

**ALBERTA SECURITIES COMMISSION**

**EXEMPTION ORDER:  
FOREIGN EXCHANGE RECOGNITION**

**Citation: Re Bloomberg Tradebook Singapore Pte Ltd. , 2023 ABASC 28 Date: 20230314**

**Bloomberg Tradebook Singapore Pte Ltd.**

**Background**

1. Bloomberg Tradebook Singapore Pte Ltd. (**Bloomberg**) has filed an application with the Alberta Securities Commission (the **Commission**) seeking an order under:
  - (a) section 213 of the *Securities Act* (Alberta) (the **Act**) exempting Bloomberg from the requirement to be recognized as an exchange under section 62(1) of the Act;
  - (b) section 15.1(1) of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) exempting Bloomberg from the requirements of NI 21-101;
  - (c) section 12.1 of National Instrument 23-101 *Trading Rules* (**NI 23-101**) exempting Bloomberg from the requirements of NI 23-101; and
  - (d) section 10 of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) exempting Bloomberg from the requirements of NI 23-103.

**Interpretation**

2. Terms defined in the Act or in National Instrument 14-101 *Definitions* have the same meaning in this order (the **Order**) unless otherwise defined herein.

**Representations**

3. Bloomberg represents as follows:
  - (a) Bloomberg is a private limited company incorporated under the laws of Singapore and a wholly owned direct subsidiary of Bloomberg L.P., a Delaware limited partnership.
  - (b) Bloomberg does not maintain an office or place of business in Alberta.
  - (c) Bloomberg has obtained recognition by the Monetary Authority of Singapore (**MAS**) as a Recognized Market Operator (**RMO**) which permits it to operate an organized market (**OM**).
  - (d) Bloomberg currently operates an OM, known as BTBS, that offers trade negotiation functions for securities, units in a collective investment scheme, securities-based derivative contracts and over-the-counter derivatives contracts (the **Market Instruments**), but the subjects of the Order are:

- (i) any debt security (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**)) that is a foreign security (as defined in NI 31-103) or a debt security that is denominated in a currency other than the Canadian dollar, including:
  - (A) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);
  - (B) debt securities issued by a foreign government;
  - (C) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and
  - (D) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies (collectively, **Foreign Debt Securities**).<sup>1</sup>
  
- (ii) swaps, including:
  - (A) interest rate swaps (**IRS**), included in the definition of "swap" in section 1a(47) of the U.S. *Commodity Exchange Act*;
  - (B) credit default swaps (**CDS**), included in the definition of "swap" in section 1a(47) of the U.S. *Commodity Exchange Act*, including single-name (credit default) swaps;
  - (C) foreign exchange swaps (**FX**), included in the definition of "swap" in section 1a(47) of the U.S. *Commodity Exchange Act* (but without regard to any exclusions from the definition<sup>2</sup>), including precious metals swaps, foreign exchange spot and deposits; and
  
- (iii) any foreign securities as defined in NI 31-103 that are not debt securities as defined in NI 31-103 (**Foreign Non-Debt Securities**, and together with Foreign Debt Securities, IRS, CDS and FX, the **Alberta Market Instruments**), including:
  - (A) securities of foreign exchange-traded funds, which refers to a fund in continuous distribution that is incorporated, formed or created under the laws of a foreign jurisdiction; and

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<sup>1</sup> For greater certainty, "Foreign Debt Securities" includes convertible debt securities and the following money market instruments (U.S. and foreign): commercial paper, agency discount notes, government treasury bills, certificates of deposit, bankers' acceptances, promissory notes and bearer deposit notes.

<sup>2</sup> For greater certainty, these include precious metals spot and commodity spot contracts.

- (B) stock loans, which refer to securities lending arrangements in which securities are temporarily transferred from one party (the lender) to another party (the borrower) in return for a fee. Under the lending arrangement, the borrower is obliged to redeliver to the lender the securities or identical securities to those that were transferred or lent, either on demand or at the end of the loan term.
- (e) Pursuant to a marketplace conduit arrangement with Bloomberg's Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), Bloomberg currently provides transaction negotiation services for the Alberta Market Instruments, and any debt securities denominated in Canadian dollars (**Canadian Debt Securities**). Following the date that the Commission grants the Order, Bloomberg will continue to provide transaction negotiation services for Canadian Debt Securities only under the marketplace conduit arrangement with Tradebook Canada.
- (f) BTBS supports request-for-quote, request-for-trade and request-for-stream trade negotiation protocols that may be used to negotiate, but not legally execute, a trade in the Alberta Market Instruments (**Negotiation Protocols**).
- (g) Bloomberg offers secure direct electronic access to BTBS to participants of Bloomberg (**Participants**) whereby a Participant has an explicit grant of authority to directly access and use the BTBS Negotiation Protocols (**Direct Access**). Bloomberg intends to offer Direct Access to Participants resident in Alberta that apply to and are approved by Bloomberg as Participants and agree to comply with its rules (**Alberta Participants**).
- (h) Bloomberg does not offer Direct Access to BTBS to individuals.
- (i) Direct Access is accessible to Alberta Participants by way of a Bloomberg Terminal or a third-party application programming interface.
- (j) MAS reviews, assesses and enforces Bloomberg's adherence to Singapore regulatory requirements for RMOs.
- (k) Bloomberg adheres to IOSCO's *Principles for the Oversight of Screen-Based Trading Systems for Derivative Products* as amended or superseded from time to time and IOSCO's *Principles for the Regulation and Supervision of Commodity Derivatives Markets* as amended or superseded from time to time to the extent such standards are incorporated into Singapore's regulatory requirements for RMOs.
- (l) MAS is a signatory to both the IOSCO *Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information* and the IOSCO *Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information*, and both of which the Commission is also a signatory.

## Undertakings

### 4. Bloomberg undertakes:

- (a) to maintain its recognition, in good standing and in all material respects, as an RMO with MAS to operate an OM and to continue to be subject to the regulatory oversight of MAS;
- (b) to comply with all requirements applicable to it as an RMO recognized by MAS;
- (c) not to provide, and to take reasonable steps to prevent third parties from providing, Direct Access to persons in Alberta other than Alberta Participants;
- (d) not to provide Direct Access to an Alberta Participant unless the Alberta Participant is a registrant in Alberta or exempt from or not subject to registration under the Act;
- (e) not to provide access to an Alberta Participant to trading in products other than the Alberta Market Instruments, without prior Commission approval;
- (f) with respect to debt securities:
  - (i) to only permit Alberta Participants to trade Foreign Debt Securities;
  - (ii) to only provide transaction negotiation services in accordance with the terms and conditions of Tradebook Canada approval as an alternative trading system in Alberta with respect to Canadian Debt Securities;
- (g) with respect to swaps, to only permit Alberta Participants to trade IRS, CDS and FX;
- (h) with respect to equity securities, to only permit Alberta Participants to trade Foreign Non-Debt Securities;
- (i) to only permit Alberta Participants to negotiate trades in those products outlined in paragraphs 4(e) through 4(h) which are permitted to be traded in Singapore under applicable securities laws and regulations;
- (j) to require each Alberta Participant that is not registered with the Commission as a dealer to file with Bloomberg:
  - (i) a written representation, executed by a person with the authority to bind the Alberta Participant, stating that as long as the Alberta Participant is granted Direct Access, the Alberta Participant agrees to and submits to the jurisdiction of the Commission with respect to activities conducted pursuant to the Order; and
  - (ii) a written undertaking, executed by a person with the authority to bind the Alberta Participant, stating that the Alberta Participant will provide

promptly to the Commission such information as the Commission may request, and access to all premises in or from which the Alberta Participant operates;

- (k) to require each Alberta Participant to confirm in writing to Bloomberg that the Alberta Participant understands that:
  - (i) the Alberta Participant may be unable to enforce any legal rights against Bloomberg or any of its directors, officers, employees or agents as they are resident outside of Alberta and all or substantially all of their assets are situated outside of Alberta; and
  - (ii) Bloomberg is subject to primary regulatory oversight by its home jurisdiction under the regulatory regime of that jurisdiction which may not be equivalent in all respects to the regulatory regime administered by the Commission;
- (l) to file a document evidencing Bloomberg's submission to the non-exclusive jurisdiction of the courts and administrative tribunals of Alberta in any proceeding arising out of, related to, concerning, or in any other manner connected with, Bloomberg carrying on business as an exchange in Alberta;
- (m) to maintain a valid and binding appointment of an agent for service in Alberta upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, relating to, concerning, or in any other manner connected with, Bloomberg carrying on business as an exchange in Alberta;
- (n) to report to the Commission in accordance with the reporting requirements set out in the Appendix to the Order (the **Reporting Requirements**);
- (o) to provide promptly to the Commission any information that a Commission representative may request;
- (p) to employ reasonable procedures for monitoring and enforcing compliance with the undertakings herein;
- (q) to cooperate with the Commission with respect to arrangements established to address cross-market oversight issues, including surveillance, emergency actions and the monitoring of trading; and
- (r) to continue to ensure the representations herein remain accurate in all material respects except as reported to the Commission under the Reporting Requirements.

## **Decision**

5. Based on the representations and undertakings herein, the Commission:

- (a) under section 213 of the Act, exempts Bloomberg from the requirement to be recognized as an exchange under section 62(1) of the Act in connection with the negotiation of Alberta Instruments on BTBS with Alberta Participants through Direct Access;
- (b) under section 15.1(1) of NI 21-101, exempts Bloomberg from the requirements of NI 21-101;
- (c) under section 12.1 of NI 23-101, exempts Bloomberg from the requirements of NI 23-101; and
- (d) under section 10 of NI 23-103, exempts Bloomberg from the requirements of NI 23-103;

for so long as Bloomberg satisfies the undertakings herein.

**For the Commission:**

*“original signed by”*

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Tom Cotter  
Vice-Chair

*“original signed by”*

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Kari Horn  
Vice-Chair

## **Appendix Reporting Requirements**

This Appendix forms a part of, and adopts terms defined in, the Order.

### ***Event reporting***

1. Bloomberg will notify the Commission promptly:
  - (a) if MAS revokes, suspends or significantly changes the conditions of Bloomberg's recognition as an RMO;
  - (b) of any significant change to the regulatory requirements applicable in Singapore relevant to Bloomberg's recognition as an RMO;
  - (c) if Bloomberg institutes a petition for a judgement of bankruptcy or insolvency or similar relief, or to wind up or liquidate Bloomberg or has a proceeding for any such petition instituted against it;
  - (d) if a receiver is appointed for Bloomberg or Bloomberg makes any voluntary arrangement with creditors;
  - (e) if Bloomberg or BTBS is not in compliance with the Order or with any applicable requirements, laws or regulations of MAS where it is required to report such non-compliance to MAS;
  - (f) of any significant change to any representation in the Order;
  - (g) of any breach of an undertaking in the Order;
  - (h) of any material disciplinary action commenced against, or any sanctions imposed on Bloomberg, or a senior officer or director of Bloomberg, by the MAS; and
  - (i) if Bloomberg makes any material change to the eligibility criteria for Alberta Participants.

### ***Quarterly reporting***

2. Bloomberg will provide to the Commission, within 30 days after the end of each calendar quarter, and at any time promptly upon the request of a Commission representative:
  - (a) a statement, setting out for each Alberta Market Instrument:
    - (i) the total trading volume and value originating from Alberta Participants presented on a per Alberta Participant basis; and
    - (ii) the proportion of worldwide trading volume and value on the BTBS conducted by Alberta Participants;

- (b) a current list (including the names and principal addresses) of all Alberta Participants that have Direct Access to BTBS and whether the Alberta Participant is registered under Alberta securities laws or is exempt from or not subject to registration;
- (c) the legal entity identifier assigned to each Alberta Participant in accordance with the standards set by the Global Legal Entity Identifier System;
- (d) a list of all Alberta Market Instruments available on BTBS during the quarter, identifying any additions, deletions or changes since the previous quarter;
- (e) a list of all Alberta Participants against whom disciplinary action has been taken in the last quarter by Bloomberg or, to the best of Bloomberg's knowledge, the MAS, with respect to activities undertaken by the Alberta Participant pursuant to its Direct Access to the BTBS;
- (f) for active investigations undertaken by Bloomberg since the last report: (i) a list of those relating to Alberta Participants; and (ii) the aggregate number of those relating to all participants; and
- (g) a list of all applicants for status as an Alberta Participant who were denied such status or access to BTBS since the last report, together with the reasons for each such denial.