

CSA Staff Notice 94-301***Blanket Orders Exempting Certain Counterparties from the Requirement to Submit a Mandatory Clearable Derivative for Clearing*****July 6, 2017****Introduction**

The Canadian Securities Administrators (**CSA** or **we**) are of the view that amendments to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* (the **National Instrument**) may be necessary to clarify the scope of market participants that are subject to the requirement to clear an OTC derivative prescribed in Appendix A to the National Instrument (a **mandatory clearable derivative**).

The National Instrument was published on January 19, 2017, and came into force on April 4, 2017 (with the exception of Saskatchewan where it came into force on April 5, 2017). On such date, the clearing requirement came into force for certain counterparties that are participants of a regulated clearing agency, and is set to come into force for certain other counterparties on October 4, 2017. The anticipated clarification relates to those counterparties for which the clearing requirement would come into force on October 4, 2017.

Substance and Purpose

We anticipate publishing for comments proposed amendments to clarify the scope of the counterparties subject to the National Instrument. To facilitate the rule-making process relating to the proposed amendments, we have determined to exempt, on a temporary basis, from the clearing requirement under the National Instrument those counterparties that would be subject to the October 4, 2017 effective date.

CSA members, except the Ontario Securities Commission (the **OSC**), are issuing parallel orders of general application, effective October 4, 2017. The orders exempt certain counterparties, on a temporary basis, from the clearing requirement under the National Instrument. The effect of the orders is to extend the effective date of the clearing requirement from October 4, 2017 to August 20, 2018 for those certain counterparties. The orders of general application do not exempt a counterparty that is already subject to the clearing requirement because it is a participant of a regulated clearing agency that offers clearing services in respect of a mandatory clearable derivative and subscribes to clearing services for the class of derivatives to which a mandatory clearable derivative belongs.

The OSC is publishing an amendment to the National Instrument today in final form that would, subject to Ministerial approval, extend the effective date until August 20, 2018 for the same counterparties as in the orders of general application.

The orders of general application are available on the websites of the following CSA members :

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.msc.gov.mb.ca
nssc.novascotia.ca
www.fcnb.ca
www.fcaa.gov.sk.ca

Questions

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