



December 18, 2024

To:

Alberta Securities Commission
Autorité des marchés financiers
Financial and Consumer Affairs Authority of Saskatchewan
Financial and Consumer Services Commission, New Brunswick
Manitoba Securities Commission
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Superintendent of Securities Nunavut
Office of the Yukon Superintendent of Securities
Ontario Securities Commission
Financial and Consumer Services Division, Department of Justice and Public Safety,
Prince Edward Island

VIA EMAIL

Me Philippe Lebel Corporate
Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
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The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
E-mail: comments@osc.gov.on.ca

Re: CSA Notice of Consultation – Proposed Amendments to National Instrument 94-101 (“NI 94-101”) Mandatory Central Counterparty Clearing of Derivatives (the “Consultation”)

The Canadian Advocacy Council of CFA Societies Canada (the “**CAC**”)¹ appreciates the opportunity to provide the following general comments on the Consultation.

We are generally in agreement with the proposed amendments in the Consultation and we were pleased with the inclusion of the cost and benefit analysis provided in Annex C. However, we would encourage the Canadian Securities Administrators (“**CSA**”) to

¹ The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 21,000 Canadian CFA charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit www.cfacanada.org to access the advocacy work of the CAC.

As the global association of investment professionals, CFA Institute sets the standard for professional excellence and credentials. The organization is a champion of ethical behaviour in investment markets and serves as the leading source of learning and research for the investment industry. CFA Institute believes in fostering an environment where investors' interests come first, markets function at their best, and economies grow. With more than 200,000 charterholders worldwide across 160 markets, CFA Institute has ten offices and 160 local societies. Find us at www.cfainstitute.org or follow us on LinkedIn and X at @CFAINstitute.



provide additional information to facilitate fulsome stakeholder engagement and to allow commentators to better understand the information, process, and threshold criteria used to inform the CSA's decisions with respect to amending NI 94-101 going forward.

While it was noted that the update to the list of derivatives required to be cleared was based on shifts in trading activity and systemic importance, we would have appreciated additional information regarding the quantitative thresholds and any additional indicators or discretionary factors that were used to make these determinations, and if there are any other elements outside of trading activity that were considered. We think additional data and information surrounding why derivatives of certain currencies, tenors, or other attributes were selected (and conversely, those considered but not selected), would be helpful. Specifically, with respect to the factors used to determine which OTC derivatives or classes thereof will be subject to mandatory central counterparty clearing requirements, we would prefer to review a summary of the analysis and evaluation criteria with respect to each enumerated factor and the discussion of why certain other OTC derivatives were ultimately not chosen to be included. In addition, information regarding how international harmonization was reflected could be helpful.

In our view, providing the additional underlying data and the relevant analysis that informed the CSA's decisions would better position stakeholders to consider whether the included derivatives as part of the proposed amendments are sufficient. It is unclear to us what triggers or future changes would cause further proposed amendments in future to NI 94-101, and believe that this process should be made increasingly transparent if it is to be predictable and non-disruptive to the broader marketplace.

Concluding Remarks

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at cac@cfacanada.org on this or any other issue in the future.

(Signed) *The Canadian Advocacy Council of
CFA Societies Canada*

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CFA Societies Canada**