

CSA Notice

**Amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement*
and Changes to Companion Policy 24-101 *Institutional Trade Matching and Settlement*****December 14, 2023****Introduction**

The Canadian Securities Administrators (the **CSA** or **we**) are adopting amendments to National Instrument 24-101 *Institutional Trade Matching and Settlement* and changes to Companion Policy 24-101 *Institutional Trade Matching and Settlement*, together referred to as the **Amendments**. The Instrument and the Companion Policy are collectively referred to as **NI 24-101**.

Provided all necessary Ministerial approvals are obtained, the Amendments will come into force on May 27, 2024 in all CSA jurisdictions.

The text of the Amendments is published with this Notice and is also available on the websites of the following CSA jurisdictions:

www.bcsc.bc.ca
www.albertasecurities.com
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.ca
www.lautorite.qc.ca
www.fcnb.ca
nssc.novascotia.ca

Background

NI 24-101 came into force in 2007 and was intended to encourage more efficient and timely pre-settlement confirmation, affirmation, trade allocation and settlement instructions processes for institutional trades in Canada, through a process known as institutional trade matching (**ITM**).

The CSA published proposed amendments to NI 24-101 (**Proposed Amendments**) for a 90-day comment period on December 15, 2022 in preparation for the migration to a shorter settlement cycle in 2024 at the same time as the industry in the United States.

Substance and Purpose

We are making the Amendments for two reasons. First, the Amendments reflect the upcoming shortening of the standard settlement cycle for equity and long-term debt market trades in Canada from two days after the date of a trade (**T+2**) to one day after the date of a trade (**T+1**). The move to a T+1 settlement cycle in Canada will occur on May 27, 2024, the same day the Amendments come into force. This timing was chosen to align with the move to T+1 and associated regulatory rule changes in the United States. Because of a statutory holiday in the United States, the Canadian changeover and rule changes will occur one day earlier than those made by U.S. markets and regulators.

The rule changes to support the change to T+1 are as follows:

- Changing references to T+2 to T+1;
- Changing the ITM deadline; and
- Changing the times for some of the data reporting requirements in two forms applicable to clearing agencies and matching service utilities, respectively.

The second purpose of the Amendments is to permanently repeal the exception reporting requirements in Part 4 of the Instrument, including the requirement to file Form 24-101F1 *Registered Firm Exception Reporting of DAP/RAP Trade Reporting and Matching (Form 24-101F1)*. Form 24-101F1 has been subject to a reporting requirement since 2020.

In addition to these changes, we have added a reference to cyber resilience in connection with the assessments matching service utilities must undertake for core systems. We have also corrected a few minor typographical errors.

Comments Received

In response to the Proposed Amendments, we received submissions from 4 commenters. We have considered the comments received and thank all of the commenters for their input. A list of those who submitted comments and a summary of the comments and our responses are attached to this Notice at Annexes C and D respectively. Copies of the comment letters are available at www.osc.gov.on.ca.

Summary of Changes Since Publication for Comment

After considering the written comments received, we have changed the ITM deadline in the Proposed Amendments (9 p.m. on T) to 3:59 a.m. on T+1. We have also made additional changes to the data reporting requirements applicable to clearing agencies and matching service utilities. One of these data reporting changes reflects a further comment submitted by one of the original commenters. The additional comment letter is also available at www.osc.gov.on.ca. In the interest of fairness, the other commenters were given the opportunity to respond to this letter, but none chose to do so.

Local Matters

Annex G is being published in any local jurisdiction that is making related changes to local securities laws. It also includes any additional information that is relevant to that jurisdiction only.

List of Annexes

The notice contains the following annexes:

- Annex A – Amendments to NI 24-101
- Annex B – Changes to CP
- Annex C – Commenters
- Annex D – Summary of comments and CSA responses
- Annex E – Amendments to NI 24-101, blacklined to show changes from Proposed Amendments
- Annex F – Changes to CP, blacklined to show changes from Proposed Amendments
- Annex G – Local matters

Questions

Please refer your questions to any of the following:

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