

## **Notice of BCSC non-objection to proposed amendments to Canadian Investment Regulatory Organization (CIRO)'s amendments regarding Margin Requirements for Structured Products**

On February 21, 2024, the BCSC and CIRO's other recognizing regulators<sup>1</sup> provided CIRO with notification of their non-objection or approval<sup>2</sup> of CIRO's proposed amendments (the Amendments) regarding margin requirements for structured products.

The Amendments will set a margin methodology for structured products which considers the different risk profiles of the two main structured product types.

The Amendments:

- require a fixed margin rate of 50% for principal at risk notes and 30% for principal protect notes that meet eligibility criteria;
- clarify the requirements for reporting concentration exposures in structured products on Form 1;
- allow an alternative component-based margin methodology for structured products with a principal protection component.

We attach CIRO's approval bulletin, a certified copy of the resolution adopted by the New SRO Board of Directors, a clean copy of the amendments, and a blackline of the amendments.

The Amendments are effective immediately.

February 22, 2024

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<sup>1</sup> Alberta Securities Commission, Financial and Consumer Affairs Authority of Saskatchewan, Manitoba Securities Commission, Ontario Securities Commission, Autorité des marchés financiers, Financial and Consumer Services Commission of New Brunswick, Nova Scotia Securities Commission, Prince Edward Island Office of Superintendent of Securities, Office of the Superintendent of Securities, Digital Government and Service Newfoundland and Labrador, Office of the Superintendent of Securities, Northwest Territories, Office of the Superintendent of Securities, Nunavut and Office of the Yukon Superintendent of Securities

<sup>2</sup> Non-objection and approval are the different ways in which the recognizing regulators express their decisions after reviewing proposed rules of the CIRO.