

British Columbia Securities Commission

BC Instrument 96-503

Exemption from derivatives reporting requirements in Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* for certain derivatives reported to certain data centres

The British Columbia Securities Commission (the Commission), considering that to do so would not be prejudicial to the public interest, provides an exemption from Part 3 of Multilateral Instrument 96-101 – *Trade Repositories and Derivatives Data Reporting* for derivatives that are required to be reported to specified trade repositories.

August 5, 2016

Nigel P. Cave
Vice-Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:
Act and sections:- *Securities Act*, section 187

Exemption from derivatives reporting requirements in Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* for certain derivatives reported to certain data centres

(Order under section 187 of the Securities Act)

Definitions

1. Terms defined in the *Securities Act* (British Columbia) (the Act), National Instrument 14-101 *Definitions*, Multilateral Instrument 91-101 *Derivatives: Product Determination*, and Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (MI 96-101) have the same meaning in this Order unless otherwise defined herein.

Background

2. MI 96-101 requires a reporting counterparty to report derivatives data relating to a specified derivative to a recognized trade repository.
3. The Depository Trust & Clearing Corporation (DTCC) operates, directly or indirectly, the following trade repositories: DTCC Derivatives Repository Ltd.; DTCC Data Repository (U.S.) LLC (DDR); DTCC Data Repository (Japan) KK; and DTCC Data Repository (Singapore) Pte Ltd (the DTCC TRs).
4. DDR is recognized as a trade repository in British Columbia pursuant to an order dated July 15, 2016,.
5. The DTCC TRs enable users to fulfill their derivatives reporting obligations in many jurisdictions, including requirements established by the Australian Securities and Investments Commission (ASIC), the Monetary Authority of Singapore (MAS), and the European Securities and Markets Authority (ESMA).
6. DTCC, directly or indirectly, operates data centres in Europe (the European data centre), Singapore (the Singapore data centre) and in the United States of America (the US data centre), all of which are used in connection with the reporting of derivatives data to the DTCC TRs.
7. Derivatives data for a derivative may be required to be reported to more than one authority (a multi-jurisdictional derivative). DTCC has developed functionality that allows a reporting counterparty to report derivatives data for a multi-jurisdictional derivative to more than one authority through the use of a router that sends derivatives data for a multi-jurisdictional derivative to the European data centre, the Singapore data centre and the US data centre (the global router). The global router is intended to reduce the regulatory burden on reporting counterparties and to reduce duplicative reporting.

8. DTCC has determined that a temporary technical situation exists that prevents or makes it impractical for a reporting counterparty to report derivatives data for a multi-jurisdictional derivative to the DTCC TR through either the European data centre, the Singapore data centre or through the global router, where one jurisdiction referred to in the derivatives data is a jurisdiction that has implemented MI 96-101 and any other jurisdiction is any of Australia, Singapore or Europe.
9. Because of the technical situation, reporting counterparties that report a multi-jurisdictional derivative to the European data centre or the Singapore data centre, either directly or indirectly through the global router, will not be able to report data for the derivative where a counterparty to that derivative is a local counterparty under MI 96-101.

Order

Considering that it would be in the public interest, the Commission orders as follows:

10. A reporting counterparty that is required to report derivatives data under MI 96-101 is exempt from such requirement to report derivatives data for a derivative if each of the following applies:
 - (a) the derivative is a multi-jurisdictional derivative that is reported to a DTCC TR before August 15, 2016;
 - (b) at least one of the following applies to the reporting counterparty:
 - (i) it is required to report derivatives data relating to that derivative to ASIC, MAS or ESMA;
 - (ii) it ordinarily reports a majority of the data relating to the class of derivatives of the derivative to a DTCC TR through the European data centre or the Singapore data centre, either directly or through the global router;
 - (c) for the derivative the reporting counterparty reports
 - (i) creation data on or before August 19, 2016,
 - (ii) life-cycle data beginning on the same day that the reporting counterparty has reported creation data in accordance with subparagraph (i), and
 - (iii) valuation data beginning on the same day that the reporting counterparty has reported creation data in accordance with subparagraph (i).
11. This Order takes effect on August 5, 2016 and expires on August 15, 2016.