



Manitoba
Financial Services
Agency

THE SECURITIES ACT)
)
Subsection 20(1))

Order No. 7656

Date May 9, 2024

COORDINATED BLANKET ORDER 96-931

Re: Exemption from derivatives reporting requirements in Manitoba Securities Commission Local Rule 91-507 *Trade Repositories and Derivatives Data Reporting* for certain derivatives data relating to the Canadian dollar offered rate

WHEREAS

(A) Staff of The Manitoba Securities Commission (the **Commission**) seeks an exemption from derivatives reporting requirements in Manitoba Securities Commission Local Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**) for certain derivatives data relating to the Canadian dollar offered rate (**CDOR**).

Definitions

(B) Terms defined in the *Securities Act* (Manitoba) (the **Act**), National Instrument 14-101 *Definitions*, Manitoba Securities Commission Local Rule 91-506 *Derivatives: Product Determination*, and MSC Rule 91-507 have the same meaning in this Blanket Order unless otherwise defined herein.

Background

(C) Section 32 of MSC Rule 91-507 requires a reporting counterparty to report life-cycle events to a recognized trade repository by the end of the business day on which the life-cycle event occurs, but if that is not technologically practicable, no later than the end of the business day following the day on which the life-cycle event occurs (**the life-cycle event reporting deadline**).

(D) In response to concerns regarding interbank offered rates (**IBORs**), the Financial Stability Board has called for the implementation of alternative rates.

(E) In order to ensure that over-the-counter (**OTC**) derivatives that are based on IBORs continue to operate following the transition to alternative rates, parties to these OTC

derivatives have implemented “fallback provisions”, which provide for alternative rates to replace IBORs upon their cessation or non-representativeness.

- (F) Certain OTC derivatives are based on the CDOR which will not be published after June 28, 2024. Pursuant to fallback provisions in standard OTC derivatives contracts, these OTC derivatives will transition to an appropriate alternative rate by July 2, 2024 (**the CDOR transition**).
- (G) A change to the terms of a derivative resulting from a CDOR transition is a life cycle event (**CDOR transition life-cycle event**) that must be reported under section 32 of MSC Rule 91-507.
- (H) Because of the large number of CDOR transition life-cycle events that will need to be reported on or before July 2, 2024, reporting counterparties have indicated that they may not be able to comply with the requirement to report a CDOR transition life-cycle event before the life-cycle event reporting deadline.
- (I) We expect that all other jurisdictions of Canada except Alberta and Ontario will make orders that are similar to the Order. On March 7, 2024 Alberta and Ontario published CSA Staff Notice 96-305 *Derivatives Data Reporting Guidance for CDOR Transition* to provide guidance to market participants with respect to reporting requirements applicable to a CDOR transition life-cycle event.
- (J) The Commission is of the opinion that it would not be prejudicial to the public interest to make this order.

IT IS ORDERED:

1. **THAT**, under subsection 20(1) of the Act, a reporting counterparty is exempt from the requirement to report life-cycle event data under section 32 of MSC Rule 91-507 in relation to a CDOR transition life-cycle event provided that:
 - a. the CDOR transition life-cycle event occurs on or before July 2, 2024, and
 - b. the life-cycle event data relating to the CDOR transition life-cycle event is reported on or before the end of the fifth business day after the day on which the CDOR transition life-cycle event occurs.

Effective Date

- (K) This order takes effect on June 28, 2024 and expires on July 10, 2024.

BY ORDER OF THE COMMISSION



A handwritten signature in black ink, appearing to read "Chris Besko", is written over a horizontal line.

Director
Chris Besko