

chapter V-1.1, r. 8

REGULATION 24-101 RESPECTING INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

Securities Act

(chapter V-1.1, s. 331.1)



Further to the publication of CSA Staff Notice 11-342: Notice of Local Amendments and Changes in Certain Jurisdictions (AMF Bulletin of August 6, 2020, Vol. 147, no. 31) this Regulation has been updated.

PART 1 DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Regulation,

"clearing agency" means a recognized clearing agency that operates as a "securities settlement system" as defined in section 1.1 of Regulation 24-102 respecting Clearing Agency Requirements (chapter V-1.1, r. 8.01);

"custodian" means a person that holds securities for the benefit of another under a custodial agreement or other custodial arrangement;

"DAP/RAP trade" means a trade in a security

(a) executed for a client trading account that permits settlement on a delivery against payment or receipt against payment basis through the facilities of a clearing agency, and

(b) for which settlement is completed on behalf of the client by a custodian other than the dealer that executed the trade;

"institutional investor" means a client of a dealer that has been granted DAP/RAP trading privileges by the dealer;

"marketplace" has the same meaning as in Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5);

"matching service utility" means a person that provides centralized facilities for matching, but does not include a clearing agency;

"registered firm" means a person registered under securities legislation as a dealer or adviser;

"trade-matching agreement" means, for trades executed with or on behalf of an institutional investor, a written agreement entered into among trade-matching parties setting out the roles and responsibilities of the trade-matching parties in matching those trades and including, without limitation, a term by which the trade-matching parties agree to establish, maintain and enforce policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"trade-matching party" means, for a trade executed with or on behalf of an institutional investor,

(a) a registered adviser acting for the institutional investor in processing the trade,

(b) if a registered adviser is not acting for the institutional investor in processing the trade, the institutional investor unless the institutional investor is

i) an individual, or

ii) a person with total securities under administration or management not exceeding \$10,000,000,

(c) a registered dealer executing or clearing the trade, or

(d) a custodian of the institutional investor settling the trade;

"trade-matching statement" means, for trades executed with or on behalf of an institutional investor, a signed written statement of a trade-matching party confirming that it has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after a trade is executed;

"T" means the day on which a trade is executed;

"T+1" means the next business day following T;

"T+2" means the second business day following T.

M.O. 2007-03, s. 1.1; M.O. 2009-05, s. 1; M.O. 2010-11, s. 1; M.O. 2017-07, s. 1.

1.2. Interpretation — trade matching and Eastern Time

(1) In this Regulation, matching is the process by which

(a) the details and settlement instructions of an executed DAP/RAP trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties, and

(b) unless the process is effected through the facilities of a clearing agency, the matched details and settlement instructions are reported to a clearing agency.

(2) For the purposes of this Regulation, in Québec, a clearing agency includes a clearing house and a settlement system within the meaning of the Québec Securities Act (chapter V-1.1).

M.O. 2007-03, s. 1.2; M.O. 2017-07, s. 2.

PART 2 APPLICATION

2.1. This Regulation does not apply to

(a) a trade in a security of an issuer that has not been previously issued or for which a prospectus is required to be sent or delivered to the purchaser under securities legislation,

(b) a trade in a security to the issuer of the security,

(c) a trade made in connection with a take-over bid, issuer bid, amalgamation, merger, reorganization, arrangement or similar transaction,

(d) a trade made in accordance with the terms of conversion, exchange or exercise of a security previously issued by an issuer,

(e) a trade that is a securities lending, repurchase, reverse repurchase or similar financing transaction,

(f) a purchase governed by Part 9, or a redemption governed by Part 10, of Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39),

(g) a trade to be settled outside Canada,

(h) a trade in an option, futures contract or similar derivative, or

(i) a trade in a negotiable promissory note, commercial paper or similar short-term debt obligation that, in the normal course, would settle in Canada on T.

M.O. 2007-03, s. 2.1; M.O. 2010-11, s. 2; M.O. 2017-07, s. 3.

PART 3 TRADE MATCHING REQUIREMENTS

3.1. Matching deadlines for registered dealer

(1) A registered dealer must not execute a DAP/RAP trade with or on behalf of an institutional investor unless the dealer has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 12 p.m. (noon) Eastern Time on T+1.

(2) *(paragraph repealed)*.

M.O. 2007-03, s. 3.1; M.O. 2010-11, s. 3; M.O. 2017-07, s. 4.

3.2. Pre-DAP/RAP trade execution documentation requirement for dealers

A registered dealer must not open an account to execute a DAP/RAP trade for an institutional investor or accept an order to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

- (a) enter into a trade-matching agreement with the dealer, or
- (b) provide a trade-matching statement to the dealer.

M.O. 2007-03, s. 3.2; M.O. 2010-11, s. 4; M.O. 2017-07, s. 11.

3.3. Matching deadlines for registered adviser

(1) A registered adviser must not give an order to a dealer to execute a DAP/RAP trade on behalf of an institutional investor unless the adviser has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 12 p.m. (noon) Eastern Time on T+1.

(2) *(paragraph repealed)*.

M.O. 2007-03, s. 3.3; M.O. 2010-11, s. 5; M.O. 2017-07, s. 5.

3.4. Pre-DAP/RAP trade execution documentation requirement for advisers

A registered adviser must not open an account to execute a DAP/RAP trade for an institutional investor or give an order to a dealer to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

- (a) enter into a trade-matching agreement with the adviser, or
- (b) provide a trade-matching statement to the adviser.

M.O. 2007-03, s. 3.4; M.O. 2010-11, s. 6; M.O. 2017-07, s. 11.

PART 4 REPORTING BY REGISTERED FIRMS

M.O. 2007-03, Part 4, M.O. 2009-05, s. 2; M.O. 2010-11, s. 1.

4.1. Exception reporting requirement

A registered firm must deliver Form 24-101F1 to the securities regulatory authority no later than 45 days after the end of a calendar quarter if

(a) less than 90% of the DAP/RAP trades executed by or for the registered firm during the quarter matched within the time required in Part 3, or

(b) the DAP/RAP trades executed by or for the registered firm during the quarter that matched within the time required in Part 3 represent less than 90% of the aggregate value of the securities purchased and sold in those trades.

M.O. 2007-03, s. 4.1; M.O. 2009-05, s. 2; M.O. 2010-11, s. 7; M.O. 2017-07, s. 11.

4.1.1. Moratorium

In Ontario, despite subsection 2(1) of Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*, section 4.1 does not apply to a registered firm beginning on July 1, 2020 and ending on July 1, 2023.

I.N. 2020-05-01.

PART 5 REPORTING REQUIREMENTS FOR CLEARING AGENCIES

5.1. Quarterly operations report of institutional trade reporting and matching

A clearing agency must deliver Form 24-101F2 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

M.O. 2007-03, s. 5.1; M.O. 2017-07, s. 6.

PART 6 REQUIREMENTS FOR MATCHING SERVICE UTILITIES

6.1. Initial information reporting

- (1) A person must not carry on business as a matching service utility unless
 - (a) the person has delivered Form 24-101F3 to the securities regulatory authority, and
 - (b) at least 90 days have passed since the person delivered Form 24-101F3.
- (2) During the 90 day period referred to in subsection 1, if there is a significant change to the information in the delivered Form 24-101F3, the person must inform the securities regulatory authority in writing immediately of that significant change by delivering an amendment to Form 24-101F3 in the manner set out in Form 24-101F3.

M.O. 2007-03, s. 6.1; M.O. 2017-07, s. 11.

6.2. Anticipated change to operations

At least 45 days before implementing a significant change to any item set out in Form 24-101F3, a matching service utility must deliver an amendment to the information in the manner set out in Form 24-101F3.

M.O. 2007-03, s. 6.2; M.O. 2017-07, s. 11.

6.3. Ceasing to carry on business as a matching service utility

- (1) If a matching service utility intends to cease carrying on business as a matching service utility, it must deliver a report on Form 24-101F4 to the securities regulatory authority at least 30 days before ceasing to carry on that business.
- (2) If a matching service utility involuntarily ceases to carry on business as a matching service utility, it must deliver a report on Form 24-101F4 as soon as practical after it ceases to carry on that business.

M.O. 2007-03, s. 6.3; M.O. 2017-07, s. 11.

6.4. Ongoing information reporting and record keeping

- (1) A matching service utility must deliver Form 24-101F5 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

(2) A matching service utility must keep such books, records and other documents as are reasonably necessary to properly record its business.

M.O. 2007-03, s. 6.4; M.O. 2017-07, s. 11.

6.5. System requirements

For all of its core systems supporting trade matching, a matching service utility must

(a) consistent with prudent business practice, on a reasonably frequent basis, and, in any event, at least annually,

(i) make reasonable current and future capacity estimates,

(ii) conduct capacity stress tests of those systems to determine the ability of the systems to process transactions in an accurate, timely and efficient manner,

(iii) implement reasonable procedures to review and keep current the testing methodology of those systems,

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including breaches of security, physical hazards and natural disasters, and

(v) maintain adequate contingency and business continuity plans;

(b) annually cause to be performed an independent review and written report, in accordance with generally accepted auditing standards, of the stated internal control objectives of those systems; and

(c) promptly notify the securities regulatory authority of a material failure of those systems.

M.O. 2007-03, s. 6.5; M.O. 2017-07, s. 11.

PART 7 TRADE SETTLEMENT

7.1. Trade settlement by registered dealer

(1) A registered dealer must not execute a trade unless the dealer has established, maintains and enforces policies and procedures designed to facilitate settlement of the trade on a date that is no later than the standard settlement date for the type of security traded prescribed by an SRO or the marketplace on which the trade would be executed.

(2) Subsection 1 does not apply to a trade for which terms of settlement have been expressly agreed to by the counterparties to the trade at or before the trade was executed.

M.O. 2007-03, s. 7.1; M.O. 2017-07, s. 11.

PART 8 REQUIREMENTS OF SELF-REGULATORY ORGANIZATIONS AND OTHERS

8.1. Rules, instruments or procedures of a clearing agency or matching service utility

A clearing agency or matching service utility must have rules or other instruments or procedures that are consistent with the requirements of Parts 3 and 7.

M.O. 2007-03, s. 8.1; M.O. 2017-07, s. 11.

8.2. Rules or instruments of a self-regulatory organization

A requirement of this Regulation does not apply to a member of an SRO if the member complies with a rule or other instrument of the SRO that deals with the same subject matter as the requirement and that has been approved, non-disapproved, or non-objected to by the securities regulatory authority and published by the SRO.

M.O. 2007-03, s. 8.2.

PART 9 EXEMPTION

9.1. Exemption

(1) The securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3), opposite the name of the local jurisdiction.

M.O. 2007-03, s. 9.1.

PART 10 EFFECTIVE DATES AND TRANSITION

10.1. Effective dates

- (1) Except as provided in subsections 2 and 3, the provisions of this Regulation come into force on April 1, 2007.
- (2) The following come into force on October 1, 2007:
 - (a) section 3.2;
 - (b) section 3.4;
 - (c) Part 4;
 - (d) Part 6.
- (3) Despite paragraph 2d, Part 6 comes into force in Ontario, on the later of
 - (a) October 1, 2007, and
 - (b) October 1, 2007, the day on which Rule 24-501 — Designation as Market Participant ((2007) 30 OSCB 7860) comes into force.

M.O. 2007-03, s. 10.1.

10.2. Transition

- (1) Despite subsections 3.1(1) and 3.3(1), a trade referred to in subsection 3.1(1) or 3.3(1) and executed before July 1, 2008 must be matched by 12:00 p.m. on T+1.
- (2) Despite subsections 3.1(2) and 3.3(2), a trade referred to in subsection 3.1(2) or 3.3(2) and executed before July 1, 2008 must be matched by 12:00 p.m. on T+2.
- (3) Despite sections 4.1(a) and (b), the following percentages must apply where a trade referred to in section 4.1(a) or (b) is executed within the following time periods:
 - (a) 80%, for trades executed after September 30, 2007, but before January 1, 2008;
 - (b) 90%, for trades executed after December 31, 2007, but before July 1, 2008;
 - (c) 70%, for trades executed after June 30, 2008, but before January 1, 2009;

(d) 80%, for trades executed after December 31, 2008, but before July 1, 2009; and

(e) 90%, for trades executed after June 30, 2009, but before January 1, 2010.

(4) Despite section 6.1, a person may carry on business as a matching service utility if that person

(a) is already carrying on business as a matching service utility on October 1, 2007, and

(b) delivers Form 24-101F3 to the securities regulatory authority within 45 days after October 1, 2007.

M.O. 2007-03, s. 10.2; M.O. 2017-07, s. 11.

**FORM 24-101F1 REGISTERED FIRM EXCEPTION REPORT OF DAP/RAP
TRADE REPORTING AND MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

REGISTERED FIRM IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of registered firm (if sole proprietor, last, first and middle name):
2. Name(s) under which business is conducted, if different from item 1:
3. (a) Address of registered firm's principal place of business:

(b) Indicate below the jurisdiction of your principal regulator within the meaning of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10):

- Alberta
- British Columbia
- Manitoba
- New Brunswick
- Newfoundland & Labrador
- Northwest Territories
- Nova Scotia
- Nunavut
- Ontario
- Prince Edward Island
- Québec
- Saskatchewan
- Yukon

(c) Indicate below all jurisdictions in which you are registered:

- Alberta
- British Columbia
- Manitoba
- New Brunswick
- Newfoundland & Labrador
- Northwest Territories
- Nova Scotia
- Nunavut
- Ontario
- Prince Edward Island
- Québec

- Saskatchewan
 Yukon

4. Mailing address, if different from business address:
5. Type of business: Dealer Adviser
6. Category of registration:
7. (a) Registered firm NRD number:
(b) If the registered firm is a participant of a clearing agency, the registered firm's CUID number:
8. Contact employee name:
Telephone number:
E-mail address:

INSTRUCTIONS:

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Regulation, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

(a) less than 90% of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time required in Part 3 of the Regulation, or

(b) the equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time required in Part 3 of the Regulation represent less than 90% of the aggregate value of the securities purchased and sold in those trades.

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics. Exhibit A(1) applies only to trades in equity and ETF securities. Exhibit A(2) applies only to trades in debt and other fixed-income securities.

EXHIBITS:

Exhibit A – DAP/RAP trade statistics for the quarter

If applicable, complete Table 1 or 2, or both, below for each calendar quarter. Deadline means noon Eastern time on T+1.

- (1) *Equity DAP/RAP trades (includes ETF trades)*

Entered into the clearing agency by deadline (to be completed by dealers only)				Matched (to be completed by dealers and advisers)							
# of trades	%	\$ value of trades	%	# of trades matched	%	\$ value of trades matched	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

(2) Debt DAP/RAP trades

Entered into the clearing agency by deadline (to be completed by dealers only)				Matched (to be completed by dealers and advisers)							
# of trades	%	\$ value of trades	%	# of trades matched	%	\$ value of trades matched	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

Legend

“# of Trades” is the total number of transactions in the calendar quarter;
“\$ Value of Trades” is the total value of the transactions (purchases and sales) in the calendar quarter.

Exhibit B – Reasons for not meeting exception reporting thresholds

Describe the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Regulation. Reasons given could be one or more matters within your control or due to another trade-matching party or service provider. If you have insufficient information to determine the percentages, the reason for this should be provided. See also Policy Statement to Regulation 24-101 respecting Institutional Trade Matching and Settlement (the "Policy Statement"). In Québec, the Policy Statement is made by the *Autorité des marchés financiers* (Decision 2007-PDG-0056, 2007-03-06).

Exhibit C – Steps to address delays

Describe what specific steps you are taking to resolve delays in the equity and/or debt DAP/RAP trade reporting and matching process in the future. Indicate when each of these steps is expected to be implemented. The steps being taken could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. If you have insufficient information to determine the percentages, the steps being taken to obtain this information should be provided. See also the Policy Statement.

CERTIFICATE OF REGISTERED FIRM

The undersigned certifies that the information given in this report on behalf of the registered firm is true and correct.

DATED at _____ this _____ day of _____ 20_____

(Name of registered firm - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

M.O. 2007-03, Sch. 24-101A1; M.O. 2009-05, s. 2; M.O. 2010-11, s. 8; M.O. 2017-07, s. 7.

**FORM 24-101F2 CLEARING AGENCY QUARTERLY OPERATIONS REPORT
OF INSTITUTIONAL TRADE REPORTING AND MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of clearing agency:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of clearing agency's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:

Telephone number:

E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 5.1 of the Regulation, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include client trades in an exchange-traded fund (ETF) security in the equity trades statistics.

Exhibits must be provided in an electronic file, in the following file format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

EXHIBITS:

1. DATA REPORTING

Exhibit A – Aggregate matched trade statistics

For client trades, provide the information to complete Tables 1 and 2 below for each month in the quarter. These 2 tables can be integrated into one report. Provide separate aggregate information for trades that have been reported or entered into your facilities as matched trades by a matching service utility.

Month/Year: _____(MMM/YYYY)

Table 1—Equity trades:

Entered into clearing agency by dealers

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
>T+2								
Total								

Table 2—Debt trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
>T+2								
Total								

Legend

"# of Trades" is the total number of transactions in the month;

"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit B – Individual matched trade statistics

Using the same format as Exhibit A above, provide the relevant information for each participant of the clearing agency in respect of client trades during the quarter that have been entered by the participant and matched within the timelines indicated in Exhibit A.

CERTIFICATE OF CLEARING AGENCY

The undersigned certifies that the information given in this report on behalf of the clearing agency is true and correct.

DATED at _____ this _____ day of _____ 20_____

(Name of clearing agency - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

M.O. 2007-03, Sch. 24-101A2; M.O. 2010-11, s. 9; M.O. 2017-07, s. 8.

FORM 24-101F3 MATCHING SERVICE UTILITY NOTICE OF OPERATIONS

DATE OF COMMENCEMENT INFORMATION:

Effective date of commencement of operations: _____ (DD/MMM/YYYY)

TYPE OF INFORMATION: INITIAL SUBMISSION AMENDMENT

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:

Telephone number:

E-mail address:

6. Legal counsel:

Firm name:

Telephone number:

E-mail address:

GENERAL INFORMATION:

7. Website address:
8. Date of financial year-end: _____ (DD/MMM/YYYY)
9. Indicate the form of your legal status (e.g., corporation, limited or general partnership), the date of formation, and the jurisdiction under which you were formed:

Legal status: CORPORATION PARTNERSHIP
 OTHER (SPECIFY):

(a) Date of formation: _____ (DD/MMM/YYYY)

(b) Jurisdiction and manner of formation:

10. Specify the general types of securities for which information is being or will be received and processed by you for transmission of matched trades to a clearing agency (e.g. exchange-traded domestic equity and debt securities, exchange-traded foreign equity and debt securities, equity and debt securities traded over-the-counter).

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.1 of the Regulation.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable must be furnished in lieu of the exhibit. To the extent information requested for an exhibit is identical to the information requested in another form that you have filed or delivered under Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5), simply attach a copy of that other form and indicate in this form where such information can be found in that other form.

If you are delivering an amendment to Form 24-101F3 pursuant to section 6.1(2) or 6.2 of the Regulation, and the amended information relates to an exhibit that was delivered with such form, provide a description of the change and complete and deliver an updated exhibit.

EXHIBITS:

1. CORPORATE GOVERNANCE

Exhibit A – Constatting documents

Provide a copy of your constating documents, including corporate by-laws and other similar documents, as amended from time to time.

Exhibit B – Ownership

List any person that owns 10% or more of your voting securities or that, either directly or indirectly, through agreement or otherwise, may control your management. Provide the full name and address of each person and attach a copy of the agreement or, if there is no written agreement, briefly describe the agreement or basis through which the person exercises or may exercise control or direction.

Exhibit C – Officials

Provide a list of the partners, officers, directors or persons performing similar functions who presently hold or have held their offices or positions during the current and previous calendar year, indicating the following for each:

1. Name.
2. Title.
3. Dates of commencement and expiry of present term of office or position and length of time the office or position held.
4. Type of business in which each is primarily engaged and current employer.
5. Type of business in which each was primarily engaged in the preceding 5 years, if different from that set out in item 4.
6. Whether the person is considered to be an independent director.

Exhibit D – Organizational structure

Provide a narrative or graphic description of your organizational structure.

Exhibit E – Affiliated entities

For each person affiliated to you, provide the following information:

1. Name and address of affiliated entity.
2. Form of organization (e.g., association, corporation, partnership).
3. Name of jurisdiction and statute under which organized.
4. Date of incorporation in present form.
5. Brief description of nature and extent of affiliation or contractual or other agreement with you.
6. Brief description of business services or functions.
7. If a person has ceased to be affiliated with you during the previous year or ceased to have a contractual or other agreement relating to your operations during the previous year, provide a brief statement of the reasons for termination of the relationship.

2. FINANCIAL VIABILITY

Exhibit F – Audited financial statements

Provide your audited financial statements for the latest financial year and a report prepared by an independent auditor.

3. FEES

Exhibit G – Fee list, fee structure

Provide a complete list of all fees and other charges imposed, or to be imposed, by you for use of your services as a matching service utility, including the cost of establishing a connection to your systems.

4. ACCESS

Exhibit H – Users

Provide a list of all users or subscribers for which you provide or propose to provide the services of a matching service utility. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser or other party).

If applicable, for each instance during the past year in which any user or subscriber of your services has been prohibited or limited in respect of access to such services, indicate the name of each such user or subscriber and the reason for the prohibition or limitation.

Exhibit I – User contract

Provide a copy of each form of agreement governing the terms by which users or subscribers may subscribe to your services of a matching service utility.

5. SYSTEMS AND OPERATIONS Exhibit J – System description

Describe the manner of operation of your systems for performing your services of a matching service utility (including, without limitation, systems that collect and process trade execution details and settlement instructions for matching of trades). This description should include the following:

1. The hours of operation of the systems, including communication with a clearing agency.
2. Locations of operations and systems (e.g., countries and cities where computers are operated, primary and backup).

3. A brief description in narrative form of each service or function performed by you.

6. SYSTEMS COMPLIANCE

Exhibit K – Security

Provide a brief description of the processes and procedures implemented by you to provide for the security of any system used to perform your services of a matching service utility.

Exhibit L – Capacity planning and measurement

1. Provide a brief description of capacity planning/performance measurement techniques and system and stress testing methodologies.

2. Provide a brief description of testing methodologies with users or subscribers. For example, when are user/subscriber tests employed? How extensive are these tests?

Exhibit M – Business continuity

Provide a brief description of your contingency and business continuity plans in the event of a catastrophe.

Exhibit N – Material systems failures

Provide a brief description of policies and procedures in place for reporting to regulators material systems failures. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than 30 minutes during normal business hours.

Exhibit O – Independent systems audit

1. Briefly describe your plans to provide an annual independent audit of your systems.

2. If applicable, provide a copy of the last external systems operations audit report.

7. INTEROPERABILITY

Exhibit P – Interoperability agreements

List all other matching service utilities for which you have entered into an *interoperability* agreement. Provide a copy of all such agreements.

8. OUTSOURCING

Exhibit Q – Outsourcing firms

For each person (outsourcing firm) with whom or which you have an outsourcing agreement or arrangement relating to your services of a matching service utility, provide the following information:

1. Name and address of the outsourcing firm.
2. Brief description of business services or functions of the outsourcing firm.
3. Brief description of the outsourcing firm's contingency and business continuity plans in the event of a catastrophe.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20_____

(Name of matching service utility - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

M.O. 2007-03, Sch. 24-101A3; M.O. 2017-07, s. 9.

Exhibit B

Provide a list of all the users or subscribers for which you provided services during the last 30 days prior to you ceasing business. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser, or other party).

Exhibit C

List all other matching service utilities for which an *interoperability* agreement was in force immediately prior to cessation of business.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20_____

(Name of matching service utility - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

M.O. 2007-03, Sch. 24-101A4; M.O. 2017-07, s. 11.

**FORM 24-101F5 MATCHING SERVICE UTILITY QUARTERLY OPERATIONS
REPORT OF INSTITUTIONAL TRADE REPORTING AND MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:

Telephone number:

E-mail address:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 6.4 of the Regulation, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics.

Exhibits must be reported in an electronic file, in the following format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

If any information specified is not available, a full statement describing why the information is not available must be separately furnished.

EXHIBITS

1. SYSTEMS REPORTING

Exhibit A – External systems audit

If an external audit report on your core systems was prepared during the quarter, provide a copy of the report.

Exhibit B – Material systems failures reporting

Provide a brief summary of all material systems failures that occurred during the quarter and for which you were required to notify the securities regulatory authority under section 6.5(c) of the Regulation.

2. DATA REPORTING

Exhibit C – Aggregate matched trade statistics

Provide the information to complete Tables 1 and 2 below for each month in the quarter. These 2 tables can be integrated into one report.

Month/Year: _____ (MMM/YYYY)

Table 1—Equity trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
>T+2								
Total								

Table 2—Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
>T+2								
Total								

Legend

"# of Trades" is the total number of transactions in the month;

"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

Exhibit D – Individual matched trade statistics

Using the same format as Exhibit C above, provide the relevant information for each user or subscriber in respect of trades during the quarter that have been entered by the user or subscriber and matched within the timelines indicated in Exhibit C.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this _____ day of _____ 20_____

(Name of matching service utility- type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

M.O. 2007-03, Sch. 24-101A5; M.O. 2010-11, s. 10; M.O. 2017-07, s. 10.

Transitional provisions

M.O. 2017-07, 2017 G.O. 2, 1701

12. Transition – registered firm’s exception report – former rules apply to first quarter ending after September 5, 2017

1) For the purposes of the calculations under Regulation 24-101 respecting Institutional Trade Matching and Settlement (chapter V-1.1, r. 8) that determine whether, with respect to the first calendar quarter ending after September 5, 2017, Form 24-101F1 must be delivered under section 4.1 of that Regulation, a registered firm may make the determination under that Regulation as it was in force on the day before September 5, 2017 unless September 5, 2017 is the first day of a calendar quarter.

(2) If a registered firm is required to deliver Form 24-101F1, and September 5, 2017 is not the first day of a calendar quarter, with respect to the first calendar quarter ending after September 5, 2017, the firm may comply with the requirement by delivering the version of Form 24-101F1 that was in force on the day before September 5, 2017.

13. Transition – clearing agency’s operations report – former rules apply to first quarter ending after September 5, 2017

For the purposes of section 5.1 of Regulation 24-101 respecting Institutional Trade Matching and Settlement (chapter V-1.1, r. 8), a clearing agency may comply with the requirement to deliver Form 24-101F2, with respect to the first calendar quarter ending after September 5, 2017, by delivering the version of Form 24-101F2 that was in force on the day before September 5, 2017 unless September 5, 2017 is the first day of a calendar quarter.

14. Transition – matching service utility’s operations report – former rules apply to first quarter ending after September 5, 2017

For the purposes of section 6.4(1) of Regulation 24-101 respecting Institutional Trade Matching and Settlement (chapter V-1.1, r. 8), a matching service utility may comply with the requirement to deliver Form 24-101F5, with respect to the first calendar quarter ending after September 5, 2017, by delivering the version of Form 24-101F5 that was in force on the day before September 5, 2017 unless September 5, 2017 is the first day of a calendar quarter.

Decision 2007-PDG-0055, 2007-03-06
Bulletin de l'Autorité: 2007-03-23, Vol. 4 n° 12
M.O. 2007-03, 2007 G.O. 2, 1270

Amendments

Decision 2009-PDG-0123, 2009-09-04
Bulletin de l'Autorité: 2009-09-25, Vol. 6 n° 38
M.O. 2009-05, 2009 G.O. 2, 3362A

Decision 2010-PDG-0083, 2010-05-10
Bulletin de l'Autorité: 2010-06-18, Vol. 7 n° 24
M.O. 2010-11, 2010 G.O. 2, 1499

Decision 2017-PDG-0077, 2017-05-24
Bulletin de l'Autorité: 2017-06-29, Vol. 14 n° 25
M.O. 2017-07, 2017 G.O. 2, 1701

CSA Staff Notice 11-342
Bulletin de l'Autorité : 2020-08-06, Vol. 17 n° 31
I.N. 2020-05-01