

## CSA Notice regarding *Coordinated Blanket Order 24-930 Exemption from certain filing requirements of Regulation 24-101 respecting Institutional Trade Matching and Settlement*

**June 15, 2023**

### **Introduction**

On June 15, 2023, the Canadian Securities Administrators (CSA) published a temporary exemption on the applicability of section 4.1 of *Regulation 24-101 respecting Institutional Trade Matching and Settlement* (**Regulation 24-101**) for registered dealers and advisers (**Registered Firms**) with respect to the exception reporting requirement of Regulation 24-101 (**Exception Reporting Requirement**). The CSA has implemented the relief through local blanket orders that are substantively harmonized across the country. This notice contains CSA staff's views about the exemption in the local blanket orders (collectively, the **Blanket Orders**).

The Blanket Orders are being issued in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

### **Description of the Blanket Orders**

The Blanket Orders exempt Registered Firms from the requirement to deliver Form 24-101F1 of Regulation 24-101 to the participating jurisdictions.

Although the outcome of any coordinated Blanket Order is the same in participating CSA jurisdictions, the language of the Blanket Order issued by each province or territory may not be identical because each jurisdiction's Blanket Order must fit within the authority provided for in local securities legislation.

In Alberta, British Columbia, New Brunswick and Nova Scotia, the Blanket Orders will be implemented by varying the existing relief set out in Alberta Securities Commission Blanket Order 24-505, BC Instrument 24-501, New Brunswick Blanket Order 24-502 and Nova Scotia Securities Commission Blanket Order No. 24-503.

### **Background**

Regulation 24-101 has been in effect since 2007. It provides a framework for ensuring efficient and timely settlement of the processing of institutional trades (equity and debt) by Registered Firms. Regulation 24-101 has a number of requirements including that Registered Firms are required to establish, maintain and enforce policies and procedures designed to achieve the matching threshold of institutional trades.

Under the Exception Reporting Requirement, Registered Firms are required to deliver Form 24-101F1 to the securities regulatory authority if less than 90% of trades (by value and volume) executed by or for the Registered Firm during the quarter matched within the time required by Regulation 24-101. Form 24-101F1 requires Registered Firms, among other things, to explain why they did not meet the exception reporting thresholds and the steps to address the delay.

In 2020, the CSA implemented a three-year moratorium on the applicability of the Exception Reporting Requirement through a local rule in Ontario and by Blanket Orders in all other jurisdictions (the **2020 Moratorium**). As a result of the 2020 Moratorium, Registered Firms are no longer required to deliver Form 24-101F1 beginning on July 1, 2020 and ending on July 1, 2023.

On December 15, 2022, the CSA published for comment Draft *Regulation to amend Regulation 24-101 respecting Institutional Trade Matching and Settlement* (**Draft Regulation 24-101**). Draft Regulation 24-101 is intended to align with the shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade to one day after the date of a trade. Draft Regulation 24-101 would, if implemented, also include the permanent elimination of the Exception Reporting Requirement for Registered Firms.

Draft Regulation 24-101, if approved, is expected to come into force on a date that is aligned with Canada's industry move to a T+1 settlement cycle, currently expected to be May 27, 2024.

### **Day on Which the Blanket Orders Cease to be Effective**

The Blanket Orders come into effect on July 2, 2023, and will cease to be effective on the earlier of the following:

- (a) the effective date of Draft Regulation 24-101;
- (b) the date that is 18 months after the date of the Blanket Orders unless extended by the participating jurisdictions.

### **Questions**

If you have questions, please contact any of the following:

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