

## ANNEX E

### SUMMARY OF COMMENTS AND CSA RESPONSES

Section Reference	Issue/Comment	Response
S. 1 – Definitions: Affiliated entity	Two commenters pointed out that there is a potential for confusion around the interpretation of the term “affiliate” due to the lack of harmonization throughout the rules.	No change. Given the specific scopes and objectives of each rule published by the CSA, having a harmonized interpretation of “affiliated entity” is currently difficult. The CSA will however continue exploring further options to harmonize definitions and interpretations as much as possible throughout its rules.
S. 3 – Duty to clear	Two commenters suggested that the exclusion of trusts and investments funds in former paragraphs 3(1)(b) and 3(1)(c) should be done under Section 1 to avoid amendments to the existing ISDA Canadian Clearing Classification Letter.	Change made. These exemptions were moved to new subsections 3(0.1) and 3(0.2).
S. 3 – Duty to clear	A commenter asked if the proposed additional exemption in subparagraph 3(1)(c)(iv) was intentional.	No change. The CSA’s intent is to consistently exempt from the clearing requirement any local counterparty that does not exceed the \$1 000 000 000 threshold.
S. 3 – Duty to clear	Two commenters suggested annual testing of the thresholds on a predetermined date in order to facilitate operational monitoring.	Change made for the \$1 000 000 000 threshold, no change for the \$500 000 000 000 threshold. An annual three-month monitoring window has been introduced for testing of the \$1 000 000 000 threshold.
S. 3 – Duty to clear	A commenter pointed out that a derivative market participant may be above the \$500 000 000 000 threshold when the mandatory clearing requirement comes into force but this same participant could be under the	Change made. The CSA is proposing that a person or entity that has been required to clear under paragraph 3(1)(c) would benefit from an exemption from the clearing obligation if it has not exceeded the \$500 000 000

	threshold the following months causing this participant to be subject to our National Instrument even if they no longer meet the threshold.	000 threshold for 12 consecutive months.
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**List of Commenters**

1. The Canadian Advocacy Council for Canadian CFA Institute Societies
2. Canadian Market Infrastructure Committee
3. International Swaps and Derivatives Association