

**For Immediate Release**

**February 24, 2016**

## **Canadian securities regulators seek comment on derivatives rule relating to mandatory central counterparty clearing**

**Montréal** – Members of the Canadian Securities Administrators (CSA) today published for comment Proposed National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* and its companion policy (the proposed instrument), which introduces requirements for central counterparty clearing of certain over-the-counter (OTC) derivatives transactions.

Mandatory central counterparty clearing is intended to mitigate counterparty risk in the derivatives market and increase financial stability. In developing the proposed instrument, the CSA has carefully considered public comments received on National Instrument 94-101 *Mandatory Central Counterparty Clearing*, published in February 2015, as well as comments on CSA Notice 91-303 *Proposed Model Provincial Rule on Mandatory Central Counterparty Clearing of Derivatives*, and *CSA Consultation Paper 91-406 OTC Central Counterparty Clearing* from December 2013 and June 2012, respectively.

The proposed instrument establishes:

- the determination of the derivatives (each a mandatory clearable derivative) that will be subject to the requirement to submit for central counterparty clearing;
- the requirement (and limited exemptions) to submit a transaction involving a mandatory clearable derivative to a recognized or exempted central counterparty for clearing.

“This proposed instrument further advances the CSA’s work to meet international objectives regarding mandatory clearing of OTC derivatives and underscores our commitment to further ensure the soundness of derivatives markets,” said Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “The derivatives market reform we are undertaking, of which this proposed instrument forms part, is intended to protect market participants, improve transparency and eliminate opportunities for regulatory arbitrage.”

For additional information about central counterparty clearing reform in Canada, the public may review the recently published National Instrument 24-102 *Clearing Agency Requirements* and Proposed National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions*.

Following the current consultation, the CSA will review all comments received and make amendments as appropriate to the proposed instrument.

The proposed instrument can be found on CSA members’ websites. The 90-day comment period is open until May 24, 2016.

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

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