

## Draft Regulation

Derivatives Act

(R.S.Q., c. I-14.01, s. 175, par. 1, subpars. (1), (3), (9), (11), (12), (14) and (29))

## Regulation to amend the Derivatives Regulation

Notice is hereby given by the *Autorité des marchés financiers* (the "Authority" or the "AMF") that, in accordance with section 175 of the *Derivatives Act* (R.S.Q., chapter I-14.01) (the "Act"), the following Regulation, the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Minister of Finance for approval, with or without amendment, after 30 days have elapsed since its publication in the Bulletin of the Authority:

- *Regulation to amend the Derivatives Regulation.*

Regulation 23-103 respecting Electronic Trading ("Regulation 23-103") will be made under the *Securities Act* (R.S.Q., chapter V-1.1) (the "SA"). The *Derivatives Regulation* (chapter I-14.01, r. 1) (the "Regulation") must be amended so that the requirements set out in Regulation 23-103 can apply to securities legislation as well as to derivatives legislation and, in particular, to published markets, market participants, the trading of standardized derivatives and transactions in standardized derivatives, as contemplated under the Act. Therefore, it is proposed to make the Regulation to amend the Derivatives Regulation consequential to Regulation 23-103.

Under section 1.4 of Regulation 21-101 respecting Marketplace Operation (c. V-1.1, r. 5) (whose definitions are incorporated by reference in Regulation 23-103), in Québec, a standardized derivative is included in the broad concept of "security." However, the requirements set out in Regulation 23-103 also cover published markets, certain market participants and, more broadly, transactions in standardized derivatives and the trading of standardized derivatives.

By amending the Derivatives Regulation as proposed, the Authority ensures that the provisions of Regulation 23-103 can produce their legal effects in respect of securities, parties and markets contemplated under the SA and the Act.

## Request for comment

Comments regarding the above may be made in writing no later than **July 28, 2012** to:

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## Further information

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**June 28, 2012**

## REGULATION TO AMEND THE DERIVATIVES REGULATION

Derivatives Act

(R.S.Q., c. I-14.01, s. 175, par. 1, subpars. (1), (3), (9), (11), (12), (14) and (29))

1. The heading of Division II.2 of the Derivatives Regulation (R.R.Q., c. I-14.01, r. 1) is replaced by the following:

“OTHER REGULATORY PROVISIONS”;

2. The Regulation is amended by inserting the following after section 11.22:

“**11.22.1** Regulation 23-103 respecting Electronic Trading (c. V-1.1, r. X) applies, with the necessary modifications, to published markets, market participants, the trading of standardized derivatives and transactions in standardized derivatives, as contemplated under the Act.”;

3. This Regulation comes into force on 1 March 2013.