

CSA Notice Regarding ***Coordinated Blanket Order 24-930 Exemption from certain filing requirements of National Instrument 24-101 Institutional Trade Matching and Settlement***

June 15, 2023

Introduction

On June 15, 2023, the Canadian Securities Administrators (CSA) published a temporary exemption on the applicability of section 4.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement* (NI 24-101) for registered dealers and advisers (**Registered Firms**) with respect to the exception reporting requirement of NI 24-101 (**Exception Reporting Requirement**). The CSA has implemented the relief through local blanket orders that are substantively harmonized across the country. This notice contains CSA staff's views about the exemption in the local blanket orders (collectively, the **Blanket Orders**).

The Blanket Orders are being issued in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

Description of the Blanket Orders

The Blanket Orders exempt Registered Firms from the requirement to deliver Form 24-101F1 to the participating jurisdictions.

Although the outcome of any coordinated Blanket Order is the same in participating CSA jurisdictions, the language of the Blanket Order issued by each province or territory may not be identical because each jurisdiction's Blanket Order must fit within the authority provided for in local securities legislation.

In Alberta, British Columbia, New Brunswick and Nova Scotia, the Blanket Orders will be implemented by varying the existing relief set out in Alberta Securities Commission Blanket Order 24-505, BC Instrument 24-501, New Brunswick Blanket Order 24-502 and Nova Scotia Securities Commission Blanket Order No. 24-503.

Background

NI 24-101 has been in effect since 2007. It provides a framework for ensuring efficient and timely settlement of the processing of institutional trades (equity and debt) by Registered Firms. NI 24-101 has a number of requirements including that Registered Firms are required to establish, maintain and enforce policies and procedures designed to achieve the matching threshold of institutional trades.

Under the Exception Reporting Requirement, Registered Firms are required to deliver Form 24-101F1 to the securities regulatory authority if less than 90% of trades (by value and volume)

executed by or for the Registered Firm during the quarter matched within the time required by NI 24-101. Form 24-101F1 requires Registered Firms, among other things, to explain why they did not meet the exception reporting thresholds and the steps to address the delay.

In 2020, the CSA implemented a three-year moratorium on the applicability of the Exception Reporting Requirement through a local rule in Ontario and by Blanket Orders in all other jurisdictions (the **2020 Moratorium**). As a result of the 2020 Moratorium, Registered Firms are no longer required to deliver Form 24-101F1 beginning on July 1, 2020 and ending on July 1, 2023.

On December 15, 2022, the CSA published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**). The Proposed 24-101 Amendments are intended to align with the shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade to one day after the date of a trade. The Proposed 24-101 Amendments would, if implemented, also include the permanent elimination of the Exception Reporting Requirement for Registered Firms.

The Proposed 24-101 Amendments, if approved, are expected to come into force on a date that is aligned with Canada's industry move to a T+1 settlement cycle, currently expected to be May 27, 2024.

Day on Which the Blanket Orders Cease to be Effective

The Blanket Orders come into effect on July 2, 2023, and will cease to be effective on the earlier of the following:

- (a) the effective date of the Proposed 24-101 Amendments;
- (b) the date that is 18 months after the date of the Blanket Orders unless extended by the participating jurisdictions.

Questions

If you have questions, please contact any of the following:

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ALBERTA SECURITIES COMMISSION
VARIATION OF BLANKET ORDER 24-505

Citation: Re Relief from Exception Reporting Requirement under National Instrument 24-101 Institutional Trade Matching and Settlement, 2023 ABASC 84 **Date: 20230606**

Definitions

1. Terms defined in the *Securities Act* (Alberta) (the **Act**), in National Instrument 14-101 *Definitions* or National Instrument 24-101 *Institutional Trade Matching and Settlement* (**NI 24-101**), have the same meaning in this order.

Background

2. Section 4.1 of NI 24-101 requires a registered firm to deliver a Form 24-101F1 Registrant Exception Report of DAP/RAP Trade Reporting and Matching (**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 percent of the DAP/RAP trades executed by or for the registered firm during the quarter matched within the time required in Part 3 of NI 24-101, 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 of NI 24-101 represent less than 90 percent of the aggregate value of the securities purchased and sold in those trades.
3. Blanket Order 24-505 *Relief from Exception Reporting Requirement under National Instrument 24-101 Institutional Trade Matching and Settlement* (the **Blanket Order**) was adopted by the Alberta Securities Commission (the **Commission**) to provide a three-year moratorium on the applicability of section 4.1 of NI 24-101 (**Exception Reporting Requirement**). Pursuant to the Blanket Order, registered dealers and advisers (**Registered Firms**) were not required to deliver Form 24-101F1 to the Commission from July 1, 2020 to July 1, 2023 (the **2020 Moratorium**).
4. The securities regulatory authorities of British Columbia, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nunavut, the Northwest Territories, and Yukon, effected the 2020 Moratorium by way of blanket orders. In Ontario, the 2020 Moratorium was effected through a local rule amendment.
5. On December 15, 2022, the Canadian Securities Administrators (the **CSA**) published for comment proposed amendments to NI 24-101 (the **Proposed 24-101 Amendments**) in its Notice entitled: "Proposed Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement and Proposed Changes to Companion Policy 24-101 Institutional Trade Matching and Settlement." The Proposed 24-101 Amendments would, if implemented, among other things, include the repeal of the Exception Reporting Requirement.

6. The Commission seeks to extend the relief for Registered Firms provided by the Blanket Order to address the time between the end of the 2020 Moratorium and the effective date of the Proposed 24-101 Amendments.

Order

7. The Commission, considering that it would not be prejudicial to the public interest to do so, orders, under 214(1) of the Act, that paragraph 6 of the Blanket Order is varied by replacing "July 1, 2023." with "the earlier of the following:
 - (a) the effective date of proposed amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement*, as contained in Canadian Securities Administrators Notice dated December 15, 2022 and entitled "Proposed Amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and Proposed Changes to Companion Policy 24-101 *Institutional Trade Matching and Settlement*";
 - (b) the date that is 18 months after the date of this order unless extended by the Commission."
8. This order comes into effect on July 2, 2023.

For the Commission:

"original signed by"

Tom Cotter
Vice-Chair

"original signed by"

Kari Horn
Vice-Chair