

Regulation to amend Regulation 91-506 respecting Derivatives Determination and Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting

The Autorité des marchés financiers (the “Authority”) is publishing amended text, in English and French, of the following Regulations:

- *Regulation to amend Regulation 91-506 respecting Derivatives Determination* (“Regulation to amend Regulation 91-506”); and
- *Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (“Regulation to amend Regulation 91-507”).

(Regulation to amend Regulation 91-506 and Regulation to amend Regulation 91-507, collectively the “Regulations”)

The Authority is also publishing amended text, in English and French, of the following Policy Statements:

- *Policy Statement to Regulation 91-506 respecting Derivatives Determination* (“Amended Policy Statement to Regulation 91-506”); and
- *Policy Statement to Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (“Amended Policy Statement to Regulation 91-507”).

(Amended Policy Statement to Regulation 91-506 and Amended Policy Statement to Regulation 91-506, collectively the “Policy Statements”)

The Regulations will be made under section 175 of the *Derivatives Act*, CQLR, c. I-14.01 (the “Act”) and will be submitted to the Minister of Finance for approval, with or without amendment. The Regulations will come into force on the date of their publication in the *Gazette officielle du Québec* or on a later date indicated in the Regulations. The Policy Statements will be adopted as policies and will take effect concomitantly with the Regulations.

Background

On November 14, 2013, the Authority published *Regulation 91-506 respecting Derivatives Determination*, (CQLR, chapter I-14.01, r. 0.1) (“Regulation 91-506”) and *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (CQLR, chapter I-14.01, r. 1.1) (“Regulation 91-507”). Regulation 91-506 and Regulation 91-507 became effective on December 31, 2013. Regulation 91-507 was amended once, amendment which became effective on October 31, 2014.

On February 12, 2015, the Authority published blanket exemption decision No. 2015-PDG-0022 in order to defer to July 29, 2016, the implementation of the requirement for a trade repository to publicly disclose information pertaining to each transaction reported under Regulation 91-507.

On June 1, 2015, the Authority published blanket exemption decision No. 2015-PDG-0089 in order to defer to a future date, under certain conditions, the implementation of the duty to report under subsection (1) of section 26 of Regulation 91-507, for a reporting counterparty that is neither a reporting clearing house, nor a person subject to the registration requirement as a dealer under the Act, nor a Canadian financial institution (collectively, the “End-Users”) and that is a party to an intragroup transaction. This requirement was originally to come into effect on June 30, 2015.

On November 5, 2015, the Authority published proposed amendments to Regulation 91-506 and to Regulation 91-507 for a 90-day public comment period. Collectively, seven comment letters were received on the proposed amendments. A list of those who submitted comments and a chart summarizing

the comments received and responses to them are attached as Annex A to this Notice. The Authority reviewed all comment letters on the proposed amendments in consultation with the Canadian Securities Administrators Derivatives Committee (the “Committee”) and made determinations on harmonized changes to the province specific rules. Based on the feedback received in the comment letters, consultations and discussions with the Committee and various market participants, the Authority has revised the proposed amendments to Regulation 91-506 and to Regulation 91-507 in order to more effectively and efficiently promote the underlying policy aims of Regulation 91-506 and Regulation 91-507. The details of Regulation to amend Regulation 91-506 and Regulation to amend Regulation 91-507 are discussed below.

Regulation to amend Regulation 91-506

The key objectives of the amendments to Regulation 91-506 are to:

- clarify the scope of Regulation 91-506 by adding an application section providing that Regulation 91-506 applies only for the application of Regulation 91-507, and
- transfer from Regulation 91-507 a provision to the effect that derivatives traded on an exchange are not subject to Regulation 91-507 whereas derivatives traded on a derivatives trading facility are subject Regulation 91-507.

The Authority is also amending *Policy Statement to Regulation 91-506 respecting derivatives determination* to provide guidance corresponding to these amendments.

Regulation to amend Regulation 91-507

The key objectives of the amendments to Regulation 91-507 are to:

- clarify the intended application of certain provisions of Regulation 91-507 through non-material drafting revisions,
- broaden the concept of affiliated person to include trusts and partnerships,
- clarify the requirement for local counterparties, other than individuals, to obtain, maintain and renew a legal entity identifier (an “LEI”), if eligible, to promote data standardization, and
- modify the requirements for public dissemination of transaction-level data in order to promote increased transparency in the Canadian over-the-counter (“OTC”) derivatives market while aiming to preserve the anonymity of counterparties, and modify the effective date of the requirements.

Summary of the amendments to Regulation 91-507

(a) Subsections 1(3) and 1(4): affiliated persons, description of control

The Authority has deleted subsection 1(5) and has amended subsections 1(3) and 1(4) to broaden the concept of affiliated person to include partnerships and trusts.

(b) Subsection 26(6): duty to report, locations to report data

The Authority has amended the requirement under subsection 26(6) of Regulation 91-507 to provide that all derivatives data in respect of a transaction must be reported to the same recognized trade repository but not necessarily to the recognized trade repository where the initial report was sent. This amendment is intended to facilitate the porting of derivatives data from one recognized trade repository to another.

(c) Section 28: legal entity identifiers, persons ineligible to receive a legal entity identifier

The Authority has amended section 28 of Regulation 91-507 to provide for situations where a counterparty to a transaction is either an individual or is not eligible to receive an LEI as determined by the Global Legal Entity Identifier System (“GLEIS”). Under new subsection 28(4), the reporting counterparty is required to identify such a counterparty with an alternate identifier and new subsection 28(5) requires the recognized trade repository to identify the counterparty with the same alternate identifier. These new subsections provide for consistent identification of counterparties that are ineligible to receive an LEI.

(d) Section 28.1: requirement to obtain a legal entity identifier

The Authority has amended Regulation 91-507 to add section 28.1. This new section obligates each eligible local counterparty to a transaction that is required to be reported under Regulation 91-507, other than an individual, to obtain, maintain and renew an LEI in accordance with the standards set by the GLEIS. Prior to the addition of this requirement, reporting counterparties were responsible for ensuring that the counterparties to a transaction were identified using an LEI. This amendment ensures that all local counterparties to reportable transactions (other than individuals and those not eligible) are under a direct obligation to obtain, maintain and renew an LEI.

The identification of counterparties by LEI is an initiative endorsed by G20 nations and provides a globally recognized and standardized identification system of legal entities engaged in financial transactions. LEIs support authorities and market participants in identifying and managing financial risks and simplify reporting and accessing reported data across jurisdictions.

(e) Subsection 39(3) & Appendix C: data available to public, public dissemination of transaction-level data

The Authority has amended subsection 39(3) of Regulation 91-507 to include the data and asset classes required to be publicly disseminated under Regulation 91-507. The data required to be publicly disseminated and the related asset classes are set out in the new Appendix C to Regulation 91-507.

The Authority appreciates the importance of maintaining the anonymity of OTC derivative transaction counterparties in the context of public dissemination of market data. The Authority notes that publication of transaction-level data by recognized trade repositories could potentially allow market participants to determine the identity of one or both of the counterparties to specific transactions through, for example, the size and/or underlying interest of a particular transaction. The indirect identification of counterparties to a particular transaction could make hedging risks more difficult and expensive as market participants adjust pricing in anticipation of the derivative counterparties’ immediate hedging needs. This is a particularly relevant risk for those counterparties engaged in transactions related to asset classes that are relatively illiquid in the Canadian OTC derivatives market.

The Authority has sought to balance the benefits of post-trade transparency against the potential harm that may be caused to market participants’ ability to hedge risk. Accordingly, transaction details disseminated to the public in accordance to Regulation 91-507 are subject to publication delays and additional anonymity precautions so that counterparties may avoid signalling the market.

To effectively protect counterparties and maintain fairness in the market, the Authority has included provisions in Regulation 91-507 that limit the application of the requirement for public dissemination. New Appendix C to Regulation 91-507 sets out the details of the transaction-level reports required to be publicly disseminated pursuant to subsection 39(3). Under Appendix C, only transaction-level reports for OTC derivatives related to certain asset classes and underlying benchmarks are required to be publicly disseminated. In addition, Appendix C provides for additional anonymising measures such as the rounding and capping of notional amounts to protect counterparty identity without eliminating the value of the published information to the market. Capping levels for each asset class were determined by assessing the unique characteristics of each group including the relative size and frequency of trades within each group.

The timing for when transaction-level reports must be publicly disseminated is also included in Appendix C. In response to public comments received, the Authority amended the timing for public dissemination so that it is linked to the execution timestamp of the transaction and provides for a uniform publication delay for all transaction level reports.

The Authority intends to propose further amendments to Appendix C over a series of future phases following additional study of trade repository data and public consultation. The purpose of this study and consultation will be to determine what additional data and product types are appropriate for public dissemination and to shorten the timing delay for the release of such data to the public. The Authority is particularly interested in the type of post-trade information that can be publicly disseminated for OTC derivative transactions with illiquid underlying assets or that appear infrequently in the Canadian OTC derivatives market.

(f) Subsection 42(2): effective date of subsection 39(3), public dissemination of transaction-level reports

The Authority has amended subsection 42(2) to revise the effective date of subsection 39(3) to January 16, 2017. Subsection 39(3) requires that recognized trade repositories make transaction-level reports regarding all transactions reported under Regulation 91-507 available to the public in accordance with the requirements for public reporting in Appendix C to Regulation 91-507. The Authority received feedback that some recognized trade repositories would need additional time to prepare and complete the data processing systems required to comply with the public dissemination requirements in Regulation 91-507. An effective date of January 16, 2017 for public dissemination of transaction-level reporting provides recognized trade repositories and market participants with more than eight months to complete any internal systems work that is needed to comply with the public dissemination requirements in Regulation 91-507, as amended hereby.

(g) Appendix A: minimum data fields required to be reported to a recognized trade repository, modification of information required for public dissemination

The Authority has amended Appendix A to Regulation 91-507 to remove the reporting requirements for transaction level data indicated in the column entitled "Required for Public Dissemination" which previously set out the derivatives data required to be publicly disseminated on a transaction level basis under section 39(3). The data and asset classes required to be publicly disseminated are now set out in the new Appendix C to Regulation 91-507. In addition, the Authority has clarified certain descriptions of the data fields in Appendix A.

(h) Policy Statement: update of guidance corresponding to the amendments to Regulation 91-507

The Authority has also amended *Policy Statement to Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* to provide guidance corresponding to the amendments to Regulation 91-507.

(i) Withdrawal of the proposed exclusion from requirement to report End-User inter-affiliate transactions and the substituted compliance amendment

The Authority had proposed in November a new exclusion as section 40.1 of Regulation 91-507. New section 40.1 excluded transactions between End-User local counterparties that are affiliated persons from the requirement to report derivatives data to a recognized trade repository. The Authority had also proposed to amend the requirement under subsection 26(5) of Regulation 91-507 to permit End-User local counterparties who are subject to the reporting obligation under Regulation 91-507 to benefit from substituted compliance in respect of reportable transactions entered into with their foreign affiliates when the transactions are reported pursuant to the law of a foreign jurisdiction on the list determined by the Authority (available on its website at: www.lautorite.qc.ca).

The Authority recognizes that transactions between affiliated persons are typically used for managing risk within a corporate group and that the primary source of market risk to a corporate group related to its derivatives transactions comes from its market-facing transactions. However, reporting of transactions between affiliated persons can provide the Authority with information regarding the redistribution of risk between legal entities, highlighting market activity and trends.

Based on the public comments received, the Authority intends to further study the use of End-User inter-affiliate derivatives transactions as a corporate group risk distribution strategy and to monitor international regulators' approaches to End-User inter-affiliate trade reporting. The Authority intends to amend Regulation 91-507 to require reporting of derivatives transactions between End-User affiliated persons involving an affiliated company that is not a local counterparty pursuant to the laws of any jurisdiction of Canada that introduce risk to the Quebec market.

Accordingly, the Authority withdraws the exclusion proposed as section 40.1 and the associated substituted compliance provision. The temporary blanket exemption decision No. 2015-PDG-0089 will remain into force until new regulatory amendments regarding the reporting of inter-affiliate derivatives transactions are adopted.

Additional information

Further information may be obtained from:

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ANNEX A

**Summary of comments on proposed amendments to
*Regulation 91-507 Respecting trade repositories and derivatives data reporting***

<u>1. Section Reference</u>	<u>2. Summary of Issues/Comments</u>	<u>3. Response</u>
GENERAL COMMENTS		
General Comments	Three commenters suggested that all trade reporting rules in Canada be harmonized into one national instrument.	No change. Canadian jurisdictions are committed to implementing harmonized trade reporting and trade repository rules. To the extent possible, Canadian jurisdictions will also harmonize implementation timeframes.
	Multiple commenters suggested that the proposed effective date of July 29, 2016 for public dissemination of transaction data would not provide sufficient time for market participants and trade repositories to make and test the changes required to comply with Regulation 91-507. Several stated that affected market participants, including trade repositories and reporting counterparties, would require six months, at minimum, to comply with the amendments to Regulation 91-507 with one commenter suggesting that the earliest revised effective date for Regulation 91-507 would be in the first week of November 2016.	Change made. Subsection 42(2) of Regulation 91-507 has been revised and subsection 39(3) will come into force on January 16, 2017.
	One commenter suggested that the term “end-user” be defined in Regulation 91-507.	No change. While we appreciate all comments received, the term “end-user” is not currently used in Regulation 91-507. Only comments directly related to the proposed amendments have been considered at this time.

CHAPTER 3: DATA REPORTING

Section 26 – Duty to report

General Comments	<p>One commenter requested that the exclusion of exchange traded derivatives from the scope of Regulation 91-507, including block trades of derivatives entered into on an exchange, be clarified. Additionally, the commenter requested clarification on whether alternative trading systems are intended to be excluded from the definition of an exchange.</p>	<p>Language has been added to the policy statement to Regulation 91-507 that all derivatives not excluded under Regulation 91-506 are subject to Regulation 91-507.</p>
	<p>One commenter requested that novation or assignment of exchange traded derivatives that occur off-exchange in the event of a merger, acquisition, asset purchase or similar non-reoccurring transaction between entities be excluded from the trade reporting requirements under Regulation 91-507.</p>	<p>No change. While we appreciate all comments received, please see Regulation 91-506 and the guidance in its policy statement for information on the scope of products that are required to be reported under Regulation 91-507.</p>
	<p>One commenter suggested that all Canadian OTC derivatives regulators should enter into a memorandum of understanding to obtain direct access to relevant derivatives data that has been reported subject to a foreign jurisdiction's requirements. This would eliminate the need for the reporting party to specifically authorise access on a trade-by-trade basis.</p>	<p>No change. However, the Authority is committed to maintaining strong relationships with other regulators and working towards streamlining access to derivatives data amongst regulators.</p>
Subsection 26(5)	<p>Commenters noted that the substituted compliance provided for in paragraph 26(5)(b) is limited because reporting counterparties would not be permitted to report trade data to a trade repository in a permitted substituted compliance jurisdiction that was not also recognized by the Authority. It was requested that Regulation 91-507 be modified to include (i) accommodations for majority owned or affiliated entities of a recognized trade repository or (ii) a streamlined recognition process for trade repositories that only wish to obtain recognition from the Authority for the purpose of sharing trade data information with the Authority as required by paragraph 26(5)(c). Alternatively, one commenter recommended that the Authority enters into a Memorandum of Understanding with regulators in other substituted compliance jurisdictions to obtain direct access to the trade data reported in compliance with that jurisdiction's regime.</p>	<p>No change. However the Authority withdraws the exclusion proposed as section 40.1 and the associated substituted compliance provision proposed as subparagraph 26(5)(a)(ii). The temporary blanket exemption decision No. 2015-PDG-0089¹ will remain into force until new regulatory amendments regarding the reporting of inter-affiliate derivatives transactions are adopted.</p>

¹ http://www.lautorite.qc.ca/files/pdf/bulletin/2015/vol12no22/vol12no22_6-10.pdf

	<p>One commenter requested revisions to paragraph 26(5)(b) to allow end-user affiliates who are exempt from trade reporting under CFTC No-Action Letter 13-09² to continue to rely on that relief while still qualifying for the exemption under subsection 26(5).</p>	<p>No change. However the Authority withdraws the exclusion proposed as section 40.1 and the associated substituted compliance provision proposed as subparagraph 26(5)(a)(ii).</p>
	<p>Citing complexities and incompatibility in the technical processes used in the US. and EU. for trade data reporting as significant hurdles to the substituted compliance provided for by paragraph 26(5)(b) a commenter recommended that paragraphs 26(5)(b) and (c) be removed and Regulation 91-507 be amended to require reporting counterparties to submit trade data to their selected trade repository.</p>	<p>Change made. Paragraph 26(5)(c) has been revised and clarifying language has been added to the policy statement to Regulation 91-507. The transaction data reported to a recognized trade repository under paragraph 26(5)(b) may be provided to the Authority in the same form as required to be reported pursuant to the applicable foreign jurisdiction's requirements for reporting transaction data.</p>
Subsection 26(6)	<p>One commenter suggested that subsection 26(6) be clarified to prevent unnecessary complexity in the moving of relevant data between one recognized trade repository and another by making it clear that the relevant data to be held by the successor trade repository will be the current trade data and all prospective submissions.</p>	<p>Change made. Clarifying language has been added to the policy statement to Regulation 91-507.</p>
Section 28 and Section 28.1 – Legal entity identifiers		
General comments	<p>One commenter expressed concern that, if in the future LEIs were to be issued to individuals, requiring individuals to report their LEI could result in a breach of privacy laws in certain jurisdictions.</p> <p>One commenter requested that due to data protection and privacy obstacles that may prohibit the availability or use of an LEI for some individuals, that Regulation 91-507 allow for continued use of alternate identifiers.</p>	<p>Change made. Section 28.1 of Regulation 91-507 has been revised to exclude individuals who are counterparties to reportable transactions from the requirement to obtain an LEI. An individual may be identified by the reporting counterparty using an alternate identifier.</p>

²U.S. Commodity Futures Trading Commission, *No-Action Relief for Swaps Between Affiliated Counterparties That Are Neither Swap Dealers Nor Major Swap Participants from Certain Swap Data Reporting Requirements Under Parts 45, 46, and Regulation 91-507 50.50(b) of the Commission's Regulation 91-507s* (available at: <http://www.cftc.gov/idc/groups/public/@lrllettergeneral/documents/letter/13-09.pdf>)

Subsection 28(4) and subsection 28(5)	One commenter noted that trade repositories already have a system in place for generating identifiers for entities that are not eligible to receive an LEI and suggested that the responsibility for generating uniform alternate entity identifiers should remain with trade repositories rather than have the reporting counterparty undertake this task.	No change. A reporting counterparty is able to delegate this responsibility to its trade repository. For additional guidance, we refer you to Section 23 of Regulation 91-507 and the related guidance in the policy statement.
CHAPTER 5: EXCLUSIONS		
Section 40.1 - Exclusions		
General Comments	Multiple commenters suggested the definition of affiliate be harmonized across all Canadian trade reporting rules to ensure that the inter-affiliate exemption would apply to the same entities in all local jurisdictions.	Change made. The definition is harmonized with the one contained in the <i>Multilateral Instrument 96-101 Trade Repositories and Derivatives Data Reporting</i> ³ .
	One commenter requested clarity on whether the exemption applied to partnerships, and other unincorporated entities.	Change made.
Section 40.1(c)	To harmonize with CFTC No-Action Letter 13-09 ⁴ , two commenters requested that inter-affiliate swaps between non-financial entities who are end-user affiliates organized in Canada or the U.S. should be exempt from the trade reporting requirements of Regulation 91-507.	The Authority withdraws the exclusion proposed as section 40.1 and the associated substituted compliance provision proposed as subparagraph 26(5)(a)(ii). The temporary blanket exemption decision No. 2015-PDG-0089 ⁵ will remain into force until new regulatory amendments regarding the reporting of inter-affiliate derivatives transactions are adopted.

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http://www.albertasecurities.com/industry/securities-law-and-policy/_layouts/Regulatory-Instruments/RegulatoryInstrumentDispForm.aspx?List=c425783b%2D0214%2D41e1%2Dbc6a%2D66e6766ff3aa&ID=631&Web=729da164%2D5e70%2D47a7%2Dbdea%2D6a26546e92e3

⁴ U.S. Commodity Futures Trading Commission, *No-Action Relief for Swaps Between Affiliated Counterparties That Are Neither Swap Dealers Nor Major Swap Participants from Certain Swap Data Reporting Requirements Under Parts 45, 46, and Regulation 91-507 50.50(b) of the Commission's Regulation 91-507s* (available at: <http://www.cftc.gov/idc/groups/public/@llettergeneral/documents/letter/13-09.pdf>)

⁵ http://www.lautorite.qc.ca/files/bulletin/2015/vol12no22/vol12no22_6-10.pdf

APPENDIX C: RECOGNIZED TRADE REPOSITORY REQUIREMENTS FOR THE PUBLIC DISSEMINATION OF DERIVATIVES DATA

Appendix C, item 1 - Instructions

General comments	One commenter requested that option transactions on bespoke baskets be expressly excluded from public dissemination.	No change. Public dissemination of this data is not currently required. Any future determination on its public dissemination will be subject to sufficient liquidity in the market.
	One commenter requested that single name OTC option transactions, foreign exchange transactions and OTC derivatives based on commodities not be considered for public dissemination in the future due to the illiquidity of the Canadian market for these products.	No change. Public dissemination of this data is not currently required. Any future determination on its public dissemination will be subject to sufficient liquidity in the market.
Table 1	One commenter expressed concern about the public dissemination of the strike price and option type due to illiquidity in the Canadian market for sub-index transactions and requested that they be excluded from or masked in the data that is publicly disseminated.	No change. Analysis of the reported trade data indicates that there is sufficient liquidity for all classes of products subject to public dissemination under Regulation 91-507. Further, other anonymising measures including rounding and masking provide protection from identification by reverse engineering.

Appendix C, item 2 - Exclusions

General comments	<p>One commenter requested that trades processed by clearing houses for the purpose of determining the price of certain derivative transactions for which public market prices are not available (known as “firm trades” or “forced trades”) also be excluded from public dissemination.</p> <p>Another commenter noted that a firm trade resulting from a clearing house’s pricing process and subject to public dissemination under item 7(a) of Appendix C does not have an alpha transaction. Such a transaction should not be subject to the exclusion from public dissemination in item 2(c) of Appendix C since it is not the result of a novation by a clearing house. The commenter also noted that clearing houses are capable of reporting such firm trades and requested that guidance be added to the policy statement clarifying the obligations with respect to reporting and public dissemination of such firm trades.</p>	<p>No change. Firm trades represent true and accurate pricing information and make up a very small portion of the trades that will be publicly disseminated. There should be no adverse impact on the clearing houses who conduct firm trades or on market participants, generally, by requiring the reporting and dissemination of firm trades pursuant to Regulation 91-507.</p> <p>Language clarifying which transactions are required to be publicly disseminated under item 7 of Appendix C has been added to the policy statement to Regulation 91-507.</p>
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	<p>In the case of derivatives transactions entered into on behalf of a market participant by its prime broker with an executing dealer that result in two mirror transactions (one between the executive dealer and the prime broker and one between the prime broker and the market participant), one commenter requested that only the trade data associated with the prime broker/executive dealer trade be publicly disseminated despite that both transactions may be reported to a trade repository.</p>	<p>No change. At this time there are no data elements required to be reported that would distinguish which trades are prime broker trades and therefore no effective way to prevent public dissemination of both trades associated with a transaction conducted through a prime broker. Any prime broker transactions that are subject to public dissemination under Regulation 91-507 will also be subject to masking and rounding and to dissemination delays which will minimize any issues related to minor differences between the two mirror trades and when each is reported.</p>
	<p>One commenter requested that for situations where an asset manager or investment advisor executes a number of derivatives transactions on behalf and for the benefit of several funds and executes a derivatives transaction for the amalgamated total, then subsequently allocates that transaction between the funds (known as “bunched orders”), that only the amalgamated total transaction, or the bunched order, be publicly disseminated.</p>	<p>No change. Actual economic activity is represented by the reportable transactions which are the allocated orders between the individual funds and the counterparty. The bunched trades are not reportable transactions under the regulation and therefore cannot be contemplated for public dissemination.</p>
Item 2(b)	<p>One commenter requested that the exclusion from public dissemination for transactions resulting from a multilateral compression exercise be extended to include transactions resulting from a bilateral compression exercise.</p>	<p>Change made. Similar to transactions resulting from a multilateral compression exercise, transactions resulting from a bilateral compression exercise will not be required to be publicly disseminated.</p>
Appendix C, item 3 - Rounding		
Table 3	<p>One commenter requested that transactions be assembled into larger groups and that fewer rounded notional amounts be used in public dissemination to prevent reverse engineering of transactions in an illiquid market.</p>	<p>No change. Based on our analysis, the rounded notional amounts are appropriate for the products for which trade data will be publicly disseminated.</p>
Appendix C, item 4 - Capping		
General Comments	<p>One commenter requested that the capped rounded notional amount for credit and equity asset classes be reduced to \$20 million.</p>	<p>No change. Based on our analysis, the capped rounded notional amounts for credit and equity asset classes are appropriate for the products for which trade data will be publicly disseminated.</p>
Table 4	<p>One commenter requested the addition of a \$20 million capped rounded notional amount for any interest rate swap with a maturity date of 20 years or more.</p>	<p>No change. Based on our analysis, the capped rounded notional amounts for interest rate swaps are appropriate for the products for which trade data will be publicly disseminated.</p>

Appendix C, item 7 - Timing		
General comments	Noting the possibility that public dissemination timelines based on the date of submission of the trade data to the trade repository may incentivise reporting counterparties to delay trade data reporting, multiple commenters requested that the timeframe for public dissemination of trade data be harmonized with the CFTC's execution timestamp approach. The commenters also noted that harmonization would enable trade repositories and reporting counterparties to leverage existing reporting architecture, and reduce barriers to aggregating market surveillance data and compliance with Regulation 91-507.	Change made. The timeframe for public dissemination of trade data in Regulation 91-507 was revised and is now based on the execution timestamp of the transaction rather than the date it was reported to the recognized trade repository.
	Multiple commenters requested that a hold or delay be added between the time the trade is reported to the trade repository and the time it is publicly disseminated, rather than permitting the trade data to be publicly disseminated as soon as it is reported to the trade repository. One commenter requested that the minimum time for such delay should be determined based on the liquidity of the market for the relevant derivatives transaction.	Change made. All derivatives data reported to a recognized trade repository subject to public dissemination will not be publicly disseminated until 48 hours after the transaction's execution timestamp.
Item 7(a)	One commenter suggested that additional clarification be provided to ensure s. 7(a) is not interpreted to capture beta and gamma transactions entered into by a clearing house, this provision is rather intended to capture only alpha transactions entered into by a clearing agency on its own behalf (e.g. as a result of a clearing default.)	Change made. Clarifying language has been added to the policy statement to Regulation 91-507.

List of Commenters:

1. Canadian Commercial Energy Working Group submits by Sutherland Asbill & Brennan LLP
2. Canadian Market Infrastructure Committee
3. Depository Trust & Clearing Corporation
4. DLA Piper LLP (US)
5. ICE Trade Vault, LLC
6. International Swaps and Derivatives Association, Inc.
7. TMX Group Limited