

## ***Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting***

The Autorité des marchés financiers (the “Authority”) is publishing in final revised form, in English and French, the following:

- *Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (chapter I-14.01, r. 1.1) (“Regulation 91-507”).

The Authority is also publishing, in English and French, the following:

- Changes to *Policy Statement to Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting* (the “Trade Reporting Policy Statement”);
- Changes to *Policy Statement to Regulation 91-506 respecting derivatives determination* (the “Product Determination Policy Statement”).

Regulation 91-507 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. Regulation 91-507 will come into force on the date of its publication in the *Gazette officielle du Québec* or on a later date indicated in Regulation 91-507. The changes to both the Trade Reporting Policy Statement and the Product Determination Policy Statement will be adopted and take effect concomitantly with Regulation 91-507.

The amendments to Regulation 91-507 are referred to as the “Trade Reporting Amendments”. The Trade Reporting Amendments and the changes to the Trade Reporting Policy Statement are collectively referred to as the “Trade Reporting Materials”.

### **Background**

*Regulation 91-506 respecting derivatives determination* (chapter I-14.01, r. 0.1) (“Regulation 91-506”) and Regulation 91-507 became effective on December 31, 2013.

Based on feedback from various market participants and international developments, the revisions made to the Trade Reporting Materials reflect the goal of improving the effectiveness and efficiency of derivatives trade reporting.

### **Canadian Trade Reporting Rules**

The Ontario Securities Commission (“OSC”) has coordinated the publication of the Trade Reporting Materials with the other securities regulatory authorities of the Canadian Securities Administrators (“CSA”). The CSA invites market participants to review amendments to Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* and, in the remaining provinces and territories, Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (collectively with Regulation 91-507, the “TR Rules”).

## Substance and Purpose

The Trade Reporting Materials have been developed in response to coordinated international efforts to streamline and harmonize derivatives data reporting standards.<sup>1</sup> By harmonizing and clarifying both the data elements and the technical format and values for reporting, the CSA is reducing burden on market participants by reducing the data that they provide and enabling them to harmonize their reporting systems across multiple global regulators. This should reduce the complexity of their reporting systems and decrease ongoing operational and compliance costs involved in interpreting and monitoring global reporting requirements, while at the same time strengthen the quality and consistency of the data.

Internationally harmonized data elements include the unique transaction identifier, the unique product identifier, and other data elements reflected in Appendix A to Regulation 91-507 [*Minimum data fields required to be reported to a recognized trade repository*]. The CSA has limited the number of bespoke Canadian specific data elements to five.

In addition, the Trade Reporting Materials introduce other notable changes, including:

- increased domestic harmonization and alignment with respect to derivatives regulation and policy;
- improvements designed to enhance data accuracy and consistency, such as data validation and verification, consistent with the requirements of other global regulators;
- a new requirement for derivatives trading facilities to report in relation to transactions that are executed anonymously and are intended to be cleared;
- clearer guidance for market participants through a new technical manual and a substantial redraft of the Trade Reporting Policy Statement.

The purpose of the changes to the Product Determination Policy Statement is to clarify the current interpretation that, similar to other financial commodities that do not come within the exclusion in paragraph 2(1)(d) of Regulation 91-506, certain crypto assets that could also be “financial commodities” do not fall under that exclusion.

## Summary of Written Comments Received by the CSA

The securities regulatory authorities of the CSA published proposed amendments to each of the TR Rules on June 9, 2022 (the “Proposed Amendments”) with a comment period ending October 7, 2022. The CSA received submissions from 13 commenters. The CSA thanks all commenters for their input. The names of the commenters and a summary of their comments, together with the

---

<sup>1</sup> Harmonized data elements are coordinated through the Committee on Derivatives Identifiers and Data Elements (CDIDE) of the Regulatory Oversight Committee which has published and continues to update critical data elements (“CDE”s). International efforts to harmonize data standards are described in more detail here: [https://www.leiroc.org/international\\_bodies.htm](https://www.leiroc.org/international_bodies.htm).

CSA's responses, are contained in Annex A – List of Commenters and Annex B – CSA Summary of Comments and Responses.

## **Summary of Changes**

In finalizing the Trade Reporting Materials, the CSA carefully reviewed the comments that it received on the Proposed Amendments. The commenters expressed general support for harmonizing the TR Rules with global requirements and for the reduction in regulatory burden that would be achieved by the Proposed Amendments. The CSA found many of the recommended changes to be persuasive and revised the Trade Reporting Materials accordingly.

The more notable changes from the Proposed Amendments are as follows:

- ***Implementation period***

The CSA has provided for a one-year implementation period, which balances the need of market participants to manage their implementation of global regulatory changes with the benefits of ensuring that Canada's trade reporting requirements remain globally consistent. On November 10, 2022, the CSA issued CSA Staff Notice 96-303 *Derivatives Data Reporting Transition Guidance* to provide guidance to market participants before the Trade Reporting Amendments become effective.

- ***Domestically harmonized definition of "local counterparty"***

Derivatives involving a local counterparty are required to be reported under the TR Rules. As requested by market participants, the CSA have harmonized the definition of "local counterparty" under the TR Rules to the extent possible given legislative differences<sup>2</sup>.

- ***Burden reduction for non-dealers***

The CSA has extended the reporting deadline for derivatives between two non-dealers. The CSA has also harmonized the concept of "affiliated entity" under the TR Rules to align with *Regulation 93-101 respecting Derivatives: Business Conduct*, (A.M 2023-21 *en date du 5 décembre 2023*). This will align the scope of the inter-affiliate exemption across the TR Rules for derivatives where both counterparties are non-dealers.

- ***Clarification regarding notice to the Authority of significant errors and omissions***

The Trade Reporting Policy Statement provides detailed guidance for reporting counterparties regarding the Authority's expectations under subsection 26.3(2) of Regulation 91-507 to notify the Authority upon discovery of a significant error or omission with respect to derivatives data.

---

<sup>2</sup> Although the expression "a person subject to the registration requirement as a dealer under the Act" in par. (b) of the definition of "local counterparty" in Regulation 91-507 is different, it captures the same entities that fall under the definition of "derivatives dealer" in the other TR Rules.

- ***Porting derivatives to a different recognized trade repository***

Regulation 91-507 now provides a process for a reporting counterparty to transfer to a different recognized trade repository.

- ***Position reporting***

Reporting counterparties are generally required to report ongoing data, for example, regarding lifecycle events, valuation and collateral and margin for each open derivative. The CSA had proposed position level reporting to reduce regulatory burden by enabling reporting counterparties, at their option, to report this ongoing data with respect to contracts for difference as a netted aggregate of multiple derivatives that have identical contract specifications, rather than separately for each derivative. The CSA is further reducing regulatory burden by extending this option to commodity contracts that also meet the criteria in section 33.1 [*Position level data*]. Reporting counterparties must still report creation data separately for each derivative.

- ***Updates to data elements***

The CSA has removed proposed data elements in Appendix A to Regulation 91-507 that relate to excess collateral, which do not align with data elements required by the U.S. Commodity Futures Trading Commission (“CFTC”). Also, to reflect recent updates to global standards, the CSA added certain CDE data elements to provide more specificity and clarity to proposed fields and to account for data that is not included in the unique product identifier.<sup>3</sup>

- ***Harmonized hierarchy for assigning the unique transaction identifier***

The CSA has introduced a flexible and domestically harmonized hierarchy to determine which counterparty is required to assign the unique transaction identifier and to whom it is required to be transmitted. This will improve efficiency in the generation and reporting of this identifier.

- ***Harmonized terminology relating to reportable derivatives***

While the CSA’s intention has been to apply trade reporting requirements to the same products in all its jurisdictions, the TR Rules have not been consistent in the terminology that is used to describe these. Some TR Rules refer to “transactions” that are required to be reported, while others refer to “derivatives”. The CSA have now adopted a harmonized terminology under the TR Rules, which reflects that each transaction must be reported as a unique derivative. This is not intended to result in any substantive change in reporting, but harmonized drafting will enable a single set of data elements under the TR Rules,

---

<sup>3</sup> Recent updates by CDIDE to CDE data elements are available here:  
[https://www.leiroc.org/publications/gls/roc\\_20230929.pdf](https://www.leiroc.org/publications/gls/roc_20230929.pdf)

together with a single CSA Derivatives Data Technical Manual. As a result, market participants can continue to report the same data elements in the same way for all of their Canadian trade reporting.

- ***Requirements that apply to recognized trade repositories***

The CSA is committed to ensuring that Regulation 91-507 appropriately reflects *Principles for financial market infrastructures*.<sup>4</sup> In light of comments received, the CSA has tailored the requirements of recognized trade repositories in several respects, including to ensure consistency among North American regulatory requirements. The Authority has also clarified its expectations regarding corrections to data available to the Authority and publicly disseminated data. By requiring less frequent submissions regarding changes that are not significant and clarifying our expectations regarding changes that are significant, the Authority believes it has reduced regulatory burden on recognized trade repositories.

- ***Requirements that apply to derivatives trading facilities***

The Proposed Amendments require derivatives trading facilities to report anonymous derivatives that are intended to be cleared. However, in order to reduce the regulatory burden on derivatives trading facilities, the CSA has tailored the data elements that they are required to report and provided them with additional time to determine whether a participant, or its customer, is a local counterparty under paragraph (c) of that definition.

The Trade Reporting Materials and the CSA's reasons for making changes are discussed in more detail in Annex B – CSA Summary of Comments and Responses.

There were no comments on the changes the CSA proposed to the Product Determination Policy Statement. The CSA is publishing these changes as proposed. These changes clarify the current interpretation that, similar to other financial commodities that do not come within the exclusion in paragraph 2(d) of Regulation 91-506, certain crypto assets that could also be “financial commodities” do not fall under the exclusion in paragraph 2(d) of Regulation 91-506. Accordingly, derivatives linked to these crypto assets are required to be reported under Regulation 91-507. The CSA has made the same clarification in the Trade Reporting Policy Statement regarding the commodity exclusion under section 40 [*Commodity derivatives*].

## **New CSA Derivatives Data Technical Manual**

A new CSA Derivatives Data Technical Manual has been created to inform market participants on how to consistently report in accordance with the TR Rules. The Technical Manual includes guidance on administrative matters such as the format and values for reporting in line with international data standards, together with examples. This approach aligns with the approach taken

---

<sup>4</sup> CPSS-IOSCO *Principles for financial market infrastructures* (April 2012), available at: [https://www.bis.org/cpmi/info\\_pfmi.htm](https://www.bis.org/cpmi/info_pfmi.htm)

by the CFTC and will permit flexibility for future updates to administrative technical guidance to maintain harmonization with global changes in reporting formats and values.

While the CSA had proposed four distinct draft technical manuals for each of the TR Rules upon consultation, the CSA has instead published a single technical manual across the CSA to reduce regulatory burden and promote consistent reporting under the TR Rules.

The CSA Derivatives Data Technical Manual is included as Appendix A to the Trade Reporting Policy Statement.

### **Benchmark Reference Rates**

The CSA is monitoring changes to benchmark reference rates, including recent updates relating to CDOR, USD LIBOR, EURIBOR and GBP LIBOR, which will affect indices that the CSA requires to be publicly disseminated. The CSA will continue to monitor these developments as they affect trading liquidity, and will assess whether other products are suitable for public dissemination at a later date.

### **Blanket Order**

Subject to and following Ministerial approval of the Trade Reporting Amendments, the CSA anticipates publishing a blanket order to enable certain market participants to benefit from a number of the reductions in regulatory burden under the Trade Reporting Amendments without having to wait until they come into force.

### **List of Annexes**

This notice contains the following annexes:

- Annex A – List of Commenters
- Annex B – CSA Summary of Comments and Responses

### **Additional information**

Further information may be obtained from:

Dominique Martin  
Senior Director, Market Activities and Derivatives  
Autorité des marchés financiers  
514 395-0337 ext. 4351  
Toll-free: 1 877 525-0337  
[dominique.martin@lautorite.qc.ca](mailto:dominique.martin@lautorite.qc.ca)

**July 25, 2024**

*Annex A*

*List of Commenters*

<b>Commenter</b>
Bloomberg SEF LLC
Canadian Commercial Energy Working Group
Canadian Market Infrastructure Committee
Capital Power Corporation
Chicago Mercantile Exchange Group
Depository Trust & Clearing Corporation
Eurex Clearing AG
ICE Credit Clear
ICE Trade Vault
International Swaps and Derivatives Association
London Stock Exchange Group
TransAlta Energy Marketing Corp.
TransCanada Energy Ltd.

## ***Annex B***

### ***CSA Summary of Comments and Responses***

This is a coordinated summary of the written public comments received by the Canadian Securities Administrators (CSA) on the June 9, 2022 publication for comment of the TR Rules,<sup>1</sup> and the CSA's responses to those comments.

#### **List of Topics**

<b>Topics</b>
1. General Comments and Implementation Timing
2. Definitions
3. Reporting Hierarchy
4. End-User Reporting Timeframe
5. Errors & Omissions
6. Duty to Report
7. Lifecycle Data Reporting
8. Position Reporting
9. Valuation Data and Margin and Collateral Reporting
10. Unique Transaction Identifier Hierarchy
11. Data Verification and Correction
12. Trade Repository Requirements – PFMI
13. Trade Repository Requirements – Data
14. Trade Repository Requirements – General
15. Maintenance and Renewal of LEIs
16. Exclusions
17. Substituted Compliance
18. Reporting of Anonymous Derivatives
19. Data Elements
20. CSA Derivatives Data Technical Manual

---

<sup>1</sup> In this Summary, the term **TR Rules** refers collectively to Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting (MSC Rule 91-507)*, Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting (OSC Rule 91-507)*, Regulation 91-507 *respecting Trade Repositories and Derivatives Data Reporting (Québec (AMF Regulation 91-507))*, and Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting (MI 96-101)*.



## Comments and Responses

### 1. General Comments and Implementation Timing

#### (a) General comments on rule harmonization

Section	Comment	Response
General	One commenter appreciated and commended the CSA for harmonizing several aspects of the TR Rules and articulated general support for the proposed amendments.	We appreciate the commenters' review and feedback. We also appreciate the need for increased domestic harmonization of the TR Rules.
General	Four commenters expressed general support for harmonizing the TR Rules with global requirements. One of these commenters also indicated that, when global data standards are applied uniformly across jurisdictions, it facilitates data consistency and recommended harmonization among North American regulators should continue to be a priority.	We note that the TR Rules remain harmonized in many areas, including data elements. This means that there is a single set of data elements that applies under all the TR Rules. We have also adopted a single CSA Derivatives Data Technical Manual (the <b>Technical Manual</b> ) for reporting under any of the TR Rules. This should enable trade repositories to consume derivatives data in a harmonized manner across the TR Rules and should also enable reporting counterparties to send a single message to trade repositories for their CSA reporting, with the same formats and values.
General	Another commenter welcomed and generally strongly supported the proposed amendments because they believed the changes represent an important and very positive step to simplifying the requirements for reporting swaps, lessening burdens for reporting counterparties, and harmonizing swap data reporting requirements internationally.	We have further increased harmonization in a number of areas, including by adopting a single consistent Unique Transaction Identifier ( <b>UTI</b> ) hierarchy, a harmonized commodity derivative exemption, harmonized terminology relating to derivatives, and harmonized concepts of both "affiliated entity" and (to the extent practicable given legislative differences) "local counterparty".
General	Another commenter expressed general support for the efforts taken by the CSA to establish a regulatory regime for the Canadian OTC derivatives market and address Canada's G20 commitments. The commenter urged the CSA to develop regulations that strike a balance between not unduly burdening derivatives market participants while also introducing effective oversight.	Harmonization with North American and global data standards has been an important goal in this set of TR Rule amendments. Given regulatory priorities and resources, our primary focus at this time has been on this immediate need to implement global data standards in Canada in a timeframe that is generally consistent globally. We will continue to explore opportunities in the future for increased domestic harmonization in the TR Rules.
General	Two commenters encouraged the CSA to minimize regulatory burden by harmonizing the TR Rules to the greatest extent possible. The commenters also recommended ideally replacing the four rules with one national instrument.	

**(b) Implementation timing**

Section	Comment	Response
General	<p>One commenter indicated that the minimum compliance date should be 18 months from the finalization of the proposed amendments. The commenter noted that the proposed amendments will likely require the same resources necessary to implement the CFTC’s changes, and consequently there should be at least an 8-month delay following implementation of the CFTC’s changes. The commenter also indicated that the CSA should avoid making changes to the technical standards underpinning the TR Rules, as these changes would introduce inefficiencies and be time consuming.</p>	<p>Change made.</p> <p>We note that commenters had different perspectives regarding an appropriate implementation period, varying from a shortened implementation period to an 18-month period.</p> <p>The amendments will take effect one year following the date of publication.</p> <p>A one-year period balances the need of market participants to manage their implementation of global regulatory changes with the benefits of ensuring that Canada’s trade reporting requirements remain globally consistent. It is expected that this timeframe will result in a buffer period following revisions in the U.S. and Europe.</p>
General	<p>A second commenter requested a compliance date no earlier than the second half of 2024. Until this compliance date, the commenter requested that the CSA permit industry to comply with the current TR Rules. The commenter indicated that this implementation plan would decrease regulatory burden by eliminating the need for multiple builds to accommodate UPIs and ISO 20022 reporting messages that are still in development.</p>	<p>We are unable to confirm the request made in the comment that that we should avoid making changes to the Technical Manual going forward. The Technical Manual is designed to be updated on an ongoing basis as needed to remain consistent with global changes to technical reporting standards and industry feedback. For instance, we note that since publishing its draft Technical Specification document in February 2020, the Commodity Futures Trading Commission (CFTC) made revisions in September 2020 and subsequently updated it in September 2021, August 2022, and March 2023, in addition to publishing proposed changes in December 2023. We anticipate future updates to our Technical Manual as needed so that the format and values for Canadian reporting remain aligned, for example, with future changes to the CFTC Technical Specification. This will maximize the benefit to market participants in harmonizing global data elements.</p>
General	<p>A third commenter recommended a go-live date of Q3 2024 to avoid overlapping with the European Market Infrastructure Regulation’s refit go-live.</p>	<p>While we acknowledge that a one-year implementation period will temporarily result in different standards in different jurisdictions, we published CSA Staff Notice 96-303 <i>Derivatives Data Reporting Transition Guidance</i> on November 10, 2022, which is intended to mitigate this impact.</p>
General	<p>A fourth commenter requested the CSA provide a minimum of 12 months after publication of the final rule amendments and technical specifications for implementation by trade repositories and market participants. If the technical specifications are not finalized when the final rule amendments are published, the commenter requested a minimum of 18 months for implementation. The commenter suggested these timelines for implementation given their experience implementing the CFTC rules and the need for trade repositories to build systems and test with market participants.</p>	<p>While we acknowledge that a one-year implementation period will temporarily result in different standards in different jurisdictions, we published CSA Staff Notice 96-303 <i>Derivatives Data Reporting Transition Guidance</i> on November 10, 2022, which is intended to mitigate this impact.</p>
General	<p>A fifth commenter believed that a reporting party that is active in various jurisdictions, including the US, must implement the first</p>	

	<p>amendments by December 2022, considering the technical specifications of the respective trade repository. As other jurisdictions follow suit, the commenter believed it would be desirable and significantly cost saving for there to be harmonization across different jurisdictions instead of there being different standards in different jurisdictions. This commenter then stated that it would be better for reporting parties and trade repositories if the implementation gap for jurisdictions with regulations requiring different standards is shortened.</p>	
General	<p>A sixth commenter recommended the CSA avoid timing the implementation of these proposed amendments with compliance periods where other global regulators are implementing large scale rule changes. Additionally, the commenter recommended providing at least a three-month buffer between other implementation periods, aligning where possible with planned changes in North America.</p>	

**(c) Bifurcated implementation**

Section	Comment	Response
General	<p>One commenter asked for confirmation that the Unique Product Identifier (<b>UPI</b>) would be implemented as part of the TR Rules and not in phases like the CFTC. The commenter then noted it is not possible for them to provide useful feedback without a clear understanding of what a trade repository must accept and/or provide for UPI on reports to the regulators.</p>	<p>We appreciate the different perspectives regarding a bifurcated implementation.</p> <p>We have adopted a single implementation date for the updated data elements and UPI implementation. We believe that a single implementation date will be least burdensome to market participants at this stage, given that these changes will already have been implemented by the CFTC and European Securities and Markets Authority (<b>ESMA</b>) when our amendments take effect.</p>
General	<p>A second commenter asked the CSA to consider a bifurcated implementation. The commenter recommended one stage of the implementation to cover critical data elements and the other for the adoption of an ISO 20022 reporting requirement.</p>	<p>Since ISO20022 has only recently been finalized, we intend to implement this separately in the future following the CFTC. We do not believe it is in the interest of the market to delay implementation of all the changes to the TR Rules until we are prepared to implement ISO20022, as that would likely result in a considerable delay and would mean that Canada's reporting standards would lag behind other markets such as the U.S. and Europe during this period.</p>
General	<p>A third commenter requested a single compliance date for the proposed amendments, UPI, and ISO 20022 implementations. The commenter found several data elements depended on what would be required by the UPI, including</p>	

	<p>many related to commodity derivatives. However, the commenter then noted that the UPI is still in development, meaning that if the proposed amendments were implemented first, industry participants would be required to build to the messaging fields of each trade repository for an interim period and later discard the work once the global UPI requirements come into effect.</p>	
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**(d) Transition guidance before implementation**

Section	Comment	Response
General	<p>Given changes to submission specifications that market participants must make to comply with the CFTC’s requirements beginning December 5, 2022, one commenter requested guidance from the CSA to assist them in complying with the current TR Rules. This commenter encouraged the CSA to publish guidance in advance of the CFTC’s December 5, 2022 compliance date.</p>	<p>We appreciate the comments and have addressed them through publication of CSA Staff Notice 96-303 <i>Derivatives Data Reporting Transition Guidance</i> on November 10, 2022.</p>
General	<p>A second commenter requested clarification that, if transition guidance options are issued, trade repositories will decide on the election of the options. Additionally, this commenter requested clarification that trade repositories will not be required to support different technical specifications for different participants. The commenter was concerned about the potential for increasing total implementation costs by requiring trade repositories and reporting entities to modify their existing submissions, both during the transition period and again when the final rules are implemented.</p>	
General	<p>A third commenter appreciated the announcement that transition period guidance would be provided to the market, as global standards would be effective in some but not all jurisdictions.</p>	

(e) Effect of implementation on open trades

Section	Comment	Response
General	<p>A commenter noted the proposed amendments were silent on what the CSA expected when reporting open trades on the effective date.</p> <p>The commenter reasoned that legislative convention does not permit amendments to take place retroactively unless expressly stated, as such they did not expect outstanding trades on the compliance date would need to be upgraded to the new specifications in the draft technical manuals. To assist the commenter, they asked the CSA to confirm whether this reasoning is correct directly in the respective TR CPs.</p>	<p>For open derivatives on the date the amendments to the TR Rules take effect, any reporting that is required on or after this date must be reported as required under the amended TR Rules, but the amendments do not require any prior reporting to be upgraded. This means that:</p> <ul style="list-style-type: none"><li>• Creation data that is reported on or after the effective date of the amendments must be reported as required under the amended TR Rules. The technical specifications for this data should be consistent with the Technical Manual. However, creation data that was reported before the effective date of the amendments is not required to be upgraded even if the derivative remains outstanding on the effective date of the amendments (subject to trade repository requirements as discussed below).</li><li>• Margin, valuation, and lifecycle event data that is reported on or after the effective date of the amendments must be reported as required under the amended TR Rules, even if the transaction was executed before the effective date of the amendments. The technical specifications for this data should be consistent with the Technical Manual. However, any valuation and lifecycle event data for the derivative that were required to be reported before the effective date of the amendments are not required to be upgraded.</li><li>• Position reporting is available, subject to the conditions in the TR Rules, in respect of any positions that are outstanding on or after the effective date of the amendments, even if the relevant transactions were executed before the effective date of the amendments.</li></ul> <p>We note that the CFTC required creation data on existing derivatives to be reported according to their updated specifications. Because of this, we expect that reporting counterparties will already have updated the creation data for the majority of derivatives reportable in Canada at the time our amendments take effect. Therefore, we have not explicitly required this under the amendments. However, we recognize that trade repositories may find it inefficient and potentially costly to maintain separate creation data for existing</p>

derivatives according to the former rules and may require their participants to upgrade this creation data.

**(f) General comments on data harmonization**

Section	Comment	Response
General	One commenter welcomed the proposed specification of reporting requirements and the harmonization and alignment with global standards. This commenter appreciated the initiative because the commenter believed it would improve the quality and reliability of data, which further fosters confidence in over-the-counter derivatives markets.	We appreciate the commenters' review and feedback on the data elements.  We note that 97% of our 148 data elements are either CDE, CFTC or ESMA elements. We have 114 CDE elements, 25 CFTC elements and 4 ESMA elements.  We have only 5 elements that are unique to Canada:
General	A second commenter supported the opportunity to further harmonize swap data reporting requirements across major swap jurisdictions. This commenter felt the proposed changes to the data field requirements and corresponding draft technical manuals would reduce regulatory burden and increase efficiency and clarity.	<ul style="list-style-type: none"> <li>• Country and Province or Territory of Individual (#9),</li> <li>• Jurisdiction of Counterparty 1 (#10),</li> <li>• Jurisdiction of Counterparty 2 (#11),</li> <li>• Inter-affiliate indicator (#20), and</li> <li>• Platform anonymous execution indicator (#23).</li> </ul> <p>The three jurisdiction elements are required given the CSA's regulatory structure. The inter-affiliate data element is required to support our oversight and policy framework (for example, to assess thresholds under different derivatives rules) and accurately monitor systemic risk. Data elements #10, #11 and #20 are existing data elements and do not represent any additional burden for market participants, while #9 is similar to an existing ESMA data element.</p>
General	A third commenter supported the addition of enumerated and detailed requirements using the draft technical manuals and Appendix A. However, the commenter noted that the proposed amendments included several data elements that were not contained in the CFTC swap data reporting rules and/or not already reported pursuant to the existing TR Rules.	The platform anonymous execution indicator has been requested in comments to facilitate compliance by trade repositories with s. 22.1 of the TR Rules, and while it is a Canadian specific data element, we have designed it to align with data that we understand is currently required by designated and recognized trade repositories. It is also similar to a new data element (SEF or DCM anonymous execution indicator) proposed by the CFTC.
General	<p>A fourth commenter supported harmonizing with international data reporting standards, as it would help market participants and trade repositories comply with swap data reporting obligations across various jurisdictions.</p> <p>The commenter also urged for North American coordination on swaps data reporting rules so that dually-registered trade repositories can efficiently and effectively comply with all three agencies' rules. This commenter highlighted the importance of coordination in these jurisdictions by noting that swaps data reporting is automated, meaning non-harmonized reporting requirements could require significant systems-related development, resources, and expenses.</p>	

General	<p>A fifth commenter supported the purpose behind the proposed amendments, being to coordinate international efforts to streamline and harmonize derivatives data reporting standards. The commenter also noted that, given the automated nature of swaps data reporting, requirements that are non-harmonized can require significant systems related development, resources, and expenses.</p>	
General	<p>A sixth commenter anticipated the changes to data field requirements, publication of technical manuals, and the harmonization with global standards would ultimately reduce regulatory burden and increase efficiency and clarity in trade reporting. The commenter then noted there would be an increase in regulatory burden upfront while firms implement the new standards, however, the commenter acknowledged they always preferred harmonization and anticipated later reductions in regulatory burden and increases in efficiency.</p>	
General	<p>A seventh commenter asked the CSA to make every effort to mirror and align data elements to the CFTC’s Technical Specification and limit the number of fields that are unique to Canadian reporting and are not critical data element (CDE) fields. The commenter felt that such an approach could allow reporting counterparties and trade repositories to build their reporting systems with common rules reducing cost, increasing data quality, and allowing for amalgamation of trade data across jurisdictions.</p> <p>The commenter believed that uniformly implementing the jurisdictionally appropriate critical data elements will significantly improve data quality and allow for data amalgamation across jurisdictions for a more global view of the market. This commenter also identified UPIs, legal entity identifiers (LEIs) and the removal of ambiguous requirements (e.g. “any other details”) as drivers of harmonization and welcomed the opportunity to work with the CSA to incorporate CDEs uniformly across Canada and in line with other global jurisdictions.</p>	

## 2. Definitions

### (a) Derivatives dealer

#### (i) Definition

Section	Comment	Response
<p>s. 1(1) of MSC Rule 91-507, OSC Rule 91-507 and MI 96-101</p> <p>s. 3 of the <i>Derivatives Act</i> (Québec)</p>	<p>Despite harmonizing with the corresponding definitions in National Instrument 93-101 <i>Derivatives: Business Conduct</i> (the <b>Business Conduct Rule</b>) and proposed National Instrument 93-102 (the <b>Registration Rule</b>), a commenter was concerned that the proposed amended definition of “derivatives dealer” will create confusion with its expanded scope. The commenter noted that the proposed definition will subject some entities to derivatives dealer reporting obligations but not to business conduct or registration because it captures entities in the business of trading derivatives but does not contain the corresponding exemptions found in the Business Conduct Rule and the Registration Rule.</p> <p>The commenter suggested limiting the definition of “derivatives dealer” to those entities registered as derivatives dealers to ensure consistency among derivatives rules.</p>	<p>No change.</p> <p>It is not possible to limit the definition of “derivatives dealer” in the TR Rules to entities registered as such because the Registration Rule has not been finalized. In addition, this approach would impede regulatory oversight in jurisdictions where significant market participants are exempt from registration (for example, a derivative between two Ontario-based banks).</p> <p>We believe that the considerations relevant to requirements for derivatives trade reporting are different from considerations in other derivatives rules. However, we have carefully considered and tailored appropriate trade reporting requirements in relation to both dealers and non-dealers.</p>

#### (ii) TR CP ‘business trigger’ guidance

Section	Comment	Response
s. 1 of the TR CPs	<p>One commenter recommended adding language in the TR CPs<sup>2</sup> to clarify that when a person or company carries on derivatives trading activity repeatedly, regularly, or continually it is not considered a derivatives dealer because it is not “in the business of trading in derivatives.” According to the commenter, the TR CPs should clarify that a person or company trading in derivatives for hedging purposes or for purposes of gaining market returns, with repetition, regularity or continuity may not necessarily be considered to be in the business of trading in derivatives so long as it trades with a derivatives dealer</p>	<p>No change. We refer market participants to the response on this question in the Summary of Comments and Responses that was published with the Business Conduct Rule. The TR CPs include the “business trigger” guidance provided in the companion policies to the Business Conduct Rule in relation to derivatives dealers.</p>

<sup>2</sup> In this Summary, the term **TR CP** refers collectively to the TR CPs or Policy Statement to each of the TR Rules.



	and does not satisfy any of the other “business trigger” factors set out in the TR CPs.	
s. 1 of the TR CPs	Another commenter welcomed the additional guidance provided on what constitutes a derivatives dealer, specifically the criteria applicable to acting as a market maker in the TR CPs, as the increased clarity will allow parties to better understand their obligations and risks related to changing business activities when transacting derivatives.	

**(b) Local counterparty**

Section	Comment	Response
s. 1(1) of the TR Rules	<p>A commenter recommended harmonizing the definition of “local counterparty” to limit confusion and burden. If left unchanged, the commenter believed that the proposed amendments will require a change to the <i>ISDA Canada Representation Letter</i> which will increase regulatory burden.</p> <p>Additionally, the commenter noted that the proposed amendments to MI 96-101 include derivatives dealers in the definition of “local counterparty”, but do not include individuals. Conversely, the proposed amendments to the definition of “local counterparty” in MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 include individuals but do not include derivatives dealers. The commenter would like to see the CSA harmonize these differences.</p> <p>The commenter supported removing foreign derivatives dealers from the definition of “local counterparty” in MI 96-101 as the commenter does not believe it is necessary to report all the derivatives entered into by foreign dealers to Canadian regulators.</p> <p>In the event “residence” is maintained in the TR Rules, this commenter requested language in the TR CPs to elaborate on the term (for example, whether it refers to principal residence or a residence).</p>	<p>Change made. As requested, we have harmonized the definition of “local counterparty” under all TR Rules to the extent practicable given legislative differences.</p> <p><i>Manitoba and Ontario</i></p> <p>The definition of “local counterparty” under MSC Rule 91-507 and OSC Rule 91-507 now includes all derivatives dealers (similar to the current MI 96-101). These two local rules will add an exclusion consistent with s. 42 of MI 96-101. This exclusion provides that a derivative is not required to be reported solely because the derivative involves a counterparty that is a derivatives dealer, except in relation to individuals, discussed below. This will align MSC Rule 91-507 and OSC Rule 91-507 with the current “local counterparty” framework under MI 96-101.</p> <p><i>Quebec</i></p> <p>Similarly, the definition of “local counterparty” under AMF Regulation 91-507 now includes all dealers subject to the registration requirement (including dealers that are registered or exempt from registration). AMF Regulation 91-507 has added an exclusion consistent with s. 42 of MI 96-101. This exclusion provides that a derivative is not required to be reported solely because the derivative involves a counterparty that is subject to the registration requirement, except in relation to individuals, discussed below. In addition, registered dealers that are qualified persons under section 82 of the <i>Derivatives Act</i> are excluded from the exclusion. As a result, a derivative involving a qualified person under the <i>Derivatives Act</i> is required to be reported, regardless of its jurisdiction. This is a reduction in regulatory burden from the current requirement, which necessitates reporting of derivatives</p>

involving any registered derivatives dealer. To date, there are only six qualified persons. A list is available on the AMF website.<sup>3</sup>

*Resulting reporting requirements*

As a result, across the CSA, a derivative is required to be reported if it involves (a) an entity that is organized or incorporated under the laws of the jurisdiction, or that has its head office or principal place of business in the jurisdiction, (b)(i) a derivatives dealer (regardless of whether it is exempt from registration in Quebec), that is transacting with a resident individual, (b)(ii) in Quebec, a registered derivatives dealer that is a qualified person, or (c) an affiliated entity of a person described in (a), where the person described in (a) is liable for all or substantially all of the liabilities of the entity.

*Individuals*

As requested, we have harmonized our approach in relation to individuals. We have done this by modifying the exclusion in s. 42 of MI 96-101 and the corresponding new exclusions in the other TR Rules to exclude derivatives with individuals that are resident in local jurisdiction. This will ensure that derivatives between all derivatives dealers and individuals resident in the local jurisdiction are reportable, which is consistent with what we had proposed.

A specific definition of “residence” risks increasing regulatory burden for reporting counterparties by necessitating a specific outreach. As a result, we have not defined this term. Reporting counterparties may use residential address information collected through existing AML/KYC documentation. Also, where reporting counterparties ascertain an individual’s province or territory to determine the applicable registration and/or prospectus exemptions that may apply in the individual’s province or territory (e.g. accredited counterparty, accredited investor, qualified party), the relevant province or territory for reporting purposes may be in accordance with that determination.

*Representation Letters*

While we were asked to harmonize the definition of “local counterparty”, we have attempted to minimize any potential impact of these changes to industry representation letters that are widely used by market participants. With respect to the changes in Ontario,

<sup>3</sup> <https://lautorite.qc.ca/en/professionals/securities-and-derivatives/regulation-of-derivatives-markets-in-quebec>

Manitoba and the MI jurisdictions, we do not anticipate that any changes will be required to industry representation letters given that the only substantive change involving reporting is to extend the scope of reporting to derivatives involving a resident individual, in relation to all derivatives dealers. Reporting counterparties can determine an individual's residence either through their existing information or simply by asking their individual clients.

We do not anticipate that industry representation letters will need to add any additional items as a result of the changes to the definition of "local counterparty" in Quebec. Reporting counterparties can verify whether a counterparty is a qualified person on the AMF website, and therefore a new representation or outreach to counterparties to this effect should not be necessary. Industry representation letters currently include a representation as to whether an entity is a registered derivatives dealer; this may be removed in due course as it will no longer be relevant.

We appreciate that a reporting counterparty may have already determined that certain of its counterparties are Quebec local counterparties, and that this determination may have been made solely on the basis of their representation that they are registered derivatives dealers in Quebec. This is in accordance with the current requirements under AMF Regulation 91-507. These counterparties may not be qualified persons. We would not expect this determination to be updated by the implementation date, even though this may result to some extent in over-reporting once the amendments take effect. We anticipate that, over time, as representations are updated, the updated scope in relation to qualified persons would be reflected in the scope of reporting.

*Jurisdiction Data Elements (#10 and #11)*

We have made resulting changes to these data elements to appropriately identify the applicable Canadian jurisdictions.

*Response to Comment*

In response to the comment that supported removing foreign derivatives dealers from the definition of "local counterparty" under MI 96-101, we point out that the commenter may not have considered the exclusion in s. 42 of MI 96-101 in its analysis. For example, a derivative between a UK derivatives dealer (which is a local counterparty under MI 96-101) and a UK client that is not a local counterparty under paragraph (a) or (c)

		of that definition is not required to be reported because of the exclusion in s. 42 of MI 96-101. However, a derivative between the UK derivatives dealer and an Alberta pension fund, for example, is required to be reported because the exclusion in s. 42 does not apply. We believe this continues to be the appropriate scope for reporting.
--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**(c) Affiliated entity**

Section	Comment	Response
s. 1(4), (5) of MSC Rule 91-507 and OSC Rule 91-507 s. 1(3), (4) of AMF Regulation 91-507 s. 1(2), (3) of MI 96-101	A commenter noted the wording in the definition of “affiliated entity” under MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 is different than the definition under MI 96-101 and recommended harmonizing the differences.	Under all TR Rules, we have harmonized the concept of “affiliated entity” to align with the Business Conduct Rule. This will ensure that derivatives data that is reported for trade reporting purposes (for example, derivatives that are indicated as inter-affiliate) can be used to make determinations under the Business Conduct Rule.

**(d) Valuation data and position level data**

Section	Comment	Response
s. 1(1) of the TR Rules	Despite believing the differences are possibly not significant, a commenter requested the different definitions for “valuation data” and “position limits” be harmonized across the TR Rules.	As requested, we have harmonized the definitions of “creation data”, “valuation data” and “position level data” (we assume the commenter was referring to this as there is no concept of “position limits” in the TR Rules).

**3. Reporting Hierarchy**

Section	Comment	Response
Annex E to <i>OSC Notice and Request for Comment</i> ,	One commenter supported the alternative hierarchy proposed by the OSC because it would allow counterparties that are both end-users to agree through a written agreement which counterparty is required to report. The commenter believed this will increase flexibility and simplify compliance by aligning with other Canadian jurisdictions and the CFTC.	<i>Proposed Amendments</i>  In the <i>OSC Notice and Request for Comment</i> published June 9, 2022, the OSC proposed either (a) retaining the existing reporting hierarchy with some changes or (b) replacing it with an alternative reporting hierarchy set out in Annex E to the <i>OSC Notice and Request for Comment</i> .

June 9, 2022 <sup>4</sup>		<i>Comments requesting the OSC fully adopt the reporting hierarchy under MI 96-101</i>
s. 25 of the TR Rules	<p>A second commenter noted that although the different reporting hierarchies across Canada will typically result in the same party being the reporting counterparty, there are situations where there will be differences.</p> <p>The commenter argued that the reporting hierarchy should be the same across Canada and supported adopting the hierarchy in MI 96-101 because it provides the most flexibility, is not as complex as the other approaches, gives parties the freedom to agree on who should be the reporting counterparty without imposing a specific form of agreement, and would not require additional client outreach.</p> <p>This commenter also noted that the TR CPs to MI 96-101 should be amended to clarify that a written agreement could occur by way of a signed representation letter.</p> <p>The commenter did not recommend the alternative hierarchy because, in their view, the flexibility and reduction in delegated reporting would not outweigh the burden of implementing the hierarchy. In particular, the commenter believed that while a derivatives dealer that is a financial entity will likely face minimal operational impact, a derivatives dealer that is not a financial entity may face operational impact by having to determine whether their counterparty is a financial entity, which the commenter believed would involve client outreach because the definition of “financial entity” is broader in scope than what one would normally consider a financial entity.</p>	<p>Some commenters rejected both of these proposed options and instead requested that the OSC (in addition to the AMF and MSC) fully adopt the reporting hierarchy under MI 96-101 as a single consistent reporting hierarchy across the TR Rules.</p> <p>After carefully considering these comments and further engagement with market participants, the OSC understands that adopting the reporting hierarchy under MI 96-101 for derivatives between two financial derivatives dealers would have a significant negative impact on certain derivatives dealers in Ontario and would present a material burden and cost for them. The OSC’s position not to adopt the MI 96-101 reporting hierarchy for derivatives between financial derivatives dealers therefore remains unchanged.</p> <p>We also understand that the existing OSC reporting hierarchy is materially burdensome for certain non-financial derivatives dealers in Ontario, and that this burden would be alleviated under the alternative hierarchy.</p> <p><i>Changes made to the OSC reporting hierarchy</i></p> <p>The OSC has replaced the existing hierarchy with the alternative hierarchy that it had proposed.</p> <p>The new hierarchy under OSC Rule 91-507 distinguishes between financial derivatives dealers and non-financial derivatives dealers. Under the new hierarchy, a financial derivatives dealer will always be the reporting counterparty when transacting with a non-financial derivatives dealer, which we understand generally aligns with industry practice. In addition, for derivatives between either (i) two non-financial derivatives dealers, or (ii) two non-dealers, the parties have the flexibility to determine which counterparty has the reporting requirement through any form of written agreement. Therefore, in these circumstances, the new reporting hierarchy is now fully harmonized among the TR Rules. The new hierarchy is substantively unchanged</p>
s. 25 of the TR Rules	A third commenter encouraged the CSA to harmonize the reporting hierarchies under the TR Rules so the regulatory burden of compliance can be reduced. The commenter would like to see the four TR Rules replaced with one National Instrument.	

<sup>4</sup> Available at [https://www.osc.ca/sites/default/files/2022-06/cp\\_20220609\\_91-507\\_trade-repositories-derivatives-data-reporting.pdf](https://www.osc.ca/sites/default/files/2022-06/cp_20220609_91-507_trade-repositories-derivatives-data-reporting.pdf) at page 149.

<p>s. 25 of the TR Rules</p>	<p>A fourth commenter generally noted that having to maintain differing reporting rules based upon jurisdictions within Canada may cause extreme burden on reporting counterparties. Additionally, the commenter believed the OSC proposal permitted dual sided reporting but avoided proposing other requirements that are typically present in these regimes to ensure reporting accuracy, like matching and pairing.</p> <p>The commenter then recommended removing dual reporting from the proposed amendments, given that reporting in North America has traditionally been single-sided.</p> <p>The commenter believed the existing single-sided North American reporting regime does not need to be altered and supported aligning with the CFTC requirements for identifying the reporting counterparty.</p>	<p>from the current OSC hierarchy in respect of derivatives between two financial derivatives dealers.</p> <p>One commenter expressed a concern that non-financial derivatives dealers may face operational burden involving a potential client outreach because of the new hierarchy. However, we note that this commenter does not represent any non-financial derivatives dealers. To the contrary, a commenter that represents non-financial market participants expressed support for the new hierarchy. In most instances, we expect that non-financial derivatives dealers will be able to determine whether their counterparty is a financial derivatives dealer (in most cases, a bank) without any outreach, and where this is not the case, the burden of making this determination is significantly less than the current burden involved in delegating the reporting requirement to the financial derivatives dealer and continuing to retain a residual reporting obligation.</p> <p>Distinguishing between financial and non-financial market participants is a feature of other international regulatory regimes and we believe it is appropriate to adopt this feature under the OSC reporting hierarchy to reduce burden on market participants and increase harmonization among the CSA.</p> <p>This solution avoids material increased burden on market participants if the OSC were to fully harmonize with the MI 96-101 reporting hierarchy in respect of derivatives between financial derivatives dealers. At the same time, it also alleviates the burden on non-financial derivatives dealers under the current OSC hierarchy.</p> <p>We thank market participants for their very careful consideration of this complex issue. We appreciate the importance of harmonization and will continue to explore future opportunities for increased harmonization in this area.</p>
------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

#### 4. End-User Reporting Timeframe

Section	Comment	Response
<p>s. 31 of the TR Rules</p>	<p>One commenter noted that many Canadian derivatives reporting counterparties, whether they are derivatives dealers or end-users, may be required to report their U.S. swaps to the CFTC. The commenter urged the CSA to reduce burden by aligning the reporting deadlines with the CFTC.</p>	<p>Change made. We appreciate all of the comments on this issue, which we recognize were unanimous in supporting a T+2 deadline for reporting by end-users.</p> <p>After careful consideration, we have adopted a T+2 reporting deadline with respect to creation data and lifecycle event data for reporting counterparties that are not derivatives dealers, clearing agencies or affiliates of</p>

s. 31 of the TR Rules	A second commenter strongly supported adopting the CFTC’s T+2 reporting deadline because varying deadlines create unnecessary complexity. The commenter is of the view that the longer deadline will make reporting less resource intensive and give end-users more time to confirm data accuracy.	<p>these entities, which we have defined as “qualified reporting counterparties”. This definition is consistent with the scope of exclusions applicable to end-users under the commodity derivatives exclusion (s. 40) and the affiliated entities exclusion (s. 41.1).</p> <p>We believe this will provide a significant burden reduction for end-users and also facilitate harmonized North American reporting. We do not believe the increased delay in reporting these derivatives is likely to present regulatory risk.</p> <p>However, we believe that at this time it is appropriate that end-users continue to report the same data elements, format and values as dealers, which ensures data consistency and facilitates transparency and market oversight.</p>
s. 31 of the TR Rules	A third commenter noted that end-users typically do not trade with other end-users, but where this does arise, the commenter believed it would be helpful to align with the CFTC’s T+2 deadline in the event that an end-user local counterparty trades with another end-user that is subject to CFTC rules. The commenter also requested flexibility for end-users with respect to the data elements to be reported and format of reporting. The commenter believed that the current trade reporting obligations are burdensome and prevent end-users from trading with each other should the opportunity arise. The commenter indicated that this flexibility would benefit derivatives markets generally by increasing liquidity.	
s. 31 of the TR Rules	A fourth commenter supported harmonizing end-user reporting deadlines with those of the CFTC.	
s. 31 of the TR Rules	A fifth commenter noted that its most constraining reporting timeline is T+1 under Canadian reporting. The commenter would appreciate if the CSA could harmonize with the CFTC to relieve end-users such as the commenter of the shorter reporting requirement and enable the commenter to maintain accurate and complete data reporting.	

## 5. Errors & Omissions

### (a) Timeframes

Section	Comment	Response
ss. 26.2, 26.3 of the TR Rules	One commenter wrote that the timeframe to provide notice of errors and omissions is insufficient because it does not allow parties time to conduct thorough investigations of potential errors and omissions. The commenter encouraged the CSA to further align with the CFTC’s longer remediation timeframe.	<p>Changes made.</p> <p>We have clarified that the requirement under s. 26.2 to report errors to trade repositories is limited to circumstances where a derivative is reported in error, such as a duplicate derivative report or a derivative that never occurred.</p>

	<p>A second commenter indicated that the timeframes for notice of errors and omissions are too short to be feasible or practical because they are shorter than the timeframes under CFTC rules, which market participants have also found impractical given the time it takes to conduct internal investigations of potential errors. The commenter recommended the error and omission timeframes be extended to 10 business days after discovery. In their view, this extended timeframe is significantly more feasible, will give market participants time to correct and report errors and omissions, and will enhance accuracy in reporting.</p>	<p>We would like to highlight that the timeframes under s. 26.3 refer to <i>reporting</i> and <i>notice</i> of errors. Depending on the circumstances, we may not expect market participants to <i>correct</i> errors within those timeframes. As a result, these timeframes are not comparable to the timeframes under the CFTC’s requirements relating to error correction. As with other breaches of securities laws, we expect reporting counterparties to correct all errors and omissions relating to derivatives data that they reported, or failed to report, and thereby comply with the reporting requirements, as soon as possible. We have clarified this in the TR CPs.</p>
	<p>A third commenter requested extending the time permitted to correct errors and omissions to 7 business days following discovery to align with the CFTC and to provide for adequate time to prepare an updated report and correct the error, during which time the reporting counterparty would not be automatically out of compliance. The commenter is of the view that 7 business days is a reasonable time to create and submit a corrected report, even for complex errors that need to be corrected, and that alignment with the CFTC would improve consistency across jurisdictions.</p>	<p>It is very important for reporting counterparties to advise us of significant errors or omissions as soon as possible so that we can be aware of any such errors in the data that would impact our oversight. For example, in a situation where we are assessing market exposure to a defaulting counterparty and the resulting potential systemic impact, and a market participant has errors and omissions impacting trades with that counterparty, a 7 to 10 business day delay before we are notified impedes our oversight and, in our view, risks frustrating the policy objectives of the TR Rules. While we have not adopted a longer notification period in all circumstances, we have carefully considered our guidance in the TR CPs as to what is considered a significant error or omission such that, in many circumstances, an error or omission may not be considered significant until after 7 business days.</p> <p>As we appreciate that reporting counterparties need to conduct thorough investigations of potential errors and omissions, we have provided guidance in the TR CPs for situations where that investigation is ongoing.</p>

**(b) Notifying regulators of trade corrected within timeframes**

Section	Comment	Response
s. 26.3(2) of the TR Rules	To reduce the number of unnecessary notifications, one commenter encouraged the CSA not to require reporting counterparties to notify regulators of errors and omissions that have been rectified within the timeframe.	No change. We regularly use and analyze trade reporting data. If an error is corrected before we are notified, we may have in the meantime used the erroneous data, for example, to assess particular issues, and the error may have impacted our analysis. For this reason, it is important that we be advised even if the error has already been corrected, so that we will be made aware that the data that we used in our analysis was flawed.
s. 26.3(2) of the TR Rules	To align with CFTC rules, another commenter recommended that if a significant error or omission is rectified before the deadline, the reporting counterparty does not need to notify the appropriate regulator. The commenter	



	suggested it is unduly burdensome to notify a regulator after rectification since regulators can access the corrected data.	
--	-----------------------------------------------------------------------------------------------------------------------------	--

**(c) What is a “significant error or omission”**

Section	Comment	Response
s. 26.3(2) of the TR Rules	A commenter recommended an express definition of “significant error or omission” to provide clearer guidance as to which errors and omissions are considered significant. The commenter recommended a formula consistent with “Alternative A” of ESMA’s proposed definition of significant reporting issues.	Change made. We have provided extensive guidance in the TR CPs, which includes both quantitative and qualitative factors as to what is considered significant.

**6. Duty to Report**

**(a) Duty to Report - Consent Requirement for clearing agencies**

Section	Comment	Response
s. 26(8) of MI 96-101 s. 26(9) of MSC Rule 91-507, OSC Rule 91-507, and Quebec Regulation 91-507	<p>A commenter encouraged the CSA to allow recognized or exempt clearing agencies to choose which designated trade repository will receive creation data, lifecycle data, and any required valuation, collateral, and margin data for cleared swaps. If the proposed amendments are adopted as they are currently drafted, the commenter asked the CSA to confirm that a clearing agency could satisfy the consent requirement through rulemaking, instead of by obtaining prior client-level consent from local market participants, as the former interpretation would benefit US derivatives clearing organizations that do not have direct contractual relations with end clients.</p> <p>The commenter argued that, if local counterparties on cleared swaps determined where the original and cleared swap derivatives data was reported, it would create operational complexity and be inconsistent with other single-sided reporting frameworks, like the CFTC.</p>	<p>The requirement for a recognized or exempt (or reporting) clearing agency to report derivatives data to the designated (or recognized) trade repository specified by a local counterparty has existed since the beginning of trade reporting in Canada.</p> <p>Upon reviewing the commenter’s concerns, we agree that this approach appears to depart from the CFTC’s regime, where a clearing agency determines where to report required data in relation to cleared derivatives (CFTC Regulation 45.3(f)).</p> <p>However, the commenter has not indicated that the CSA requirement has actually resulted in operational burden over the past ten years. We are also concerned that removing the requirement could potentially result in material burden to local counterparties, and that this potential change would require notice and an opportunity for comment. We will continue to monitor this issue and consider reviewing it in the future.</p>

## (b) Porting to different TRs

Section	Comment	Response
s. 26.4 of the TR Rules	A commenter recommended the CSA revise proposed s. 26 to expressly permit reporting counterparties to change the designated trade repository, or “port”, so long as they comply with conditions equivalent to those found in 17 CFR 45.10(d) of the CFTC’s rule. The commenter noted the United States, European Union and other jurisdictions permit reporting counterparties to change the trade repository to which data is reported, and the desire of the commenter’s members to have flexibility to port between trade repositories.	Change made. As requested, we have set out conditions (which are intended to be equivalent to those required by the CFTC) in respect of a transfer of a derivative to a different trade repository.

## 7. Lifecycle Data Reporting

### (a) Reporting counterparty for alpha terminations

Section	Comment	Response
s. 32(4) of the TR Rules s. 32 of the TR CPs	One commenter recommended amending s. 32 to clarify that it is only the reporting clearing agency that is required to report the termination of the original derivative, and not either of the counterparties to the original derivative or the derivatives trading facility.	No change. While the recognized or exempt (or reporting) clearing agency is required to report the termination of the original derivative, the reporting counterparty of the original derivative is required to report that original derivative accurately and must correct any errors or omissions in respect of that original derivative. Reporting counterparties of the original derivative and clearing agencies should work to ensure accurate data reporting so that the clearing agency can report original derivatives that have cleared as terminated. <sup>5</sup>  We have provided guidance on this issue in the TR CPs under s. 32.
s. 26.3(1) of the TR Rules s. 32(4) of the TR Rules s. 32 of the TR CPs	A second commenter supported requiring local counterparties to notify reporting counterparties of errors and omissions in derivatives data because the ability of clearing agencies to meet their reporting obligations is highly dependent on local counterparties providing complete and accurate data.  This commenter also encouraged the CSA to clarify that inconsistencies between data submitted to clearing agencies and trade repositories for alpha swaps are also subject to correction.	
s. 32(4) of the TR Rules	A third commenter proposed aligning with the CFTC by requiring the bilateral party to have accountability if the alpha trade remains open.	

<sup>5</sup> We believe this approach to be consistent with CFTC Staff Letter No. 22-06 (June 10, 2022) available at <https://www.cftc.gov/node/240761>

**(b) Sequencing of creation data and alpha termination reporting**

Section	Comment	Response
s. 32(4) of the TR Rules	<p>One commenter noted that the proposed reporting timeframe for clearing agencies to report the termination of alpha swaps lifecycle data is shorter than it is in other jurisdictions, which reduces the amount of time to address issues and introduces operational complexity when developing reporting solutions. The commenter believed this approach could cause sequencing issues with creation data reporting. For example, the commenter highlighted that when an original swap is not yet reported but is terminated, they expected the trade repository would reject submission of the terminated trade. According to the commenter, this would result in a resubmission of the rejected trade, which might possibly trigger other provisions in the proposed amendments like error reporting.</p> <p>The commenter suggested this outcome could be avoided by amending s. 32(4) to ensure reporting of alpha terminations always occurs after reporting creation data. Alternatively, the commenter suggests aligning with the CFTC timeframes.</p>	<p>Change made. We appreciate the feedback from commenters on this issue. In light of the potential sequencing issue, we have extended the timing for the clearing agency to report the termination of original derivatives by an additional day.</p>
s. 32(4) of the TR Rules	<p>Another commenter submitted that s. 32(4) should account for the reporting counterparty reporting the alpha trade before the reporting clearing agency is required to report the termination.</p>	

**8. Position Reporting**

**(a) Application to commodity swaps**

Section	Comment	Response
s. 33.1 of the TR Rules	<p>A commenter stated this section is narrowly tailored to cover contracts for difference and disqualifies commodity swaps.</p> <p>The commenter requested this provision be amended to include commodity swaps. Otherwise, the swap data available to regulators would not appropriately reflect risk in the market and the commenter's longstanding approach to reporting commodity</p>	<p>Change made. We have extended this provision to enable, at the reporting counterparty's option, reporting of position level data for commodity derivatives that meet the conditions of this provision.</p>

	swap positions would no longer align with how they are reported to derivatives clearing organizations.	
--	--------------------------------------------------------------------------------------------------------	--

**(b) Optional Reporting**

Section	Comment	Response
s. 33.1 of the TR Rules	A commenter supported position level data reporting as an option but would not support requiring position level data reporting to be mandatory for applicable reporting counterparties.	No change. As provided in s. 33.1, reporting of position level data is not mandatory in any circumstance, but rather is at the reporting counterparty's option.

**9. Valuation Data and Margin and Collateral Reporting**

**(a) Harmonization**

Section	Comment	Response
s. 33 of the TR Rules	One commenter stated they could efficiently comply with this new reporting requirement where it is consistent with the CFTC's requirements. Otherwise, this new reporting requirement would be burdensome.	Change made. We have removed the CDE data elements that we had proposed relating to excess collateral, which do not align with CFTC requirements.
s. 33 of the TR Rules	Another commenter strongly supported harmonizing collateral and margin data requirements.	We have retained the post-haircut CDE variation margin data elements. However, we intend to analyze reported data in respect of cleared and uncleared derivatives and may reconsider this in the future.

**(b) End-users**

Section	Comment	Response
s. 33 of the TR Rules	<p>One commenter commended the CSA for limiting the s 33(1) requirement to only those reporting counterparties who are derivatives dealers or clearing agencies, believing that imposing such requirements on end-users would have been excessively burdensome.</p> <p>The commenter asked the CSA to clarify whether, if an end-user reporting counterparty has reported position level data under s. 33.1, the end-user is still exempt from having to report valuation data and collateral and margin data under Section 33(1), despite Section 33(2).</p>	Change made. We appreciate the commenter's perspective and have clarified this in the TR CPs under section 33.1.

s. 33 of the TR Rules	Another commenter would appreciate harmonizing the requirements with the CFTC's by removing the quarterly valuation reporting requirement for end-users.	As proposed, non-dealers are not required to report valuation data or collateral and margin data. We may also consider providing interim relief to non-dealers to remove the quarterly valuation reporting requirement prior to the effective date of the TR Amendments.
-----------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**(c) Clearing agencies**

Section	Comment	Response
s. 33(1) of the TR Rules	<p>One commenter stated they did not expect significant difficulties with reporting daily valuation data since Part 45 of the CFTC regulations requires similar reporting to swap data repositories. However, the commenter noted that reporting margin and collateral data to a trade repository on a daily basis would depart from the CFTC's requirements and introduce significant operational development for clearing houses. This commenter then encouraged the CSA to adopt a similar approach to the CFTC, which involved not imposing such a reporting obligation and leaving it open to possibly requiring derivatives clearing organization to report collateral and margin at a future date, if necessary.</p> <p>The commenter noted that s. 33(1) of the OSC's proposed amendments appeared to require transaction level reporting of margin and collateral, which is incompatible with the commenter's current practices. Instead, the commenter noted that collateral is currently collected to secure against losses from the whole portfolio. The commenter encouraged the OSC to align its requirements with the CSA by removing reference to transaction-level reports and facilitating portfolio-level margin and collateral reporting.</p>	<p>No change.</p> <p>While we appreciate that clearing agencies are not required to report collateral and margin data under CFTC Part 45, they are required to report collateral and margin data under CFTC Part 39. Canadian jurisdictions do not have a similar rule to CFTC Part 39 that requires clearing agencies to report comparable collateral and margin data. As clearing agencies are systemically significant reporting counterparties and we do not currently receive comparable data, it is necessary for our oversight to require reporting of collateral and margin data as proposed.</p> <p>While collateral and margin data must be reported in respect of each derivative, the data may be reported on either a derivative or portfolio basis, as set out in Appendix A, at the option of the reporting counterparty.</p> <p>We appreciate that clearing agencies will require time to implement this reporting, and we considered that necessity when adopting the one-year delay in implementation.</p>
s. 33(1) of the TR Rules	<p>A second commenter encouraged the OSC and CFTC to harmonize based on the CDEs. Specifically, the commenter emphasized that the CFTC's final rules for Part 45 do not require derivatives clearing organizations to report margin and collateral information with respect to cleared swaps but obliges them to continue reporting margin and collateral pursuant to Part 39. In the commenter's view, this approach is different from the approach</p>	

	taken in the proposed amendments and gives rise to a non-harmonized element in the North American regulations for central counterparties.	
s. 33(1) of the TR Rules	<p>A third commenter opposed proposed s. 33(1) with respect to cleared swaps and strongly urged the OSC to forego imposing a new unnecessary and potentially misleading reporting requirement on clearing houses.</p> <p>The commenter noted they are already reporting certain collateral and margin data and are appropriately accounting for portfolio-based margin methodologies instead of requiring data pertaining to each individual swap transaction.</p> <p>The commenter also noted that the initial margin requirements for two identical derivatives cleared and reported by the same clearinghouse at the same time and at the same price can be substantially different under s. 33(1) because the portfolio-based approach to the initial margin methodology makes the attribution of initial margin to individual cleared derivatives model and assumption dependent.</p> <p>The commenter requested the OSC forego imposing reporting of collateral and margin data elements on exempt clearing agencies until such time as need is demonstrated, just as the CFTC has done. If such a future need is shown, the commenter requested sufficient time be allocated to implementation given the time needed for systems development work and the resources needed to develop a reasonable approach.</p>	

## 10. Unique Transaction Identifier Hierarchy

### (a) Harmonization

Section	Comment	Response
s. 29 of the TR Rules	One commenter requested that MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 be harmonized by drafting this provision in a substantially equivalent way to the UTI hierarchy in MI 96-101, including the proposed revisions suggested by the	<p>Change made.</p> <p>We are implementing a uniform UTI hierarchy across the TR Rules. The hierarchy includes requirements to transmit the UTI to others that may be required to report</p>

	commenter. In the commenter's view, this approach was the most straightforward for counterparties to apply. The commenter further provided a model UTI hierarchy.	it; these are intended to mirror similar CFTC transmission provisions.
s. 29 of the TR Rules	A second commenter recommended substantively harmonizing the UTI waterfalls across Canada to reduce uncertainty and ensure the same party has the responsibility of generating the UTI under the TR Rules.  The commenter also noted that, even though reporting hierarchies are different across Canada, the UTI hierarchies should nevertheless be worded the same way.	
s. 29 of the TR Rules	A third commenter believed any hierarchy for generating UTIs should exist prior to reporting to trade repositories and clearly require only one party to the trade to generate the UTI. Additionally, the commenter stated they would continue generating UTIs at their participants' requests if UTI generation becomes the responsibility of trade repositories.	

**(b) Permitting bilateral agreement**

Section	Comment	Response
s. 29 of MI 96-101	A commenter requested revising MI 96-101 to permit counterparties to agree in writing which of them will assign the unique transaction identifier.	Change made. The harmonized UTI hierarchy permits counterparties to agree in writing which of them will assign the UTI.

**(c) UTI assigned by trade repositories**

Section	Comment	Response
s. 29 of the TR Rules	A commenter noted that it is unclear how trade repositories will know whether they are responsible for generating the UTI under the proposed methods, specifically in the case when a written agreement between the parties designates one as the reporting counterparty.	Change made. The hierarchy clarifies that a trade repository will assign a UTI upon request by an end-user or derivatives dealer that meets the conditions set out in s. 29.

(d) UTI timing

Section	Comment	Response
s. 29 of the TR Rules	<p>A commenter supported proposed s. 29, including the cross-jurisdictional provisions, and found the assignment responsibility logical and practical.</p> <p>However, the commenter asked the CSA to clarify whether the trade repository will assign the UTI at or before the time the derivative is reported to it when the responsibility for assigning the UTI lies with the trade repository under s 29(1)(d). The commenter assumed the UTI would be assigned at the time of reporting.</p>	<p>The hierarchy clarifies that a trade repository must assign a UTI as soon as technologically practicable following receipt of the request. We will work with trade repositories to determine how it will assign the UTI at or before the time of reporting.</p>

(e) Last resort determination

Section	Comment	Response
s. 29(1)(d) of the TR Rules	<p>A commenter supported the current ISDA methodology for assigning the UTI and would strongly recommend that all Canadian jurisdictions follow this same approach. The commenter understood that under the ISDA UTI logic, the UTI hierarchy is specific to each asset class. The commenter's understanding is that where this methodology uses reverse LEI, it is determined in reverse alphabetical order rather than reverse order of characters. The commenter indicated that it supports the ISDA methodology and would not support any method that differs from this market standard approach.</p>	<p>In drafting the UTI hierarchy, we have considered:</p> <ul style="list-style-type: none"><li>• the CPMI-IOSCO <i>Harmonisation of the Unique Transaction Identifier</i> guidance,</li><li>• the UTI hierarchies in various international jurisdictions, and</li><li>• comments from market participants including ISDA.</li></ul> <p>The CPMI-IOSCO <i>Harmonisation of the Unique Transaction Identifier</i> rejected separate determinations by asset class. Accordingly, similar to other jurisdictions, we have adopted a consistent UTI hierarchy across all asset classes for ease of use. However, under the UTI hierarchy that we adopted, market participants may agree on which counterparty will assign the UTI, and therefore market participants are able to agree, as between each other, on separate determinations by asset class if that is the approach they wish to adopt.</p> <p>We have provided clarity on the method of reverse LEI sorting as a last resort determination. Our approach for reverse LEIs uses the same examples provided by ESMA and the Australian Securities &amp; Investments Commission (ASIC), both of which we understand adopt this determination of last resort, and in accordance with the CPMI-IOSCO <i>Harmonisation of the Unique Transaction Identifier</i> guidance.</p>



## 11. Data Verification and Correction

### (a) Verification by end-users

Section	Comment	Response
s. 26.1(1) of the TR Rules	One commenter welcomed the absence of a verification obligation for end-user reporting counterparties and noted it was an improvement over the quarterly verification requirement imposed by the CFTC's amendments. The commenter pointed out that this change would make it more likely that end-users will act as reporting counterparties, which may increase the number of potential counterparties in the market and improve the liquidity and pricing of commodities swaps.	We appreciate the commenters' review and feedback.  We note that all reporting counterparties, including those that are not derivatives dealers or recognized or exempt or reporting clearing agencies, are required to report derivatives data as provided in the TR Rules and ensure that this data does not contain any errors or omissions. However, reporting counterparties that are not derivatives dealers are not subject to ongoing verification requirements under ss. 26.1(b) or (c). We believe it is not appropriate to require this in our market due to the additional burden that it would impose on the non-dealer market.
s. 26.1(1) of the TR Rules	Another commenter found the CSA's deviation from 17 CFR 45.14 and 17 CFR 49.11 may not have reduced burden on the non-dealer community because reporting counterparties must still enroll with a trade repository to view their data.	

### (b) Correcting closed derivatives trades

Section	Comment	Response
s. 26.1 of the TR Rules	One commenter believed the requirement to report dead trades should be eliminated in the final rules because it is unclear what risk those derivatives pose to the Canadian market and how correcting any errors related to these trades would enhance the CSA's ability to monitor risk. This commenter noted that correcting errors for dead trades would increase the implementation burden by increasing the cost and complexity of compliance without any seeming added benefits to oversight.	No change. We do not agree with suggestions that error correction should be limited to open derivatives.  We require accurate information on closed derivatives to assess compliance, analyze market misconduct, analyze risks and trends, and support policy development. Our analysis of this data and its accuracy may be reduced if data is not corrected. In some cases, failing to correct expired derivatives may result in a considerable gap in regulatory oversight.
s. 26.1 of the TR Rules	A second commenter recommended that the requirement to correct errors in closed derivatives only be required if practicable. The commenter also requested the CSA provide examples in the TR CPs that describe when it may not be practicable to correct an error in a closed trade. Specifically, the commenter suggested it would not be practicable to correct	Where a reporting counterparty is in breach of the TR Rules by failing to accurately report derivatives according to the requirements of the rules, the breach is <u>not</u> remediated when the derivatives expire without ever having accurately reported them.

	<p>any derivative closed before the DTCC re-architecture date of November 2020 because those trades would have been purged.</p> <p>The commenter acknowledged that the requirement to correct errors in trades that are no longer open is analogous to the requirements in the revised CFTC rules. However, the commenter noted two differences:</p> <ol style="list-style-type: none"> <li>1. The record retention period of 7 or 8 years after trade termination is much longer than the CFTC’s 5-year requirement, which makes it more difficult to correct errors related to closed trades</li> <li>2. Reporting counterparties that are also local counterparties will be required to report all their trades, which is significantly greater than the volume of trades that will be subject to CFTC reporting.</li> </ol>	<p>Our approach is consistent with the CFTC.<sup>6</sup></p> <p>We remind market participants that re-architecture by a designated or recognized trade repository does not “reset” either the reporting counterparty’s recordkeeping obligations or its obligations to report data accurately.</p> <p>We have required market participants to correct expired derivatives since trade reporting commenced. If there are particular challenges faced by market participants such as a designated or recognized trade repository’s re-architecture, they should consult with Commission or securities regulatory staff.</p> <p>The record retention periods in the TR Rules remain unchanged and are designed generally to align with Canadian recordkeeping and limitation periods.</p>
s. 26.1 of the TR Rules	A third commenter agreed with this requirement and its alignment with the CFTC regulations.	

## 12. Trade Repository Requirements – PFMI

### (a) General Comments

Section	Comment	Response
General	One commenter found several of the proposed Principles of Financial Market Infrastructures (PFMI) related provisions created additional trade repository compliance obligations and introduced misalignment with North American regulations. This commenter believed the CSA failed to identify the critical need when creating these additional obligations, making the additional compliance burden and costs incommensurate with the associated risks.	<p>We thank the commenters for their insight on the proposed amendments relating to PFMI. We remain committed to ensuring that the TR Rules and related guidance appropriately reflect PFMI.</p> <p>The comments that we received generally stressed that trade repositories operate an integrated business across North America. Indeed, the entities that are currently designated or recognized trade repositories in Canada are all provisionally registered as swap data repositories by the CFTC, and CSA orders recognize the CFTC’s</p>

<sup>6</sup> “The Commission generally does not agree with the recommendations to exclude swaps that are no longer open from the full requirement to correct errors. There is no expiration in the CEA and the Commission’s regulations on the requirement to report swap data. If there is an error in the reporting of swap data, the reporting counterparty has not fulfilled its requirement to report swap data. Further, the Commission utilizes data regarding swaps that are no longer open in a variety of ways, including in its market and economic analyses and in its enforcement and administration of the provisions of the CEA. It is therefore necessary to ensure that swap data for these swaps does not contain errors.” *Certain Swap Data Repository and Data Reporting Requirements*, 85 Fed Reg 75601 (November 25, 2020) at 75629.

	<p>The commenter also remarked it is unclear why trade repository policies and procedures do not suffice given that trade repositories have robust governance, operational, and risk frameworks in place and must comply with CFTC and SEC regulations.</p>	<p>existing oversight of these entities in the context of the larger U.S. market. As a result, we are cognizant of the importance of harmonizing trade repository requirements where practicable.</p>
<p>General</p>	<p>Another commenter found many of the proposed amendments undercut their stated goals by seeking to align with certain PFMIs that introduced misalignment with other North American standards and may not have applied to trade repositories in practice.</p> <p>The commenter urged the CSA to continue viewing the PFMIs as guidance and to, where appropriate, be prescriptive about how a trade repository complies with a principle, reject principles unrelated to risks experienced by North American trade repositories, and try to conform with the approach of other North American regulators.</p> <p>The commenter noted the PFMIs have not been adopted globally, or even in North America, so the CSA would be increasing the inconsistency between regulatory standards by incorporating the PFMIs into the proposed amendments. The consequences arising from this inconsistency include significant downstream effects on trade repositories and direct conflicts with the stated goal of harmonization.</p> <p>Given their experience with trade reporting to the CFTC and CSA, the commenter suggested those amendments that conform to the PFMIs should be avoided if no critical need or risk has been identified. Otherwise, there could be increased compliance burden and costs on trade repositories that far exceed the risks trade repositories pose to financial markets.</p> <p>The commenter felt it would be appropriate to revisit the PFMIs and review any concerns or required policies and procedures given the years of practical experience regulators have gained with trade reporting. The commenter then asked the CSA to leverage this practical experience and evaluate principles in a balanced way, which the commenter suggested would involve considering:</p>	<p>In light of these comments, we carefully reviewed the proposed PFMI related amendments and have tailored them in several respects, including where we believe it is appropriate for principles to be addressed in a manner consistent with other North American regulators.</p> <p>We will continue to monitor any developments in PFMIs relating to trade repositories and how they are implemented and assessed internationally.</p>

	<ul style="list-style-type: none"> <li>(i) the practical risks for trade repositories, given the role of trade repositories in the financial markets,</li> <li>(ii) value to the industry,</li> <li>(iii) how adoption would impact alignment to other jurisdictions, and</li> <li>(iv) the extent to which the subject principle is already addressed in the broader supervisory framework.</li> </ul>	
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**(b) Links and Tiered Participation Arrangements (PFMI Principles 19-20)**

Section	Comment	Response
ss. 1(1), 24.1 of the proposed amendments to the TR Rules	<p>One commenter found the proposed definition of “link” differed from the PFMI definition by expanding the reach of links from other financial market infrastructures to any contractual or technical relationship of a trade repository.</p> <p>The commenter found the proposed definition was already covered in existing rules, particularly s. 24 (Outsourcing) and s. 21(1) (System and Other Operational Risk), rendering the definition unnecessary.</p> <p>The commenter requested the CSA not adopt proposed s. 24.1 because it is not appropriate nor applicable in the context of swap data reporting.</p> <p>The commenter noted that tiered participation agreements are typically seen in the clearing context when the clearing member has the direct relationship with the clearing house and the customer has the direct relationship with the clearing member. The commenter then noted this third-party relationship is not present in their trade reporting operation because they have direct contractual relationships with all their participants.</p>	Change made. We recognize that the TR Rules include very broad and comprehensive risk management requirements, which we interpret as encompassing more specific risks, if applicable, covered by PFMI Principles 19 and 20. In order to promote more consistent implementation of this principle in North America, we have clarified this expectation in the TR CPs in relation to these existing requirements, rather than implementing s. 24.1 of the proposed amendments to the TR Rules.
ss. 1(1), 24.1 of the proposed amendments	Another commenter found the proposed definitions of “linked” and “linked entities” expanded the reach of links beyond links with other FMIs to:	

<p>to the TR Rules</p>	<p>(a) any contractual or technical relationship that a trade repository might have, which is unnecessary given rule 24 (Outsourcing), rule 21(1) (System and other operational risk), and rules related to a participant; and</p> <p>(b) links a regulator may have to access data or reports from trade repositories and did not present any risks to trade repositories that are not already managed under other rules.</p> <p>The commenter stated that s. 24.1 of the proposed amendments should be removed because they do not address a critical need or risk sufficient to justify creating new areas of regulatory misalignment in North America or imposing new compliance burdens and costs on trade repositories.</p> <p>Where this proposed amendment relates to indirect participation, the commenter found its imposition unnecessary because they believed indirect participation did not introduce risk. Because the commenter has direct contractual relationships with its participants, they believed they could protect themselves legally by having a robust contractual relationship, incorporating rules in a rulebook, and requiring secure connectivity. Additionally, the commenter argued there was no risk to the derivatives trading market because trade reporting is a post-trade activity.</p> <p>The commenter also did not find the concept of a tiered relationship specifically relevant to material risks encountered or caused by trade repositories. The commenter noted that risk from a potentially failed link is borne by the reporting counterparty, not the trade repository. Additionally, the commenter noted that trade repositories:</p> <ul style="list-style-type: none"> <li>• play no role in providing data to facilitate clearing, and</li> <li>• are not involved in compression services.</li> </ul> <p>Based on these observations, the commenter concluded that activities of these vendors are not involved in the operations of a trade repository, nor would a failure of a trade repository to receive and report data have a</p>	
------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	financial impact on trading platforms, clearing houses, or vendors of compression services.	
--	---------------------------------------------------------------------------------------------	--

**(c) Operational efficiency and effectiveness (PMFI Principle 21)**

Section	Comment	Response
s. 14.1 of the proposed amendments to the TR Rules	<p>One commenter recommended not adopting this new provision because it is burdensome to implement and presents no corresponding benefit. Instead, the commenter believed the CSA should rely on current robust trade repository policies and procedures and CSA oversight authority.</p> <p>The commenter supported their position by noting that, in the 8 years since swap reporting was introduced in Canada, the commenter was unaware of substantial issues related to service levels, pricing, or operational reliability. The commenter also noted that market competition already pushes trade repositories to offer services that are secure efficient and effective and that this provision does not align with CFTC and SEC rules.</p>	<p>Changes made.</p> <p>We have not implemented s. 14.1 of the proposed amendments to the TR Rules. We note that s. 8 of the TR Rules already requires trade repositories to establish, implement and maintain governance arrangements that, among other things, set out clear processes, provide for effective controls, promote safety and efficiency, and ensure effective oversight. The TR Rules also include specific requirements that address efficiency and effectiveness, such as access, fees, product scope, service levels, data integrity, operational reliability, business continuity, and annual review of various operational aspects. We believe this approach to be generally consistent with the CFTC.</p> <p>As proposed, we have added a subsection to s. 9 that requires a trade repository to have policies and procedures to regularly review the overall performance of the board of directors and individual board members. This is an important governance requirement to promote board effectiveness. We received no comments on this proposed amendment.</p>
s. 14.1 of the proposed amendments to the TR Rules	<p>Another commenter stated that the proposed s. 14.1 requirements would increase compliance burdens and costs on trade repositories without sufficient justification, for the following reasons:</p> <ul style="list-style-type: none"> <li>• competition demands trade repositories either meet the needs of their participants by providing services in a secure, efficient, and effective manner or go out of business.</li> <li>• the items in the proposed amendment are subject to ongoing evaluation by the CSA’s broad inspection and examination authority</li> </ul> <p>However, the commenter voiced no objection to being required to review its cost and pricing structure because it is already doing so as a good business practice.</p>	<p>Consistent with Principle 21, KC 3, we are also adopting the requirement for a trade repository to review fees on a regular basis, at least once every two calendar years. Certain trade repositories already review fees on a more frequent basis, and a commenter noted that it reviews its cost and pricing structure as a good business practice.</p>

**(d) Capital planning (PFMI Principle 15, KC 5)**

Section	Comment	Response
s. 20(7) of the proposed amendments to MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507  s. 20(3) of the TR CPs to MI 96-101	<p>A commenter noted this proposed amendment is unique to Canada in requiring trade repositories to maintain a board-approved plan for raising additional equity when existing equity falls close to or below 6 months of operating expenses.</p> <p>The commenter recommended not adopting this proposed amendment because it is inflexible for certain corporate structures. If existing requirements are insufficient for the CSA, the commenter recommended modifying the provision to require the trade repository to establish board governance provisions placing the responsibility on the trade repository's board for reviewing its financial status, including addressing the need for additional equity should liquid assets fall close to or below the requirements of s. 20(3).</p> <p>The commenter noted their trade repository is a subsidiary, meaning it cannot independently raise additional equity. Additionally, the commenter noted that the CSA receives quarterly financial statements under the commenter's registration order, giving the regulators oversight over the commenter's financial condition.</p>	<p>Change made.</p> <p>We note that this requirement has been adopted by ASIC<sup>7</sup> and would therefore not be unique to Canada. However, in the interest of consistent requirements across North America in this regard that apply to the same trade repository legal entity, we have not implemented this proposed amendment.</p> <p>Instead, we have set out our expectation in the TR CPs that a trade repository or its board of directors should address any need for additional equity should it fall close to or below the amount required under s. 20. This balances the need to address the potential for raising equity set out in the PFMI with the commenter's concern regarding corporate structure and, as noted by the commenter, provides flexibility to determine the most appropriate financial strategy at the time to address the need for additional equity.</p>

**(e) Disclosure of responses to CPMI-IOSCO Disclosure framework (PFMI Principle 23, KC 5)**

Section	Comment	Response
s. 17 of the TR CPs	<p>A commenter noted that there would be additional costs and burdens resulting from the expectation in the TR CPs that a trade repository create a disclosure document revealing its responses to the CPMI IOSCO report, "Disclosure framework for financial market infrastructures." The commenter argued that existing public documentation and oversight authority already sufficiently addresses this area.</p>	<p>No change. This is not a new expectation and has been in the TR CPs since it was published in 2013, consistent with PFMI Principle 23, KC 5. We have not made any changes to this expectation as published.</p>

<sup>7</sup> ASIC *Derivative Trade Repository Rules 2023*, s. 2.4.7(2) at <https://www.legislation.gov.au/Details/F2023L01292>.

**(f) Business continuity planning (PFMI Principle 17, KC 6)**

Section	Comment	Response
s. 21(4) of the TR CPs	<p>A commenter requested that the CSA align with other regulators and accept a four-hour recovery window, despite the misalignment with PFMI 17 key consideration 6.</p> <p>The commenter supported this ask by first noting that the two-hour recovery window, specified in the TR CPs, is inconsistent with the four-hour window the commenter set across their operations based on factors such as the risk of harm to users, and markets.</p> <p>The commenter secondly noted that a two-hour recovery window is necessary for systemically important financial market utilities, such as clearing agencies. Since trade repository disruptions do not impact the market or introduce risks like a disruption in one of these utilities, the commenter believed they should not be held to the same standard as a clearing agency.</p>	<p>No change. We thank the commenter for its perspective. We note that the TR CPs have provided for a two-hour recovery window since 2013, consistent with PFMI Principle 17, KC 6. Furthermore, the Monetary Authority of Singapore also requires a two-hour recovery window for licensed trade repositories. We do not propose to revisit this guidance as published. We are concerned that in times of extreme market stress, even a short downtime could negatively impact our ability to monitor markets and systemic risk.</p>

**(g) Conflict of laws (PFMI Principle 1, KC 5)**

Section	Comment	Response
s. 7(2)(a) of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 s. 7(1)(b) of MI 96-101	<p>A commenter noted that their membership documents include agreements that ensure there is no ambiguity that New York law applies. Since they address conflict of laws contractually, the commenter believed s. 7 requirements present an unnecessary burden.</p> <p>Additionally, the commenter noted they would continue providing services in other jurisdictions, with Canada being one jurisdiction, should there be a challenge to their legal authority to operate in a particular jurisdiction.</p>	<p>Change made. This proposed amendment was intended to address PFMI Principle 1, KC 5. We appreciate the commenter's concern, which we have clarified in the TR CPs.</p>

**(h) Public Availability of governance arrangements (Principle 2, KC 2)**

Section	Comment	Response
ss. 8(1), 8(3) of the TR Rules	<p>A commenter found the requirements to make governance arrangements publicly available</p>	<p>We have provided clarifying guidance on this matter. We note that the requirement in s. 8(3) to make governance arrangements publicly available is an</p>



	<p>introduced potential risks to trade repositories because:</p> <ol style="list-style-type: none"> <li>1. Publicly disclosing risk management and risk tolerances could expose trade repositories to hacking or other strategies to infiltrate the security systems based on vulnerabilities identified in those documents</li> <li>2. Publicly disclosing key staff accountability and responsibilities might put these staff members at risk of being targeted</li> </ol> <p>The commenter also argued the proposed amendment was not justified because market participants appear to have sufficient information when choosing a trade repository. In their view, this information included knowing that trade repositories are subject to extensive regulation, examination, and oversight, and must comply with risk management and security requirements mandated by regulators. Additionally, the commenter acknowledged having already published and periodically updated certain governance documents on their website, which identified, among other things, board nominations, identity of directors, and committee composition.</p>	<p>existing requirement, although the governance arrangements established under s. 8(1) (that would be subject to public disclosure) have been expanded.</p> <p>In addition, we note that the disclosure required by this subsection is limited to <i>governance</i> arrangements rather than operational details such as security systems.</p> <p>We also understand that the CFTC has a similar requirement for a swap data repository to make a description of its governance arrangements available to prospective participants.</p> <p>However, in light of the commenter’s concern, we have clarified in the TR CPs that we do not expect trade repositories to disclose sensitive information.</p>
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### 13. Trade Repository Requirements - Data

#### (a) Necessity of policies and procedures for data accuracy

Section	Comment	Response
ss. 23, 26.1 of the TR Rules	Six commenters believed it was not necessary for a trade repository to implement policies and procedures that allow reporting counterparties to ensure reported data is accurate and contains no misrepresentations. These commenter believed the CFTC’s approach, being to provide these counterparties with data access, was sufficient.	No change. We appreciate the responses and suggestions. We point out that we have not required trade repositories to implement specific policies and procedures on this matter, but rather, consistent with the CFTC approach, we have required trade repositories to provide counterparties with data access. We also note that section 17 already includes broad requirements relating to policies and procedures.
ss. 23, 26.1 of the TR Rules	Another commenter supported this requirement for trade repositories and suggested that, to better assist reporting counterparties in fulfilling their responsibilities under s 26.1, such policies and procedures	

	could include processes or tools that a reporting counterparty could use to flag and correct errors in reported data, e.g. a secure web portal for reviewing and directly correcting reported data.	
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**(b) Corrections**

**(i) Corrections to data available to regulators and publicly disseminated data**

Section	Comment	Response
<p>ss. 37(1)(e), 39(1)(b) and 39(3) of the proposed amendments to the TR Rules</p> <p>ss. 37(1.1), 39(1.1) of the TR Rules</p>	<p>One commenter recommended not adopting the requirement that trade repositories (a) provide the CSA with corrections to derivatives data as soon as technologically practicable and (b) correct aggregate data and transaction level reports following a correction to an error or omission.</p> <p>The commenter stated this requirement would be overly burdensome to trade repositories by adding additional complexities to their systems and requiring the republishing of static public reports every time a correction is reported. If the CSA decides to move forward with this requirement, the commenter recommended limiting the republications to a weekly timeframe.</p>	<p><i>Data available to regulators</i></p> <p>Change made. Paragraph 37(1)(e) of the proposed amendments was not intended to add additional regulatory burden, but rather to ensure that data provided to the Commission or securities regulatory authority should, at the time it is provided, reflect any corrections to errors and omissions by a participant as soon as technologically practicable after the trade repository recorded the correction. We do not expect any previous static reports to be updated to reflect the correction.</p> <p>In practice, we believe corrections are already reflected in the data that is made available to regulators. If corrected data were not made available to regulators, it would defeat the purpose of market participants correcting that data and compromise our oversight.</p>
<p>ss. 37(1)(e), 39(1)(b) and 39(3) of the proposed amendments to the TR Rules</p> <p>ss. 37(1.1), 39(1.1) of the TR Rules</p>	<p>Another commenter found the negative impacts of an obligation to correct previously published data reports outweighed any benefit provided and recommended removing the obligation from the proposed amendments.</p> <p>The commenter explained that the proposed amendments require a trade repository to correct previously published data, which differs from the current processes whereby a reporting counterparty must submit corrections and the trade repository must make them available through public dissemination in a timely manner. The commenter then noted there would be extreme complexity and additional risk to accommodate this proposed amendment since there is currently no process for recalculating and reissuing aggregate data and transaction level reports previously made public.</p>	<p>Instead of implementing paragraph 37(1)(e) as proposed, we have provided a more detailed explanation in the TR CPs regarding corrections to data.</p> <p><i>Data available to the public – aggregate data</i></p> <p>Change made. Instead of implementing paragraph 39(1)(b) as proposed, we have provided a more detailed explanation in the TR CPs regarding corrections to data.</p> <p><i>Data available to the public – transaction level reports</i></p> <p>Change made. We are not proceeding with proposed amendments to subsection 39(3). Paragraph 1(c) of Appendix C already requires each correction of previously disseminated data to be publicly disseminated. While this provision does not require that a trade repository edit previously publicly disseminated transaction reports to reflect the corrected data, it does require the designated trade repository to publicly disseminate the correction.</p>

**(ii) Acceptance of corrections**

Section	Comment	Response
<p>s. 22.2(5) of the TR Rules</p> <p>s. 14(2) of the proposed amendments to the TR Rules</p>	<p>A commenter suggested removing “[i]n accordance with subsection 18(2)” in s. 14(2) of the proposed amendments to the TR Rules and replacing it with a new subsection 14(2)(c) that mirrors the language in the CP, which states</p> <p>“[t]he requirement in subsection 14(2) to accept corrections to errors or omissions in derivatives data applies after the expiration or termination of a transaction, subject to the record retention period under section 18.”</p> <p>The commenter believed this suggestion would clarify the duty to accept corrections will cease upon the conclusion of the retention period.</p> <p>The commenter also suggested clarifying that the acceptance and processing of a correction does not extend the retention period for any record related to the corrected derivative, as the commenter believed retention was driven by the end date of a corrected derivative.</p>	<p>Change made.</p> <p>The provision requiring acceptance of corrections is now located in subsection 22.2(5) because the requirement applies in respect of corrections that satisfy the validation procedure.</p> <p>We have harmonized our approach in relation to the commenter’s question by clarifying the impact of corrections on the record retention requirement in the TR CPs.</p>

**14. Trade Repository Requirements – General**

**(a) Change in information**

Section	Comment	Response
<p>s. 3 of the TR Rules</p>	<p>A commenter requested the CSA more closely align filing requirements with the CFTC and SEC to avoid impairing trade repositories’ ability to update their application and change their rules in a timely manner.</p>	<p>Section 3 of the TR Rules requires a trade repository to file an amended Form 91-507F1 / 96-101F1 in respect of certain changes. The deadline for submission depends on whether the change is significant. The TR CPs outline the criteria that the Commission or securities regulatory authority uses to determine whether a change is significant.</p> <p>After careful consideration, we did not change the timing for submission of an amended Form 91-507F1 / 96-101F1 in respect of significant changes. It is important that we receive advance notice of these changes in the timelines set out under subsection 3(1) because of their significance to our regulation of trade repositories and use of derivatives data. Also, we are not aware of any instances where market participants have in practice had difficulty meeting the timing under this</p>

		<p>subsection. Given the type of these changes, we expect they would likely be planned well in advance.</p> <p>However, in order to reduce regulatory burden on trade repositories, the timing under subsection 3(3) has been changed to annual filing for changes that are not significant.</p>
--	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**(b) References to “counterparties”**

Section	Comment	Response
ss. 23, 38(1) of the TR Rules	A commenter requested that the rules use the term <i>participants</i> rather than <i>counterparties</i> where the intention is to limit trade repository requirements to <i>participants</i> . In their view, the term <i>counterparty</i> may suggest that trade repositories would be obliged to engage with or allow access to parties who have not met the know-your-customer or other participant criteria, including agreeing to the contractual obligations required for onboarding.	Change made. We appreciate this comment and have made corresponding clarifications.

**15. Maintenance and Renewal of LEIs**

**(a) Harmonization**

Section	Comment	Response
s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 s. 28(2) of MI 96-101	One commenter recommended harmonizing this provision across the CSA. For example, the commenter noted this rule applies to a counterparty, even those that are not local counterparties, under the ON, QC, and MB TR Rules but applies only to local counterparties under MI 96-101.	Change made.  Under the proposed amendments, these different provisions had the same substantive effect due to the different definitions of “local counterparty”.  Harmonization of the definitions of “local counterparty” have now enabled us to harmonize these provisions.
s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507 s. 28(2) of MI 96-101	Another commenter welcomed improvements to the quality of LEI data and believed that central coordination was necessary to ensure better compliance with the obligation to maintain LEIs without interrupting the smooth operation of trading or clearing.	We appreciate the commenter’s feedback.

**(b) Verification of LEI status by reporting counterparties**

Section	Comment	Response
<p>s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507</p> <p>s. 28(2) of MI 96-101</p>	<p>One commenter is of the view that reporting counterparties should not be required to verify that their counterparties have maintained and renewed an LEI. This commenter suggested that trade repositories could potentially give the CSA reports of live positions that have lapsed LEIs, given that trade repositories maintain Global Legal Entity Identifier Foundation connectivity.</p>	<p>We thank market participants for their comments on this issue and for acknowledging that the benefits from using legal entity identifiers are reduced when they lapse.</p> <p>We wish to clarify that where an LEI is reported, it must be a valid LEI, in the sense that it is an LEI that corresponds to the relevant counterparty. However, we do <u>not</u> require reporting counterparties to determine that their counterparty’s LEI is active (i.e. that it has been renewed each year).</p>
<p>s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507</p> <p>s. 28(2) of MI 96-101</p>	<p>A second commenter emphasized that they do not recommend placing an obligation on reporting counterparties to individually check the validity of LEIs because it would impose an enormous burden.</p> <p>The commenter agreed that the benefits from using LEIs are reduced when they lapse. This commenter then suggested the CSA advocate for the Global LEI System’s Regulatory Oversight Committee to change the annual renewal timeframe to one that is less frequent, like 2 or 3 years, and/or tie the renewal process to a company’s year-end to improve maintenance and renewal. The commenter also suggested that regulators could alternatively obtain a monthly report of lapsed LEIs from the local operating unit or trade repositories, and then follow up with the companies whose LEIs lapsed.</p>	<p><u>We remind all local counterparties that they are not in compliance with securities laws if their own LEI is lapsed.</u></p> <p>We encourage market participants to consider integrating LEI renewals across their corporate groups, so that LEIs are systematically renewed in a manner consistent with other ongoing corporate filings and renewals.</p> <p>We would also like to reiterate that, as provided in the TR CPs, we do not view using the address information in a counterparty’s LEI as an acceptable substitute for determining whether the counterparty is a “local counterparty” under the TR Rules.</p>
<p>s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507</p> <p>s. 28(2) of MI 96-101</p>	<p>A third commenter also recommended that LEI validation rules not be imposed, specifically noting that when there is an alpha trade exit, the clearing agency cannot control whether a party updated their LEI since clearing agencies are not parties to the alpha trade.</p> <p>The commenter supported requiring counterparties to maintain and renew LEIs used in trade reporting. However, the commenter found it was important to ensure that data was not rejected by a swap data repository for swaps data with lapsed LEIs when considering future proposals.</p> <p>To address this issue, the commenter recommended including language to clarify</p>	

	that swap data repositories would not reject data containing a lapsed LEI.	
s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507  s. 28(2) of MI 96-101	<p>A fourth commenter also stated that, beyond the measures identified below, clearing members and other counterparties should be responsible for maintaining and renewing their own LEIs.</p> <p>The measures identified by the commenter included:</p> <ul style="list-style-type: none"> <li>• Requiring clearing members as part of their admission and ongoing “Know Your Client” in a clearing house, to provide an LEI.</li> <li>• As a reporting counterparty, having clearing houses provide an identifier for their counterparty to the trade repository</li> <li>• Checking the reported LEI is valid in the GLEIF database, but not necessarily in the “active” status</li> </ul>	
s. 28.1 of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507  s. 28(2) of MI 96-101	A fifth commenter recommended discussing the role of trade repositories in using LEIs as part of their review of the validation rules.	

## 16. Exclusions

### (a) Commodity derivatives

#### (i) Notional threshold

Section	Comment	Response
s. 40 of the TR Rules	A commenter supported the OSC, AMF, and MSC proposed amendments to bring the commodity exclusion more in line with MI 96-101 by increasing the notional amount to \$250 million. This commenter brought to our attention that the amendment was necessary, because the current exclusion is so limited that it effectively is unavailable to commodity end-users.	We appreciate the commenter’s review and feedback.

**(ii) Notional calculation**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
s. 40 of the TR Rules	<p>A commenter commends the CSA’s desire to adopt international standards for derivatives data reporting requirements, but noted that the methodology for calculating notional amounts of commodity derivatives set out in the CPMI-IOSCO technical standards (and adopted by the CSA) is not representative of the method commercial energy firms use to calculate the notional amount of their derivatives and, therefore, vastly overstates the notional amount of commodity derivatives. The commenter requests that the CSA limit the application of the approach to notional amount calculations for commodity derivatives in the proposed amendments to data reporting purposes. Then for other purposes, the commenter requests market participants be allowed to use the more appropriate methodology set out in the commenter’s prior comments to proposed NI 93-102 (as also described in comments to other regulatory bodies, including IOSCO), one such purpose being the determination of eligibility for the \$250 million notional threshold in the commodity exclusion.</p>	<p>While we appreciate this comment, trade reporting data is fundamental to policy development and our oversight of derivatives markets. As regulators, we need to ensure that the thresholds we adopt across our regulatory framework are appropriate for our markets. We cannot determine this effectively if there is a disconnect between the notional activity that we have access to through data reporting and how market participants are calculating thresholds, nor can we monitor market participants’ compliance with those thresholds. Therefore, our view is that market participants should determine thresholds consistent with their trade reporting. We note that international data standards continue to evolve and we will continue to engage in international discussions regarding notional calculation of commodity derivatives.</p>

**(b) Affiliated entities**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
s. 41.1 of OSC Rule 91-507 and MI 96-101	<p>A commenter recommended integrating an exemption from the trade reporting obligations for derivatives between end-user affiliates, as was included in the ON TR Rule, into the QC and MB TR Rules.</p>	<p>Change made. MSC 91-507 and AMF Regulation 91-507 now include the exemption for derivatives between end-user affiliates that are currently provided by way of blanket orders.</p>

**(c) Ceasing to qualify for an exclusion**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
s. 42.1 of MI 96-101	<p>A commenter expressed concern for the proposed deletion of s. 42.1 and requested the CSA reconsider its deletion and reinsert the 180-day transition period for local</p>	<p>Change made. We thank the commenter for bringing this to our attention. In order to address this comment, we have added subsection 40(2) in all TR Rules, which provides for a harmonized 180-day transition period for</p>

	<p>counterparties who no longer meet the criteria under s. 40.</p> <p>The commenter found the 180-day transition period under s. 42.1(2) to be reasonable because it provided local counterparties who cease to meet the s. 40 criteria with time to set up contractual relationships with service providers, data systems, and other record and compliance programs in order to meet the triggered reporting requirements.</p>	<p>local counterparties after exceeding the \$250,000,000 notional threshold.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------

## 17. Substituted Compliance

Section	Comment	Response
<p>s. 26(5) of MSC Rule 91-507, OSC Rule 91-507 and AMF Regulation 91-507</p>	<p>A commenter indicated that it would welcome a reconsideration of the degree to which the equivalence concept is interpreted. This commenter believed the interpretation is currently limited to the conditions of s. 26(5) and paragraph (c) of the “local counterparty” definition.</p>	<p>No change.</p> <p>The commenter is correct that substituted compliance is very limited to the specific conditions of this subsection. This subsection of AMF Regulation 91-507, MSC Rule 91-507 and OSC Rule 91-507 was originally designed to attempt to mitigate the burden in very limited situations where a derivative is <u>solely</u> reportable because a counterparty is a guaranteed affiliate (for example, where a foreign dealer that is not a local counterparty is transacting with a non-dealer that is a local counterparty only because it is a guaranteed affiliate), where the foreign dealer may not otherwise be a reporting counterparty in Canada.</p>
<p>s. 26(3) of MI 96-101</p>	<p>In light of differences with reporting under EMIR, the commenter would welcome the opportunity to work with regulators on revisiting the equivalence concept to harmonize reporting globally.</p>	<p>Our understanding is that, at this time, this provision isn’t capable of being used by market participants and to our knowledge, this provision has not been used.</p> <p>Subsection 26(3) of MI 96-101 also provides for substituted compliance where a counterparty to a derivative is organized under the laws of the local jurisdiction, but does not conduct business in that jurisdiction other than activities incidental to being organized there.</p> <p>The difficulty with pursuing substituted compliance on a global basis is that Canadian regulators currently do not obtain access to trade reporting data under foreign trade reporting rules. Even if this were possible, this data would not be tailored to our jurisdictions. Differences in certain data elements in foreign jurisdictions may impede our ability to aggregate and analyze data. Data reported under foreign jurisdictions would not include the relevant province or territory of a “local</p>



		<p>counterparty”, which aligns with the CSA’s respective jurisdictions and enables us to exercise oversight of our respective markets. An additional complication is that trade repositories outside of North America are different legal entities that aren’t designated or recognized in Canada. A further complication is that this data, if it were otherwise subject to public dissemination, would not be publicly disseminated together with other Canadian data.</p> <p>Rather than deleting this provision, we took the approach of retaining it in case it is capable of being used in the future as trade reporting continues to evolve. We may revisit this decision if we find that this provision continues to be unusable or if its inclusion is causing confusion.</p> <p>While we welcome the opportunity to explore the potential for substituted compliance in the future, at this time, we believe that we can meaningfully reduce the long-term burden on market participants by continuing to focus on harmonizing data elements across jurisdictions.</p>
--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## 18. Reporting of Anonymous Derivatives

### (a) Scope of facility reporting – expanding beyond anonymous alpha trades

Section	Comment	Response
s. 36.1 of the TR Rules	One commenter asked the CSA to align their approach with the CFTC’s, which does not differentiate between anonymous vs. disclosed derivatives or intended to be cleared vs. not intended to be cleared derivatives.	No change. Our objective regarding reporting by derivatives trading facilities is currently limited to addressing the issues we identified in relation to anonymous derivatives that are intended to be cleared. Counterparties are currently able to report for other derivatives executed on derivatives trading facilities, and they have been doing so since the implementation of the TR Rules.
s. 36.1 of the TR Rules	A second commenter supported imposing obligations of a reporting counterparty on derivatives trading facilities for trades that are executed anonymously and intended to be cleared. However, they suggested extending this obligation to all trades executed on a swap execution facility and clarifying that s. 36.1 applies only to swap execution facilities and not to other types of trading facilities under CFTC rules.	We appreciate that there may be benefits in the future to exploring a wider range of reporting obligations on derivatives trading facilities. However, at this time, additional obligations would be a material change that may result in potential additional burden on derivatives trading facilities. As a result, this would necessitate an additional request for comment on the TR Rules and result in delay in implementation.
s. 36.1 of the TR Rules	A third commenter agreed with the rationale for imposing an obligation to report on derivatives trading facilities but argues the obligation should align with the CFTC by	We do not agree with the request to clarify that s. 36.1 only applies to swap execution facilities under CFTC rules. While our understanding is that, currently, only

	requiring SEFs to report all derivatives, not just anonymous alpha trades that are intended to be cleared. The commenter recommended this requirement only apply to swap execution facilities, as defined under the CFTC rules, and not to other derivatives trading facilities.	swap execution facilities under CFTC rules offer anonymous trading of intended to be cleared over-the-counter derivatives, our rules must remain flexible to accommodate changes in the market should other facilities offer this type of trading in the future.
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**(b) Scope of facility reporting – specific scenarios**

Section	Comment	Response
s. 36.1 of the TR Rules	<p>A commenter requested the CSA provide guidance on reporting obligations in relation to two specific scenarios:</p> <ol style="list-style-type: none"> <li>1. A swap execution facility operating an anonymous central limit order book does not expect to report NDFs or foreign exchange options because the SEF cannot determine, on a pre-trade basis, whether these trades are intended to be cleared.</li> <li>2. A swap execution facility does not expect to report interest rate swaps on its platform because they are not market forming derivatives and do not change the market risk position of participants.</li> </ol>	<p>We appreciate these comments and have considered each scenario separately.</p> <p><i>First scenario</i> The CFTC has noted that “whether a swap is intended to be cleared is a material term that affects trade pricing and trade processing workflows, and it is something that SEF should be able to determine at the time of execution, including for voluntarily-cleared swaps.”<sup>8</sup> We have clarified that the requirement applies to derivatives that are intended to be cleared at the time the transaction is executed.<sup>9</sup> If a transaction is executed anonymously but the derivative is not intended to be submitted for clearing contemporaneously with execution, the reporting counterparty under the TR Rules is the counterparty to the derivative determined under s. 25(1) rather than the derivatives trading facility.</p> <p><i>Second scenario</i> We believe the derivatives described by the commenter to be reportable. Although we appreciate that these derivatives may be risk reducing and not price forming (similar to portfolio compression exercises), we require reporting of these derivatives because they enable our oversight by improving our understanding of market risk. Absent reports of these derivatives, market risk may appear to be more elevated than in reality. It is our understanding that these derivatives would also be reportable under CFTC and ESMA requirements.</p>

**(c) Terminology**

Section	Comment	Response
s. 36.1 of the TR Rules	One commenter noted that the Ontario, Manitoba and Quebec proposed amendments	No change.

<sup>8</sup> Post-Trade Name Give-Up on Swap Execution Facilities, 85 FR 44693 at 44705 (July 24, 2020).

<sup>9</sup> This interpretation aligns with the CFTC’s interpretation under the *Post-Trade Name Give-Up on Swap Execution Facilities*, 85 Fed. Reg. 44693 at 44699 (July 24, 2020).

s. 1(1) of MI 96-101	refer to a “derivatives trading facility” without defining this term, while the proposed amendments to the Multilateral Instrument refer to a “facility or platform for trading in derivatives” and provide a very detailed definition. The commenter preferred not defining this term in order to ensure that any platform conducting anonymous trades in OTC derivatives will have the reporting obligation.	<p>In Ontario, Manitoba and Quebec, the term “derivatives trading facility” is an existing term that is used in each Rule 91-506 <i>Derivatives: Product Determination</i> and defined in a similar way under the respective companion policies to Rule 91-506. The proposed TR CPs to Rule 91-507 adopts these similar definitions for consistency in these jurisdictions.</p> <p>In the other jurisdictions, MI 91-101 <i>Derivatives: Product Determination</i> does not use the term “derivatives trading facility”. The definition in each jurisdiction varies according to securities legislation in the local jurisdiction. Consequently, they have adopted a slightly different approach that includes a definition for purposes of the Instrument with specific types of facilities.</p> <p>Notwithstanding these different approaches, there should generally be a similar outcome across Canada. We recognize that there is further opportunity for harmonization in terminology and definitions, and the CSA intends to further consider these concepts as part of its ongoing work regarding derivatives trading platforms (see CSA Consultation Paper 92-401 <i>Derivatives Trading Platforms</i>).</p>
s. 36.1 of the TR Rules	Another commenter recommended amending paragraph 36.1(b) of the proposed amendments to include a reference to s. 31.	No change. This is not necessary. Paragraph 36.1(3)(b) provides that requirement that applies to a qualified reporting counterparty under subsections 31(2) and 31(3) applies to the derivatives trading facility (in respect of anonymous alpha derivatives that are intended to be cleared) and therefore the derivatives trading facility must report creation data under section 31.

**(d) Data issues and regulatory burden**

Section	Comment	Response
s. 36.1 of the TR Rules	<p>One commenter noted that imposing reporting obligations on SEFs runs counter to the current approach of exempting SEFs from recognition that allow SEFs to rely on compliance with CFTC requirements.</p> <p>The commenter argued that:</p> <ul style="list-style-type: none"> <li>the differences in data elements and reporting requirements between the CFTC and Canadian regimes impose a significant added burden,</li> <li>because the required data elements are different from those required by the</li> </ul>	<p>Changes made.</p> <p><i>SEF exemptions</i></p> <p>We disagree that requiring SEFs to report derivatives is contrary to exempting them from recognition as an exchange.</p> <p>The authority to provide for derivatives trade reporting requirements under applicable legislation in each CSA jurisdiction operates independently of other requirements such as registration and recognition.</p> <p>For example, a bank that is exempt from registration, or a clearing agency that is exempt from recognition, may</p>

	<p>CFTC, it makes no difference that three CFTC-SDRs are the same entities as the designated trade repositories in Ontario, and</p> <ul style="list-style-type: none"> <li>the compliance burden on SEFs is also great because SEFs must now potentially determine if every participant is a guaranteed affiliate of a local counterparty and cannot rely on substituted compliance under s. 26(5).</li> </ul> <p>The commenter also warned that SEFs might stop making their anonymous central limit order book functionality available to Canadian participants, which the commenter believes could markedly decrease liquidity in Canadian markets.</p> <p>The commenter offered potential alternatives to s. 36.1:</p> <ul style="list-style-type: none"> <li>Canadian regulators could obtain information by sharing data with the CFTC,</li> <li>the commenter is open to providing copies of reports submitted to their respective swap data repositories, if explicitly requested, and</li> <li>Canadian regulators could obtain the data directly from market participants or sources.</li> </ul> <p>Lastly, the commenter asked that, to the extent s. 36.1 is retained, it should be drafted in a way that clarifies exactly which obligations apply to SEFs. For example, the commenter would like to know whether substituted compliance applies under s. 36.1 given that it refers to s. 26 in its entirety, yet the commenter understands that substituted compliance under s. 26(5) is not available to SEFs. Similarly, the commenter would like to know why s 36.1 refers to 26.1(1) when 26.1(1)(b) is inapplicable to SEFs.</p>	<p>nevertheless be subject to derivatives trade reporting requirements. Similarly, a SEF is not insulated from these requirements through an exemption from recognition as an exchange.</p> <p><i>Data elements</i> We appreciate the commenter’s concerns regarding data elements. We reviewed the data elements that are necessary in the particular context of anonymous derivatives and, in order to reduce the burden on derivatives trading facilities, we have provided for certain exclusions.</p> <p><i>Local counterparties that are guaranteed affiliates</i> We appreciate that derivatives trading facilities may not have information relating to a participant, or its customer, that is a local counterparty due to it being a “guaranteed affiliate” (which is relevant to the Jurisdiction of Counterparty data elements #10 and #11). We further note that several reporting counterparties were granted time-limited exemptive relief in this regard when TR Rules were initially implemented, subject to certain conditions. Accordingly, there is a grace period to enable derivatives trading facilities to gather this new information from their participants and their customers, subject to using diligent efforts to obtain this information.</p> <p><i>Harmonization of Technical Manual</i> In reference to differences in data elements, the commenter encouraged alignment with subsequent amendments to the CFTC Technical Specification. We remain committed to updating the Technical Manual in the future on an ongoing basis to ensure continuing harmonization.</p> <p><i>Alternative suggested by the commenter: obtain data from the CFTC.</i> We refer the commenter to our discussion above under Item #17 – Substituted Compliance. Also, this alternative would not enable public dissemination of these derivatives for the Canadian market.</p> <p><i>Alternative suggested by the commenter: swap execution facilities provide data on request</i> While we appreciate the commenter’s offer to provide, on request, copies of its reports under CFTC reporting requirements, this would not meet the policy objectives of the TR Rules, primarily because:</p> <ul style="list-style-type: none"> <li>public dissemination of these derivatives is important for the Canadian market, and</li> </ul>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

		<ul style="list-style-type: none"> <li>this would result in many of the same difficulties that are discussed above under Item #17 – Substituted Compliance.</li> </ul> <p><i>Alternative suggested by the commenter: market participants provide data on anonymous derivatives</i> It is not possible for market participants to provide data on anonymous derivatives that are intended to be cleared. This is the current approach, which has proven to be unworkable because the derivatives are anonymous.</p> <p><i>Structure of Section 36.1</i> We have clarified the provisions that apply to derivatives trading facilities and have also provided a summary chart in the TR CPs.</p> <p><i>Substituted compliance under subsection 26(5) for derivatives trading facilities</i> We confirm that substituted compliance under s. 26(5) is not available to derivatives trading facilities. We refer the commenter to our discussion above under Item #17 – Substituted Compliance. In addition, we note that the purpose of this provision was originally to reduce the burden on foreign dealers only transacting with guaranteed affiliates in Canada. (In MI 96-101, there is further limited substituted compliance for entities organized in a local jurisdiction but not carrying on business there.) We do not believe these policy rationales apply in relation to derivatives trading facilities that are market infrastructures that will be reporting other derivatives in Canada.</p>
s. 36.1 of the TR Rules	Another commenter raised the concern that swap execution facilities may not have access to certain Canadian-specific data elements, like master agreement types or version, which do not apply to them.	We appreciate the commenter’s concern and have updated the data elements applicable to derivatives trading facilities.

## 19. Data Elements

### (a) Location of data elements

Section	Comment	Response
General	A commenter believed the data elements should be removed from Appendix A or relevant sections in the proposed amendments and included in the draft technical manuals so that data elements can be changed flexibly and easily without new rulemaking or rule	No change. While we appreciate the commenter’s perspective, core requirements such as data elements must be subject to the CSA formal rulemaking process. However, to ensure flexibility with regard to administrative technical matters, such as the format and values for reporting, we have published the Technical

	amendments, provided sufficient lead time is given to industry.	Manual which can be updated more flexibly to ensure it remains aligned globally.
--	-----------------------------------------------------------------	----------------------------------------------------------------------------------

**(b) ISO 20022**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	<p>One commenter noted the proposed amendments do not appear to indicate whether the CSA intends to mandate a data standard when submitting to a trade repository and encouraged the CSA to provide the public with an opportunity to comment on such matters if they are proposed.</p> <p>The commenter also stated that an understanding of which standards (e.g. FIXML, FpML, ISO 20022 XML) would apply and their implementation timeline would be critical information for both trade repositories and reporting counterparties.</p>	<p>We thank market participants for their comments on this issue. We will carefully consider these comments and provide further information regarding the ISO 20022 standard in the future.</p>
General	<p>A second commenter noted that other jurisdictions, like the CFTC, are moving to the ISO 20022 standard which will update EPML and XML trade messaging. This commenter then encouraged the CSA to also consider implementing this standard to further improve cross-border harmonization when meeting trade reporting requirements.</p>	
General	<p>A third commenter noted there are currently no ISO 20022 reporting messages for the proposed amendments and recognized the process to include the CFTC and EMIR data elements into the reporting ISO 20022 schema is still ongoing at the global level. However, the commenter believed that, if the proposed TR Rules were implemented prior to completing and requiring the relevant ISO 20022 reporting schema, the industry would need to undertake a second phase for the implementation of the amended Canadian rules.</p> <p>The commenter also found it unclear what impact the CSA ISO 20022 requirements will have on the proposed amendments' definitions, allowable values, or form and manner specifications.</p>	

**(c) Platform Anonymous Execution Indicator**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
Data Element #23	A commenter recommended adding an “Anonymous Execution Indicator” data element so that trade repositories can identify anonymous derivatives and comply with s. 22.1. Without such a field in the draft technical manuals, the commenter noted that trade repositories will not be able to identify such trades and enforce and/or mask the data.	Change made.  Data Element #21 (Submitter identifier) already identifies a derivatives trading facility if it is reporting the data and the TR Rules only require derivatives trading facilities to report anonymous derivatives.  However, for clarity and consistency with the approach that we understand swap data repositories have adopted in the U.S., we have added an anonymous execution indicator.

**20. CSA Derivatives Data Technical Manual**

**(a) General comments**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	One commenter expressed they were looking forward to further commenting on the data elements and technical specifications in due time and suggested that a revised version of the data elements and draft technical manuals be provided for further comment in advance of their finalization.	We thank the commenters for their feedback. Data elements are included in the rules as Appendix A, and are therefore subject to CSA rulemaking and formal comment process.  The Technical Manual, which provides for administrative technical matters such as format and values, will be updated on an ongoing basis to remain aligned with related global changes. We welcome all comments from market participants on the Technical Manual on an ongoing basis.
General	Another commenter agreed with the CSA’s intention to review with industry and trade repositories, outside of the rulemaking process, details including formatting, and allowable values, before any changes are made to the draft technical manuals. This commenter noted such cooperation can be successful by pointing to the collaborative efforts undertaken with the CFTC to fine tune their Technical Specifications.	

**(b) Notional amount of commodity derivatives**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
Appendix 3.1 of the Technical Manual	A commenter commends the CSA’s desire to adopt international standards for derivatives data reporting requirements, but noted that the methodology for calculating notional amounts of commodity derivatives set out in the CPMI-IOSCO technical standards (and adopted by the CSA) is not representative of the method	Please refer to the CSA response to this comment above under the heading “Exclusions” with respect to section 40.

	commercial energy firms use to calculate the notional amount of their derivatives and, therefore, vastly overstates the notional amount of commodity derivatives.	
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**(c) Comments on specific data elements in the draft technical manuals**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
Data Element #8, 9, 18, 20, 24, 25, 59, etc.	<p>A commenter found numerous fields that specified in the “Validations” “NR.” The commenter expressed interest in understanding the meaning of “NR,” and specifically asked:</p> <ul style="list-style-type: none"> <li>• whether “NR” is meant to signify that the fields will not be required, and</li> <li>• whether “NR” is meant to signify no validation needs to be applied to the field.</li> </ul> <p>If it is meant to signify no validation needs to be applied to the field, the commenter asked whether the CSA anticipates this will change in the future (e.g., once ESMA finalizes its validations).</p>	Change made. This has been clarified in the Technical Manual. NR signifies Not Required (the data element is not required to be included in the report).
Data Elements #17, 19	<p>A commenter stated there would be instances where the alpha trade reference was not provided by the bilateral party to the clearing agency. The commenter then encouraged the CSA to adopt a similar approach to the CFTC, which acknowledged this by providing a footnote to their Technical Specification that stated, for derivatives where no original Unique Swap Identifier is available or not provided, a value of “NOTAVAILABLE” could be used.</p>	<p>No change. We agree that the CFTC Technical Specification appears to provide this guidance as a footnote to the following CFTC data elements: Original swap USI, Original swap UTI and Original swap SDR identifier. However, the CSA does not share these data elements.</p> <p>The CFTC Technical Specification does not provide similar guidance in relation to the Prior USI and Prior UTI data elements, which are shared by the CSA. We note that the Prior UTI data element is provided under Example 6 of the CFTC Technical Specification in respect of clearing novation.</p> <p>We expect data validation and verification to mitigate the potential for this issue to arise, but we will monitor as the TR amendments are implemented.</p>
#22	<p>A commenter sought clarity on whether data element 22 (“Platform identifier”) is populated with an ISO 10383 segment MIC code that indicates the entity is a derivatives trading facility. If they cannot use this field, the commenter requested an indicator field to be added that definitively identifies whether the</p>	<p>As noted above under Item 17(c), we have added an anonymous execution indicator to assist in compliance with s. 22.1 of the TR Rules.</p>



	trading facility is a “derivatives trading facility” so they may comply with s. 22.1.	
Data Element #26	<p>A commenter supported allowing the use of a dummy value for certain notional amounts, like the “999999999999999999.99999” dummy value used by the CFTC, because it would lessen the potential for trades to be rejected in the case of an edge scenario that has not been contemplated.</p> <p>Although the commenter acknowledged that it is unlikely that notional amounts will not be available, since public reporting is subject to a much longer time delay in Canada, they felt there would still be some products for which notional amounts may not be known for an extended period.</p>	Change made. This has been clarified in the Technical Manual.
Data Element #40	A commenter pointed out that two data elements are substantially identical.	Change made. This has been addressed. We have deleted the Data Element that was numbered #36 in the draft technical manuals.
Data Element #26-42	<p>Since the maximum character length is not specified, a commenter believed trade repositories would be required to accept an infinite number of schedules. The commenter felt this was problematic because it is not possible to implement unbounded fields due to database character length constraints.</p> <p>To address this issue, the commenter suggested:</p> <ul style="list-style-type: none"> <li>• Mirroring the CFTC’s approach of expecting the full schedule to be implemented using a 500-character limit</li> <li>• Limiting the number of repetitions (which the commenter currently sets to 10) to ensure that trade repositories do not end up truncating a value.</li> <li>• Permitting each trade repository to decide how reporting entities should submit such data</li> <li>• Requiring a reporting counterparty to adhere to the implementation procedures established by the trade repository.</li> </ul>	Change made. This has been addressed.

Data Element #45, 53, 56	A commenter noted there are validations for the listed field reference “post-price swap indicator” when no such field is contained in the draft technical manuals nor is there a reference to post-priced swaps in the proposed amendments. The commenter assumed it was left over from the CFTC validations and suggested its removal.	Change made. This has been addressed in the Technical Manual.
Data Element #93	A commenter sought clarification on whether the format or allowable value for this data element was intended to be Varchar(52)/Up to 52 alphanumeric characters, similar to what is drafted under data element #94 (Initial margin collateral portfolio code) and consistent with the format/allowable value under CFTC data element #124.	Change made. This has been addressed in the Technical Manual.
Data Element #95	While the “Values” for this field are defined as “Any valid date/time,” a commenter noted that the “Format” states the time element may be dropped under certain circumstances. The commenter used this observation to conclude that implementing the validations needed to ensure the field format conforms to the draft technical manuals would be unduly complex.  The commenter then suggested establishing a dummy time that would be added when a time portion of the timestamp is not available, if the CSA believes they need additional flexibility.	Change made. This has been addressed in the Technical Manual to harmonize with the CFTC.
Data Element #98  Appendix 3.5 of the Technical Manual	A commenter noted that the acronym for “Collateral” on the “Action Type” axis of the chart used “COLU” but the acronym used in the data element was “MARU” and assumed the appendix acronym was an oversight.	Change made. This has been addressed in the Technical Manual.
Data Element #98	A commenter noted that “revive” was included in the definition to data element #98 of the draft technical manuals but did not have an allowable value.	Change made. This has been addressed in the Technical Manual.
Data Element #99	A commenter pointed out that the draft technical manuals included a UPDT valid value under this data element but did not provide for it in the definition section nor in the Event Types table of the life cycle event reporting section. In addition, the commenter expressed that, if there is no upgrading of open trades to the new specifications, then the	No change. We have included a definition of UPDT in section 3.7 of the Technical Manual. We propose to retain the UPDT value as it may be used by reporting counterparties that have not upgraded their creation data before the amendments to the TR Rules are implemented and that may upgrade this data following

	<p>UPDT value should be removed to achieve consistency and avoid confusion.</p> <p>The commenter then noted that the CFTC action type and event type fields (#26, #27) are expected to be used by Canadian reporting counterparties after December 5, 2022 and the trade repository (DTCC) is expecting all open trades, including Canadian trades, to be upgraded to the new reporting specification at the end of 2022 using the MODI/UPDT message type.</p>	<p>implementation. We will monitor and provide additional clarification if needed.</p>
Data Element #99	<p>A commenter recommended using consistent terminology, where possible, in the TR Rules and/or draft technical manuals to reduce confusion and improve the consistency of reporting. For example, the commenter found the definition for “Transfer” was provided in the #98 Event Type for transferring swap data repositories, but the allowable value PTNG they believed to be relevant used “porting” (i.e. PTNG = Porting).</p>	<p>No change. We note that PTNG is the CFTC allowable value for a transfer event (i.e. a transfer to another trade repository). To improve harmonization, we have adopted this CFTC allowable value rather than creating a unique CSA allowable value for the same event type.</p>
Data Element #122	<p>A commenter found a custom basket code in the draft technical manuals would not produce any meaningful results in data aggregation because custom baskets are typically one-of-a-kind.</p> <p>The commenter found that requiring the LEI of the structurer as part of the allowable value of a custom basket code could cause the structurer to be exposed.</p> <p>The commenter found the custom basket code created a potential risk that parties to the custom basket trade could be unintentionally identified. The commenter noted that custom basket codes could be associated with the derivative’s underlier and reveal the party’s identity, especially since underlier information might be made publicly available under various transparency reporting regimes.</p>	<p>We appreciate this comment, which relates to an internationally harmonized data element. We will convey this comment for further consideration by the relevant international committee.</p>
Data Element #136-141	<p>A commenter asked if more than one payment is expected to be submitted and suggested that the expected treatment of multiple payments be clearly defined as done in s. 1.3.6 of the CFTC’s Technical Specification.</p>	<p>Change made. This has been addressed in the Technical Manual.</p>

**(d) Validation**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	A commenter also recommended the CSA consider changes made by other regulators to the validation of common fields.	We appreciate this comment and intend to consider these changes.

**(e) Crypto derivatives**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	A commenter welcomed the opportunity to work with the CSA as well as other regulators to further refine the definition of derivatives based on cryptoassets.	We appreciate the commenter’s review and feedback.

**(f) Action type**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	A commenter advocated for allowing trade repositories flexibility to determine whether they want to require all fields for Action Types TERM, PORT and EROR, or to allow the reporting entity to provide a limited set of fields.	Change made. This has been clarified in the Technical Manual to align with the CFTC’s approach in 1.2.2 of its Technical Specification.
General	A commenter requested the CSA clarify their expectations on what must be publicly disseminated by a trade repository for short messages. For illustrative purposes, the commenter asked whether 10 data elements with a message showing Action Type = EROR that were submitted 72-hours after public dissemination would have to be disseminated alone or with all the data elements in the complete transaction level report.	We appreciate the commenter’s question. We will consider questions regarding public dissemination more fully in the context of future proposed amendments to the TR Rules. In the meantime, we expect the trade repository to provide sufficient information for a participant to link the error to the originally publicly disseminated transaction.

**(g) Handling of else {blank} validations**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
Data Element #4-7, 16, 17, 19, 28, 29, etc...	Under the commentary to s. 22.2(2) in 91-507CP, a commenter found it implied that where the validation rules contained in the draft technical manuals included in the condition ‘Else {blank},’ a trade repository would have to reject a submission containing a value when a value is not expected. This	The commentary under s. 22.2(2) in the TR CPs provides that a trade repository must notify a reporting counterparty whether or not the derivatives data satisfies the validation procedure of the trade repository.  We have clarified in the Technical Manual that the validation column contains minimum conditions. It is

	<p>commenter believed the decision to reject should be left to each trade repository and that each trade repository should be able to decide whether to enforce the condition on a field-by-field basis. To provide certainty as to the expected handling by a trade repository, the commenter suggested trade repositories should document their treatment in relevant specifications.</p> <p>The commenter then suggested language for the CP to address this concern:</p> <p><i>“It is possible the data element may be reported for scenarios outside of what is listed in the validations column (for example, a value may be provided where there is an else {blank}).”</i></p>	<p>possible the data element may be reported for scenarios outside of what is listed in the validation rules column (for example, a value may be provided where there is an else {blank} which may be interpreted as “else optional”). This aligns with the CFTC’s approach.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**(h) Handling of leg level validations**

Section	Comment	Response
<p>Data Element #6, 7, 26-27, 32-45</p>	<p>A commenter noted that, as drafted, validations for leg level fields do not differentiate between leg 1 and leg 2, which could be read to mean that a trade repository should apply the same validation to both legs.</p> <p>The commenter then noted that, were a swap data repository to apply leg level validations equally, it would result in unnecessary rejections of valid swaps. For example, the commenter identified that the price for commodity swaps can be represented as a “Price”, “Fixed-rate Leg 1”, or “Fixed-rate Leg 2.” To avoid the anticipated rejection of valid swaps under the currently drafted validations, the commenter stated all three fields must be made optional to provide flexibility to handle a variety of legitimate derivatives contracts.</p> <p>Alternatively, the commenter suggested that permitting a trade repository to incorporate other validations for leg-level data elements, as the CFTC has done, will be easier, more complete, and avoid identifying and accounting for similar interdependencies in the draft technical manuals. This commenter suggested the following language be added to the draft technical manuals:</p>	<p>Change made. This has been clarified in the Technical Manual to align with the CFTC’s approach.</p>

	<p><i>“Generally speaking the validations included in the Technical Specification for leg-based data elements are meant to apply to the first leg (Leg 1). It should not, however, be presumed the validations apply to the second leg (Leg 2) similarly. This is due in large part to the conditionality between leg fields and in light of the fact that SDR-specific data elements can alter the application of the published validations in ways not contemplated in the Technical Specification. Given this, trade repositories may incorporate other validations for leg-level data elements, should they deem it necessary.”</i></p>	
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**(i) Repeating fields**

Section	Comment	Response
General	<p>A commenter requested the CSA clearly define how they want repeating fields passed down on the reports the trade repositories send to regulators. The commenter noted this understanding would minimize the amount of manipulation/transformation trade repositories must perform.</p>	<p>We thank the commenter for this comment. We will address this in our discussions with trade repositories.</p>

**(j) Missing guidance**

**(i) Jurisdiction fields**

Section	Comment	Response
Data Element #10-11	<p>A commenter noted that Appendix A currently has two jurisdiction fields that are used by trade repositories to determine which provincial regulator is to receive transaction data. However, these fields have not been included in the draft technical manuals, except for a “Country or Province or Territory of individual” (data element #9) which is only populated for trades involving a natural person.</p> <p>The commenter asked the CSA for clarification as to why the fields have not been included as they are required to determine whether a regulator can access data.</p>	<p>We had not included these data elements in the draft technical manuals in order to provide increased flexibility to each trade repository to determine the most convenient format or value, subject to our review of these specifications. We intend to discuss these data elements with trade repositories. However, to avoid confusion, we have included these data elements in the Technical Manual.</p>

**(ii) Asset class**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	<p>A commenter noted that Appendix A currently includes an asset class field for classifying derivatives into one of the 5 major asset classes, but the draft omitted the field.</p> <p>The commenter assumed the field was omitted intentionally and will be added as part of the UPI implementation. However, if this is not the case, the commenter suggested reconsidering omitting the field since they use the classification to drive submission validations and cut the number of reports sent to the Canadian regulators and clients.</p>	<p>The commenter’s assumption is correct. The field was omitted intentionally as we intend to add this as part of the UPI implementation.</p>

**(iii) Submission type indicator**

<b>Section</b>	<b>Comment</b>	<b>Response</b>
General	<p>A commenter requested a means for a trade repository to identify whether the message being sent requires public dissemination, otherwise the trade repository would have no way to make the determination.</p>	<p>No change. We wish to draw the commenter’s attention to the “Made Available to the Public” column in Appendix A to the TR Rules.</p>