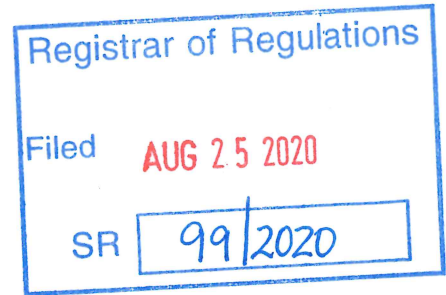




Province of Saskatchewan



Minister's Order

The Minister of Justice and Attorney General, pursuant to section 7 of *The Securities Commission (Regulation Procedures) Regulations*, approves *The Securities Commission (Adoption of National Instruments) (NI 21-101) Amendment Regulations, 2020 (No. 2)* in accordance with the attached Schedule.

Dated at the City of Regina, the 21 day of August, 2020.

Minister of Justice and Attorney General

(For administrative purposes only)

Authority:

The Securities Commission (Regulation Procedures) Regulations - section 7



Province of Saskatchewan

Commission Order

The Financial and Consumer Affairs Authority of Saskatchewan, pursuant to section 15.4 of *The Securities Act, 1988*, makes *The Securities Commission (Adoption of National Instruments) (NI 21-101) Amendment Regulations, 2020 (No. 2)* in accordance with the attached Schedule.

Dated at the City of Regina, the 13th day of August, 2020.



Chairperson
Financial and Consumer Affairs Authority of Saskatchewan

(For administrative purposes only)

Authority: *The Securities Act, 1988* - section 15.4

SCHEDULE

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) (NI 21-101) Amendment Regulations, 2020 (No. 2)*.

RRS c S-42.2 Reg 3, Part XXII Appendix amended

2(1) Part XXII of the Appendix to *The Securities Commission (Adoption of National Instruments) Regulations* is amended in the manner set forth in this section.

(2) Section 3.2 is amended:

(a) in subsection (2) by striking out “seven” and substituting “15”;

(b) in paragraph (3)(a) by striking out “month” and substituting “calendar quarter”; and

(c) by adding the following subsection after subsection (5):

“(6) For the purposes of subsection (5), if information in a marketplace’s Form 21-101F1 or Form 21-101F2, as applicable, has not changed since the marketplace filed its most recent Form 21-101F1 or Form 21-101F2 under subsection (5), the marketplace may incorporate that information by reference into its updated and consolidated Form 21-101F1 or Form 21-101F2.”.

(3) Subsection 4.2(1) is amended by striking out “the requirements outlined in”.

(4) The following section is added after section 4.2:

“4.3 Filing of Interim Financial Reports

A recognized exchange and a recognized quotation and trade reporting system must file interim financial reports for each interim period, within 60 days after the end of the interim period, prepared in accordance with paragraphs 4.1(1)(a) and (b).”.

(5) Section 12.1 is amended:

(a) in paragraph (a):

(i) by repealing subparagraph (i) and substituting the following:

“(i) adequate internal controls over those systems”; and

(ii) in subparagraph (ii) by adding “cyber resilience,” after “information security,”;

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(b) by repealing subparagraph (b)(ii) and substituting the following:

“(ii) conduct capacity stress tests to determine the processing capability of those systems to perform in an accurate, timely and efficient manner”;

(c) by striking out “and” after subparagraph (b)(ii);

(d) by repealing paragraph (c) and substituting the following:

“(c) promptly notify the regulator or, in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any systems failure, malfunction, delay or security incident and that is material and provide timely updates on the status of the failure, malfunction, delay or security incident, the resumption of service and the results of the marketplace’s internal review of the failure, malfunction, delay or security incident”;

(e) by adding “and” after paragraph (c); and

(f) by adding the following paragraph after paragraph (c):

“(d) keep a record of any systems failure, malfunction, delay or security incident and identify whether or not it is material.”.

(6) Section 12.1.1 is repealed and the following substituted:

“12.1.1 Auxiliary Systems – For each system that shares network resources with one or more of the systems, operated by or on behalf of the marketplace, that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing, that, if breached, would pose a security threat to one or more of the previously mentioned systems, a marketplace must

(a) develop and maintain adequate information security controls that relate to the security threats posed to any system that supports order entry, order routing, execution, trade reporting, trade comparison, data feeds, market surveillance and trade clearing,

(b) promptly notify the regulator, or in Québec, the securities regulatory authority and, if applicable, its regulation services provider, of any security incident that is material and provide timely updates on the status of the incident, the resumption of service, where applicable, and the results of the marketplace’s internal review of the security incident, and

(c) keep a record of any security incident and identify whether or not it is material.”.

(7) The following section is added after section 12.1.1:

“12.1.2 Vulnerability Assessments – On a reasonably frequent basis and, in any event, at least annually, a marketplace must engage one or more qualified parties to perform appropriate assessments and testing to identify security vulnerabilities and measure the effectiveness of information security controls that assess the marketplace’s compliance with paragraphs 12.1(a) and 12.1.1(a).”.

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(8) Section 12.2 is amended:

(a) by repealing subsection (1) and substituting the following:

“(1) On a reasonably frequent basis and, in any event, at least annually, a marketplace must engage one or more qualified external auditors to conduct an independent systems review and prepare a report in accordance with established audit standards and best industry practices that assesses the marketplace’s compliance with

- (a) paragraph 12.1(a),
- (b) section 12.1.1, and
- (c) section 12.4.”; **and**

(b) by repealing paragraph (2)(b) and substituting the following:

- “(b) the regulator or, in Québec, the securities regulatory authority, by the earlier of
- (i) the 30th day after providing the report to its board of directors or the audit committee, and
 - (ii) the 60th day after the report’s completion.”.

(9) Section 12.3 is amended:

- (a) in paragraph (1)(a) by striking out “and” and substituting “or”;**
- (b) in paragraph (2)(a) by striking out “and” and substituting “or”; and**
- (c) in paragraph (3.1)(a) by striking out “(2)(a)” and substituting “(2)(b)”.**

(10) Subsection 12.4(3) is amended by striking out “marketplace” and substituting “recognized exchange or quotation and trade reporting system”.

(11) Section 14.5 is amended:

- (a) in subparagraph (a)(i) by striking out “an adequate system of internal controls” and substituting “adequate internal controls”;**
- (b) in subparagraph (a)(ii) by adding “cyber resilience,” after “information security,”;**
- (c) by repealing subparagraph (b)(ii) and substituting the following:**

“(ii) conduct capacity stress tests of its critical systems to determine the processing capability of those systems to perform in an accurate, timely and efficient manner”;

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(d) by repealing paragraph (c) and substituting the following:

“(c) on a reasonably frequent basis and, in any event, at least annually, engage one or more qualified external auditors to conduct an independent systems review and prepare a report in accordance with established audit standards and best industry practices that assesses the information processor’s compliance with paragraph (a) and section 14.6.”;

(e) by repealing subparagraph (d)(ii) and substituting the following:

“(ii) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30th day after providing the report to its board of directors or the audit committee and the 60th day after the report’s completion.”;

(f) by striking out “and” after clause (d);

(g) by repealing paragraph (e) and substituting the following:

“(e) promptly notify the following of any systems failure, malfunction, delay or security incident that is material and provide timely updates on the status of the failure, malfunction, delay or security incident, the resumption of service, and the results of the information processor’s internal review of the failure, malfunction, delay or security incident:

(i) the regulator or, in Québec, the securities regulatory authority;

(ii) any regulation services provider, recognized exchange or recognized quotation and trade reporting system monitoring trading of the securities about which information is provided to the information processor, and”; **and**

(h) by adding the following paragraph after paragraph (e):

“(f) keep a record of any systems failure, malfunction, delay or security incident and identify whether or not it is material.”.

(12) The following section is added after section 14.5:

“14.5.1 Vulnerability Assessments

On a reasonably frequent basis and, in any event, at least annually, an information processor must engage one or more qualified parties to perform appropriate assessments and testing to identify security vulnerabilities and measure the effectiveness of information security controls that assess the information processor’s compliance with paragraph 14.5(a).”.

(13) Form 21-101F1 is amended:

(a) by striking out the portion after the heading “EXHIBITS” and substituting the following:



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“File all Exhibits with the Filing. For each Exhibit, include the name of the exchange or quotation and trade reporting system, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be included instead of the Exhibit.

Except as provided below, if the filer, recognized exchange or recognized quotation and trade reporting system files an amendment to the information provided in its Filing and the information relates to an Exhibit filed with the Filing or a subsequent amendment, the filer, recognized exchange or recognized quotation and trade reporting system, must, in order to comply with subsection 3.2(1), (2) or (3) of National Instrument 21-101 *Marketplace Operation*, provide a description of the change and the actual or expected date of the implementation of the change, and file a complete and updated Exhibit. The filer must provide a blacklined version showing changes from the previous filing.

If the filer, recognized exchange or recognized quotation and trade reporting system has otherwise filed the information required by the previous paragraph pursuant to section 5.5 of National Instrument 21-101 *Marketplace Operation*, it is not required to file the information again as an amendment to an Exhibit. However, if supplementary material relating to a filed rule is contained in an Exhibit, an amendment to the Exhibit must also be filed.”;

(b) by repealing *Exhibit B - Ownership* and substituting the following:

“*Exhibit B – Ownership*

In the case of an exchange or quotation and trade reporting system that is a corporation, other than an exchange or quotation and trade reporting system that is a reporting issuer, provide a list of the beneficial holders of 10 percent or more of any class of securities of the exchange or quotation and trade reporting system. For each listed security holder, provide the following:

1. Name.
2. Principal business or occupation and title, if any.
3. Ownership interest, including the total number of securities held, the percentage of the exchange or quotation and trade reporting system's issued and outstanding securities held, and the class or type of security held.
4. Whether the security holder has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*).

In the case of an exchange or quotation and trade reporting system that is a partnership, sole proprietorship or other type of organization, provide a list of the registered or beneficial holders of the partnership interests or other ownership interests in the exchange or quotation and trade reporting system. For each person or company listed, provide the following:

1. Name.
2. Principal business or occupation and title, if any.



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3. Nature of the ownership interest, including a description of the type of partnership interest or other ownership interest.

4. Whether the person or company has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*).”;

(c) in section 1 of Exhibit C - Organization by repealing items 4 and 5;

(d) in Exhibit D - Affiliates by repealing Items 2, 5 and 6 of section 2;

(e) in Exhibit E - Operations of the Marketplace:

(i) by striking out “, including a description of any co-location arrangements” in Item 2; and

(ii) by repealing Items 7 and 8; and

(f) in Exhibit G - Systems and Contingency Planning:

(i) under the heading “General”:

(A) in Item 1 by striking out “high level” and substituting “high-level”; and

(B) in Item 2 by striking out “the Instrument” and substituting “National Instrument 21-101 *Marketplace Operation*”;

(ii) in Item 3 under the heading “Systems” by striking out “the Instrument” and substituting “National Instrument 21-101 *Marketplace Operation*”; and

(iii) in Item 2 under the heading “IT Risk Assessment” by striking out “are” and substituting “is”.

(14) Form 21-101F2 is amended:

(a) by striking out the portion after the heading “EXHIBITS” and substituting the following:

“File all Exhibits with the Initial Operation Report. For each Exhibit, include the name of the ATS, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be included instead of the Exhibit.

If the ATS files an amendment to the information provided in its Initial Operation Report and the information relates to an Exhibit filed with the Initial Operation Report or a subsequent amendment, the ATS must, in order to comply with subsection 3.2(1), (2) or (3) of National Instrument 21-101 *Marketplace Operation*, provide a description of the change and the actual or expected date of the implementation of the change, and file a complete and updated Exhibit. The ATS must provide a blacklined version showing changes from the previous filing.”;

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(b) by repealing *Exhibit B - Ownership* and substituting the following:

“Exhibit B – Ownership

In the case of an ATS that is a corporation, other than an ATS that is a reporting issuer, provide a list of the beneficial holders of 10 percent or more of any class of securities of the ATS. For each listed security holder, provide the following:

1. Name.
2. Principal business or occupation and title, if any.
3. Ownership interest, including the total number of securities held, the percentage of the ATS's issued and outstanding securities held, and the class or type of security held.
4. Whether the security holder has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*).

In the case of an ATS that is a partnership, sole proprietorship or other type of organization, provide a list of the registered or beneficial holders of the partnership interests or other ownership interests in the ATS. For each person or company listed, provide the following:

1. Name.
2. Principal business or occupation and title, if any.
3. Nature of the ownership interest, including a description of the type of partnership interest or other ownership interest.
4. Whether the person or company has control (as interpreted in subsection 1.3(2) of National Instrument 21-101 *Marketplace Operation*);”;

(c) in section 1 of *Exhibit C - Organization* by repealing Items 4 and 5;

(d) in *Exhibit D - Affiliates* by repealing Items 2 and 5 of section 2;

(e) in *Exhibit E - Operations of the Marketplace*:

(i) in Item 2 by striking out “, including a description of any co-location arrangements”; and

(ii) by repealing Items 7 and 8; and

(f) in *Exhibit G - Systems and Contingency Planning*:

(i) under the heading “*General*”:

(A) in Item 1 by striking out “high level” and substituting “high-level”;
and

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(B) in Item 2 by striking out “the Instrument” and substituting “National Instrument 21-101 *Marketplace Operation*”;

(ii) under the heading “Systems” in Item 3 by striking out “the Instrument” and substituting “National Instrument 21-101 *Marketplace Operation*”; and

(iii) under the heading “*IT Risk Assessment*” in Item 2 by striking out “are” and substituting “is”.

(15) Form 21-101F3 is amended:

(a) in Part A:

(i) by repealing Item B in section 3;

(ii) by repealing Item C in section 3; and

(iii) by repealing sections 4 to 7;

(b) in section 1 of Part B:

(i) by repealing Item 1 and Chart 1;

(ii) by repealing Item 2 and Chart 2;

(iii) by repealing Item 3 and Chart 3;

(iv) by repealing Item 4 and Chart 4;

(v) by repealing Item 5 and Chart 5; and

(vi) by repealing Item 6 and Chart 6; and

(c) in section 2 of Part B:

(i) by repealing Item 3; and

(ii) by repealing Chart 9.

(16) Form 21-101F5 is amended:

(a) by striking out the portion after the heading “Exhibits” and substituting the following:

“File all Exhibits with the Initial Form. For each Exhibit, include the name of the information processor, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect must be included instead of the Exhibit.

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If the information processor files an amendment to the information provided in its Initial Form, and the information relates to an Exhibit filed with the Initial Form or a subsequent amendment, the information processor must, in order to comply with sections 14.1 and 14.2 of National Instrument 21-101 *Marketplace Operation*, provide a description of the change and the actual or expected date of the implementation of the change, and file a complete and updated Exhibit. The information processor must provide a blacklined version showing changes from the previous filing.”;

(b) in section 1 of *Exhibit C - Organization*:

(i) by striking out “directors,” and substituting “officers,”; and

(ii) by repealing Items 4 and 5;

(c) in section 1 of *Exhibit G - System and Operations* by striking out “National Instruments 21-101 and 23-101” and substituting “National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*”;

(d) in section 2 of *Exhibit J - Fees and Revenue Sharing* by striking out “National Instrument 21-101” and substituting “National Instrument 21-101 *Marketplace Operation*”;

(e) in section 1 of *Exhibit K - Reporting to the Information Processor* by striking out “National Instrument 21-101” and substituting “National Instrument 21-101 *Marketplace Operation*”; and

(f) in *Exhibit M - Selection of Securities for which Information Must Be Reported to the Information Processor* by striking out “National Instrument 21-101” wherever it appears and in each case substituting “National Instrument 21-101 *Marketplace Operation*”.

Coming into force

3(1) Subject to subsection (2), these regulations come into force on September 14, 2020.

(2) If these regulations are filed with the Registrar of Regulations after September 14, 2020, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

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