

THE SECURITIES ACT

Section 20(1)

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Order No. 7118

June 1, 2015

**Exemption for certain End Users from trade reporting requirements in
Manitoba Securities Commission Rule 91-507**

WHEREAS:

(A) Staff has applied to The Manitoba Securities Commission (the "Commission") for an order under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") that certain End Users (as defined below) be exempt from Part 3 of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* ("91-507") (the "TR Requirement") on certain conditions.

(B) Under subsection 26(1) of 91-507, a reporting counterparty to a transaction involving a local counterparty must report, or cause to be reported, the data required to be reported under Part 3 of 91-507 to a designated trade repository.

(C) Under subsection 43(4) of 91-507, a reporting counterparty that is not a derivatives dealer, a recognized or exempt clearing agency or a Canadian financial institution (an "End User") is not subject to the requirements of Part 3 of 91-507 until June 30, 2015.

(D) The Commission, along with other Canadian jurisdictions which have reporting requirements similar to the TR Requirement are considering developing amendments to 91-507 to provide an exemption for End Users that are engaged in transactions with affiliated counterparties on certain conditions.

(E) While developing the amendment to 91-507, the Commission is of the view it would be appropriate to provide a limited exemption from the TR Requirement in limited circumstances.

(F) The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, an End User is exempt from the requirement to report a transaction under subsection 26(1) of 91-507 provided that:

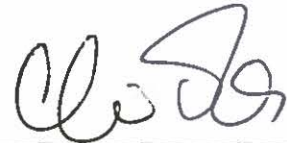
- (a) the transaction to which the End User is a party is between the End User and a counterparty which is an affiliated company, if the financial statements of the parties to the transaction are prepared on a consolidated basis in

accordance with the accounting principles, as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

- (b) the transaction is governed by a written agreement setting out the terms of the transaction including terms relating to centralized evaluation, measurement and risk controls designed to identify and manage risks; and
- (c) The parties to the transaction maintain records of the transaction and will make such records available to the Commission upon request.

2. **THAT**, this order will expire on the date that amendments to 91-507 come into force with respect to the subject matter of this order.

BY ORDER OF THE COMMISSION



Director