

**For Immediate Release
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Canadian securities regulators seek input on proposed business conduct rules for derivatives dealers and advisers

Toronto and Montreal – The Canadian Securities Administrators (CSA) today published for comment Proposed National Instrument 93-101 *Derivatives: Business Conduct* and a related proposed companion policy. The proposed instrument establishes an investor protection regime for over-the-counter (OTC) derivatives markets that is consistent with international standards and foreign requirements and is intended to create a uniform approach to derivatives business conduct regulation in Canada.

“This is an important milestone for Canada in the regulation of over-the-counter derivatives,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “The proposed business conduct regime will protect investors, improve transparency and accountability, and protect against market abuse.”

The proposed instrument sets out fundamental obligations for OTC derivatives dealers and advisers. These include a fair dealing model suitable for derivatives markets that contains obligations to identify and respond to conflicts of interest; know-your-derivatives party obligations; and compliance and recordkeeping requirements.

For derivatives dealers and advisers working with non-institutional counterparties, the proposed instrument introduces further measures such as a derivatives-specific suitability standard, the requirement to identify derivatives party-specific needs, and disclosure regarding leverage.

As a significant proportion of OTC derivatives trading is cross-border, the proposed instrument includes exemptions for foreign derivatives dealers and advisers that are subject to and comply with comparable laws of certain foreign jurisdictions.

The CSA is also in the process of developing a registration regime for derivatives dealers and advisers. The CSA anticipates publishing proposed NI 93-102 *Derivatives: Registration* shortly. An extended comment period (150 days) is in effect for the proposed business conduct regime to provide stakeholders an opportunity to consider it in conjunction with the proposed registration regime.

The proposed instrument and companion policy can be found on CSA members’ websites.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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