) and would most certainly be predominantly a security according to section 4 of the QDA.
Traded on an exchange – paragraph (g)	Section 1.1 of Regulation 91-507 provides that it does not apply to derivatives traded on an exchange
Investment contracts – section 3	This section is already covered by paragraph 6(2) of the QDA.
Hybrid products – section 4	This section is already addressed by the hybrid test under section 4 of the QDA.

Updated Model Rule - Derivatives Product Determination	QDA, QSA or Regulation 91-507
Listed issuer compensation products – section 5	This section is already covered by paragraph 6(4) of the QDA.

Regulation 91-507 and Policy Statement 91-507

The purpose of this Regulation is to improve transparency in the derivatives market and to ensure that recognized trade repositories operate in a manner that promotes the public interest. Derivatives data is essential for effective regulatory oversight of the derivatives market, including the ability to identify and address systemic risk and the risk of market abuse. Derivatives data reported to recognized trade repositories will also support policy-making by providing regulators with information on the nature and characteristics of the Canadian derivatives market.

Regulation 91-507 is divided into two areas (i) regulation and oversight of trade repositories, including the recognition process, data access and dissemination, and operational requirements, and (ii) derivatives data reporting requirements by counterparties to derivatives transactions.

(i) Regulation of trade repositories

To obtain and maintain recognition as a trade repository, a person or entity must apply to the Authority for recognition and must comply with the recognized trade repository requirements set out in Regulation 91-507 as well as any condition determined by the Authority in its recognition order.

(ii)   Reporting Requirement

All derivatives transactions involving a local counterparty are required to be reported to a recognized trade repository or to the Authority. Regulation 91-507 outlines a hierarchy for determining which counterparty will be required to report a transaction based on the counterparty to the transaction which is best suited to fulfill the reporting obligation. For example, for transactions that are cleared through a recognized or exempt clearing house, the clearing house is best positioned to report derivatives data and is therefore subject to the reporting obligation.

In terms of timing, initial reporting is required to be completed on a real-time basis. However, where it is not technologically possible to do so, the reporting counterparty must report as soon as possible but not later than the end of the next business day following the day that the transaction was entered into. Transactions that were entered into prior to Regulation 91-507 coming into force will be required to be reported unless they have expired or been terminated within a prescribed period after the Regulation 91-507 comes into force.

Three main types of data must be reported under Regulation 91-507: (i) creation data (see Appendix A to Regulation 91-507 for more details); (ii) life-cycle event data, which includes any change to derivatives data previously reported; and (iii) valuation data, which includes the current value of the transaction.

Changes to the Regulations

Appendix "A" to this Notice summarizes the comments received in respect of the Draft Provincial Regulations. A number of these comments led the Committee to make non-material revisions to the

Draft Provincial Regulations. The main revisions which have been incorporated into the Regulations are outlined below. In addition, the Authority has made some general drafting changes that are not of a substantive nature but which clarify the intended effect of certain provisions of the Regulations and simplify the Regulations as a whole.

(i)   Regulation 91-507

(a)   Local Counterparty Definition

Subsection (c) of the local counterparty definition has been revised so that guaranteed affiliates of registered foreign dealers are not local counterparties. This revision was made in response to a number of comments regarding the potential extra-territorial effect of the definition of local counterparty as proposed. The Committee determined that guaranteed affiliates of foreign dealers do not have a sufficient nexus to Québec to warrant treatment as local counterparties.

(b)   Trading facilities

Section 1.1 of Regulation 91-507 has been added to clarify that transactions executed on derivatives trading facilities must be reported. The Draft Regulation already provided that transactions on an exchange do not have to be reported.

(c)   Reporting Counterparty

Subsection 25(1) has been revised to clarify that both counterparties have a reporting obligation, but single reporting by one counterparty is facilitated through delegation while requiring dealers and local counterparties to have procedures or contractual arrangements in place to ensure that reporting occurs.

(d)   Foreign Reporting Counterparty

Subsection 25 (2) covers situations where a foreign reporting counterparty fails to fulfill its reporting duties. The provision has been revised to clarify how a local counterparty may determine when a foreign reporting counterparty has failed to report and, consequently, when the local counterparty must fulfill the reporting counterparty's duties.

(e)   Limited Substituted Compliance

Subsection 26(5) has been added to provide limited substituted compliance for counterparties that reside primarily outside of Québec but are otherwise subject to Regulation 91-507. This revision is intended to reduce overlapping international trade reporting requirements while ensuring that the Authority has access to the data necessary to fulfill its mandate.

(f)   Valuation Data Reporting

Section 33 has been revised to remove the requirement that both counterparties to a transaction report valuation data. The Committee determined that the burdens of double reporting outweigh the short-term benefits; however, the Committee may revisit this issue in the future once sufficient derivatives transaction reporting data is available.

(g)   Transaction Level Public Transparency

Subsection 42(2) has been added to provide a 6-month extension to the requirement that a recognized trade repository publicize anonymous transaction level data. The Committee determined that a 6-month delay would allow time to further consider the appropriateness of the timing of transaction level public disclosure.

Future Amendments to the Regulations

The Authority is implementing Regulation 91-506 and Regulation 91-507 as one part of Canada's broader G20 commitment to regulate OTC derivatives. Other areas of OTC derivatives regulation that have been recommended by the CSA include mandatory clearing, electronic trading, registration and capital and collateral requirements. Future rule-making in these other areas of the regulatory framework will include concepts that are shared with and impact Regulation 91-506 and Regulation 91-507. Accordingly, future developments in the OTC derivatives regulatory framework may require consequential amendments to Regulation 91-506 and Regulation 91-507.

November 14, 2013

APPENDIX A

COMMENT SUMMARY AND COMMITTEE RESPONSES

1.   Regulation 91-506

Section Reference	Issue/Comment Summary	Response
S. 3(c) – Excluded derivatives – FX spot transactions	Two commenters expressed concern that the activities of non-bank money services business – e.g., foreign exchange dealers – would be captured under paragraph 2(1)(c).	No change. Transactions involving foreign exchange dealers that do not qualify for the paragraph 2(1)(c) exclusion are expected to be reported.
S. 3(c)(i)(B) – Excluded derivatives – FX security conversion transactions	A number of commenters requested clarification regarding the interpretation of clause 2(1)(c)(i)(B) and provided a number of examples of market practices relating to securities conversion transactions.	No change. We believe that Policy Statement 91-507provides adequate guidance on the eligibility of securities conversions transactions for the clause 2(1)(c)(i)(B) exclusion.
S. 3(d) – Excluded derivatives – Physically settled commodity transactions	One commenter urged that greater clarity is required in the Policy Statement for industry participants to form the interpretation that subparagraph 2(1)(d)(i) includes standardized industry contracts that contemplate cash settlement in place of physical delivery where a termination event has occurred.	No change. We believe that the Policy Statement 91-507 provides adequate guidance on the treatment of termination events.

2.   Regulation 91-507

Section Reference	Issue/Comment Summary	Response
General comments – Harmonized regulations, simultaneous coming into force and passport system	A number of commenters stressed the importance of a coordinated approach to trade reporting across Canada, including with respect to harmonizing the effective date of the trade reporting requirements in all of the provinces.	No change. Provincial jurisdictions are committed to implementing harmonized trade reporting and trade repository rules. To the extent possible, jurisdictions will harmonize implementation timeframes.
	A number of commenters reiterated the suggestion that a "principal regulator" model or "passport system" for trade reporting and recognition of trade repositories be adopted.	No change. A "principal regulator" model or "passport system" is outside the scope of Regulation 91-507.

General comments – Substituted compliance	Two commenters suggested that the Regulation should provide for reciprocity or recognition of foreign-based trade repositories that are subject to the rules of an equivalent jurisdiction.	No change. Trade repositories may apply under renumbered section 42 for exemptions to certain requirements based upon substituted compliance.
	A number of commenters urged that a system of "substituted compliance" be adopted in the Regulation to provide for recognition of a market participant's reporting (i) pursuant to "recognized" data reporting requirements, such as CFTC or SEC rules, and/or (ii) to an equivalent foreign trade repository. One commenter suggested that provincial securities regulators should publish a list of "recognized" requirements that would satisfy the substituted compliance suggestion set out above.	Change made. New subsection 26(5) deems a reporting counterparty to be in compliance with its reporting obligations under the Regulation if (a) the transaction is required to be reported solely because it involves a local counterparty that is required to be registered with the Authority, or an affiliate thereof, (b) the transaction is reported to a recognized trade repository pursuant to the securities legislation of a province of Canada or the laws of a foreign jurisdiction identified in Appendix B, and (c) the reporting counterparty instructs the recognized TR to provide the Authority with access to the data it would otherwise be required to report under Regulation 91-507.
	A number commenters suggested harmonizing data fields with, or at minimum limiting deviations from, the data fields required to be reported under CFTC and SEC rules, to avoid technological costs associated with compliance.	Change made. The data fields list in Appendix A are consistent with the fields required by major trading jurisdictions. The "Custodian" field has been deleted.
S. 1 – "Dealer"	One commenter suggested that the defined term should be "derivatives dealer", to distinguish from dealers that are securities dealers.	Change made in the territories where dealer may include securities dealer. ". No change in Québec as the Regulation provides that a dealer is registered under the QDA.
S. 1 – "Life-cycle event"	One commenter suggested revising the language in the guidance provided in Policy Statement 91-507 with respect to "life-cycle event", to clarify that the reporting of life-cycle events may follow either a "message by message" approach or an end of business day "snapshot" approach that reflects all updates that occurred on the record on the given day.	Change made. The defined term "life-cycle data" has been revised to "life-cycle event data" to avoid any confusion. Pursuant to section 32, life-cycle event data is required to be reported by the end of the business day.
S. 1 – "Local counterparty" – General	A number commenters expressed concern that an entity could meet the "local counterparty" definition in more than one jurisdiction, and requested clarification as to the treatment and reporting obligations of	No change. We note that reporting requirements will be harmonized across the Canadian jurisdictions. See also new

		subsection 26(5).
S. 1 – "Local counterparty" – Paragraph (b)	One commenter expressed concern that even if a party is exempt from any registration requirements under provincial law, it would still be "subject to" such regulations and thus be included within the definition of "local counterparty", and therefore subject to reporting requirements under the Regulation.	Change made. Paragraph (b) has been revised to clarify that the paragraph applies only to counterparties that are required to be registered.
S. 1 – "Local counterparty" – Paragraph (c)	One commenter expressed concern with what it perceived as the extra-territorial reach of the definition of "local counterparty".	Change made. Paragraph (c) has been revised such that it no longer applies to counterparties that are local counterparties solely by virtue of paragraph (b).
S. 2(4) – Initial filing and recognition – Changes and inaccuracies	One commenter suggested revising the requirement to notify the Authority "in writing immediately" of changes to, or inaccuracy of, information in Form 91-507F1 to a requirement for notice in writing as soon as practicable upon the applicant making such changes or becoming aware of such changes, consistent with the requirement to file an amended Form 91-507F1 within 7 days of such change occurring or the applicant becoming aware of such inaccuracy.	Change made. The requirement to notify the Authority is satisfied by the filing of a completed amended Form 91-507F1 no later than 7 days after the change occurs or after becoming aware of any inaccuracy.
S. 13 – Access to recognized trade repository services	One commenter recommended that continuing derivatives data reporting by the clearing house should be made to the same trade repository where the original trade was reported. The commenter also pointed out that by naming a clearinghouse as a reporting party in former section 27, there may be an increased likelihood that, in circumstances where a clearinghouse operates a trade repository, there will be a loss of choice as the clearinghouse will be incented to report to its own trade repository.	Change made. New subsection 26(9) requires that where a clearing house is the reporting counterparty, it must report to a recognized trade repository selected by the local counterparty. Renumbered subsection 26(6) requires that all derivatives data must be reported to the same recognized trade repository to which the initial report was made.
Former s. 20(2) – General business risk	One commenter recommended that subsection 20(2) expressly provide that that a recognized trade repository must hold liquid net assets funded by equity equal to at least six months of current operating expenses.	Change made. Section 20 has been revised to require a recognized trade repository to hold liquid assets funded by equity equal to at least 6 months of current operating expenses.
S. 21(1), (2) – Systems and other operational risk requirements	One commenter suggested that the requirements of the board in subsections 21(1) and (2) are overly broad and place on the board responsibilities better seated with the management of the trade repository.	No change. International standards require board involvement in the risk management framework.
S. 21(4) – Systems	One commenter suggested that the requirement to recover within 2	No change. The 2-hour recovery time

and other operational risk requirements – Business continuity plans	hours is unnecessary and unduly burdensome relative to the risk presented by a longer recovery time.	requirement is consistent with international standards.
S. 21(6) – Systems and other operational risk requirements – Independent review of systems	One commenter urged that an independent review of systems would (i) force recognized trade repositories to incur excessive cost, (ii) be inconsistent with oversight requirements promulgated in other jurisdictions requiring trade reporting, and (iii) be duplicative of independent internal assessments. The commenter suggested subsection 21(6) be amended to allow the required independent assessment to be performed by internal audit departments that are compliant with the Institute of Internal Auditor's (IIA) "International Standards for the Professional Practice of Internal Auditing", and align the frequency of reviews to coincide with such standards.	Change made. Policy Statement 91-507 provides that this requirement may be satisfied by an independent internal assessment.
S. 21(8) – Systems and other operational risk requirements – Publication of requirements	One commenter suggested revising subsection 21(8) such that the 3 month requirement is changed to state "a period of time sufficiently in advance of implementation to allow for sufficient testing and system modification by participants".	Change made. Subsection 21(8) has been revised to reflect suggested language.
S. 21(9) – Systems and other operational risk requirements – Testing environment	One commenter suggested revising subsection 21(9) such that the 2 month requirement is changed to state "a period of time sufficiently in advance of implementation to allow for sufficient testing and system modification by participants".	Change made. Subsection 21(9) has been revised to reflect suggested language.
S. 23 – Confirmation of data and information	A number of commenters suggested that (i) a trade repository not be required to affirmatively communicate with both counterparties when data is received from a third-party service provider, a CPP, or an execution platform if (a) the recognized trade repository reasonably believes the data is accurate, (b) the data reflects that both counterparties agreed to the data, and (c) the counterparties were provided with a 48-hour correction period; and (ii) the trade repository be required to affirmatively communicate with both parties to the transaction when creation data is submitted directly by a swap counterparty.	Change made. Policy Statement 91-507 revised to explain that the section 23 confirmation obligations may be satisfied by a notice to the counterparties that a transaction has been reported in their name. No response within 48 hours by a party may be deemed confirmation of the derivatives data reported.
Former s. 25 – Duty to report – Interaction between s. 25 and	A number of commenters requested clarification on the interaction between the duty to report under former subsection 25(1) and the reporting counterparty hierarchy set out in former subsection 27(1).	Change made. Renumbered section 26 provides that the reporting counterparty's obligation to report is triggered by a derivatives transaction involving a local

former s. 27		counterparty. Renumbered section 25 prescribes who the reporting counterparty with the legal obligation to report is.
Former s. 25 – Duty to report – Post-transaction services	One commenter requested clarification with respect to the reporting of bulk post-transaction services, including portfolio compression. The commenter specifically requested confirmation that transactions resulting from bulk post-transaction services shall not be required to be reported in real-time due to technological impracticability, and recommended that, for both reporting and public dissemination, reporting resulting from post-transaction services should be clearly indicated as such and not be accompanied by pricing data.	Change made. Appendix A revised to include field for post-transaction services. The size of a post-transaction services operation would be taken into account in determining technological practicability.
Former s. 26 – Pre-existing derivatives data	A number of commenters raised concerns with the scope of the data required to be reported for pre-existing transactions.	No change. The reporting fields required for pre-existing transactions are consistent with the fields required by major trading jurisdictions.
	Two commenters suggested that, for clarity and simplicity, the obligation to report pre-existing transactions should include all those transactions that are open as of the day that mandatory reporting begins, as opposed to when the Proposed Regulations come into effect, regardless of whether any such trade expires or terminates within the 365 day back-load period post the mandatory compliance date.	No change. We believe that the current reporting requirements and timeframe for pre-existing transactions are appropriate. There are no restrictions against a local counterparty voluntarily reporting any other pre-existing trade.
Former s. 27(1) – Reporting counterparty	One commenter suggested that former paragraph 27(1)(a) expressly refer to a "clearing house" as a recognized or exempt clearing house, to ensure that the clearing house is subject to the Authority's regulatory oversight and jurisdiction.	Change made. Renumbered section 25 now refers to a "recognized or exempt clearing house".
	A number of commenters expressed concern with placing on local counterparties the ultimate obligation for ensuring derivatives data is reported. A number of commenters suggested that the obligation to report derivatives trade data under former section 27 should be imposed on derivatives dealers or a clearing house or swap execution facility involved in such transactions, regardless of whether such entities are foreign or not.	Change made. Renumbered section 26 revised such that a recognized or exempt clearing house has exclusive reporting obligation. A registered foreign derivatives dealer is a local counterparty pursuant to subsection (b) of the "local counterparty" definition and has the reporting onus when transacting with non-dealers.
		Further change made. Renumbered subsection 25(2) provides that where a local counterparty has not received a confirmation,

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		by the end of the second business day after the day on which the transaction is required to be reported, the local counterparty must act as the reporting counterparty.
Former s. 28 – Real-time reporting	A number of commenters requested clarification that the phrase "as soon as technologically practicable" would take into account the nature of the reporting counterparty.	Partial change made. Revised subsection 31(2) of the Regulation reflects that the real-time reporting requirement applies to creation data only. Policy Statement 91-507 provides guidance that revised subsection 31(2) "is intended to take into account the fact that not all counterparties will have the same technological capabilities."
Former s. 32 – Unique product identifier	One commenter suggested that the counterparties to a transaction are best situated to understand the product and assign a unique product identifier to that product in accordance with either industry or international standards and that it is not the province of the trade repository to analyze transactions and determine the type of product being reported.	Change made. Renumbered section 30 has been revised to require the reporting counterparty to assign a unique product identifier.
Former s. 33 – Life-cycle event data	One commenter recommended that life-cycle data and valuation data for transactions between affiliated entities be required to be reported on a quarterly, not daily, basis.	No change. The Authority believes that daily reporting of life-cycle event data for transactions between affiliated entities is important in providing the Authority with a view of the risk exposure in the market. To the extent that affiliated entities are not derivatives dealers, valuation data is only required to be reported quarterly in accordance with renumbered paragraph 33(1)(b).
Former s. 35 – Valuation data – Reporting counterparty	A number of commenters urged that only the reporting counterparty should be required to report valuation data, with one commenter suggesting that requiring local end-users to report valuation data will remove an incentive to clear transactions.	Change made. Renumbered section 33 has been revised to require only the reporting counterparty to report valuation data.
S. 37(2) – Data available to regulators	One commenter suggested that subsection 37(2) be revised so as to require a recognized trade repository to conform its access standards to internationally accepted regulatory access standards applicable to	No change.

– Access standards	trade repositories only to the extent that the internationally accepted regulatory standards comport with the standards of any regulatory body with oversight responsibility for the recognized trade repository.	
S. 37(3) – Data available to regulators	A number of commenters expressed concern with the requirement that a local counterparty must "take any action necessary" to ensure that the Authority can access the derivatives data reported for transactions involving the local counterparty.	Change made. Section 37(3) has been revised to require a local counterparty to use "best efforts" to ensure that the Authority has access to reported derivatives data, including instructing a trade repository to provide the Authority with access.
S. 38 – Data available to counterparties	One commenter recommended that, in cases of conflict between reporting laws and foreign privacy or blocking (secrecy) laws, the CSA should allow the reporting counterparty to withhold disclosure of certain identity information without having to seek the explicit approval of the regulator.	No change.
	One commenter urged that, in order to promote a level playing field with regard to derivatives-related services, service providers should be granted access to data in trade repositories upon consent by relevant counterparties to the trades submitted to the repositories and that trade repositories shall not be able to restrict such access based on reasons other than information security safeguards.	No change. Policy Statement 91-507 provides in guidance to section 38 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 shall grant such access on the terms consented to.
S. 39 – Data available to the public	A number of commenters urged that the need to preserve confidentiality and anonymity of the data being disseminated by the trade repository is of utmost priority. Commenters urged that subsection 39(3) should provide certain exceptions to public reporting for block trades, or trades above a certain threshold, and/ or mandatory minimum time delays with respect to public disclosure of data of such trades. Commenters encouraged the Authority to delay public reporting of transaction-level data.	Change made to renumbered section 42 to provide a further 6-month delay in the coming into force of subsection 39(3).
	A number of commenters suggested removing the requirement that a trade repository release to the public the geographic location and type of counterparty involved in a transaction, given the potential harm associated with the identification of a specific Québec end-user.	Change made. The requirement to publish aggregate data on "geographic location" and "type of counterparty" has been deleted from subsection 39(2).
S. 39(6) – Data available to the public – Affiliate	One commenter expressed concern that the wording of subsection 39(6) does not establish a restriction against the public release of affiliate transaction data, and recommended revising subsection 39(6)	No change. Given the international nature of the derivatives market, the Authority is not in a position to mandate that a trade repository

transactions	to state that the trade repository "must not" make public any derivatives data for transactions between affiliates, consistent with the approach used in subsection 39(4) to establish a restriction.	may not publicly release such data where it may be required to do so under foreign regulations.
S. 40 – Exclusions	One commenter expressed concern that the result of former paragraph 40(c) is to create a singular exclusion where one already exists – that is, it says if the local counterparty is not the reporting counterparty, then it is excused from reporting obligations, with the result that every OTC commodity derivative transaction, regardless of transaction size or type of participant involved, will be subject to the reporting obligation.	Change made. Former paragraph (c) in section 40 has been deleted.
	One commenter requested clarification on the intent of section 40, and suggested that the term "physical commodity transaction" be replaced with "commodity other than cash or currency" for consistency with paragraph 2(1)(d) of Regulation 91-506.	Change made. The exclusion in section 40 has made consistent with Regulation 91-506 and refers to a "derivative the asset class of which is a commodity other than cash or currency".
	A number of commenters suggested that the $500,000 threshold for exemption from reporting may be too low.	No change. This exclusion is only intended to be available to small market participants.
S. 40 – Exclusions – Inter-affiliate and intra-group trades	A number of commenters urged that inter-affiliate derivatives transactions should be excluded from the proposed trade reporting obligations.	No change. See the response to comments relating to public dissemination of inter-affiliate transaction data in section 39 above.
Former s. 41 – Exemptions – General	Two commenters suggested that the Regulation be amended to specifically address issues that could lead to frequent applications for exemptive relief, including: (i) substituted compliance, and (ii) confidentiality laws and public dissemination of block trade data. Commenters also suggested that a process for obtaining and "passporting" exemptive relief into other CSA jurisdictions be developed	See general comments above relating to harmonization and substituted compliance (first two comments on Regulation 91-507).
	One commenter suggested expanded usage of the exemption under former section 41 in instances where minor conflicts exist between the laws and regulations governing a foreign trade repository in its home jurisdiction and those proposed by the Authority.	No change.
Former s. 42 – Effective date	A number of commenters suggested the Regulation be amended to defer the reporting obligations on non-dealers for at least six months.	No change. Non-dealer market participants are afforded a deferral of reporting obligations under renumbered subsection 42(3).

	A number of commenters expressed concern regarding reporting requirements that differ in data fields or by transaction asset class or sub-asset class from those in other major trading jurisdictions. The commenters suggested deferring the effective date for reporting of data fields and transactions in additional asset classes that are not currently required to be reported in other major trading jurisdictions.	No change. Reporting requirement timelines are consistent with the timelines in other jurisdictions.

3.   Regulation 91-507 Appendix A – Data Fields

Topic or Field	Round 2 Issue/Comment	Response
N/A fields	One commenter recommended that fields that are not applicable should be left blank, rather than populated with N/A.	Change made. A field should be left blank where the field is not applicable.
Clearing Exemption and End-user Exemption fields	One commenter expressed concern with the Clearing Exemption and End-user Exemption fields, suggesting that only the Clearing Exemption field should be used and the End user Exemption field should be deleted.	Change made. The End-user Exemption field has been deleted, as the Clearing Exemption field captures the required information.
Execution Timestamp	One commenter requested clarification as to whether the "Execution Timestamp" field is applicable to transactions not executed on a trading venue. Also, it is not always the case that this information is available when a counterparty is back-loading pre-existing trades.	Change made. Further clarifying language provided in the public dissemination column, requiring information to be provided only if available.
Confirmation Timestamp	A number of commenters expressed concern with the requirement to report the confirmation timestamp as it is either difficult to report or it will be different between counterparties.	Change made. This field has been deleted as the benefits of having it are limited and keeping it could cause reporting issues for participants.
Electronic Trading Venue (ETV) and ETV Identifier fields	One commenter suggests that Electronic Trading Venue Identifier field be deleted. The identifier of the execution venue can be used as the value under the Electronic Trading Venue field.	Change made. This field has been deleted. Further clarifying language has been provided in the public dissemination column.
Custodian field	Two commenters expressed concern with the "Custodian" field.	Change made. This field has been deleted as it is not required by other major trading jurisdictions and may be difficult to report.
Compression	One commenter expressed concern that it was not clear if a transaction resulting from portfolio compression was subject to public	Change made. A "Post-Transaction Services" field has been added to identify a transaction that results from post-transaction services,

		including compression and reconciliation exercises.

4. Regulation 91-507 Forms – Form 91-507F1

Section reference	Round 2 Issue/Comment	Response
Exhibit I, s. 1	One commenter expressed concern regarding the provision of the names of participants prior to recognition of an applicant company, noting that absent consent to provide such information, the applicant trade repository may be in violation of the privacy rights of such participants.	Change made. This requirement has been deleted.

5. List of Commenters

1. Alternative Investment Management Association

2. Blake, Cassels & Graydon LLP

3. BP Canada Energy Group ULC

4. Canadian Life and Health Insurance Association Inc.

5. Canadian Market Infrastructure Committee

6. Capital Power Corporation

7. Depository Trust & Clearing Corporation

8. Direct Energy Marketing Limited

9. Terence W. Doherty

10. FpML Standards Committee, Financial product Markup Language

11. Global Financial Markets Association, Global Foreign Exchange Division

12. IGM Financial Inc.

13. International Swaps and Derivatives Association, Inc.

14. Just Energy Group Inc.

15. MarkitSERV, Markit Group Limited

16. Miller Thomson LLP

17.   Nexen Marketing

18.   Ontario Teachers' Pension Plan

19.   Osler, Hoskin & Harcourt, LLP

20.   RBC Global Asset Management Inc.

21.   SaskEnergy Incorporated and TransGas Limited

22.   Securities Industry and Financial Markets Association

23.   Shell Energy North America (Canada) Inc. and Shell Trading Canada

24.   State Street Global Advisors, Ltd.

25.   Suncor Energy Marketing Inc.

26.   TransAlta Corporation

27.   TriOptima AB