

**Extension of Comment Period - Draft Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting, and Blanket decision regarding exemption from reporting obligation under Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting**

On July 3, 2014, the *Autorité des marchés financiers* (the “Authority”) published, for comment, draft *Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (the “draft Regulation”).

The Authority is extending the comment period until **August 21, 2014** so as to enable interested persons to consider the draft Regulation in light of Decision No. 2014-PDG-0084 – Blanket decision regarding exemption from reporting obligation under *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (the “Decision”). This Decision, issued on July 31, 2014, is published in section 6.10 of the Bulletin of the Authority dated August 7, 2014.

The Decision is intended to allow the use of the reporting counterparty determination methodology developed by the International Swaps and Derivatives Association (the “ISDA methodology”) by exempting the counterparty that is not the reporting counterparty under the ISDA methodology from the reporting obligation set out in *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (“Regulation 91-507”) where the conditions in the Decision are met.

With this Decision, implementation of Regulation 91-507 will be harmonized with Ontario and Manitoba.

**Questions**

Please contact the following persons for any questions:

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**July 31, 2014**

[Translation]

**DECISION NO. 2014-PDG-0084**

**Blanket decision regarding exemption from reporting obligation under *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting***

In view of *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting*, CQLR, c. I-14.01, r 1.1 (“Regulation 91-507”) which sets out, under subsection 26(1), a reporting obligation for the reporting counterparty to a transaction involving a local counterparty, within the meaning assigned to it in the Regulation (a “local counterparty”);

In view of section 25 of Regulation 91-507, which determines the reporting counterparty to a transaction;

In view of the significant burden that transaction report monitoring would have on the local counterparties referred to in subsection 25(2) of Regulation 91-507 that, in certain cases, would be required to act as the reporting counterparties;

In view of the opportunity to exempt the local counterparties referred to in subsection 25(2) of Regulation 91-507 from the application of this provision;

In view of the possibility that the reporting obligation under Regulation 91-507 would apply to both counterparties;

In view of the opportunity to facilitate reporting by a single counterparty in order to avoid double-reporting, which would compromise the value of the data received by the *Autorité des marchés financiers* (the “Authority”);

In view of the opportunity to enable counterparties to use the methodology established by the International Swaps and Derivatives Association, Inc. (“ISDA”) to determine the reporting counterparty, as described in the document entitled *Canadian Transaction Reporting Party Requirements* dated April 4, 2014, available on the ISDA website (the “ISDA methodology”);

In view of the power of the Authority, pursuant to section 86 of the *Derivatives Act*, CQLR, c. I-14.01, to exempt, on the conditions it determines, a derivative, a person or a group of persons, an offer or a trade from any or all of the requirements or obligations under this Act if it considers that the exemption is not prejudicial to the public interest;

In view of the analysis by the AMF’s *Direction de l’encadrement des dérivés*, and the recommendation by the AMF’s Superintendent, Securities Markets to grant this exemption as it will not be prejudicial to the public interest;

Therefore:

1. The Authority exempts the local counterparty from the obligation to act as the reporting counterparty where the conditions set out in subsection 25(2) of Regulation 91-507 are met.
2. The Authority exempts the counterparty that is not the reporting counterparty under the ISDA methodology from the reporting obligation set out in subsection 26(1) of Regulation 91-507, if:
  - a) Each counterparty to the transaction has agreed in advance to the terms of a multilateral agreement that is administered by and delivered to ISDA and under which the process set out in the ISDA methodology is required to be followed by it with respect to each transaction to be reported under Regulation 91-507;
  - b) The ISDA methodology process is followed in determining the reporting counterparty in respect of that transaction;
  - c) Each counterparty to the transaction has consented in advance to the release to the Authority by ISDA of the information provided to ISDA in connection with the use of the ISDA methodology.

This decision will come into effect on October 31, 2014.

Signed on July 31, 2014.