

Financial and Consumer Services Commission

Coordinated Blanket Order 96-931

Citation: Exemption from derivatives reporting requirements in Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* for certain derivatives data relating to the Canadian dollar offered rate

(Order under section 208 of the Securities Act)

Date: May 9, 2024

Definitions

1. Terms defined in the *Securities Act* (New Brunswick) (the **Act**), National Instrument 14-101 *Definitions*, Multilateral Instrument 91-101 *Derivatives: Product Determination*, and Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (**MI 96-101**) have the same meaning in this Order unless otherwise defined herein.

Background

2. Section 32 of MI 96-101 requires a reporting counterparty to report life-cycle events to a recognized trade repository by the end of the business day on which the life-cycle event occurs, but if that is not technologically practicable, no later than the end of the business day following the day on which the life-cycle event occurs (**the life-cycle event reporting deadline**).
3. In response to concerns regarding interbank offered rates (**IBORs**), the Financial Stability Board has called for implementation of alternative rates.
4. In order to ensure that over-the-counter (**OTC**) derivatives that are based on IBORs continue to operate following the transition to alternative rates, parties to these OTC derivatives have implemented “fallback provisions”, which provide for alternative rates to replace IBORs upon their cessation or non-representativeness.
5. Certain OTC derivatives are based on the Canadian dollar offered rate (**CDOR**) which will not be published after June 28, 2024. Pursuant to fallback provisions in standard OTC derivatives contracts, these OTC derivatives will transition to an appropriate alternative rate by July 2, 2024 (**the CDOR transition**).
6. A change to the terms of a derivative resulting from a CDOR transition, is a life-cycle event (**CDOR transition life-cycle event**), in relation to CDOR based derivatives, that must be reported under section 32 of MI 96-101.
7. Because of the large number of CDOR transition life-cycle events that will need to be reported on or before July 2, 2024, reporting counterparties have indicated that they may not be able to comply with the requirement to report a CDOR transition life-cycle event before the life-cycle event reporting deadline.

8. We expect that all other jurisdictions of Canada except Alberta and Ontario will make orders that are similar to the Order. On March 7, 2024 Alberta and Ontario published CSA Staff Notice 96-305 *Derivatives Data Reporting Guidance for CDOR Transition* to provide guidance to market participants with respect to reporting requirements applicable to a CDOR transition life-cycle event.

Order

9. Considering that it would not be prejudicial to the public interest to do so, the Executive Director orders under section 208 of the Act that a reporting counterparty is exempt from the requirement to report life-cycle event data under section 32 of MI 96-101 in relation to a CDOR transition life-cycle event provided that:
 - (a) the CDOR transition life-cycle event occurs on or before July 2, 2024, and
 - (b) the life-cycle event data relating to the CDOR transition life-cycle event is reported on or before the end of the fifth business day after the day on which the CDOR transition life-cycle event occurs.

Effective Date and Term

10. This Order comes into effect on June 28, 2024 and expires on July 10, 2024.

“Original signed by”

To-Linh Huynh
Executive Director