

ANNEX C

AMENDMENTS TO NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

1. ***National Instrument 24-101 Institutional Trade Matching and Settlement is amended by this Instrument.***

2. ***Section 1.1 is amended***

(a) ***by replacing the definition of “clearing agency” with:***

“clearing agency” means a recognized clearing agency that operates as a “securities settlement system” as defined in section 1.1 of National Instrument 24-102 *Clearing Agency Requirements*;

(b) ***in the definition of “DAP/RAP trade” by,***

(i) ***adding “in a security” immediately after “means a trade”, and***

(ii) ***replacing “made” with “completed” in paragraph (b),***

(c) ***by repealing the definitions of “North American region” and “T+3”, and***

(d) ***in the definition of “T+2” by replacing “,” following “means the second business day following T” with “.”.***

3. ***Section 1.2 is amended by replacing subsection (2) with the following:***

(2) For the purposes of this Instrument, in Québec, a clearing agency includes a clearing house and a settlement system within the meaning of the *Securities Act* (Québec)..

4. ***Paragraph 2.1(f) is replaced with the following:***

(f) a purchase governed by Part 9, or a redemption governed by Part 10, of National Instrument 81-102 *Investment Funds*..

5. ***Section 3.1 is amended***

(a) ***in subsection (1) by***

(i) ***replacing “shall” with “must”, and***

(ii) ***adding “Eastern Time” after “12 p.m. (noon)”, and***

(b) ***by repealing subsection (2).***

6. ***Section 3.2 is amended by replacing “shall” with “must”.***

7. ***Section 3.3 is amended***

(a) ***in subsection (1) by***

(i) ***replacing “shall” with “must”, and***

(ii) ***adding “Eastern Time” after “12 p.m. (noon)”, and***

(b) ***by repealing subsection (2).***

8. ***Sections 3.4 and 4.1 are amended by replacing “shall” with “must”.***

9. ***Section 5.1 is amended by replacing “through which trades governed by this Instrument are cleared and settled shall” with “must”.***

10. ***Sections 6.1 to 8.1 are amended by replacing “shall” with “must” wherever it appears.***

11. ***Form 24-101F1 is amended by replacing the instructions before the heading “Exhibits” with the following:***

INSTRUCTIONS:

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

- (a) less than 90 per cent of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time required in Part 3 of the Instrument, or
- (b) the equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time required in Part 3 of the Instrument represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades.

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics. Exhibit A(1) applies only to trades in equity and ETF securities. Exhibit A(2) applies only to trades in debt and other fixed-income securities..

12. Form 24-101F1 is amended by replacing Exhibit A – DAP/RAP trade statistics for the quarter with the following:

Exhibit A – DAP/RAP trade statistics for the quarter

If applicable, complete Table 1 or 2, or both, below for each calendar quarter. Deadline means noon Eastern time on T+1.

(1) Equity DAP/RAP trades (includes ETF trades)

Entered into the clearing agency by deadline (to be completed by dealers only)				Matched (to be completed by dealers and advisers)							
# of trades	%	\$ value of trades	%	# of trades matched	%	\$ value of trades matched	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

(2) Debt DAP/RAP trades

Entered into the clearing agency by deadline (to be completed by dealers only)				Matched (to be completed by dealers and advisers)							
# of trades	%	\$ value of trades	%	# of trades matched	%	\$ value of trades matched	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

Legend

"# of Trades" is the total number of transactions in the calendar quarter;
"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the calendar quarter.

13. Form 24-101F1 is amended in Exhibit B and C by replacing "Companion Policy 24-101CP" with "Companion Policy 24-101".

14. Form 24-101F2 is amended by replacing the instructions before the heading "Exhibits" with the following:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 5.1 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include client trades in an exchange-traded fund (ETF) security in the equity trades statistics.

Exhibits must be provided in an electronic file, in the following file format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel)..

15. Form 24-101F2 is further amended in Exhibit A, in Tables 1 and 2, by

(a) *deleting the row titled “T+3”, and*

(b) *replacing “>T+3” with “>T+2”.*

16. Form 24-101F3 is amended under the heading “INSTRUCTIONS:” by

(a) *deleting “or 10.2(4)”,*

(b) *replacing “shall” with “must”, and*

(c) *deleting the following:*

If you are delivering Form 24-101F3 pursuant to section 10.2 (4) of the Instrument, simply indicate at the top of this form under "Date of Commencement Information" that you were already carrying on business as a matching service utility in the relevant jurisdiction on the date that Part 6 of the Instrument came into force.

17. Form 24-101F4 is amended under the heading “INSTRUCTIONS:” by replacing “shall” with “must” in the second paragraph.

18. Form 24-101F5 is amended under the heading “INSTRUCTIONS:” by

(a) *adding the following paragraph after the first paragraph:*

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics., *and*

(b) *replacing “shall” with “must” wherever it appears.*

19. Form 24-101F5 is amended in Exhibit C, Tables 1 and 2, by

(a) *deleting the row titled “T+3”, and*

(b) *replacing “>T+3” with “>T+2”.*

Transition

Registered firm’s exception report – former rules apply to first quarter ending after the effective date

20. (1) For the purposes of the calculations under National Instrument 24-101 *Institutional Trade Matching and Settlement* that determine whether, with respect to the first calendar quarter ending after the effective date, Form 24-101F1 must be delivered under section 4.1 of that Instrument, a registered firm may make the determination under that Instrument as it was in force on the day before the effective date unless the effective date is the first day of a calendar quarter.
- (2) If a registered firm is required to deliver Form 24-101F1, and the effective date is not the first day of a calendar quarter, with respect to the first calendar quarter ending after the effective date, the firm may comply with the requirement by delivering the version of Form 24-101F1 that was in force on the day before the effective date.

Clearing agency’s operations report – former rules apply to first quarter ending after the effective date

21. For the purposes of section 5.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a clearing agency may comply with the requirement to deliver Form 24-101F2, with respect to the first calendar quarter ending after the effective date, by delivering the version of Form 24-101F2 that was in force on the day before the effective date unless the effective date is the first day of a calendar quarter.

Matching service utility’s operations report – former rules apply to first quarter ending after the effective date

22. For the purposes of section 6.4(1) of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a matching service utility may comply with the requirement to deliver Form 24-101F5, with respect to the first calendar quarter ending after the effective date, by delivering the version of Form 24-101F5 that was in force on the day before the effective date unless the effective date is the first day of a calendar quarter.

Meaning of effective date

23. For the purposes of sections 20 to 22 of this Instrument, “effective date” means the date this Instrument comes into force.

Effective Date

In one or more jurisdictions, the means by which this Instrument may be brought into force may differ from that set out in section 24 of this Instrument. Regardless of the means, the effective date will be the same in all jurisdictions.

24. (1) Except in Alberta, Ontario, Québec, the Northwest Territories, the Yukon, Nunavut, and Prince Edward Island, this Instrument comes into force on the later of the following:
- (a) September 5, 2017;
 - (b) if this Instrument is filed with the Registrar of Regulations after September 5, 2017, on the day on which it is filed with the Registrar of Regulations.
- (2) In Alberta, Ontario, Québec, the Northwest Territories, the Yukon, Nunavut and Prince Edward Island this Instrument comes into force on the later of the following:
- (a) September 5, 2017;
 - (b) in the event that the SEC extends the current compliance date of September 5, 2017 for broker-dealers in the United States to meet a new T+2 settlement standard under the amendments to Rule 15c6-1, the extended date set by the SEC to be such compliance date.
- (3) For the purposes of paragraph (2)(b),
- (a) “SEC” means the United States Securities and Exchange Commission;
 - (b) “Rule 15c6-1” means SEC Rule 15c6-1, *Securities Transactions Settlement*, Exchange Act Release No. 33023 (Oct. 6, 1993), 58 FR 52891, 52893 (Oct. 13, 1993); generally cited as: 17 CFR 240.15c6-1; and
 - (c) “amendments to Rule 15c6-1” means amendments made by the SEC to Rule 15c6-1 published on March 29, 2017 in the Federal Register in the United States to shorten the standard settlement cycle for most broker-dealer transactions from T+3 to T+2, as set forth in SEC Release No. 34-80295; File No. S7-22-16 (RIN 3235-AL86), *Securities Transaction Settlement Cycle*; Final rule.