THE COMMODITY FUTURES ACT	)	Order No. 4626
	)	
Section 66(1)	)	December 16 2004

## EXEMPTION FROM REGISTRATION REQUIREMENTS FOR SPECIFIED CATEGORIES OF PARTICIPANTS TRADING ON WINNIPEG COMMODITY EXCHANGE INC.

## WHEREAS:

- (A) Winnipeg Commodity Exchange Inc. ("WCE") has applied to the Manitoba Securities Commission (the "Commission") for an order pursuant to section 66(1) of The Commodity Futures Act (the "Act") to exempt specified classes of registered participants trading contracts on the WCE (which do not trade in contracts on behalf of members of the public in Manitoba) from the requirement to be registered with the Commission.
- (B) The WCE has represented to the Commission that:
  - 1. The WCE carries on business as a commodity futures exchange in Manitoba and is registered as a commodity futures exchange pursuant to the Act;
  - 2. The WCE is recognized as a self-regulatory organization under the Act with responsibility for the regulation of participants which trade contracts on the exchange;
  - 3. The WCE has procedures for processing and screening applicants requesting registered participant status providing access to the trading facilities operated by the WCE which includes infrastructure and capital requirements, and contractual obligations to the WCE;
  - 4. The WCE regulates the standards and business conduct of its registered participants on an ongoing basis;
  - 5. WCE participants registered in the category of Direct Access Trading Participant or Trading Participant in the classes of Merchant, Market Maker and General ("Participants") trade contracts solely for their own proprietary accounts and do not hold accounts for clients in Manitoba; and

- 6. The WCE, in its role as an exchange and as a self-regulatory organization, is in a position to regulate the activities of Participants for compliance with the Act, regulations, rules & policies of the exchange. The WCE has the authority to conduct investigations and take disciplinary action against Participants when required to protect the integrity of the markets operated by the WCE.
- (D) The Commission is of the opinion that it is in the public interest to grant this order.

## IT IS ORDERED:

- **1. THAT**, pursuant to subsection 66(1) of the Act, Participants are exempt from the requirement to be registered contained in section 24(1) of the Act.
- **2. THAT**, pursuant to subsection 66(1) of the Act, employees of Participants trading or advising in the trading of contracts on the WCE for the benefit of its employer Participant is exempt from the requirement to be registered contained in section 24(1) and 24(2) of the Act.
- **3. THAT**, the registration exemptions contained in paragraphs one and two are subject to the following conditions:
  - a) The participant status and trading privileges of Participants relying on this order have not been suspended or cancelled by the WCE or the Commission; and
  - b) The Participant and its employees do not trade or advise in the trading of contracts on behalf of members of the public in Manitoba.

## BY ORDER OF THE COMMISSION

Director – Legal and Enforcement