

CSA Notice Regarding *Coordinated Blanket Order 24-930 Exemption from certain filing requirements of National Instrument 24-101 Institutional Trade Matching and Settlement*

June 15, 2023

Introduction

On June 15, 2023, the Canadian Securities Administrators (CSA) published a temporary exemption on the applicability of section 4.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement* (NI 24-101) for registered dealers and advisers (**Registered Firms**) with respect to the exception reporting requirement of NI 24-101 (**Exception Reporting Requirement**). The CSA has implemented the relief through local blanket orders that are substantively harmonized across the country. This notice contains CSA staff's views about the exemption in the local blanket orders (collectively, the **Blanket Orders**).

The Blanket Orders are being issued in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

Description of the Blanket Orders

The Blanket Orders exempt Registered Firms from the requirement to deliver Form 24-101F1 to the participating jurisdictions.

Although the outcome of any coordinated Blanket Order is the same in participating CSA jurisdictions, the language of the Blanket Order issued by each province or territory may not be identical because each jurisdiction's Blanket Order must fit within the authority provided for in local securities legislation.

In Alberta, British Columbia, New Brunswick and Nova Scotia, the Blanket Orders will be implemented by varying the existing relief set out in Alberta Securities Commission Blanket Order 24-505, BC Instrument 24-501, New Brunswick Blanket Order 24-502 and Nova Scotia Securities Commission Blanket Order No. 24-503.

Background

NI 24-101 has been in effect since 2007. It provides a framework for ensuring efficient and timely settlement of the processing of institutional trades (equity and debt) by Registered Firms. NI 24-101 has a number of requirements including that Registered Firms are required to establish, maintain and enforce policies and procedures designed to achieve the matching threshold of institutional trades.

Under the Exception Reporting Requirement, Registered Firms are required to deliver Form 24-101F1 to the securities regulatory authority if less than 90% of trades (by value and volume) executed by or for the Registered Firm during the quarter matched within the time required by NI 24-101. Form 24-101F1 requires Registered Firms, among other things, to explain why they did not meet the exception reporting thresholds and the steps to address the delay.

In 2020, the CSA implemented a three-year moratorium on the applicability of the Exception Reporting Requirement through a local rule in Ontario and by Blanket Orders in all other jurisdictions (the **2020 Moratorium**). As a result of the 2020 Moratorium, Registered Firms are no longer required to deliver Form 24-101F1 beginning on July 1, 2020 and ending on July 1, 2023.

On December 15, 2022, the CSA published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**). The Proposed 24-101 Amendments are intended to align with the shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade to one day after the date of a trade. The Proposed 24-101 Amendments would, if implemented, also include the permanent elimination of the Exception Reporting Requirement for Registered Firms.

The Proposed 24-101 Amendments, if approved, are expected to come into force on a date that is aligned with Canada's industry move to a T+1 settlement cycle, currently expected to be May 27, 2024.

Day on Which the Blanket Orders Cease to be Effective

The Blanket Orders come into effect on July 2, 2023, and will cease to be effective on the earlier of the following:

- (a) the effective date of the Proposed 24-101 Amendments;
- (b) the date that is 18 months after the date of the Blanket Orders unless extended by the participating jurisdictions.

Questions

If you have questions, please contact any of the following:

Ontario Securities Commission
Aaron Ferguson
Manager, Market Regulation
Tel: 416-593-3676
Email: aferguson@osc.gov.on.ca

Ontario Securities Commission
Stephanie Wakefield
Senior Legal Counsel, Market Regulation
Tel: 647-401-8397
Email: swakefield@osc.gov.on.ca

Ontario Securities Commission
Jarrod Smith
Senior Accountant, Market Regulation
Tel: 416-263-3778
Email: jsmith@osc.gov.on.ca

Autorité des marchés financiers
Dominique Martin,
Director, Oversight of Trading Activities
Tel: 514-395-0337, ext. 4351
Email: dominique.martin@lautorite.qc.ca

Autorité des marchés financiers
Francis Coche
Derivative Products Analyst - Oversight of
Clearing Activities
Market Activities and Derivatives
Tel: 514-395-0337, ext. 4343
Email: Francis.Coche@lautorite.qc.ca

Alberta Securities Commission
Harvey Steblyk
Senior Legal Counsel, Market Regulation
Tel: 403-297-2468
Email: harvey.steblyk@asc.ca

British Columbia Securities Commission
Michael Grecoff,
Securities Market Specialist, Capital
Markets Regulation
Tel: (604) 899-6864
Email: mgrecoff@bcsc.bc.ca

British Columbia Securities Commission
H. Zach Masum
Manager, Legal Services, Capital Markets
Regulation
Tel: (604) 899-6869
Email: zmasum@bcsc.bc.ca

Autorité des marchés financiers
Yasmine Garreau
Senior Policy Advisor - Clearinghouses
Oversight
Tel: 514-395-0337, ext. 4697
Email: yasmine.garreau@lautorite.qc.ca

Manitoba Securities Commission
Paula White
Deputy Director, Compliance and Oversight
Tel: 204-945-5195
Email: paula.white@gov.mb.ca

Financial and Consumer Affairs Authority
of Saskatchewan
Liz Kutarna
Director, Capital Markets, Securities
Division
Tel: 306-787-5871
Email: liz.kutarna@gov.sk.ca

Financial and Consumer Services
Commission (New Brunswick)
Amelie McDonald
Legal Counsel
Tel: 506-635-2938
Email: amelie.mcdonald@fcnb.ca



GENERAL ORDER 24-930

In the Matter of Temporary Exemption from certain filing requirements of National Instrument 24-101 *Institutional Trade Matching and Settlement*

In the Matter of *The Securities Act, 1988*, SS 1988-89, C S-42.2, as Amended (the “Act”)

ORDER

WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (**FCAA**) has assigned to the Executive Director of the Securities Division, FCAA (the “**Executive Director**”) the power to make exemption orders under the provisions of the Act including orders of general application;

AND WHEREAS staff of the Securities Division (**Staff**) of FCAA has applied for an order pursuant to section 160 of the Act exempting registered dealers and advisers (**Registered Firms**) from the requirement in section 4.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement* (**NI 24-101**) to deliver Form 24-101F1 *Registered Firm Exception reporting of Dap/Rap Trade Reporting and Matching* (**Form 24-101F1**) (**Exception Reporting Requirement**);

AND WHEREAS the securities regulatory authorities of British Columbia, Alberta, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nunavut, the Northwest Territories, and Yukon, also effected the 2020 Moratorium by way of blanket orders which were harmonized;

AND WHEREAS on March 26, 2020, FCAA made General Order 24-501 *In the Matter of Relief from Certain Reporting Requirements under National Instrument 24-101 Institutional Trade Matching and Settlement* to provide a three-year moratorium on the applicability of section 4.1 of NI 24-101 (**2020 Moratorium**);

AND WHEREAS terms defined in the Act, National Instrument 14-101 *Definitions* and NI 24-101 have the same meaning in this Order;

AND WHEREAS it has been represented to the Executive Director that:



- (a) On December 15, 2022, the Canadian Securities Administrators (the **CSA**) published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**) in its Notice entitled: “Proposed Amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and Proposed Changes to Companion Policy 24-101 *Institutional Trade Matching and Settlement*.”¹ The Proposed 24-101 Amendments would, if implemented, among other things, include the permanent elimination of the Exception Reporting Requirement and are expected to come into force on a date that is aligned with Canada’s industry to move to a T+1 settlement cycle, currently expected to be May 27, 2024.
- (b) FCAA seeks to provide Registered Firms with the exemption listed below to address the time between the end of the 2020 Moratorium and the effective date of the Proposed 24-101 Amendments.

AND WHEREAS the Executive Director is of the opinion that it would not be prejudicial to the public interest to make this Order.

IT IS ORDERED under section 160 of the Act that:

1. A Registered Firm is exempt from the Exception Reporting Requirement.

Effective Date and Term

2. This Order comes into effect on July 2, 2023, and will cease to be effective on the effective date of the Proposed 24-101 Amendments.

Dated this 24, day of May 2023.

Dean Murrison
Executive Director, Securities Division
Financial and Consumer Affairs
Authority of Saskatchewan

¹ https://fcaa.gov.sk.ca/public/CKeditorUpload/Securities/National_Instruments_Published_for_Comment/24-101_NI_CSA_Notice_and_Request_for_Comment_December_15,_2022.pdf