

# 7.

## Bourses, chambres de compensation, organismes d'autoréglementation et autres entités réglementées

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## 7.1 AVIS ET COMMUNIQUÉS

### Avis de publication

**Avis 23-331 du personnel des ACVM et de l'OCRI : *Consultation sur les projets relatifs à la structure du marché proposés par la SEC en décembre 2022 et leurs incidences possibles sur les marchés des capitaux du Canada***

(Texte de l'avis publié ci-dessous)

**Avis 23-331 du personnel des ACVM et de l'OCRI**  
*Consultation sur les projets relatifs à la structure du marché proposés  
 par la SEC en décembre 2022 et leurs incidences possibles sur les  
 marchés des capitaux du Canada*

Le 19 octobre 2023

## I. Introduction

Le 14 décembre 2022, la Securities and Exchange Commission (la **SEC**) des États-Unis a publié pour consultation quatre projets de modification importante de certains éléments fondamentaux de la structure du marché américain (les **projets de modification de la SEC**)<sup>1</sup>. La période de consultation s'est terminée le 31 mars 2023.

Les Autorités canadiennes en valeurs mobilières (les **ACVM**) et l'Organisme canadien de réglementation des investissements (l'**OCRI**) (collectivement, **nous**) ont entrepris d'examiner les projets de modification de la SEC et d'évaluer les incidences de leur éventuelle adoption, sous quelque forme que ce soit, sur la structure des marchés canadiens des titres de capitaux propres. Le présent avis a pour but de solliciter des commentaires sur certains aspects de ces projets, surtout leurs effets possibles sur les marchés des capitaux du Canada, notamment, dans la mesure où ils peuvent être estimés, les coûts de la conformité, et sur les réponses réglementaires envisageables. Les ACVM et l'OCRI ne proposent aucune modification du cadre réglementaire canadien pour le moment. Tout projet de modification pouvant découler de la présente consultation sera publié pour consultation en temps et lieu.

Si aucun des projets de modification de la SEC n'est assuré de se voir adopter dans sa forme proposée, ni même d'aboutir, nous souhaitons tout de même recueillir des avis maintenant puisque la SEC a annoncé son intention de les mener à terme en avril 2024<sup>2</sup> et toute réponse des ACVM ou de l'OCRI devra suivre le processus normal d'élaboration réglementaire.

La partie II du présent avis expose les principaux éléments des projets de modification de la SEC. La partie III porte sur certains des éléments pouvant avoir une incidence sur les marchés des capitaux du Canada et pose des questions précises auxquelles nous invitons les intervenants à répondre en vue d'étayer notre analyse des enjeux et de déterminer les mesures à prendre. Nous donnons aussi notre avis préliminaire sur l'opportunité de modifier le cadre réglementaire canadien dans la foulée des projets de modification de la SEC.

<sup>1</sup>Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders publié au [www.sec.gov/rules/proposed/2022/34-96494.pdf](http://www.sec.gov/rules/proposed/2022/34-96494.pdf) (en anglais);

Regulation Best Execution publié au [www.sec.gov/rules/proposed/2022/34-96496.pdf](http://www.sec.gov/rules/proposed/2022/34-96496.pdf) (en anglais);

Disclosure of Order Execution Information publié au [www.sec.gov/rules/proposed/2022/34-96493.pdf](http://www.sec.gov/rules/proposed/2022/34-96493.pdf) (en anglais);

Order Competition Rule publié au [www.sec.gov/rules/proposed/2022/34-96495.pdf](http://www.sec.gov/rules/proposed/2022/34-96495.pdf) (en anglais).

<sup>2</sup><https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202304&RIN=3235-AN23> (en anglais).

## II. Aperçu des projets de modification de la SEC

Voici un court résumé des principaux éléments des quatre projets de modification de la SEC.

### **Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders**<sup>3</sup>

La SEC propose de modifier certaines règles du *Regulation NMS*<sup>4</sup> afin d'y intégrer les mesures suivantes :

1. l'adoption d'échelons de cotation minimums variables, ou de « pas de cotation » (« tick size »), pour l'établissement du cours et la négociation des titres du système de marché national (le **système NMS**, pour *National Market System*) en vue de permettre d'établir le cours d'un titre en fonction d'échelons inférieurs à un cent, alors que l'échelon minimum actuel de 0,01 \$ US limite les cotations de nombreux titres du système NMS;
2. la baisse du plafond des droits pouvant être facturés par un établissement de négociation (au sens de l'expression « trading center » dans les règles de la SEC) afin de tenir compte des échelons inférieurs à un cent proposés;
3. l'avancement de l'entrée en vigueur de la définition des expressions « odd-lot information » (information sur lot irrégulier) et « round lot »<sup>5</sup> (lot régulier) en vertu des *Market Data Infrastructure Rules* (les **règles MDI**) déjà adoptées (mais pas encore mises en œuvre) en vue de rehausser la transparence concernant la disponibilité des ordres sur lots réguliers et irréguliers à un meilleur cours sur le marché.

### **Regulation Best Execution**<sup>6</sup>

L'un des projets de modification de la SEC porte sur le principe de « meilleure exécution ». Il introduirait dans les règles de la SEC un cadre en la matière qui s'ajouterait aux obligations actuellement imposées par les règles de la Financial Industry Regulatory Authority Inc. (la **FINRA**) et du Municipal Securities Rulemaking Board (le **MSRB**).

Le projet de normes de meilleure exécution de la SEC s'appliquerait à tous les titres, y compris les options, les titres du système NMS, les obligations municipales et de sociétés ainsi que les actifs numériques qui constituent des valeurs mobilières ou des titres gouvernementaux en vertu des lois fédérales sur les valeurs mobilières. De plus, le projet de la SEC prévoit des dispositions visant les opérations effectuées avec les clients individuels qui sont susceptibles de comporter un conflit d'intérêts, y compris les paiements pour les flux d'ordres aux courtiers de ces investisseurs, et exigeant un examen trimestriel et annuel. Les normes de la SEC existeraient parallèlement à celles de la FINRA et du MSRB, et le courtier qui serait aussi assujéti aux règles de l'une de ces organisations devrait se conformer aux normes les plus strictes.

<sup>3</sup> [www.sec.gov/files/34-96494-fact-sheet.pdf](http://www.sec.gov/files/34-96494-fact-sheet.pdf) (en anglais).

<sup>4</sup> Articles 242.600 à 242.614 du titre 17 du *Code of Federal Regulations* des États-Unis.

<sup>5</sup> En anglais, l'expression « board lot », plutôt que « round lot », est habituellement employée sur les marchés canadiens des titres de capitaux propres.

<sup>6</sup> [www.sec.gov/files/34-96496-fact-sheet.pdf](http://www.sec.gov/files/34-96496-fact-sheet.pdf) (en anglais).

### **Disclosure of Order Execution Information**<sup>7</sup>

La SEC propose de mettre à jour les dispositions de la Rule 605 du *Regulation NMS* obligeant les « places financières » (au sens de l'expression « market centers ») à communiquer de l'information sur la qualité d'exécution des ordres visant les titres du système NMS. Les projets de modification de la SEC élargiraient la définition de l'expression « covered orders », tout comme le bassin d'entités assujetties à la Rule 605. De plus, la SEC propose de modifier certaines catégories de déclaration et l'information à déclarer en vertu de cette règle.

Le projet de modification de la SEC en matière de communication de l'information sur l'exécution des ordres vise *i)* à moderniser et à améliorer la déclaration des exécutions afin de faciliter aux investisseurs la comparaison et l'évaluation de la qualité des exécutions d'une plateforme de négociation à l'autre et d'un courtier à l'autre aux États-Unis, et *ii)* à favoriser la concurrence parmi les places financières et les courtiers.

### **Order Competition Rule**<sup>8</sup>

L'un des projets de modification de la SEC vise à accroître la concurrence pour l'exécution des ordres exécutables des investisseurs individuels en introduisant une obligation d'exposer certains ordres à la concurrence par enchère ouverte avant leur exécution à l'interne par une plateforme de négociation qui restreint la concurrence sur les ordres.

Aux États-Unis, une grande part des ordres d'investisseurs individuels sont négociés par des teneurs de marché hors bourse qui effectuent généralement des paiements pour les flux d'ordres aux courtiers d'investisseurs individuels, puis qui exécutent les ordres à l'interne ou les acheminent vers une bourse. Par conséquent, les autres participants au marché n'ont généralement pas la chance d'interagir avec ces ordres. Le projet de modification de la SEC vise à promouvoir la concurrence et la transparence par l'introduction de l'obligation d'acheminer la plupart des ordres d'investisseurs individuels vers une enchère admissible tenue par un « établissement de négociation à concurrence libre » (au sens que la SEC donne à l'expression « open competition trading center ») avant de les réacheminer vers les teneurs de marché hors bourse, qui peuvent ensuite les exécuter à l'interne.

## **III. Consultation**

### **Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders**

#### ***i) Échelons de cotation minimums variables***

Selon la SEC, la cotation de nombreux titres du système NMS est limitée par l'échelon minimal de 0,01 \$ US prévu dans la Rule 612 de la SEC, si bien qu'elle ne peut dépendre des forces du marché. Plus précisément, aux dires de la SEC, les données démontrent qu'aux États-Unis, une forte proportion des exécutions s'effectue à des échelons inférieurs à un cent en raison des

<sup>7</sup> [www.sec.gov/files/34-96493-fact-sheet.pdf](http://www.sec.gov/files/34-96493-fact-sheet.pdf) (en anglais).

<sup>8</sup> [www.sec.gov/files/34-96495-fact-sheet.pdf](http://www.sec.gov/files/34-96495-fact-sheet.pdf) (en anglais).

exécutions au prix médian et des améliorations de cours inférieures à un cent apportées par les teneurs de marché hors bourse américains internalisant les ordres des investisseurs individuels ou par les programmes de liquidité des bourses américaines pour ces investisseurs.

Afin de promouvoir un marché juste et ordonné ainsi qu'une concurrence loyale et une réglementation équitable pour les teneurs de marché hors bourse, les bourses et les systèmes de négociation parallèles aux États-Unis, la SEC propose d'établir quatre échelons de cotation minimums, allant de 0,001 \$ US à 0,01 \$ US, pour la cotation et la négociation des titres du système NMS à un cours égal ou supérieur à 1,00 \$ US l'action, d'en assigner un selon l'écart coté pondéré en fonction du temps sur les marchés américains durant une période d'évaluation, et de le recalculer chaque trimestre.

Au Canada, l'alinéa (1) du paragraphe 6.1 des Règles universelles d'intégrité du marché (les **RUIM**) de l'OCRI interdit la saisie d'un ordre à un cours qui comprend une fraction d'un cent autre qu'un échelon de cotation d'un demi-cent relativement à un ordre doté d'un cours inférieur à 0,50 \$ CA.

L'OCRI a étudié la négociation de titres cotés au Canada du 1<sup>er</sup> janvier au 30 avril 2023 (la **période de l'étude**). En moyenne, 140 titres sur 2 944 seraient limités par le pas de cotation et auraient un échelon de cotation inférieur si une règle similaire devait être instaurée au Canada. Les négociations sur ces titres représentaient 39 % du volume, 16 % de la valeur et 26 % des opérations durant la période de l'étude. Une moyenne de 35 des 140 titres limités sont aussi inscrits à la cote de bourses américaines.

**Question 1 :** Si la SEC adopte sa règle dans la forme proposée, veuillez donner votre avis sur l'éventualité que le Canada harmonise la sienne, notamment sur les plans suivants :

- a) le mode de calcul des échelons de cotation minimums, y compris la source des données (quels marchés et quelle entité seraient responsables du calcul) et les périodes de calcul;
- b) les titres visés par les échelons de cotation modifiés pour le Canada (par exemple les titres intercotés seulement ou toutes les catégories de titres, de fonds négociés en bourse et d'autres titres cotés, ou certaines d'entre elles);
- c) le traitement des cas où l'application d'un mode de calcul harmonisé donnerait lieu à des échelons de cotation différents au Canada et aux États pour un titre intercoté (c'est-à-dire lorsque les écarts cotés moyens pondérés en fonction du temps au Canada sont différents de ceux aux États-Unis pour le même titre).

**Question 2 :** Si les règles canadiennes relatives aux échelons de cotation minimums n'étaient pas modifiées en réponse au projet de modification de la règle de la SEC :

- a) les participants au marché diminueraient-ils leurs flux d'ordres vers les marchés canadiens au profit des plateformes de négociation américaines?
- b) est-ce que la différence entre la valeur du dollar canadien et celle du dollar américain constitue un facteur dans votre analyse?

**Question 3 :** Des préoccupations ont été émises sur les enjeux suivants :

- a) la résilience opérationnelle et l'état de préparation des systèmes dans l'éventualité d'une hausse du nombre d'échelons de cotation, surtout s'ils étaient rajustés périodiquement pour chaque titre;
- b) l'accroissement de la quantité de messages (soit ceux concernant les opérations et les ordres transmis par voie électronique) découlant de l'augmentation du nombre d'échelons de cotation.

Veillez exprimer votre avis sur ces enjeux.

**Question 4 :** Certains affirment que tout projet canadien de modification des échelons de cotation minimums complexifierait la gestion des ordres. Veuillez exposer votre avis à cet égard, et notamment sur les questions suivantes :

- a) la complexité liée à la fréquence de variation des échelons;
- b) les délais nécessaires entre l'établissement et la mise en œuvre de nouveaux échelons, aussi bien initialement que par la suite;
- c) les défis que poserait la gestion des ordres existants saisis sur les marchés à des cours dotés d'échelons de cotation devenus invalides (particulièrement dans le cas des ordres d'investisseurs individuels assortis de dates d'expiration éloignées (c'est-à-dire les ordres à révocation, communément appelés « GTC » en anglais));
- d) les défis de sensibilisation des investisseurs liés à un changement dans l'approche à l'égard des échelons de cotation minimums.

**Question 5 :** Puisque la modification des échelons de cotation au Canada aurait une incidence sur l'établissement du « meilleur cours »<sup>9</sup> en vertu des RUIM, croyez-vous que les « participants » (au sens de l'article 1.1 des RUIM) pourraient quand même améliorer les cours de manière appréciable lorsque le « meilleur cours » est requis<sup>10</sup>?

**Question 6 :** Veuillez donner votre avis sur les retombées (favorables et défavorables) attendues de la variation des échelons de cotation minimums, y compris sur le plan du volume prévu de titres cotés à chaque échelon. Veuillez aussi exposer votre point de vue sur les paramètres à utiliser pour déterminer si une nouvelle approche en matière d'échelons de cotation minimums donne des résultats avantageux ou non.

<sup>9</sup> Selon le paragraphe 1.1 des RUIM, le « meilleur cours » s'entend, à l'égard de chaque transaction découlant d'un ordre visant un titre donné, d'un cours :

- a) inférieur d'au moins un échelon de cotation au meilleur cours vendeur au moment de la saisie de l'ordre sur un marché, s'il s'agit d'un achat; toutefois, si le meilleur cours acheteur est inférieur de un échelon de cotation au meilleur cours vendeur, le cours doit être inférieur d'au moins un demi-échelon de cotation;
- b) supérieur d'au moins un échelon de cotation au meilleur cours acheteur au moment de la saisie de l'ordre sur un marché, s'il s'agit d'une vente; toutefois, si le meilleur cours vendeur est supérieur de un échelon de cotation au meilleur cours acheteur, le cours doit être supérieur d'au moins un demi-échelon de cotation.

<sup>10</sup> Voir, par exemple, les exigences en matière d'ordre invisible prévues au paragraphe 6.6 des RUIM ainsi que la possibilité, en vertu de l'alinéa (3) du paragraphe 6.1 des RUIM, de saisir des applications intentionnelles à une fraction d'un échelon de cotation à la condition que le prix d'exécution soit un « meilleur cours » à la fois pour l'ordre d'achat et pour l'ordre de vente.

## ii) Réduction du plafond des droits d'accès

Dans le cadre de son projet d'introduire des échelons de cotation minimums variables plus bas, la SEC propose de réduire le plafond des droits d'accès afin de tenir compte de ces échelons inférieurs. À l'heure actuelle, la Rule 610 du *Regulation NMS* de la SEC plafonne les droits d'accès à 0,003 \$ US l'action pour les titres dont le cours est supérieur à 1,00 \$ US et à 0,3 % pour ceux dont le cours est inférieur à ce montant, ces deux modes de calcul s'appliquant aux barèmes de droits de type « teneur-preneur » et « preneur-teneur »<sup>11</sup>.

Pour les titres dont le cours est égal ou supérieur à 1,00 \$ US, la SEC propose d'instituer un plafonnement variable des droits d'accès et de réduire les plafonds prescrits à 0,0005 \$ US l'action et à 0,001 \$ US l'action selon le pas de cotation. Quant à ceux dont le cours est inférieur à 1,00 \$ US, le plafond correspondrait à 0,05 % du cours.

Au Canada, l'article 6.6.1 du *Règlement 23-101 sur les règles de négociation* (le **Règlement 23-101**) limite les frais exigés par certains marchés pour l'exécution d'un ordre saisi aux fins d'exécution contre un ordre affiché sur le marché selon que le titre visé est intercoté ou non. La limite pour les titres intercotés est fixée à 0,0030 \$ CA par titre dont le cours est supérieur à 1,00 \$ CA et à 0,0004 \$ CA par titre dont le cours est inférieur à 1,00 \$ CA, alors que celle pour les non intercotés est établie à 0,0017 \$ CA par titre dont le cours est supérieur à 1,00 \$ CA et à 0,0004 \$ CA par titre dont le cours est inférieur à 1,00 \$ CA. Ces plafonds ne s'appliquent qu'aux barèmes de droits « teneur-preneur ».

**Question 7 :** Croyez-vous qu'une limite devrait également s'appliquer aux barèmes de droits « preneur- teneur »? Dans l'affirmative, devrait-elle être différente?

**Question 8 :** Généralement, le montant exact des droits ou du rabais sur un ordre ne peut être établi qu'après son exécution puisque les marchés déterminent les réductions ou les crédits à la fin du mois en fonction des activités de négociation du participant au cours du mois. Afin qu'il soit possible de calculer le coût total d'une opération au moment de l'exécution, la SEC propose aussi d'exiger que les droits et les rabais soient déterminables à ce moment. Les plateformes de négociation des États-Unis seraient tenues de fixer des seuils ou des paliers de volume en fonction du volume atteint au cours d'une période donnée *avant* le calcul des droits ou des rabais pour que les participants aux marchés puissent déterminer ceux qui s'appliquent à un ordre au moment de son exécution.

Y a-t-il lieu d'opter pour une formule similaire au Canada? Expliquez pourquoi.

<sup>11</sup> Selon le barème de droits de négociation « teneur-preneur », des droits sont imposés pour l'exécution d'un ordre qui retire de la liquidité d'un registre d'ordres et un rabais est consenti au fournisseur de liquidité pour la même opération. Selon le barème « preneur-teneur », un rabais est accordé pour un ordre qui retire de la liquidité d'un registre d'ordres et des droits sont facturés pour l'exécution d'un ordre qui en fournit.



**Question 9** : Si la SEC plafonne les droits à payer comme proposé, veuillez donner votre avis sur l'approche à adopter au Canada à cet égard, notamment sur les plans suivants :

- a) l'harmonisation avec une règle modifiée de la SEC, notamment en ce qui concerne l'application aux titres intercotés et à ceux qui ne le sont pas;
- b) la méthode de calcul employée, y compris quant aux aspects suivants :
  - i) l'application à l'ensemble des titres, sans égard à leur cours;
  - ii) l'introduction d'un plafond tenant compte du pas de cotation, de manière similaire à la méthode proposée par la SEC;
  - iii) l'établissement d'un plafond sous forme de pourcentage pour les titres dont le cours est inférieur à 1,00 \$ CA.

**iii) Rehaussement de la transparence concernant la disponibilité des ordres à un meilleur cours sur le marché**

La SEC a adopté les règles MDI le 9 décembre 2020, mais ne leur a pas fixé de date d'entrée en vigueur. Ces règles étendent le contenu des données de marché de base diffusées dans le système NMS et instaurent un nouveau modèle décentralisé de consolidation, de collecte et de diffusion.

La modification des règles MDI qui concerne les projets de modification de la SEC traités dans le présent avis consiste à modifier le *Regulation NMS* en y incluant la définition de « round lots » (lots réguliers), plutôt que de s'en remettre aux règles des bourses, et à prévoir l'obligation de publier dans les listes de données des marchés les détails des ordres sur lots irréguliers.

Aux États-Unis, l'information sur la cotation des actions du système NMS est fournie par lots réguliers, dont la définition correspond à celle des règles des bourses, soit 100 actions pour la plupart de ces titres, jusqu'à l'entrée en vigueur de la définition adoptée conformément aux règles MDI. Afin de rehausser la transparence concernant les meilleures cotations disponibles sur le marché, les règles MDI prescrivent expressément, pour ces actions, les tailles suivantes de lot régulier en fonction de leur cours :

- i) cours égal ou inférieur à 250,00 \$ l'action : 100 actions;
- ii) cours dans la fourchette de 250,01 \$ à 1 000,00 \$ l'action : 40 actions;
- iii) cours dans la fourchette de 1 000,01 \$ à 10 000,00 \$ l'action : 10 actions;
- iv) cours égal ou supérieur à 10 000,01 \$ l'action : 1 action.

Dans le cas de titres de capitaux propres<sup>12</sup> (ou de titres semblables) au Canada, une « unité de négociation standard » s'entend de ce qui suit au sens des RUIM de l'OCRI :

- i) 1 000 unités d'un titre négocié à un prix inférieur à 0,10 \$ l'unité;
- ii) 500 unités d'un titre négocié à un prix égal ou supérieur à 0,10 \$ l'unité mais inférieur à 1,00 \$ l'unité;
- iii) 100 unités d'un titre négocié à un prix égal ou supérieur à 1,00 \$ l'unité.

<sup>12</sup> Au sens de l'expression « titre de participation » dans les RUIM.

Au Canada, un ordre portant sur un volume inférieur à une unité de négociation standard constitue un ordre sur lot irrégulier. Actuellement, un tel ordre n'est pas pris en compte dans le meilleur cours acheteur et vendeur national (« National Best Bid and Offer », ou NBBO) puisqu'il est considéré comme un « ordre assorti de conditions particulières » qui n'est pas négocié sur les registres des ordres sur lots réguliers. Malgré tout, il est possible d'obtenir l'information sur les ordres visant des lots irréguliers dans les listes de données des marchés.

Pour le moment, nous sommes d'avis qu'il n'est pas nécessaire d'envisager de rehaussement de la transparence concernant les ordres à de meilleurs cours au Canada. La transparence des données sur les ordres et les opérations y est suffisante en raison de la disponibilité des données sur les lots irréguliers et de l'absence d'opérations hors bourse.

**Question 10** : Veuillez indiquer si vous partagez notre avis et présenter vos observations à ce sujet.

### **Regulation Best Execution**

Le Règlement 23-101 et les Règles visant les courtiers en placement et règles partiellement consolidées de l'OCRI (les **Règles de l'OCRI**)<sup>13</sup> définissent la « meilleure exécution » comme étant les conditions d'exécution les plus avantageuses pouvant être raisonnablement obtenues dans les circonstances. Les courtiers sont tenus de disposer de politiques et procédures adéquates et de prendre des mesures raisonnables pour obtenir la meilleure exécution en fonction de facteurs comme le prix, le coût global de l'opération, la liquidité ainsi que la rapidité et la certitude de l'exécution. Ils devraient réviser leurs politiques et procédures à ce sujet régulièrement et, selon les Règles de l'OCRI<sup>14</sup>, ils doivent le faire au moins une fois par année.

En ce qui concerne les dispositions des projets de modification de la SEC en matière de meilleure exécution qui visent les opérations susceptibles de comporter un conflit d'intérêts relativement au paiement pour les flux d'ordres, il appert que la politique 7.5 des RUIIM a pour effet d'interdire aux courtiers d'effectuer ces paiements.

Au premier abord, nous considérons que les projets de modification de la SEC concernant la réglementation de la meilleure exécution ne divergent pas des obligations actuelles en cette matière au Canada. Par conséquent, ils ne devraient pas avoir d'incidences sur le régime de meilleure exécution au Canada ni sur les marchés des capitaux du pays.

**Question 11** : Veuillez indiquer si vous partagez notre avis et présenter vos observations à ce sujet.

### **Disclosure of Order Execution Information**

À l'heure actuelle, rien dans le cadre réglementaire des valeurs mobilières au Canada n'oblige les courtiers et les marchés à communiquer de l'information sur la qualité d'exécution des ordres.

<sup>13</sup> Règle 3100 de l'OCRI, Partie C – Meilleure exécution des ordres clients.

<sup>14</sup> Article 3126 des Règles de l'OCRI – Révision des politiques et procédures concernant la meilleure exécution.

En 2007<sup>15</sup> et 2008<sup>16</sup>, les ACVM ont publié pour consultation certains projets de modification réglementaire qui auraient introduit cette obligation d'information. En particulier, les marchés auraient été tenus de publier des rapports mensuels sur la liquidité, les statistiques de négociation ainsi que la rapidité et la certitude de l'exécution, de façon analogue à ce que prévoit la Rule 605 de la SEC.

Les courtiers auraient eu l'obligation de publier des rapports trimestriels sur l'acheminement des ordres lorsqu'ils agissent comme mandataire, y compris de l'information sur les marchés vers lesquels les ordres sont acheminés afin d'y être exécutés, ainsi que de déclarer le pourcentage de ces ordres acheminés selon les directives du client plutôt qu'au gré du courtier, de manière comparable aux exigences de la Rule 606 de la SEC.

Puisque les commentaires reçus du public en réponse à ces projets étaient partagés et ne permettaient pas de dégager clairement la position des intervenants, il a alors été décidé de suspendre les projets et de surveiller l'évolution à l'étranger des obligations d'information sur la meilleure exécution des ordres, ainsi que les répercussions d'un environnement de marchés multiples en mutation.

Notre position préliminaire est que, comme nous n'imposons pas d'obligations d'information équivalentes à celles de la Rule 605 les projets de modification de la SEC concernant la communication de l'information sur l'exécution des ordres ne devraient pas avoir de retombées sur les marchés canadiens.

**Question 12** : Veuillez indiquer si vous partagez notre avis et présenter vos observations à ce sujet.

### **Order Competition Rule**

Aux termes du *Règlement 21-101 sur le fonctionnement du marché*, un « titre coté » s'entend d'un titre inscrit à la cote d'une bourse reconnue. De manière correspondante, l'alinéa (1) du paragraphe 6.4 des RUIM de l'OCRI interdit à un participant au marché d'effectuer une transaction ou de participer à une transaction sur un titre inscrit à la cote autrement que par la saisie d'un ordre sur un marché, sauf s'il peut se prévaloir d'une dispense. En outre, l'*Instruction générale relative au Règlement 21-101 sur le fonctionnement du marché* précise qu'un marché a les deux particularités suivantes : il regroupe les ordres de nombreux acheteurs et vendeurs et il utilise des méthodes éprouvées, non discrétionnaires selon lesquelles les ordres interagissent.

Préliminairement, nous estimons que les enjeux abordés dans les projets de modification de la SEC en matière de concurrence des ordres ne s'observent pas au Canada. Au pays, il n'est généralement pas permis aux plateformes de négociation et courtiers restreignant la concurrence sur les ordres d'en exécuter à l'interne.

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<sup>15</sup> Voir l'[Avis de consultation](#).

<sup>16</sup> Voir l'[Avis de consultation](#).

**Question 13** : Veuillez indiquer si vous partagez notre avis et présenter vos observations à ce sujet.

#### IV. Prochaines étapes

Nous maintiendrons le dialogue avec les parties prenantes et tâcherons de discuter de toute modification réglementaire éventuelle avec nos collègues des États-Unis et de nous coordonner avec eux à cet égard, s'il y a lieu. Tout projet d'introduction ou de modification d'obligations en vertu de la législation en valeurs mobilières ou des règles de l'OCRI fera l'objet d'un avis de consultation distinct. Entretemps, nous accepterons les commentaires jusqu'au 4 décembre 2023 sur les incidences possibles des projets de modifications de la SEC sur les marchés des capitaux du Canada.

#### V. Questions

Veuillez adresser toute question ou commentaire aux personnes suivantes :

<p>Serge Boisvert  Analyste expert à la réglementation  Direction de l'encadrement des activités de négociation  Autorité des marchés financiers  <a href="mailto:Serge.Boisvert@lautorite.qc.ca">Serge.Boisvert@lautorite.qc.ca</a></p>	<p>Xavier Boulet  Analyste expert à la réglementation  Direction de l'encadrement des activités de négociation  Autorité des marchés financiers  <a href="mailto:Xavier.Boulet@lautorite.qc.ca">Xavier.Boulet@lautorite.qc.ca</a></p>
<p>Tim Baikie  Senior Legal Counsel, Market Regulation  Commission des valeurs mobilières de l'Ontario  <a href="mailto:tbaikie@osc.gov.on.ca">tbaikie@osc.gov.on.ca</a></p>	<p>Yuliya Khraplyva  Legal Counsel, Market Regulation  Commission des valeurs mobilières de l'Ontario  <a href="mailto:ykhraplyva@osc.gov.on.ca">ykhraplyva@osc.gov.on.ca</a></p>
<p>Alex Petro  Trading Specialist, Market Regulation  Commission des valeurs mobilières de l'Ontario  <a href="mailto:apetro@osc.gov.on.ca">apetro@osc.gov.on.ca</a></p>	<p>Jesse Ahlan  Senior Regulatory Analyst, Market Structure  Alberta Securities Commission  <a href="mailto:jesse.ahlan@asc.ca">jesse.ahlan@asc.ca</a></p>
<p>Michael Grecoff  Securities Market Specialist  British Columbia Securities Commission  <a href="mailto:MGrecoff@bcsc.bc.ca">MGrecoff@bcsc.bc.ca</a></p>	<p>Kent Bailey  Conseiller principal aux politiques, Politique de réglementation des marchés  Organisme canadien de réglementation des investissements  <a href="mailto:kbailey@iiroc.ca">kbailey@iiroc.ca</a></p>

## 7.2 RÉGLEMENTATION DE L'AUTORITÉ

Aucune information.

### 7.3. RÉGLEMENTATION DES BOURSES, DES CHAMBRES DE COMPENSATION, DES OAR ET D'AUTRES ENTITÉS RÉGLEMENTÉES

#### 7.3.1 Consultation

##### **KOR Reporting Inc – demande de reconnaissance à titre de référentiel central en vertu du Règlement 91-507**

L'Autorité des marchés financiers publie la demande de reconnaissance à titre de référentiel central en vertu de la Loi sur les instruments dérivés, RLRQ, c. I-14.01 et du Règlement 91-507 sur les référentiels centraux et la déclaration de données sur les dérivés.

(Le texte est reproduit ci-après).

##### **Commentaires**

Toute personne désirant soumettre des commentaires est invitée à les faire parvenir par écrit, au plus tard le 20 novembre 2023 à :

Me Philippe Lebel  
Secrétaire et directeur général des affaires juridiques  
Autorité des marchés financiers  
Place de la Cité, tour Cominar  
2640, boulevard Laurier, bureau 400  
Québec (Québec) G1V 5C1  
Télécopieur : 418 525-9512  
Courrier électronique : [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

##### **Information complémentaire**

Pour de plus amples renseignements, on peut s'adresser à :

Yasmine Garreau  
Analyste experte à la réglementation  
Direction de l'encadrement des activités de compensation  
Autorité des marchés financiers  
Téléphone : 514 395-0337, poste 4697  
Numéro sans frais : 1 877 525-0337, poste 4697  
Télécopieur : 514 873-7455  
Courrier électronique : [yasmine.garreau@lautorite.qc.ca](mailto:yasmine.garreau@lautorite.qc.ca)

Nathalie Picard  
Analyste aux OAR  
Direction l'encadrement des activités de compensation  
Autorité des marchés financiers  
Téléphone : 514 395-0337, poste 2745  
Numéro sans frais : 1 877 525-0337, poste 2745  
Télécopieur : 514 873-7455  
Courrier électronique : [nathalie.picard@lautorite.qc.ca](mailto:nathalie.picard@lautorite.qc.ca)

**La Bourse Neo Inc. (la « Bourse Neo ») et Aequitas Innovations Inc. (« Aequitas ») – Demande de modification et de mise à jour de la décision de dispense**

L'Autorité des marchés financiers publie la demande que la Bourse Neo a déposée le 18 octobre 2023 en son nom et au nom d'Aequitas (la « demande »), à l'exception de ses annexes qui ne sont disponibles qu'en anglais. La demande est une demande sous examen coordonné en vertu de l'*Instruction générale 11-203 relative au traitement des demandes de dispense dans plusieurs territoires*. Elle vise à modifier la décision de dispense rendue en date du 5 août 2022 dans chaque province et territoire du Canada autre que l'Ontario, en prévision de la fusion proposée d'Aequitas, de la Bourse Neo et de TriAct Canada Marketplace LP le 1<sup>er</sup> janvier 2024.

En lien avec cette fusion proposée, la Bourse Neo et Aequitas ont également déposé une demande de modification de leur décision de reconnaissance auprès de la Commission des valeurs mobilières de l'Ontario (la « demande de modification à la décision de reconnaissance »). La demande de modification à la décision de reconnaissance, de même qu'un avis de consultation, sont publiés par la Commission des valeurs mobilières de l'Ontario simultanément avec les présentes. Ils sont disponibles à l'adresse suivante : <https://www.osc.ca/en/securities-law/osc-bulletin>

(Les textes sont reproduits ci-après.)

**Commentaires**

Les personnes intéressées à soumettre des commentaires peuvent en transmettre une copie, au plus tard le 20 novembre 2023, à :

Me Philippe Lebel  
Secrétaire et directeur général des affaires juridiques  
Autorité des marchés financiers  
Place de la Cité, tour Cominar  
2640, boulevard Laurier, bureau 400  
Québec (Québec) G1V 5C1  
Télécopieur : 514 864-6381  
Courrier électronique : [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**Information complémentaire**

Pour de plus amples renseignements, on peut s'adresser à :

Xavier Boulet  
Analyste expert à la réglementation  
Direction de l'encadrement des activités de négociation  
Autorité des marchés financiers  
Téléphone : 514 395-0337, poste 4367  
Numéro sans frais : 1 877 525-0337, poste 4367  
Télécopieur : 514 873-7455  
Courrier électronique : [xavier.boulet@lautorite.qc.ca](mailto:xavier.boulet@lautorite.qc.ca)

Lucie Prince  
Analyste experte aux OAR  
Direction de l'encadrement des activités de négociation  
Autorité des marchés financiers  
Téléphone : 514 395-0337, poste 2614  
Numéro sans frais : 1 877 525-0337, poste 2614  
Télécopieur : 514 873-7455  
Courrier électronique : [lucie.prince@lautorite.qc.ca](mailto:lucie.prince@lautorite.qc.ca)



October 13, 2023

Autorité des marchés financiers  
800, Rue du Square Victoria  
22<sup>e</sup> étage  
Montréal (Québec) H4Z 1A1

Attention: Dominique Martin

**Re: Application to become designated as a Trade Repository**

Dear Sir or Madam,

KOR Reporting Inc. ("KOR") hereby submits this application to the Autorité des marchés financiers ("AMF") to be recognized as a trade repository in Québec pursuant to sections 12 and 14 of the Derivatives Act (Québec) (the "QDA") , RLRQ, c. i-14.01. As a recognized trade repository under the QDA, KOR Reporting Inc. acknowledges that it will be a "recognized regulated entity" under the QDA, subject to the requirements of the QDA applicable thereto and to Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting.

Yours sincerely,



Tara Manuel  
Chief Compliance Officer ("CCO")  
KOR Reporting Inc.



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## 1.0 Overview

KOR's parent organization is KOR Cayman Holdings LP, a Cayman Islands limited partnership.

KOR Financial Inc. and KOR Reporting Inc., are both US-registered Delaware C-Corporations. KOR Financial Inc. and KOR Reporting Inc. are wholly owned by KOR US Holdings Inc. KOR Reporting Inc. is a provisionally registered Swap Data Repository ("SDR") with the Commodity Futures Trading Commission ("CFTC") for all asset classes. KOR Financial Inc. is an outsource provider of reporting technologies, operations and commercial support to KOR Reporting Inc. KOR Financial Inc. additionally offers non-regulated stand-alone reporting services to market participants.

### 1.1 Description of KOR's TR Services

KOR proposes to offer trade repository services in Canada to market participants that complete and sign the applicable KOR Agreements, with respect to the interest rates, credit, equity, foreign exchange, and commodities asset classes. KOR's trade repository services are made available for all market entity types.

### 1.2 KOR's current business

KOR is provisionally registered with the CFTC as an SDR. To date, the CFTC has not established any standards for granting permanent registration of SDRs. KOR's SDR services deliver to market participants a robust, automated regulatory reporting solution for cleared and uncleared Over-the-counter ("OTC") derivatives reporting.

### 1.3 Description of CFTC Regulatory Regime

As an SDR, KOR is subject to the requirements of Part 49 of the CFTC's regulations, which incorporate other regulatory provisions by reference, including Parts 43, 45, 46, and 50 of the CFTC's regulations. Additionally, provisions regarding SDRs contained in the Dodd-Frank Act, which amended the Commodity Exchange Act (the "CEA"), are applicable.

The Dodd-Frank Act prescribes core duties applicable to SDRs. Part 49 establishes regulations implementing each of these statutory requirements:

- Acceptance of data: an SDR must establish, maintain, and enforce policies and procedures for the reporting of swap data to it, and shall accept and promptly record all data in its selected asset class. If a registered SDR accepts swap data of a particular asset class, it must accept data from all swaps of that asset class.

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- Verifying swap data accuracy and completeness: each SDR shall verify the accuracy and completeness of swap data that it receives from swap execution facilities, designated contract markets, reporting counterparties, or third-party service providers acting on their behalf
- Recordkeeping: a registered SDR must maintain its books and records in accordance with the requirements of the Part 45 regulations. A registered SDR that elects to accept and disseminate swap transaction and pricing data in real-time must comply with the real-time public reporting and recordkeeping requirements prescribed in Part 43.
- Provide direct electronic access to the CFTC or its designee (including another registered entity) and provide information in such form and at such frequency as the CFTC may prescribe to comply with the public reporting requirements in section 2(a)(13) of Title VII of the Dodd-Frank Act and the applicable Part 43 Regulations.
- Monitor, screen, and analyze swap data in such a manner as the CFTC prescribes and establish and maintain sufficient IT, staff, and other resources to enable it to fulfill the requirements of the Part 49 regulations in the manner prescribed by the CFTC.
- Establish, maintain, and enforce written policies and procedures reasonably designed to protect the privacy and confidentiality of all SDR information that is not subject to real-time public reporting pursuant to Part 43 of the CFTC's regulations. These shall include safeguards and procedures to prevent the misappropriation or misuse of material protected by Section 8 of the CEA, other SDR information, or intellectual property.
- Make available all data obtained by the SDR to specified foreign and domestic regulators. The Part 49 regulations establish specific procedures and conditions under which particular regulators and others may obtain access to data maintained by an SDR.
- Adoption of emergency procedures and system safeguards.

The Dodd-Frank Act established three core principles applicable to SDRs. They are:

- Antitrust Considerations: unless appropriate to achieve the purposes of the Dodd-Frank Act, a registered SDR shall avoid (i) adopting any rule or taking any action that results in any unreasonable restraint of trade; or (ii) imposing any material anticompetitive burden on trading, clearing or reporting swaps.
- Governance Arrangements: Registered SDRs shall establish governance arrangements. These are prescribed in Regulation 49.18.

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- Conflicts of Interest: Registered SDRs shall manage and minimize conflicts of interest and establish processes for resolving such conflicts. These are set forth in Regulation 49.19.

The CFTC has prescribed additional duties related to the following:

- Maintenance of sufficient financial resources
- Disclosure requirements setting forth the risks and costs associated with using the services of an SDR
- Establishing provisions ensuring non-discriminatory access and fees

Details on how KOR meets these obligations can be found on the KOR website, [www.korreporting.com](http://www.korreporting.com) in the KOR CFTC Rulebook and KOR CFTC Disclosure documents.

## 2.0 APPLICATION OF APPROVAL CRITERIA TO KOR

The following is a discussion of how KOR meets the relevant criteria for recognition for trade repositories set out in Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting.

## 7.0 Legal Framework

***7. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities.***

***(2) Without limiting the generality of subsection (1), a recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that***

***(a) such rules, policies and procedures and the contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,***

***(b) the rights and obligations of a user, owner and regulator with respect to the use of the recognized trade repository's information are clear and transparent,***

***(c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, and***

***(d) the status of records of contracts in its repository and whether those records of contracts are the legal contracts of record are clearly established.***

***17. (1) The rules, policies and procedures of a recognized trade repository must***

***(a) provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the recognized trade repository and the risks, fees, and other material costs they incur by using the services of the recognized trade repository,***

***(b) be reasonably designed to govern all aspects of the services offered by the recognized trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and***

***(c) not be inconsistent with securities legislation.***

***(2) A recognized trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.***

***(3) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.***

***(4) A recognized trade repository must publicly disclose on its website***

***(a) its rules, policies and procedures referred to in this section, and***

***(b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.***

KOR has rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions, whether within Canada or any foreign jurisdiction where they have activities.

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KOR has built rules, policies, and procedures that are clear, comprehensive and provide sufficient information including explanatory material written in plain language to enable a participant to have an accurate understanding of its rights and obligations in the use of KOR reporting services along with the risks, fees and other material costs Clients may incur using KOR's TR services (the "TR Services"). The rules are not inconsistent with securities legislation. The rules, policies, and procedures are designed holistically to govern all aspects of KOR's TR Services with respect to the collection and maintenance of TR Data (means the specific data elements and information required to be reported to KOR TR or disseminated by KOR TR pursuant to Applicable Rule(s) required to be reported and are consistent with AMF Regulations, as applicable.)

KOR maintains Client Agreements. The Client Agreements set out the rights and obligations for Reporting Entities and require that Reporting Entities utilize KOR's Canadian TR in accordance with Applicable Law. In addition, the Rulebook governs certain aspects of KOR's relationship with Clients. Reporting Entities will also be subject to certain fees, which will be described in a fee schedule to be posted on the KOR's website.

KOR maintains a number of internal policies and procedures designed to govern the KOR's operations, including (i) governance standards and procedures; (ii) codes of conduct for directors, committee members, and employees; (iii) policies for identifying and resolving conflicts of interest; (iv) qualification methodology; (v) security procedures; (vi) a business continuity plan; and (vii) a corporate information security policy. KOR has senior managers in charge of oversight of internal policies and procedures. Senior management, from time to time, includes the CEO and CCO.

The Rulebook, Client Agreements, and internal policies and procedures may be amended from time to time. Amendments may occur as a result of changes in Applicable Law, developments in the derivatives industry, or feedback from Reporting Entities. In general, senior management of KOR is responsible for approving amendments to the Rulebook, User Agreements, and internal policies and procedures. Amendments may be subject to regulatory approval if required by Applicable Law. KOR policies and procedures are amended by the senior management or the Board of Directors ("BOD") of KOR.

These rules, policies, and procedures can be found on KOR's website in the following public documents:

- KOR Canadian TR Rulebook

## 8.0 Governance

### 8. Governance

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**(1) A recognized trade repository must establish, implement and maintain written governance arrangements that**

**(a) set out a clear organizational structure with consistent lines of responsibility,**

**(b) provide for effective internal controls,**

**(c) promote the safety and efficiency of the recognized trade repository,**

**(d) ensure effective oversight of the recognized trade repository,**

**(e) support the stability of the broader financial system and other relevant public interest considerations, and**

**(2) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.**

**(3) A recognized trade repository must publicly disclose on its website**

**(a) the governance arrangements established in accordance with subsection (1), and**

**(b) the rules, policies and procedures established in accordance with subsection (2).**

KOR will maintain governance arrangements that are transparent to fulfill public interest requirements and to support the objectives of the AMF, owners, and market participants.

The governance principles have been adopted by the BOD of KOR to serve as a flexible framework to assist the BOD in the exercise of its responsibilities. These governance principles reflect the BOD's commitment to monitoring the effectiveness of policy and decision-making both at the BOD and management levels. These governance principles should be interpreted in the context of all applicable laws, KOR Reporting's Bylaws, other governing legal documents, and KOR policies. These governance principles are subject to modification from time to time by the BOD.

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KOR has established governance arrangements that provide clear and direct lines of responsibility and accountability. KOR is managed by a BOD who is responsible for overseeing the operations of the KOR Canadian TR. The discussion in sections BOD, Management, and CCO, below provides additional details concerning the KOR's governance arrangements.

KOR's governance arrangements are transparent and available on KOR's website ([www.korfinancial.com](http://www.korfinancial.com)) under Key Documents:

- Governance Principles

## 9.0 Board of Directors

### **9. Board of Directors**

***(1) A recognized trade repository must have a board of directors.***

***(2) The board of directors of a recognized trade repository must include***

***(a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and***

***(b) appropriate representation by individuals who are independent of the recognized trade repository.***

***(3) The board of directors of a recognized trade repository must, in consultation with the chief compliance officer of the recognized trade repository, resolve conflicts of interest identified by the chief compliance officer.***

***(4) The board of directors of a recognized trade repository must meet with the chief compliance officer of the recognized trade repository on a regular basis.***

The KOR BOD is comprised of a mix of non-executive independent directors and employee directors, with at least a majority being independent and the number of employee directors not exceeding two. The BOD, subject to applicable provisions in the KOR TR Rulebook and governance principles, has the following powers and duties:

- Be the governing body of KOR TR.

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- b. Designate and authorize specific appointed officers to act on behalf of the BOD to execute contracts within specified budgetary limits.
- c. Approve all material Client fees, policies, and changes to them.
- d. Determine what asset classes of transactions for which KOR TR will register.
- e. Approve new rules and material rule amendments of KOR TR.
- f. Have the power to act in emergencies.
- g. Consult with the CCO regarding the resolution of conflicts of interest, provided the BOD has also delegated such authority to the CEO such that these powers and duties may be satisfied by the CEO consulting with the CCO.
- h. Inform the CCO of any decisions made by the BOD review on an annual basis the performance of each of its members. Remove a member of the BOD upon finding that such member's conduct is likely to be prejudicial to KOR TR and prudent management.
- i. Must meet with the CCO on a regular basis.

As set forth in the organizational documents and governance policies of KOR Financial Inc. and KOR, the BOD seeks directors from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. BOD members should have the characteristics essential for effectiveness as a member of the BOD, including but not limited to:

- a. Integrity, objectivity, sound judgment, and leadership;
- b. The relevant expertise and experience required to offer advice and guidance to the Chief Executive Officer and other members of senior management.
- c. The ability to make independent analytical inquiries.
- d. The ability to collaborate effectively and contribute productively to the BOD's discussions and deliberations;
- e. An understanding of the KOR's business, strategy, and challenges;
- f. The willingness and ability to devote adequate time and effort to BOD responsibilities and to serve Committees at the request of the BOD; and
- g. Is not a Disqualified Person (as described below).



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- h. A "Disqualified Person" is any person who (i) is or has been subject to any statutory disqualification under Section 3(a)(39) of the Securities Exchange Act or Sections 8a (2)-(4) of the CEA or (ii) is or has been subject to disqualification under 17 CFR § 1.63.
- i. Each BOD member is expected to ensure that his or her other commitments do not materially interfere with his or her service overall as a director.

When evaluating potential BOD members, it is important that the composition of BOD members allows KOR to comply with applicable core principles and regulations; as such the following criteria will be looked for in individual BOD members, or where a BOD member is lacking in one area that other BOD members can fill those gaps. BOD members should not present antitrust or conflict of interest issues.

A director who meets all of the following categorical standards shall not be deemed to have a "material relationship" with KOR and shall be presumed to be "independent":

- a. The director does not (directly or indirectly as a partner, equity holder, or officer of another company) provide consulting, legal, or financial advisory services to KOR or KOR's present or former auditors.
- b. Neither the director nor any member of his or her immediate family is a significant equity holder in KOR. For purposes of this categorical standard, an equity holder shall be considered significant if the aggregate total is greater than three percent (3%) of KOR.
- c. Neither the director nor any member of his or her immediate family serves as an executive officer of a civic or charitable organization that receives financial contributions from KOR. The BOD shall also consider whether any charitable donations made to a civic or charitable organization in which a director or member of his or her immediate family serves as a director, trustee, or employed fundraiser impact the particular director's independence; provided, however, donations less than \$25,000 per year shall be presumed to be insignificant and, therefore, not impact such director's independence.

The KOR BOD Members are available on the KOR Website.

## 10.0 Management

### 10.

***(1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that***  
***(a) specify the roles and responsibilities of management, and***

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***(b) ensure that management has the experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities.***

***(2) A recognized trade repository must notify the AMF no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.***

KOR has established, implemented, maintains, and enforces written rules, policies, and procedures that specify the roles and responsibilities of management, and ensure that management has the experience, competencies, integrity, and mix of skills necessary to discharge its roles and responsibilities. In addition to the BOD, the management consists minimally of a senior business executive, the CCO, and the business operations executive. KOR does not currently have a chief risk officer because risk management functions are performed by KOR's CCO and CEO.

## 11.0 Chief Compliance Officer

***11. (1) The board of directors of a recognized trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity as well as the skills necessary to serve in that capacity.***

***(2) The chief compliance officer of a recognized trade repository must report directly to the board of directors of the recognized trade repository or, if so directed by the board of directors, to the chief executive officer of the recognized trade repository.***

***(3) The chief compliance officer of a recognized trade repository must***

***(a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,***

***(b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the recognized trade repository complies with securities legislation,***

***(c) monitor compliance with the rules, policies and procedures required under paragraphs (a) and (b) on an ongoing basis,***

***(d) report to the board of directors of the recognized trade repository as soon as practicable upon becoming aware of a circumstance indicating that the recognized trade repository, or an individual acting on its behalf, is not in compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:***

***(i) the non-compliance creates a risk of harm to a user;***

***(ii) the non-compliance creates a risk of harm to the capital markets;***

***(iii) the non-compliance is part of a pattern of non-compliance;***

***(iv) the non-compliance may have an impact on the ability of the recognized trade repository to carry on business as a trade repository in compliance with securities legislation,***

***(e) report to the recognized trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and***

***(f) prepare and certify an annual report assessing compliance by the recognized trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors***

***(4) Concurrently with submitting a report under paragraph (3)(d), (3)(e) or (3)(f), the chief compliance officer must file a copy of the report with the AMF.***

KOR's CCO has been appointed by the BOD and reports directly to the CEO. The CCO also has direct communication with the BOD. The BOD shall meet with the CCO on at least a quarterly basis regarding compliance, or more frequently if required to address any specific issues or concerns.

The CCO has the background and skills appropriate for fulfilling the responsibilities of the position. KOR senior management has identified the minimum standards that must be met for an individual to be considered to have the background and skills necessary to carry out the duties of the position of CCO. Below is a list of the

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qualifications identified and considered when the candidate for the position of CCO is recommended to the BOD for approval and appointment:

- a. The individual may not be subject to statutory disqualification under applicable regulations.
- b. The individual must have sufficient compliance experience to carry out its responsibilities. Such experience could be demonstrated by:
  - i. Previously holding the title of CCO, as long as the firm at which the individual held such title has not been designated as a disciplined firm subject to enhanced supervisory requirements imposed by applicable regulators.
  - ii. Functioned in a compliance role or compliance-supporting function for a minimum of seven years.
  - iii. The individual possesses product knowledge sufficient to make any such decision required of the CCO.

The CCO monitors compliance with regulations applicable to KOR. This includes, but is not limited to,

- a. completing an annual compliance report;
- b. overseeing and reviewing the KOR's compliance with Applicable Law;
- c. establishing and administering written policies and procedures reasonably designed to prevent violations of Applicable Law;
- d. resolving any conflicts of interest that may arise including, but not limited to:
  - i. conflicts between business considerations and compliance requirements;
  - ii. conflicts between business considerations and the requirement that KOR provide fair and open access; and
  - iii. conflicts between KOR's management and members of the BOD;
- e. establishing and implementing procedures for the remediation of non-compliance issues;
- f. establishing procedures for the remediation of non-compliance issues identified by the CCO through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- g. establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of non-compliance issues; and

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- h. establishing and administering a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct.

KOR's CCO has full responsibility and authority to develop and enforce appropriate compliance policies and procedures for KOR, review KOR TR's compliance with all other applicable legal and regulatory requirements, and resolve conflicts of interest and any other non-compliance issues that may arise.

## 12.0 Fees

**12. All fees and other material costs imposed by a recognized trade repository on its participants must be**  
**(a) fairly and equitably allocated among participants, and**  
**(b) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data.**

Fees are assessed in a consistent, non-preferential manner and are not permitted to be used as a barrier to entry. KOR will not offer preferential pricing arrangements to any Client on any basis, including volume discounts or reductions unless such discounts or reductions apply to all Clients uniformly and are not otherwise established in a manner that would effectively limit the application of such discount or reduction to a select number of Clients.

In creating the fee schedule, KOR considered a number of factors, including:

- a. the number and complexity of the transactions being reported,
- b. the amount of the fee or cost imposed relative to the cost of providing the services,
- c. the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- d. with respect to market data fees and costs, the amount of market data fees charged relative to the market share of KOR TR, and
- e. whether the fees or costs represent a barrier to accessing the services of KOR TR for any category of participant.

KOR TR provides clear descriptions of priced services for comparability purposes. Other than fees for individual services, KOR TR discloses other fees and costs related to connecting to or accessing the trade

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repository. For example, information on the system design, as well as technology and communication procedures, that influence the costs of using the trade repository.

All fees are fully disclosed and available on the KOR TR website.

### 13.0 Access to recognized trade repository services

#### **13. Access to Recognized Trade Repository Services**

**(1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.**

**(2) A recognized trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).**

**(3) A recognized trade repository must not do any of the following:**

**(a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the recognized trade repository;**

**(b) permit unreasonable discrimination among the participants of the recognized trade repository;**

**(c) impose a burden on competition that is not reasonably necessary and appropriate;**

**(d) require the use or purchase of another service for a person or company to utilize the trade reporting service offered by the recognized trade repository.**

KOR TR has implemented and enforces written rules, policies, and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides. KOR TR Services are provided on a non-discriminatory basis. KOR TR does not obligate a Client to use KOR Financial or third-party service to utilize or gain access to KOR TR. KOR TR will not as a condition of use, require that a Client consent to the external commercial or business use of any reported data, including that which is required to be publicly disseminated. Likewise, KOR TR will not, as a condition of accepting TR Data from any market

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participant, require the waiver of any privacy rights by such reporting entity. KOR TR publicly discloses on its website these rules, policies, and procedures which are included in its Rulebook and published on KOR's website.

KOR TR does not do any of the following:

- a. unreasonably prohibit, condition, or limit access by a person or company to the services offered by KOR;
- b. permit unreasonable discrimination among the participants of KOR;
- c. impose a burden on competition that is not reasonably necessary and appropriate;
- d. require the use or purchase of another service for a person or company to utilize the trade reporting service offered by KOR; or
- e. develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by KOR.

KOR TR provides services as a Trade Repository ("TR"). These services are available to all Market Participants on a fair, open, and equal basis. In order to obtain access to KOR TR, a Market Participant must execute the KOR Universal Services Agreement ("USA") and applicable Addendums. KOR TR does not, and will not, tie or bundle the offering of mandated regulatory services with ancillary services offered by KOR TR or a KOR Affiliate.

KOR Reporting Inc. and KOR Financial Inc. are affiliates but are not in a subsidiary relationship. Privity between the Client and the applicable KOR entity is established through Addendums to the USA.

KOR TR imposes the following qualifications on Clients of KOR TR (collectively, the "Client Criteria"):

- a. A valid Legal Entity Identifier ("LEI");
- b. Execution of the KOR USA and applicable Addenda;
- c. Compliance with the KOR TR Rulebook and KOR TR Technical Specifications as published by KOR TR; and
- d. Successful passing of KOR Know Your Customer ("KYC") procedures, which will include but be limited to compliance with Applicable Law, specifically those related to sanctions administered and enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC").

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As a general policy, KOR TR requires all applicants to execute and submit KOR USA and applicable addenda in electronic form only. Paper copies will not be accepted.

In the event a Client at any point fails to comply with any or all of the Client Criteria, such Client shall notify KOR immediately upon discovery. The notice must include a description of all relevant events associated with the failure, planned remediation where applicable, and any other information reasonably requested by KOR.

In order to submit data to KOR TR, a Market Participant must first become a Client by executing a Client Agreement and then writing to the KOR TR Application Programming Interface ("API"). The fields and validations for submission are defined in the KOR Technical Specification. Market Participants that only require view access must execute a Client Agreement and then can query and view their data via a web-based user interface ("UI") without writing to the KOR API.

## 14.0 Acceptance of reporting

***14. A recognized trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the recognized trade repository's recognition order.***

KOR TR accepts, validates, and promptly records all TR Data and other required information for all transactions in its approved Asset Classes. KOR TR offers services in the following Asset Classes: Interest rate, credit, foreign exchange, equity and other commodity. KOR provides access to the KOR TR Services to all Market Participants for transactions in the aforementioned Asset Classes on a non-discriminatory basis.

## 15.0 Communication policies, procedures and standards

***15. A recognized trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of***

- (a) its participants,***
- (b) other trade repositories,***
- (c) exchanges, clearing agencies, alternative trading systems, and other marketplaces, and***
- (d) other service providers.***



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KOR TR accepts, validates, and promptly records all TR Data and other required information for all transactions in its approved asset classes. KOR proposes to offer services in the following asset classes: interest rate, credit, foreign exchange, equity and other commodity. KOR provides access to the TR Services to all Market Participants for transactions in the aforementioned asset classes on a non-discriminatory basis.

As a general matter, entities reporting TR Data to KOR TR are required to report all fields required by the AMF regulations, as applicable, and in accordance with the Canadian Technical Specification in addition to any additional fields prescribed by KOR and defined in the KOR TR Technical Specifications.

KOR TR has established reliable and secure technological protocols that provide for electronic connectivity between KOR TR and its Clients. Such protocols provide for the receipt of TR Data and can be found in the KOR TR User Guide and KOR TR Technical Specifications. KOR uses standard JSON messaging and follows reporting guidance based on the Critical Data Elements (“CDE”) where applicable.

## 16.0 Due Process

**16. For a decision made by a recognized trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the recognized trade repository must ensure that**

- (a) the participant or applicant is given an opportunity to be heard or make representations, and**
- (b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting, denying or limiting access.**

KOR Reporting has the right to decline, revoke, or suspend a Client. Market Participants may be denied access pursuant to Applicable Law (e.g. OFAC) or at the direction of a regulator, violation of KOR TR Rules, or improper use of the system. KOR shall notify the applicable regulator of any Client whose access has been denied, revoked, or suspended due to Applicable Law. The final determination to decline, revoke, or suspend a Client shall be made by the CCO.

In the event a Client is denied, revoked, or suspended; KOR shall provide the Market Participant written notice containing the grounds for determination and the opportunity to appeal the decision to the CCO and BOD by written request.

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KOR may restore access to a Client after approval from the CCO and/or the BOD. The CCO shall take into consideration Applicable Law, regulatory requirements, and the Market Participant's response to the cause of denial, revocation, or suspension. All decisions shall be documented when determining whether to restore access.

## 17.0 Rules, policies and procedures

### ***17. The rules, policies and procedures of a recognized trade repository must***

***(a) provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the recognized trade repository and the risks, fees, and other material costs they incur by using the services of the recognized trade repository,***

***(b) be reasonably designed to govern all aspects of the services offered by the recognized trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and***

***(c) not be inconsistent with securities legislation.***

***(2) A recognized trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.***

***(3) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.***

***(4) A recognized trade repository must publicly disclose on its website***

***(a) its rules, policies and procedures referred to in this section, and***

***(b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.***

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KOR TR rules, policies, and procedures are made clear and comprehensive. They provide sufficient information including explanatory material written in plain language to enable a Client to have an accurate understanding of its rights and obligations in the use of KOR TR services, including the risks, fees, and other material costs Clients may incur. The rules are not and shall not be inconsistent with securities legislation. The rules, policies, and procedures are designed holistically to govern all aspects of KOR TR Services with respect to the collection and maintenance of TR Data required to be reported and are consistent with AMF Regulations, as applicable.

Where possible, KOR creates compliance reports to monitor the Client's compliance with its rules.

Non-compliance issues may be identified in a number of different ways including, but not limited to, any review conducted by the Compliance Department, look-back, internal or external audit finding, self-reported error, or validated complaint. Upon being identified and/or brought to the attention of the CCO, they will document in the Compliance Items Log and track for reasonable prompt, and thorough investigation and remediation where appropriate. Where the CCO is not the relevant stakeholder, he or she is responsible for escalating such matters in a prompt fashion to the relevant party. Where a Client non-compliance issue is identified, KOR TR will to the extent possible, aid in the remediation. This does not preclude enforcement action by any other person or company, including the AMF or other regulatory body.

The CCO or their designee is responsible for the investigation of any potential violation of the KOR TR Rulebook. The CCO has the authority to request information from any Client as part of an investigation of any rule violation. Rule violations will be documented, and all supporting documentation will be retained. If deemed necessary by the CCO, a Client or User's access may be suspended or revoked. The CCO is also responsible for making a decision to restore a Client or User's access by conducting a comprehensive review of a Client's compliance with regulatory requirements as well as KOR TR Rules, as applicable.

The KOR Canadian TR Rulebook will be publicly available for review on the KOR website.

## 18.0 Records of Data Reported

***18. A recognized trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.***

***(2) A recognized trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.***

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***(3) Throughout the period described in subsection (2), a recognized trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection (2), in a safe location and in a durable form, separate from the location of the original record.***

KOR TR maintains all TR Information, including, but not limited to, all documents, policies, and procedures required by the AMF's regulations, correspondence, memoranda, papers, books, notices, accounts, and other such records made or received by KOR TR in the course of its business. KOR TR Information shall be maintained for a five-year period. KOR will maintain its electronic records in a secure solution and will be readily accessible for the duration of the five-year period. KOR has a fully digital policy and as such does not have paper records. All digital document records are required to be maintained and will be stored and readily accessible for at least two years and then may be moved to colder slower retrieval storage for the remainder of the five-year period.

KOR TR maintains all TR Data and timestamps reported to or created by KOR TR, and all messages related to such reporting, throughout the existence of the transaction that is the subject of the TR Data and for seven years following the final termination of the transaction, during which time the records are readily accessible by KOR TR and available to the AMF via real-time electronic access. Throughout the period described, KOR shall create and maintain at least one copy of each record of derivatives data required to be kept, in a safe location and in a durable form, separate from the location of the original record.

KOR has established appropriate systems and controls that help ensure the authenticity and reliability of electronic records. As such, all electronic records shall be stored using systems that maintain the security, signature, and data as necessary to ensure the authenticity of the information contained in electronic records. Such systems shall allow KOR to produce electronic records in accordance with this Section and ensure the availability of such regulatory records in the event of an emergency or other disruption of KOR's electronic record retention systems. The CCO or their designee is responsible for monitoring for compliance with this requirement. Likewise, the CCO or their designee is responsible for creating and maintaining an up-to-date inventory that identifies and describes each system that maintains information necessary for accessing or producing electronic records.

## 19.0 Comprehensive risk-management framework

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**19. A recognized trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.**

KOR TR, with respect to all TR Data in its custody, has established and maintains a program of risk analysis and oversight to identify and minimize sources of operational risk through the development of appropriate controls and procedures and the development of automated systems that are reliable, secure and have adequate scalable capacity.

KOR TR has established and maintains emergency procedures, backup facilities, and a business continuity-disaster recovery plan that allows for the timely recovery and resumption of operations and the fulfillment of the duties and obligations of KOR TR, and periodically conducts tests to verify that backup resources are sufficient to ensure continued fulfillment of all duties of KOR TR established by the QDA or the AMF's regulations.

The KOR TR program of risk analysis and oversight with respect to its operations and automated systems, at a minimum, addresses each of the following categories of risk analysis and oversight:

- a. Enterprise risk management and governance (Assessment, mitigation, and monitoring of security and technology risk; security and technology capital planning and investment; BOD and management oversight of technology and security; information technology audit and controls assessments; remediation of deficiencies; and any other elements of enterprise risk management and governance included in generally accepted best practices.)
- b. Information security (Access to systems and data (including least privilege, separation of duties, account monitoring and control); user and device identification and authentication; security awareness training; audit log maintenance, monitoring, and analysis; media protection; personnel security and screening; automated system and communications protection (including network port control, boundary defenses, encryption); system and information integrity (including malware defenses, software integrity monitoring); vulnerability management; penetration testing; security incident response and management; and any other elements of information security included in generally accepted best practices.)
- c. Business continuity – disaster recovery planning and resources (Regular, periodic testing and review of business continuity-disaster recovery capabilities, KOR TR's controls and capabilities; and any other elements of business continuity-disaster recovery planning and resources included in generally accepted best practices.)
- d. Capacity and performance planning (Controls for monitoring KOR TR's systems to ensure adequate scalable capacity (including testing, monitoring, and analysis of current and projected future capacity

and performance, and of possible capacity degradation due to planned automated system changes); and any other elements of capacity and performance planning included in generally accepted best practices.)

- e. Systems operations (System maintenance; configuration management (including baseline configuration, configuration change and patch management, least functionality, inventory of authorized and unauthorized devices and software); event and problem response and management; and any other elements of system operations included in generally accepted best practices.)
- f. Systems development and quality assurance (Requirement's development; pre-production and regression testing; change management procedures and approvals; outsourcing and vendor management; training in secure coding practices; and any other elements of systems development and quality assurance included in generally accepted best practices.)
- g. Physical security and environmental controls. (Physical access and monitoring; power, telecommunication, and environmental controls; fire protection; and any other elements of physical security and environmental controls included in generally accepted best practices.)

In addressing risk analysis and oversight, KOR follows generally accepted standards and best practices with respect to the development, operation, reliability, security, and capacity of automated systems.

KOR TR has a comprehensive risk-management framework, including:

- a. Features of framework: KOR TR has a written risk-management framework (including policies, procedures, and systems) that enables it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by KOR. KOR TR's framework includes the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.
- b. Establishing a framework: KOR TR has comprehensive internal processes to help its BOD and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes are fully documented and readily available to the KOR TR's personnel who are responsible for implementing them.
- c. Maintaining a framework: KOR TR regularly reviews the material risks it bears from and poses to, other entities (such as other Financial Market Infrastructures ("FMIs"), settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develops appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become non-viable.

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KOR management works with all applicable departments on an ongoing basis to review and assess risks that could impact the business, legal, and operational risks faced by KOR.

## 20.0 General business risk

***20. (1) A recognized trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.***

***(2) Without limiting the generality of subsection (1), a recognized trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.***

***(3) For the purposes of subsection (2), a recognized trade repository must hold, at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.***

***(4) A recognized trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.***

***(5) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection (4).***

***(6) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the recognized trade repository or the wind-down of the recognized trade repository's operations.***

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KOR TR manages general business risk by establishing, implementing, and maintaining appropriate systems, controls, and procedures. These measures are designed to identify, monitor, and manage the general business risk that may arise as a consequence of a decline in revenue or an increase in expenses. KOR TR holds sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses. It also maintains a minimum level of liquid net assets funded by equity equal to six months of current operating expenses. KOR TR identifies scenarios that may prevent it from providing critical operations and services and assesses a full range of options for an orderly wind-down. It also establishes and enforces written rules, policies, and procedures to facilitate an orderly wind-down or compliance in the event of bankruptcy or insolvency. These measures ensure that KOR TR can continue its operations and services as a going concern and fulfill its regulatory duties and obligations.

KOR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements and to identify and assess any risks these might pose to KOR.

KOR TR maintains a business continuity-disaster recovery plan and business continuity-disaster recovery resources, emergency procedures, and backup facilities sufficient to enable timely recovery and resumption of its operations and resumption of the ongoing fulfillment of its regulatory duties and obligations following any disruption of its operations. The business continuity-disaster recovery plan and resources generally enable the resumption of KOR TR operations and the resumption of ongoing fulfillment of the duties and obligations of KOR TR. KOR TR updates and tests its business continuity-disaster recovery plan and emergency procedures at a frequency determined by an appropriate risk analysis, but at a minimum no less frequently than annually.

These plans should allow KOR TR to provide continuous and undisrupted service, as backup systems ideally should commence processing immediately. Where a disruption is unavoidable, KOR TR is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event.

An emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities, or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning encompasses all policies and procedures to ensure the uninterrupted provision of key services regardless of the cause of the potential disruption.

## 21.0 Systems and other operational risk requirements



**21. (1) A recognized trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.**

**(2) The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the recognized trade repository.**

**(3) Without limiting the generality of subsection (1), a recognized trade repository must**

**(a) develop and maintain**

**(i) an adequate system of internal controls over its systems, and**

**(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,**

**(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually**

**(i) make reasonable current and future capacity estimates, and**

**(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and**

**(c) promptly notify the AMF of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide a post-incident report that includes a root-cause analysis as soon as practicable.**

**(4) Without limiting the generality of subsection (1), a recognized trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to**

- (a) achieve prompt recovery of its operations following a disruption,**
- (b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and**
- (c) provide for the exercise of authority in the event of an emergency.**
- (5) A recognized trade repository must test its business continuity plans, including disaster recovery plans, at least annually.**
- (6) For each of its systems for collecting and maintaining reports of derivatives data, a recognized trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs (3)(a) and (b) and subsections (4) and (5).**
- (7) A recognized trade repository must provide the report prepared in accordance with subsection (6) to**
- (a) its board of directors or audit committee promptly upon the completion of the report, and**
- (b) the AMF not later than the 30th day after providing the report to its board of directors or audit committee.**
- (8) A recognized trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the recognized trade repository,**
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and**
- (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.**

***(9) A recognized trade repository must make available testing facilities for interfacing with or accessing the services provided by the recognized trade repository,***

***(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and***

***(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.***

***(10) A recognized trade repository must not begin operations in Québec unless it has complied with paragraphs (8)(a) and (9)(a).***

***(11) Paragraphs (8)(b) and (9)(b) do not apply to a recognized trade repository if***

***(a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,***

***(b) the recognized trade repository immediately notifies the AMF of its intention to make the change to its technology requirements, and***

***(c) the recognized trade repository publicly discloses on its website the changed technology requirements as soon as practicable.***

Utilizing the ISO 27001 security framework, KOR has established a comprehensive risk-management process central to its security posture, ensuring proper controls are in place to protect the confidentiality, integrity, and availability of its proprietary software, confidential client data, and services provided.

The risk management process aims to identify and minimize potential impacts of all plausible sources of internal and external financial, operational, regulatory, reputational, strategic, and commercial risks. Once risks are identified, risk treatment plans are developed to mitigate these risks to an acceptable level. Risk treatment plans may include policies, processes, procedures, technical security controls, and employee training to mitigate the risk. The risk management process is overseen by KOR's BOD. The BOD reviews all risks and shall approve risk treatment plans before they are implemented.

KOR has configured several internal and external operational alerting systems and processes, to measure, monitor, and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls.

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In compliance with regulatory and KOR's adopted security framework standards, KOR conducts regular, periodic testing and internal audits of its automated systems, including constant vulnerability testing, external and internal penetration testing, controls testing, capacity testing, and effectiveness of key controls.

All KOR policies, processes, procedures, and security controls are reviewed yearly by certified independent auditors for KOR's ISO 27001 certification and SOC2 certification.

KOR has implemented and maintains robust incident response, business continuity, and disaster recovery plans. These plans are tested and updated several times throughout the year for continual improvement. Through KOR's vendor management process, KOR regularly reviews the material risks it bears from and poses to other entities and develops appropriate risk-management tools, including business continuity arrangements, to address these risks.

KOR TR has testing facilities that offer Clients the ability to test both the current production release and the next upcoming release(s) in advance of material changes to technology requirements to allow Clients a reasonable period to test their modified systems and interfaces with KOR TR. In determining what a reasonable period is, KOR TR shall consult with Clients and that a reasonable period would allow all Clients a reasonable opportunity to develop, implement, and test systems changes. This is only applicable for changes that require end-point changes to be made by the Client to submit data to KOR.

KOR Clients connect and submit data to the KOR TR via a JSON message as described in published in KOR's technical specifications.

## 22.0 Data security and confidentiality

***22. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.***

***(2) A recognized trade repository must not release derivatives data for commercial or business purposes unless***

***(a) the derivatives data has otherwise been disclosed pursuant to section 39, or***

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***(b) the counterparties to the transaction have provided the recognized trade repository with their express written consent to use or release the derivatives data.***

KOR accepts and maintains TR data and TR information received from reporting counterparties and authorized service providers. This information is highly privileged, and the disclosure, misappropriation or misuse, inadvertent or otherwise, of such information is prohibited and could provide anyone in possession of such information an unfair advantage. KOR TR is required to maintain the privacy and confidentiality of any and all derivatives data received. This KOR TR Access Policy and its procedures and safeguards are part of the compliance program established and employed by KOR to protect and limit access to the TR data it receives and maintains.

KOR is committed to protecting its proprietary, confidential and personal information, including information relating to its business, clients, vendors, strategic partners, employees and other third parties. KOR is also committed to ensuring that the TR and its other operational systems have high reliability, availability, and capacity.

KOR has adopted a System Safeguard Policy to set forth a framework that:

- a. Documents systems including internal information system resources and outsourced environments and applications.
- b. Analyzes the vulnerabilities of each system.
- c. Outlines specific safeguards undertaken for each system, including:
  - i. Physical environment
  - ii. System protections
  - iii. Personnel training and screening
  - iv. User access controls
- d. Outlines a detection, response, and remediation plan.
- e. Details testing procedures to be conducted by an independent third party and how management will respond to testing results.
- f. Sets out specific responsibilities and governance for system safeguards.

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Generally, data accepted and maintained by KOR TR may not be used for commercial or business purposes by KOR TR or any of its affiliated entities.

KOR TR has implemented adequate “firewalls” or controls to protect the reported TR Data required to be maintained from any improper commercial use. A Client that submits TR Data maintained by KOR TR, may permit the commercial use by providing express written consent. Such consent is not a requirement to report to KOR TR. If such Client consent is given, KOR may not make such consented data available for commercial use prior to its public dissemination.

## 23.0 Confirmation of data and information

**23. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures to confirm with each counterparty to a transaction, or agent acting on behalf of such counterparty, that the derivatives data that the recognized trade repository receives from a reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Regulation, is accurate.**

**(2) Despite subsection (1), a recognized trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the recognized trade repository.**

KOR verifies the accuracy and completeness of Transaction Data that it receives from Clients.

Each Reporting Counterparty shall verify that there are no errors in the Transaction Data for all open transactions that the Reporting Counterparty reported, or was required to report, to a Trade Repository. KOR TR provides a mechanism that allows each Reporting Counterparty (or their delegated reporter) that is a Client a view of the most recent validated and accepted open transactions for each field that was required to be reported for which the Client is serving as or representing the Reporting Counterparty. This information will allow Clients to successfully perform transaction data verification required.

KOR TR provides Clients with a positive acknowledgment (“ACK”) or negative acknowledgment (“NACK”) for all messages submitted to KOR TR including a detailed error message for all NACKS that identifies what validations failed. It is the duty of the Client to monitor and correct these errors. Clients will have access to a report of all open error messages that shall be reviewed and resolved As Soon As Technologically Practicable

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("ASATP"). If a message was submitted in error and failed validations, the Client must correct and resubmit the message until it passes all validations per the KOR Technical Specifications.

## 24.0 Outsourcing

**24. If a recognized trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the recognized trade repository, the recognized trade repository must**

**(a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,**

**(b) identify any conflicts of interest between the recognized trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,**

**(c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,**

**(d) maintain access to the books and records of the service provider relating to the outsourced activity,**

**(e) ensure that the AMF has the same access to all data, information and systems maintained by the service provider on behalf of the recognized trade repository that it would have absent the outsourcing arrangement,**

**(f) ensure that all persons conducting audits or independent reviews of the recognized trade repository under this Regulation have appropriate access to all data, information and systems maintained by the service provider on behalf of the recognized trade repository that such persons would have absent the outsourcing arrangement,**

***(g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,***

***(h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of derivatives data and of users' confidential information in accordance with the requirements under section 22, and***

***(i) establish, implement, maintain and enforce written rules, policies and procedures to regularly review the performance of the service provider under the outsourcing arrangement.***

KOR meets outsourcing requirements by following a set of policies, procedures, systems, and controls. These measures ensure that KOR continues to comply with its obligations under relevant regulations and rules. Here are some key aspects of KOR's outsourcing controls:

- a. **Clear Expectations and Requirements:** Before outsourcing any regulatory functions, KOR establishes clear expectations and requirements for the service provider. This includes specific regulatory requirements and internal policies or procedures that the service provider must follow. These expectations and requirements are documented in the outsourcing agreement.
- b. **Due Diligence:** KOR conducts due diligence before engaging an outsourced service provider. This involves assessing the provider's expertise, experience, and resources to ensure they can effectively perform the regulatory functions. Due diligence includes reviewing the provider's operational and compliance history, conducting interviews, and reviewing internal policies and procedures.
- c. **Monitoring:** KOR conducts regular monitoring of the outsourced functions to ensure that the service provider is meeting the agreed-upon service level requirements. This monitoring includes reviewing service level agreements, key performance indicators, and other relevant metrics. The monitoring activities are documented.
- d. **Policies and Procedures:** The service provider must have documented policies and procedures that outline how they will provide the outsourced functions. These policies and procedures are reviewed and approved by KOR to ensure compliance with regulatory and commercial requirements. They include descriptions of how the service provider will meet service level agreements, performance metrics, and handle issues or incidents.



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- e. **Systems and Controls:** The service provider must have systems and controls in place to ensure they can provide the outsourced functions in accordance with the agreed-upon requirements. These systems and controls are reviewed and approved by KOR to ensure compliance with KOR's requirements. They include monitoring and reporting on performance, handling incidents and issues, and ensuring data security and confidentiality.
- f. **Access to Information:** KOR ensures that it has access to all books, records, and other information of the service provider relating to the outsourced functions. This access is necessary for monitoring and oversight purposes. KOR also ensures that regulators have the same access to relevant data, information, and systems maintained by the service provider.
- g. **Written Contract:** All outsourcing arrangements are covered by a written contract with the service provider. The contract is appropriate for the nature and materiality of the outsourced activity and includes adequate termination procedures.

These measures help KOR effectively manage compliance and regulatory risks associated with outsourcing while ensuring that the service provider meets the necessary requirements.

There are currently no such outsourced third-party providers that have access to data maintained by KOR TR.

KOR has only outsourced affiliates of the TR to have access to data maintained by KOR TR. KOR has an inter-company agreement with KOR Financial Inc. that outlines the nature and extent of the contractual agreement between the two entities. The agreement includes provisions for trade repository software-as-a-service (SaaS) to meet regulatory requirements, infrastructure hosting, technical, operational, and business support for KOR. It also covers corporate support services including legal, accounting, billing, and human resources.

To the extent that KOR determines to grant any additional outsourced access in the future, the CCO will be responsible for reviewing the relationship and associated documentation in accordance with this Section prior to granting access to the third party.

## 29.0 Unique transaction identifier

**29. (1) A recognized trade repository must identify each transaction that is required to be reported under this Regulation in all recordkeeping and all**

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**reporting required under this Regulation by means of a unique transaction identifier.**

**(2) A recognized trade repository must assign a unique transaction identifier to a transaction, using its own methodology or incorporating a unique transaction identifier previously assigned to the transaction.**

**(3) A recognized trade repository must not assign more than one unique transaction identifier to a transaction.**

Each transaction shall be identified in all recordkeeping and all Data reporting by the use of a Unique Transaction Identifier ("UTI"), which shall be created, transmitted, and used for each transaction.

Each registered entity and transaction counterparty shall include the UTI for a transaction in all of its records and all of its Transaction Data reporting concerning that transaction, from the time it creates or receives the UTI as provided in this section, throughout the existence of the transaction and for as long as any records are required by the AMF regulations to be kept concerning the transaction, regardless of any life-cycle events concerning the transaction, including, without limitation, any changes with respect to the counterparties to the transaction.

KOR TR does not allow any new trade executed on or after UTIs are implemented to be submitted with a previously accepted UTI format.

Every submission to KOR TR must contain the appropriate UTI, otherwise, the submission will be rejected. KOR TR validates the format and uniqueness of every UTI. If a party submits the incorrect UTI, they must error that UTI and resubmit the transaction as a new message with the correct UTI. When the correct UTI is submitted it will be considered a new trade and if it is submitted after the required reporting timelines, will be classified as a late report.

A transaction in this context means a transaction from the perspective of all counterparties to the transaction. For example, both counterparties to a single swap transaction would identify the transaction by the same single identifier. The UTI uniqueness will be validated based on the UTI plus Counterparty 1 and Counterparty 2, where each counterparty can be either Counterparty 1 or 2 as both may report independently.

For a bilateral transaction that is novated to a clearing agency, the reporting of the novated transactions should reference the UTI of the original bilateral transaction

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For each Off-Facility Transaction for which the Reporting Counterparty is not a derivatives dealers counterparty that is not a financial entity, the Reporting Counterparty shall either: Create and transmit a UTI; or request that the Trade Repository to which required transaction creation data will be reported and transmit a UTI.

KOR TR supports such UTI generation requests from a Reporting Counterparty by offering a facility on its UI and accessible via API to create the client-defined number of UTIs which shall be immediately created within seconds. The UTI shall consist of a single data element with a maximum length of 52 characters that contains two components: (i) The legal entity identifier of the Trade Repository; and (ii) An uppercase alphanumeric code generated and assigned to that transaction by the automated systems of KOR TR, which shall be unique with respect to all such codes generated and assigned by KOR TR. The Reporting Counterparty is then obligated to submit the provided UTI for all messages regarding that transaction.

### **37.0 Data available to regulators**

***37. (1) A recognized trade repository must, at no cost***

***(a) provide to the AMF direct, continuous and timely electronic access to such data in the recognized trade repository's possession as is required by the AMF in order to carry out the AMF's mandate,***

***(b) create and make available to the AMF aggregate data derived from data in the recognized trade repository's possession as required by the AMF in order to carry out the AMF's mandate, and***

***(c) disclose to the AMF the manner in which the derivatives data provided under paragraph (b) has been aggregated.***

***(2) A recognized trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.***

***(3) A reporting counterparty must use its best efforts to provide the AMF with access to all derivatives data that it is required to report pursuant to this Regulation, including instructing a trade repository to provide the AMF with access to such data.***

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KOR will provide the AMF or the AMF's Designee with direct electronic access to the KOR TR. Electronic access includes the ability of the AMF to access, download, or receive a direct real-time feed of derivatives data maintained by KOR's recognized trade repository.

Such access includes the proper tools for the monitoring, screening, and analyzing of transaction data and is similar to those that are used by KOR TR Compliance. Pursuant to the access policy, a current list of those individuals who are granted access on the AMF's behalf are provided to the AMF and should be reviewed on a periodic basis.

KOR TR shall, at no cost

- a. provide to the AMF direct, continuous, and timely electronic access to such data in KOR TR's possession as is required by the AMF in order to carry out the AMF's mandate,
- b. accept and promptly fulfill any data requests from the AMF in order to carry out the AMF's mandate,
- c. create and make available to the AMF aggregate data derived from data in KOR TR's possession as required by the AMF in order to carry out the AMF's mandate, and
- d. disclose to the AMF the manner in which the derivatives data provided under paragraph (c) has been aggregated.

The derivatives data covered by this subsection are data necessary to carry out the AMF's mandate to protect against unfair, improper, or fraudulent practices, to foster fair and efficient capital markets, to promote confidence in the capital markets, and to address systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact the applicable regulator's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to the applicable regulator's province/territory or Canada can impact the applicable regulator's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the AMF has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Regulation, but is held by a recognized trade repository.

For this requirement, KOR only provides access to any data that is contained within the KOR Canadian TR and not any other trade repositories managed by KOR (e.g., CFTC SDR). The Canadian regulators only have access to transactions reported for local counterparties under their supervision.

KOR TR shall conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPSS and IOSCO. KOR TR will comply with the access recommendations in CPSS-IOSCO's final report.

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From time to time, and as requested by the AMF, KOR may deliver reports to the AMF based on parameters set forth in writing by the AMF.

### 38.0 Data available to counterparties

**38. (1) A recognized trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the recognized trade repository.**

**(2) A recognized trade repository must have appropriate verification and authorization procedures in place to deal with access pursuant to subsection (1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.**

**(3) Each counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Regulation.**

**(4) Subsection (3) applies despite any agreement to the contrary between the counterparties to a transaction.**

KOR provides counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to KOR TR.

KOR has appropriate verification and authorization procedures in place to deal with access by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

Each counterparty to a transaction is deemed to have consented to the release of all derivatives data reported to KOR. This applies despite any agreement to the contrary between the counterparties to a transaction.

Any counterparty that has executed a Client Agreement may access TR Data to which they are a party. In order to execute a Client Agreement, the market participant must first obtain and provide their LEI to KOR TR. Where a Client has authorized a third-party service provider or another Client under the same ultimate parent to submit on its behalf and/or access its data, KOR will provide access to the delegated reporter or Client as long as it has executed the Client Agreement and appropriate addendums, and the Client has granted permission through the Client portal.

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As a general policy, KOR TR requires all applicants to execute and submit Client Agreements in electronic form only. Paper copies will not be accepted. Any exceptions to this general policy must be granted in advance by the CCO or their designee. All Client Agreements will be maintained in accordance with KOR TR's recordkeeping policies.

For transactions executed on platform, the platform will not have access to the data unless they were the delegated reporter and submitter of the message.

Clearing members who have executed the appropriate Client Agreement and annexes may access transactions where they are listed as the clearing member.

Investment managers that have executed the appropriate Client Agreement and annexes and been granted access from their managed funds which are Clients, may access transactions where they are a counterparty or the executing agent.

### 39.0 Data available to public

***(1) A recognized trade repository must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number and where applicable, price, relating to the transactions reported to it pursuant to this Regulation.***

***(2) The periodic aggregate data made available to the public pursuant to subsection (1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, maturity and whether the transaction is cleared.***

***(3) For each transaction reported pursuant to this Regulation, a recognized trade repository must make transaction level reports available to the public at no cost, in accordance with the requirements in Appendix C.***

***(4) In disclosing transaction level reports required by subsection (3), a recognized trade repository must not disclose the identity of either counterparty to the transaction.***

***(5) A recognized trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.***

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***(6) Despite subsections (1) to (5), a recognized trade repository is not required to make public any derivatives data for transactions entered into between affiliated persons.***

KOR shall make data available to the public as directed by the AMF and in accordance with applicable regulations.

### **Transaction Level**

KOR TR shall make Transaction level public reporting data freely available on the KOR website for one year after the initial Public Dissemination of such data and shall make instructions available on the said website on how to download and search such data.

KOR TR shall Publicly Disseminate the information described in the rules for the Transaction and Pricing Data, as applicable, in the form and manner provided in the KOR TR Technical Specifications.

KOR TR shall require any data and fields necessary to compare the Transaction and Pricing Data that was publicly disseminated to the data reported to KOR or to confirm that parties to a Transaction have reported in a timely manner pursuant as described in the User Guide. Such additional information shall not be publicly disseminated by KOR.

Transaction and Pricing Data that is publicly disseminated shall not disclose the identities of the parties to the Transaction or otherwise facilitate the identification of a party to a Transaction. KOR shall not publicly disseminate such data in a manner that discloses or otherwise facilitates the identification of a party to a Transaction.

KOR has implemented rounding practices consistent with Applicable Regulation(s). KOR will disseminate the notional or principal amounts of a publicly reportable Transaction subject to rounding as prescribed. KOR has implemented capping practices consistent with Applicable Regulation(s). KOR will disseminate the notional or principal amounts of a publicly reportable Transaction subject to capping as prescribed.

KOR must disseminate the publicly reportable messages 48 hours after the time and date represented by the execution or event timestamp field of the Transaction.

### **Aggregate Level**

KOR must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number, and, where applicable, price, relating to the Transactions reported to it pursuant to Applicable Regulation(s) and orders.

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The periodic aggregate data made available to the public must be complemented at a minimum by breakdowns, where applicable, by the currency of denomination (the currency in which the derivative is denominated), Asset Class, contract/product type (e.g., options, forwards, or swaps), maturity (broken down into maturity ranges), and whether the Transaction is cleared.

KOR must make the data required to be made available to the public in a usable form through a publicly accessible website or other publicly accessible technology or medium. Such Transaction data is available on KOR TR's website.

## 40.0 Submissions

KOR submits that it meets the criteria set out for recognition as a trade repository, all as outlined in Regulation 91-507. KOR further submits that it would be appropriate and would not be contrary to the public interest for the AMF to impose minimal terms and conditions on KOR pursuant to its recognition due to the fact that it is already subject to appropriate regulatory oversight by the CFTC in the U.S.

### APPENDIX

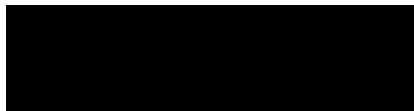
#### Certificate of Verification

To: Autorité des marchés financiers

The undersigned hereby authorizes the making and filing of the attached application and confirms the truth of the facts contained therein.

Dated: October 13, 2023, 2023

By:



Tara Manuel  
Chief Compliance Officer ("CCO")  
KOR Reporting Inc.





65, avenue Queen Ouest, bureau 1900  
Toronto (Ontario) M5H 2M5

**PAR COURRIEL**

18 octobre 2023

**À :** Autorité des marchés financiers, en sa qualité d'autorité de dispense principale  
800, rue du Square-Victoria, 22<sup>e</sup> étage  
C.P. 246, Tour de la Bourse  
Montréal (Québec) H4Z 1G3  
**À l'attention de : Dominique Martin, directeur principal de l'encadrement des activités de marché et des dérivés**

**ET DE :** British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Commission des valeurs mobilières du Manitoba  
Commission des services financiers et des services aux consommateurs (Nouveau-Brunswick)  
Nova Scotia Securities Commission  
Prince Edward Island Office of the Superintendent of Securities  
Office of the Superintendent of Securities, Service Newfoundland and Labrador  
Bureau des valeurs mobilières des Territoires du Nord-Ouest  
Gouvernement du Yukon, Bureau du surintendant des valeurs mobilières du Yukon, ministère des Services aux collectivités  
Bureau des valeurs mobilières du Nunavut

Monsieur Martin, mesdames et messieurs,

**Objet :** **Fusion proposée entre Aequitas Innovations Inc., La Bourse Neo Inc. et TriAct Canada Marketplace LP pour former Cboe Canada Inc.**

**I. INTRODUCTION**

Par les présentes, La Bourse Neo Inc. (« **La Bourse Neo** ») soumet en son nom et au nom d'Aequitas Innovations Inc. (« **Aequitas** ») à l'Autorité des marchés financiers (l'« **AMF** ») et à l'autorité ou l'organisme de réglementation des valeurs mobilières de chacune des autres provinces et de chacun des territoires du Canada, autres que l'Ontario (collectivement, les « **autorités de dispense** » de chacun de ces « **territoires** ») une demande de modification et de mise à jour (la « **demande** ») de la décision de dispense multiterritoriale d'Aequitas et de La Bourse Neo (la « **décision de dispense multiterritoriale** »).

La demande est soumise dans le cadre de la fusion proposée (la « **fusion proposée** ») d'Aequitas, de La Bourse Neo et de TriAct Canada Marketplace LP (« **TriAct** »), exerçant ses activités sous le nom de MATCHNow, en une seule entité juridique appelée Cboe Canada Inc. (« **Cboe Canada** »), celle-ci étant une filiale directe en propriété exclusive de Cboe Canada Holdings, ULC (« **Cboe Canada Holdings** »), laquelle est une filiale indirecte en propriété exclusive de Cboe Global Markets, Inc. (« **CGM** »), une société cotée en bourse établie aux États-Unis. La date de prise d'effet cible de la fusion proposée est le 1<sup>er</sup> janvier 2024.

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La Bourse Neo Inc. (faisant affaire sous la dénomination Cboe Canada)

L'intégration de TriAct à Cboe Canada permettra à cette dernière d'offrir un nouveau registre « MATCHNow » en plus des registres actuellement disponibles au sein de La Bourse Neo. La préservation de MATCHNow en tant que registre propre (mais non en tant qu'entité juridique indépendante exerçant ses propres activités) revêt une importance cruciale, si l'on tient compte des stratégies particulières des clients que MATCHNow et les divers registres existants de La Bourse Neo favorisent.<sup>1</sup>

La fusion proposée a pour but de rationaliser la structure juridique actuelle des filiales canadiennes de CGM. Elle prévoit la réduction du nombre d'entités réglementées et de sociétés de portefeuille, tout en instituant une entité juridique unique destinée à accueillir l'ensemble des activités canadiennes intégrées et réglementées. Cela permettra à Cboe Canada d'exercer les activités existantes de La Bourse Neo et de MATCHNow en tant que bourse unique reconnue au Canada et rendra plus efficace l'exploitation et la gestion des activités canadiennes de CGM dans leur ensemble.

Un projet de décision de dispense multiterritoriale comparé à la version actuelle de la décision de dispense multiterritoriale datée du 5 août 2022 (le « **projet de décision de dispense multiterritoriale** ») est joint comme annexe A.

## II. AUTORITÉ PRINCIPALE

Conformément au paragraphe 3.6(8) de la National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (ou, au Québec, de l'*Instruction générale 11-203 relative au traitement des demandes de dispense dans plusieurs territoires*), l'AMF est l'autorité de dispense principale pour la décision de dispense multiterritoriale.

## III. LOIS SUR LES VALEURS MOBILIÈRES PERTINENTES DANS CHACUN DES TERRITOIRES

Le tableau suivant présente les dispositions de la loi sur les valeurs mobilières (la « **législation** ») de chacun des territoires qui prévoient :

- a) l'exigence d'être reconnue en tant que « bourse » ou, en Nouvelle-Écosse, en tant qu'« organisme d'autoréglementation » ou, à Terre-Neuve-et-Labrador, en tant que « bourse de valeurs » aux termes de laquelle Aequitas et La Bourse Neo ont obtenu auparavant une dispense; et
- b) la décision d'accorder, par l'autorité de dispense du territoire, une dispense de l'exigence d'être reconnue.

<sup>1</sup> Le « nouveau » registre dont il est question dans la présente lettre sera novateur pour Cboe Canada; toutefois, en ce qui concerne son fonctionnement, il sera à toutes fins utiles identique au système de négociation parallèle MATCHNow existant. L'intégration de MATCHNow au sein de l'un des registres actuels de La Bourse Neo aurait une incidence sur le service offert, et réduirait la qualité de l'expérience pour les clients. Le fait de maintenir MATCHNow en tant que registre propre minimise également les perturbations dans les flux de travail et les solutions technologiques existantes de nos clients, tout en réduisant les coûts et le risque de confusion auxquels ils font face.

Autorités de dispense	Dispositions de la loi : (a) la dispense demandée (b) les dispositions de dispense
Alberta Securities Commission	(a) paragraphe 62(1) (b) article 213
AMF	(a) titre VI, article 169 (b) article 263
British Columbia Securities Commission	(a) article 25 (b) paragraphe 33(1)
Commission des valeurs mobilières du Manitoba	(a) partie XIV, paragraphe 139(1) (b) paragraphe 20(1)
Commission des services financiers et des services aux consommateurs (Nouveau-Brunswick)	(a) article 36 (b) article 195.4
Surintendant des valeurs mobilières des Territoires du Nord-Ouest	(a) article 70 (b) paragraphe 16(1)
Nova Scotia Securities Commission	(a) article 30J (b) article 151A
Surintendant des valeurs mobilières du Nunavut	(a) partie 7, article 70 (b) partie 2, paragraphe 16(1)
Prince Edward Island Registrar of Securities	(a) partie 7, article 70 (b) paragraphe 16(1)
Financial and Consumer Affairs Authority of Saskatchewan	(a) article 21.1 (b) paragraphe 160(1)
Securities Commission of Newfoundland and Labrador	(a) partie VIII, paragraphe 24(1) (b) articles 138.19 et 142.1
Surintendant des valeurs mobilières du Yukon	(a) partie 7, division 1, article 70 (b) partie 2, division 2, paragraphe 16(1)

Les dispositions respectives de la législation applicable dans chacun des territoires ne présentent pas de différences notables.

#### IV. SOUMISSION EN ONTARIO

La Bourse Neo et Aequitas ont déposé auprès de la Commission des valeurs mobilières de l'Ontario (la « **CVMO** ») une demande de modification et de mise à jour de la décision de reconnaissance (la « **demande auprès de la CVMO** ») concernant Aequitas et La Bourse Neo (le « **projet de décision de reconnaissance** ») afin de tenir compte de la fusion proposée.

Une copie de tous les documents inclus dans la demande auprès de la CVMO, énumérés ci-dessous, est jointe en tant qu'annexes B et C de la présente demande :

- Annexe B – lettre de demande adressée à la CVMO datée du 29 septembre 2023; et

- Annexe C – copie soulignée du projet de décision de reconnaissance.

Nous demandons respectueusement aux autorités de dispense d'examiner la demande en temps opportun afin que l'approbation de la demande sollicitée puisse être accordée en même temps que les approbations en Ontario.

## V. EXPOSÉ DES FAITS

Sous réserve que toutes les approbations réglementaires pertinentes soient accordées dans les délais, après la date de prise d'effet de la fusion proposée, Cboe Canada continuera d'opérer en tant que bourse dans l'ensemble du Canada, et CGM continuera d'être tenue, en vertu de la décision de reconnaissance modifiée et mise à jour de la CVMO, de se conformer à certaines modalités.

Il importe de noter que la fusion proposée n'aura aucune incidence sur le régime de surveillance réglementaire canadien applicable à Cboe Canada. Les modifications que nous proposons d'apporter à la décision de reconnaissance actuelle ont pour objectif principal d'assurer des éléments locaux solides des activités de Cboe Canada et de poursuivre, essentiellement sans changement, la surveillance et la réglementation de Cboe Canada par la CVMO. Cboe Canada sera dispensée de l'exigence d'être reconnue dans les territoires en fonction du régime de l'autorité responsable (à l'instar actuellement d'Aequitas et de La Bourse Neo). Le régime de l'autorité responsable est énoncé dans le *Protocole d'entente sur la surveillance des bourses et des systèmes de cotation et de déclaration d'opérations* entre certains membres des Autorités canadiennes en valeurs mobilières (le « **protocole d'entente** »). Les principes sous-jacents du régime de l'autorité responsable sont fondés sur le fait que chaque bourse reconnue (la « **bourse** ») compte une autorité responsable (l'« **autorité responsable** ») responsable de sa surveillance et une ou plusieurs autorités de dispense qui dispensent la bourse de l'exigence d'être reconnue pour les raisons suivantes :

- a) La bourse est et continuera d'être reconnue par l'autorité responsable comme une bourse;
- b) L'autorité responsable est responsable de la surveillance réglementaire de la bourse; et
- c) L'autorité responsable informera l'autorité de dispense de ses activités de surveillance et cette dernière aura la possibilité de soulever des questions concernant la surveillance de la bourse auprès de l'autorité responsable conformément au protocole d'entente.

Après la fusion proposée, ces critères continueront d'être respectés pour Cboe Canada, la CVMO agissant à titre d'autorité responsable.

Nous notons également qu'après la réalisation de la fusion proposée, Cboe Canada continuera de fonctionner de la même manière que La Bourse Neo aujourd'hui, en ce sens que les opérations quotidiennes de la bourse seront gérées par l'équipe de direction de Cboe Canada, et que la stratégie globale de Cboe Canada sera soumise à la surveillance et à l'orientation du conseil d'administration de Cboe Canada. CGM fournira une orientation stratégique afin d'assurer l'harmonisation organisationnelle à l'échelle de l'entreprise multinationale, ainsi qu'un soutien à la poursuite de l'excellence opérationnelle. La fusion proposée n'implique aucune fusion ou aucun autre regroupement d'entreprises de La Bourse Neo ou d'Aequitas avec des bourses réglementées, des plateformes de négociation ou d'autres filiales exploitées ou détenues intégralement par CGM, à l'exception de TriAct et de son commandité, MATCHNow GP ULC, qui seront dissous à la suite de la fusion proposée.

Cboe Canada continuera de faire les déclarations suivantes aux autorités de dispense :

- a) Cboe Canada exerce des activités boursières au Canada;
- b) Cboe Canada a des bureaux à Toronto, en Ontario, et n'a de bureaux dans aucun autre des territoires;
- c) Cboe Canada convient de demeurer assujettie au programme de surveillance établi à l'occasion par la CVMO conformément aux modalités énoncées dans le protocole d'entente et de respecter les modalités de la décision de reconnaissance modifiée et mise à jour par la CVMO;
- d) Cboe Canada offre une vaste gamme de services, en français et en anglais, à ses émetteurs et à ses membres (selon la définition donnée dans le projet de décision de dispense multiterritoriale); et
- e) Cboe Canada ne contrevient à la législation en valeurs mobilières d'aucun territoire canadien.

CGM continuera de faire les déclarations suivantes aux autorités de dispense :

- a) CGM convient de se conformer aux modalités de la décision de reconnaissance modifiée et mise à jour rendue par la CVMO; et
- b) CGM ne contrevient à la législation en valeurs mobilières d'aucun territoire canadien.

Le projet de décision de dispense multiterritoriale comprend les mises à jour suivantes :

- Les mentions « Aequitas », « Bourse Neo » ou « les déposantes » ont été remplacées par « Cboe Canada » dans l'ensemble du document, selon le cas, et les modifications grammaticales nécessaires ont été apportées.
- Des modifications mineures de formatage et de typographie ont été apportées tout au long du document.
- Les rubriques « Contexte » et « Faits et déclarations » ont été modifiées pour tenir compte de la fusion proposée.
- À la rubrique « Faits et déclarations », la déclaration suivante a été supprimée pour tenir compte de la fusion proposée : « au moment de rendre la présente décision, Aequitas demeure l'unique actionnaire de la Bourse Neo. »

## VI. DÉCISIONS ANTÉRIEURES DE L'AUTORITÉ DE DISPENSE PRINCIPALE

Nous rappelons les décisions antérieures suivantes de l'AMF, qui sont pertinentes :

- a) Décision dans l'affaire *Ensoleillement inc.* et *NASDAQ CXC Limited* ([décision 2018-SMV-0006](#) datée du 19 février 2018, Bulletin de l'AMF 2018-02-22, vol. 15, n° 7); et
- b) Décision dans l'affaire *Aequitas* et *La Bourse Neo* ([décision 2022-SMV-0009](#) datée du 5 août 2022, Bulletin de l'AMF 2022-08-11, vol. 19, n° 31).

## VII. DÉCLARATION D'ATTESTATION DE LA VÉRACITÉ DES FAITS

Le soussigné, en sa qualité de chef de la direction de La Bourse Neo et d'Aequitas et non à titre personnel, après enquête diligente, atteste ce qui suit :

- a) Le dépôt de la demande est autorisé par La Bourse Neo et par Aequitas;
- b) Les faits énoncés dans la demande sont véridiques à la date des présentes; et
- c) Ni La Bourse Neo ni Aequitas ne contreviennent à la législation en valeurs mobilières d'aucun territoire canadien.

## VIII. CONCLUSION

Je vous remercie de votre attention. Si vous avez des questions, n'hésitez pas à communiquer avec moi par courriel à l'adresse [jschmitt@cboe.com](mailto:jschmitt@cboe.com) ou par téléphone au 416 602-5234.

## IX. PIÈCES JOINTES

- **Annexe A – projet de décision de dispense multiterritoriale**
- **Annexe B – lettre de demande adressée à la CVMO datée du 29 septembre 2023**
- **Annexe C – copie soulignée du projet de décision de reconnaissance**

Cordialement,

« Jos Schmitt »

Jos Schmitt  
Président et chef de la direction  
Aequitas Innovations Inc.  
La Bourse Neo Inc.

c.c. Lucie Prince, analyste experte aux OAR, AMF  
Xavier Boulet, analyste expert à la réglementation, AMF  
Susan Greenglass, directrice, Réglementation des marchés, CVMO  
Michelle Alexander, gestionnaire, Réglementation des marchés, CVMO  
Alex Petro, spécialiste du commerce de la réglementation des marchés, Réglementation des marchés, CVMO  
Yan Kiu Chan, conseillère juridique principale, Réglementation des marchés, CVMO  
Christopher Byers, conseiller juridique principal, Réglementation des marchés, CVMO  
Dmitri Smidovich, chef des services juridiques et secrétaire général, La Bourse Neo  
Robert Keller, avocat général adjoint, Affaires réglementaires, La Bourse Neo et MATCHNow  
Audrey Chénard, conseillère juridique, Affaires réglementaires, La Bourse Neo

### 7.3.2 Publication

Aucune information

## 7.4 AUTRES CONSULTATIONS

Aucune information.



## 7.5 AUTRES DÉCISIONS

Aucune information.