

**ANNEX C  
BLACKLINE VERSION OF NI 24-101 REFLECTING PROPOSED AMENDMENTS**

**CANADIAN SECURITIES ADMINISTRATORS**

**NATIONAL INSTRUMENT 24-101  
*INSTITUTIONAL TRADE MATCHING AND SETTLEMENT***

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**NATIONAL INSTRUMENT 24-101**  
**INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

**PART 1            DEFINITIONS AND INTERPRETATION**

**1.1            Definitions —**

In this Instrument,

“clearing agency” means; a recognized clearing agency that operates as a securities settlement system within the meaning of National Instrument 24-102 *Clearing Agency Requirements*;

~~(a) — in Ontario, a clearing agency recognized by the securities regulatory authority under section 21.2 of the *Securities Act* (Ontario);~~

~~(b) — in Québec, a clearing house for securities recognized by the securities regulatory authority, and~~

~~(c) — in every other jurisdiction, an entity that is carrying on business as a clearing agency in the jurisdiction;~~

“custodian” means a person or company that holds securities for the benefit of another under a custodial agreement or other custodial arrangement;

“DAP/RAP trade” means a trade in a security

(a)        executed for a client trading account that permits settlement on a delivery against payment or receipt against payment basis through the facilities of a clearing agency, and

(b)        for which settlement is made completed on behalf of the client by a custodian other than the dealer that executed the trade;

“institutional investor” means a client of a dealer that has been granted DAP/RAP trading privileges by the dealer;

“marketplace” has the same meaning as in National Instrument 21-101 *Marketplace Operation*;

“matching service utility” means a person or company that provides centralized facilities for matching, but does not include a clearing agency;

~~“North American region” means Canada, the United States, Mexico, Bermuda and the countries of Central America and the Caribbean;~~

“registered firm” means a person or company registered under securities legislation as a dealer or adviser;

“trade-matching agreement” means, for trades executed with or on behalf of an institutional investor, a written agreement entered into among trade-matching parties setting out the roles and responsibilities of the trade-matching parties in matching those trades and including, without limitation, a term by which the trade-matching parties agree to establish, maintain and enforce policies and procedures designed to achieve matching as soon as practical after a trade is executed;

“trade-matching party” means, for a trade executed with or on behalf of an institutional investor,

(a)        a registered adviser acting for the institutional investor in processing the trade,

(b)        if a registered adviser is not acting for the institutional investor in processing the trade, the institutional investor unless the institutional investor is

(i)        an individual, or

(ii)       a person or company with total securities under administration or management not exceeding \$10 million,

(c)        a registered dealer executing or clearing the trade, or

(d) a custodian of the institutional investor settling the trade;

“trade-matching statement” means, for trades executed with or on behalf of an institutional investor, a signed written statement of a trade-matching party confirming that it has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after a trade is executed;

“T” means the day on which a trade is executed;

“T+1” means the next business day following T;

“T+2” means the second business day following T; ~~“T+3” means the third business day following T.~~

## 1.2 Interpretation — trade matching and ~~Eastern Time~~ — clearing agency

(1) In this Instrument, matching is the process by which

- (a) the details and settlement instructions of an executed DAP/RAP trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties, and
- (b) unless the process is effected through the facilities of a clearing agency, the matched details and settlement instructions are reported to a clearing agency.

(2) ~~Unless the context otherwise requires, a reference in this Instrument to~~ For the purposes of this Instrument, in Québec, a clearing agency includes a clearing house and a settlement system within the meaning of the Québec Securities Act.

~~(a) — a time is to Eastern Time, and~~

~~(b) — a day is to a twenty-four hour day from midnight to midnight Eastern Time.~~

## PART 2 APPLICATION

2.1 This Instrument does not apply to

- (a) a trade in a security of an issuer that has not been previously issued or for which a prospectus is required to be sent or delivered to the purchaser under securities legislation,
- (b) a trade in a security to the issuer of the security,
- (c) a trade made in connection with a take-over bid, issuer bid, amalgamation, merger, reorganization, arrangement or similar transaction,
- (d) a trade made in accordance with the terms of conversion, exchange or exercise of a security previously issued by an issuer,
- (e) a trade that is a securities lending, repurchase, reverse repurchase or similar financing transaction,
- (f) a trade ~~in a security of a mutual fund~~ to which Part 9 or 10 of National Instrument 81-102 ~~— Mutual Investment Funds~~ applies,
- (g) a trade to be settled outside Canada,
- (h) a trade in an option, futures contract or similar derivative, or
- (i) a trade in a negotiable promissory note, commercial paper or similar short-term debt obligation that, in the normal course, would settle in Canada on T.

## PART 3 TRADE MATCHING REQUIREMENTS

### 3.1 Matching deadlines for registered dealer —

(1) A registered dealer ~~shall~~must not execute a DAP/RAP trade with or on behalf of an institutional investor unless the dealer has established, maintains and enforces policies and procedures

designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 12 p.m. (noon) Eastern time on T+1.

(2) ~~Despite subsection (1), the dealer may adapt its policies and procedures to permit matching to occur no later than 12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the North American region.~~ **[REPEALED]**

### **3.2 Pre-DAP/RAP trade execution documentation requirement for dealers —**

A registered dealer ~~shall~~**must** not open an account to execute a DAP/RAP trade for an institutional investor or accept an order to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

- (a) enter into a trade-matching agreement with the dealer, or
- (b) provide a trade-matching statement to the dealer.

### **3.3 Matching deadlines for registered adviser —**

(1) A registered adviser ~~shall~~**must** not give an order to a dealer to execute a DAP/RAP trade on behalf of an institutional investor unless the adviser has established, maintains and enforces policies and procedures designed to achieve matching as soon as practical after such a trade is executed and in any event no later than 12 p.m. (noon) Eastern time on T+1.

(2) ~~Despite subsection (1), the adviser may adapt its policies and procedures to permit matching to occur no later than 12 p.m. (noon) on T+2 for a DAP/RAP trade that results from an order to buy or sell securities received from an institutional investor whose investment decisions or settlement instructions are usually made in and communicated from a geographical region outside of the North American region.~~ **[REPEALED]**

### **3.4 Pre-DAP/RAP trade execution documentation requirement for advisers —**

A registered adviser ~~shall~~**must** not open an account to execute a DAP/RAP trade for an institutional investor or give an order to a dealer to execute a DAP/RAP trade for the account of an institutional investor unless its policies and procedures are designed to encourage each trade-matching party to

- (a) enter into a trade-matching agreement with the adviser, or
- (b) provide a trade-matching statement to the adviser.

## **PART 4 REPORTING BY REGISTERED FIRMS**

### **4.1 Exception reporting requirement**

A registered firm ~~shall~~**must** deliver Form 24-101F1 to the securities regulatory authority no later than 45 days after the end of a calendar quarter if

- (a) less than 90 per cent of the DAP/RAP trades executed by or for the registered firm during the quarter matched within the time required in Part 3, or
- (b) the DAP/RAP trades executed by or for the registered firm during the quarter that matched within the time required in Part 3 represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades.

## **PART 5 REPORTING REQUIREMENTS FOR CLEARING AGENCIES**

5.1 A clearing agency ~~through which trades governed by this Instrument are cleared and settled~~ ~~shall~~**must** deliver Form 24-101F2 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.

## **PART 6 REQUIREMENTS FOR MATCHING SERVICE UTILITIES**

### **6.1 Initial information reporting —**

(1) A person or company ~~shall~~**must** not carry on business as a matching service utility unless

- (a) the person or company has delivered Form 24-101F3 to the securities regulatory authority, and
  - (b) at least 90 days have passed since the person or company delivered Form 24-101F3.
- (2) During the 90 day period referred to in subsection (1), if there is a significant change to the information in the delivered Form 24-101F3, the person or company ~~shall~~must inform the securities regulatory authority in writing immediately of that significant change by delivering an amendment to Form 24-101F3 in the manner set out in Form 24-101F3.

## 6.2 Anticipated change to operations —

At least 45 days before implementing a significant change to any item set out in Form 24-101F3, a matching service utility ~~shall~~must deliver an amendment to the information in the manner set out in Form 24-101F3.

## 6.3 Ceasing to carry on business as a matching service utility —

- (1) If a matching service utility intends to cease carrying on business as a matching service utility, it ~~shall~~must deliver a report on Form 24-101F4 to the securities regulatory authority at least 30 days before ceasing to carry on that business.
- (2) If a matching service utility involuntarily ceases to carry on business as a matching service utility, it ~~shall~~must deliver a report on Form 24-101F4 as soon as practical after it ceases to carry on that business.

## 6.4 Ongoing information reporting and record keeping —

- (1) A matching service utility ~~shall~~must deliver Form 24-101F5 to the securities regulatory authority no later than 30 days after the end of a calendar quarter.
- (2) A matching service utility ~~shall~~must keep such books, records and other documents as are reasonably necessary to properly record its business.

## 6.5 System requirements —

For ~~all of its core systems supporting~~each system operated by a matching service utility that supports the matching service utility's trade matching function, a matching service utility ~~shall~~must

### (a) develop and maintain

(i) an adequate system of internal controls over that system, and

~~(a) — consistent~~(i) adequate information technology general controls, including, without limitation, controls relating to information systems operations, information security, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis, and, in any event, at least annually,

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests ~~of those systems~~ to determine the ability of ~~the systems~~that system to process transactions in an accurate, timely and efficient manner, and

~~(iii) — implement reasonable procedures to review and keep current the testing methodology of those systems, c)~~ promptly notify the regulator or, in Québec, the securities regulatory authority of any material systems failure, malfunction, delay or security breach, and provide timely updates on the status of the failure, malfunction, delay or security breach, the resumption of service, and the results of the matching service utility's internal review of the failure, malfunction, delay or security breach.

- ~~(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including breaches of security, physical hazards and natural disasters, and~~

## 6.6 Systems reviews

- ~~(v) maintain adequate contingency and business continuity plans;~~~~(b) annually cause to be performed~~1) A matching service utility must annually engage a qualified party to conduct an independent systems review and written vulnerability assessment and prepare a report, in accordance with generally accepted auditing standards, of the stated internal control objectives of these systems; and established audit standards and best industry practices to ensure that the matching service utility is in compliance with paragraph 6.5(a) and paragraph 6.8(a).
- (2) The matching service utility must provide the report resulting from the review conducted under subsection (1) to
- (a) its board of directors, or audit committee, promptly upon the report's completion, and
- (b) the regulator or, in Québec, the securities regulatory authority, by the earlier of the 30th day after providing the report to its board of directors or the audit committee or the 60th day after the calendar year end.

## 6.7 Matching service utility technology requirements and testing facilities

- (1) A matching service utility must make available to its users, in their final form, all technology requirements regarding interfacing with or accessing the matching service utility
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by users, and
- (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by users.
- (2) After complying with subsection (1), the matching service utility must make available testing facilities for interfacing with or accessing the matching service utility
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by users, and
- (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by users.
- (3) The matching service utility must not begin operations before
- (a) it has complied with paragraphs (1)(a) and (2)(a), and
- (b) the chief information officer of the matching service utility, or an individual performing a similar function, has certified in writing to the regulator or, in Québec, the securities regulatory authority, that all information technology systems used by the matching service utility have been tested according to prudent business practices and are operating as designed.
- (4) The matching service utility must not implement a material change to the systems referred to in section 6.5 before
- (a) it has complied with paragraphs (1)(b) and (2)(b), and
- (b) the chief information officer of the matching service utility, or an individual performing a similar function, has certified in writing to the regulator or, in Québec, the securities regulatory authority, that the change has been tested according to prudent business practices and is operating as designed.
- (5) Subsection (4) does not apply to the matching service utility if the change must be made immediately to address a failure, malfunction or material delay of its systems or equipment and if

- (a) the matching service utility immediately notifies the regulator or, in Québec, the securities regulatory authority, of its intention to make the change, and
- (b) the matching service utility discloses to its users the changed technology requirements as soon as practicable.

## 6.8 Testing of business continuity plans

### A matching service utility must

- (a) develop and maintain reasonable business continuity plans, including disaster recovery plans, and
- ~~(e) promptly notify the securities regulatory authority of a material failure of those systems.~~ b) test its business continuity plans, including its disaster recovery plans, according to prudent business practices and on a reasonably frequent basis and, in any event, at least annually.

## **PART 7 TRADE SETTLEMENT**

### **7.1 Trade settlement by registered dealer —**

- (1) A registered dealer ~~shall~~must not execute a trade unless the dealer has established, maintains and enforces policies and procedures designed to facilitate settlement of the trade on a date that is no later than the standard settlement date for the type of security traded prescribed by an SRO or the marketplace on which the trade would be executed.
- (2) Subsection (1) does not apply to a trade for which terms of settlement have been expressly agreed to by the counterparties to the trade at or before the trade was executed.

## **PART 8 REQUIREMENTS OF SELF-REGULATORY ORGANIZATIONS AND OTHERS**

- 8.1** A clearing agency or matching service utility ~~shall~~must have rules or other instruments or procedures that are consistent with the requirements of Parts 3 and 7.
- 8.2** A requirement of this Instrument does not apply to a member of an SRO if the member complies with a rule or other instrument of the SRO that deals with the same subject matter as the requirement and that has been approved, non-disapproved, or non-objected to by the securities regulatory authority and published by the SRO.

## **PART 9 EXEMPTION**

### **9.1 Exemption —**

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

## **PART 10 EFFECTIVE DATES AND TRANSITION**

### 10.1 Effective dates

[LAPSED]

### 10.2 Transition

[LAPSED]

FORM 24-101F1

REGISTERED FIRM  
EXCEPTION REPORT OF  
DAP/RAP TRADE REPORTING AND MATCHING

CALENDAR QUARTER PERIOD COVERED:

From: \_\_\_\_\_ to: \_\_\_\_\_

REGISTERED FIRM IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of registered firm (if sole proprietor, last, first and middle name):
2. Name(s) under which business is conducted, if different from item 1:
- 3a. Address of registered firm's principal place of business:
- 3b. Indicate below the jurisdiction of your principal regulator within the meaning of NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*:
  - Alberta
  - British Columbia
  - Manitoba
  - New Brunswick
  - Newfoundland & Labrador
  - Northwest Territories
  - Nova Scotia
  - Nunavut
  - Ontario
  - Prince Edward Island
  - Québec
  - Saskatchewan
  - Yukon
- 3c. Indicate below all jurisdictions in which you are registered:
  - Alberta
  - British Columbia
  - Manitoba
  - New Brunswick
  - Newfoundland & Labrador
  - Northwest Territories
  - Nova Scotia
  - Nunavut
  - Ontario
  - Prince Edward Island
  - Québec
  - Saskatchewan
  - Yukon
4. Mailing address, if different from business address:
5. Type of business:                       Dealer                       Adviser
6. Category of registration:
7. (a) Registered Firm NRD number:  
(b) If the registered firm is a participant of a clearing agency, the registered firm's CUID number:
8. Contact employee name:  
Telephone number:

E-mail address:

**INSTRUCTIONS:**

Deliver this form for both equity and debt DAP/RAP trades together with Exhibits A, B and C pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

- (a) less than 90 per cent of the equity and/or debt DAP/RAP trades executed by or for you during the quarter matched within the time required in Part 3 of the Instrument, or
- (b) the equity and/or debt DAP/RAP trades executed by or for you during the quarter that matched within the time required in Part 3 of the Instrument represent less than 90 per cent of the aggregate value of the securities purchased and sold in those trades.

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics. Exhibit A(1) applies only to trades in equity and ETF securities. Exhibit A(2) applies only to trades in debt and other fixed-income securities.

**EXHIBITS:**

**Exhibit A – DAP/RAP trade statistics for the quarter**

~~Complete Tables 1 and 2~~ Where applicable, complete Table 1 or 2, or both, below for each calendar quarter. Deadline means noon Eastern time on T+1.

(1) Equity DAP/RAP trades (includes ETF trades)

Entered into <del>GDS</del> <u>the clearing agency</u> by deadline (to be completed by dealers only)				Matched (to be completed by <del>deadline</del> <u>dealers and advisers</u> )							
# of Trades	%	\$ Value of Trades	%	# of Trades	%	\$ Value of Trades	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

(2) Debt DAP/RAP trades

Entered into <del>GDS</del> <u>the clearing agency</u> by deadline (to be completed by dealers only)				Matched (to be completed by <del>deadline</del> <u>dealers and advisers</u> )							
# of Trades	%	\$ Value of Trades	%	# of Trades	%	\$ Value of Trades	%	# of trades matched by deadline	%	\$ value of trades matched by deadline	%

Legend

"# of Trades" is the total number of transactions in the calendar quarter;  
"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the calendar quarter.

**Exhibit B – Reasons for not meeting exception reporting thresholds**

Describe the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched equity and/or debt DAP/RAP trades within the maximum time prescribed by Part 3 of the Instrument. Reasons given could be one or more matters within your control or due to another trade-matching party or service provider. If you have insufficient information to determine the percentages, the reason for this should be provided. See also Companion Policy 24-101 CP to the Instrument.

**Exhibit C – Steps to address delays**

Describe what specific steps you are taking to resolve delays in the equity and/or debt DAP/RAP trade reporting and matching process in the future. Indicate when each of these steps is expected to be implemented. The steps being taken could be internally focused, such as implementing a new system or procedure, or externally focused, such as meeting with a trade-matching party to determine what action should be taken by that party. If you have insufficient information to determine the percentages, the steps being taken to obtain this information should be provided. See also Companion Policy 24-101 CP to the Instrument.

**CERTIFICATE OF REGISTERED FIRM**

The undersigned certifies that the information given in this report on behalf of the registered firm is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
(Name of registered firm - type or print)

\_\_\_\_\_  
(Name of director, officer or partner - type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - type or print)



Table 2 — Debt trades:

	Entered into clearing agency by dealers				Matched in clearing agency by custodians			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+3								
Total								

**Legend**

"# of Trades" is the total number of transactions in the month;  
"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

**Exhibit B – Individual matched trade statistics**

Using the same format as Exhibit A above, provide the relevant information for each participant of the clearing agency in respect of client trades during the quarter that have been entered by the participant and matched within the timelines indicated in Exhibit A.

**CERTIFICATE OF CLEARING AGENCY**

The undersigned certifies that the information given in this report on behalf of the clearing agency is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
(Name of clearing agency - type or print)

\_\_\_\_\_  
(Name of director, officer or partner - type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - type or print)

**FORM 24-101F3**

**MATCHING SERVICE UTILITY  
NOTICE OF OPERATIONS**

**DATE OF COMMENCEMENT INFORMATION:**

Effective date of commencement of operations: \_\_\_\_\_ (DD/MMM/YYYY)

**TYPE OF INFORMATION:**             INITIAL SUBMISSION             AMENDMENT

**MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:**

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:  
Telephone number:  
E-mail address:
6. Legal counsel:  
Firm name:  
Telephone number:  
E-mail address:

**GENERAL INFORMATION:**

7. Website address:
8. Date of financial year-end: \_\_\_\_\_ (DD/MMM/YYYY)
9. Indicate the form of your legal status (e.g., corporation, limited or general partnership), the date of formation, and the jurisdiction under which you were formed:  
Legal status:     CORPORATION             PARTNERSHIP  
                          OTHER (SPECIFY):  
(a) Date of formation: \_\_\_\_\_ (DD/MMM/YYYY)  
(b) Jurisdiction and manner of formation:
10. Specify the general types of securities for which information is being or will be received and processed by you for transmission of matched trades to a clearing agency (e.g. exchange-traded domestic equity and debt securities, exchange-traded foreign equity and debt securities, equity and debt securities traded over-the-counter).

**INSTRUCTIONS:**

Deliver this form together with all exhibits pursuant to section 6.1 ~~or 10.2(4)~~ of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable ~~shall~~**must** be furnished in lieu of the exhibit. To the extent information requested for an exhibit is identical to the information requested in another form that you have filed or delivered under National Instrument 21-101 *Marketplace Operation*, simply attach a copy of that other form and indicate in this form where such information can be found in that other form.

If you are delivering an amendment to Form 24-101F3 pursuant to section 6.1(2) or 6.2 of the Instrument, and the amended information relates to an exhibit that was delivered with such form, provide a description of the change and complete and deliver an updated exhibit. ~~If you are delivering Form 24-101F3 pursuant to section 10.2(4) of the Instrument, simply indicate at the top of this form under "Date of Commencement Information" that you were already carrying on business as a matching service utility in the relevant jurisdiction on the date that Part 6 of the Instrument came into force.~~

**EXHIBITS:**

**1. CORPORATE GOVERNANCE**

**Exhibit A – Constatng documents**

Provide a copy of your constating documents, including corporate by-laws and other similar documents, as amended from time to time.

**Exhibit B – Ownership**

List any person or company that owns 10 per cent or more of your voting securities or that, either directly or indirectly, through agreement or otherwise, may control your management. Provide the full name and address of each person or company and attach a copy of the agreement or, if there is no written agreement, briefly describe the agreement or basis through which the person or company exercises or may exercise control or direction.

**Exhibit C – Officials**

Provide a list of the partners, officers, directors or persons performing similar functions who presently hold or have held their offices or positions during the current and previous calendar year, indicating the following for each:

1. Name.
2. Title.
3. Dates of commencement and expiry of present term of office or position and length of time the office or position held.
4. Type of business in which each is primarily engaged and current employer.
5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
6. Whether the person is considered to be an independent director.

**Exhibit D – Organizational structure**

Provide a narrative or graphic description of your organizational structure.

**Exhibit E – Affiliated entities**

For each person or company affiliated to you, provide the following information:

1. Name and address of affiliated entity.
2. Form of organization (e.g., association, corporation, partnership).
3. Name of jurisdiction and statute under which organized.
4. Date of incorporation in present form.
5. Brief description of nature and extent of affiliation or contractual or other agreement with you.
6. Brief description of business services or functions.

7. If a person or company has ceased to be affiliated with you during the previous year or ceased to have a contractual or other agreement relating to your operations during the previous year, provide a brief statement of the reasons for termination of the relationship.

## 2. FINANCIAL VIABILITY

### Exhibit F – Audited financial statements

Provide your audited financial statements for the latest financial year and a report prepared by an independent auditor.

## 3. FEES

### Exhibit G – Fee list, fee structure

Provide a complete list of all fees and other charges imposed, or to be imposed, by you for use of your services as a matching service utility, including the cost of establishing a connection to your systems.

## 4. ACCESS

### Exhibit H – Users

Provide a list of all users or subscribers for which you provide or propose to provide the services of a matching service utility. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser or other party).

If applicable, for each instance during the past year in which any user or subscriber of your services has been prohibited or limited in respect of access to such services, indicate the name of each such user or subscriber and the reason for the prohibition or limitation.

### Exhibit I – User contract

Provide a copy of each form of agreement governing the terms by which users or subscribers may subscribe to your services of a matching service utility.

## 5. SYSTEMS AND OPERATIONS

### Exhibit J – System description

Describe the manner of operation of your systems for performing your services of a matching service utility (including, without limitation, systems that collect and process trade execution details and settlement instructions for matching of trades). This description should include the following:

1. The hours of operation of the systems, including communication with a clearing agency.
2. Locations of operations and systems (e.g., countries and cities where computers are operated, primary and backup).
3. A brief description in narrative form of each service or function performed by you.

## 6. SYSTEMS COMPLIANCE

### Exhibit K – ~~Security~~General and security

Provide a ~~brief~~high level description of the systems used to perform your services of a matching service utility, including the processes and procedures implemented by you to provide for the security of ~~any system used to perform your services of a matching service utility~~the systems.

### Exhibit L – Capacity planning and measurement

1. Provide a brief description of capacity planning/performance measurement techniques and system and stress testing methodologies.
2. Provide a brief description of testing methodologies with users or subscribers. For example, when are user/subscriber tests employed? How extensive are these tests?

### Exhibit M – Business continuity

Provide a brief description of your ~~contingency and~~ business continuity ~~plans in the event of a catastrophe, and~~ disaster recovery plans that includes, but is not limited to, information regarding the following:

1. Where the primary processing site is located.
2. What the approximate percentage of hardware, software and network redundancy is at the primary site.
3. Any uninterruptible power source (UPS) at the primary site.
4. How frequently market data is stored off-site.
5. Any secondary processing site, the location of any such secondary processing site, and whether all of the matching service utility's critical business data is accessible through the secondary processing site.
6. The creation, management, and oversight of the plans, including a description of responsibility for the development of the plans and their ongoing review and updating.
7. Escalation procedures, including event identification, impact analysis, and activation of the plans in the event of a disaster or disruption.
8. Procedures for internal and external communications, including the distribution of information internally, to the securities regulatory authority, and, if appropriate, to the public, together with the roles and responsibilities of the matching service utility's staff for internal and external communications.
9. The scenarios that would trigger the activation of the plans.
10. How frequently the business continuity and disaster recovery plans are tested.
11. Procedures for record keeping in relation to the review and updating of the plans, including the logging of tests and deficiencies.
12. The targeted time to resume operations of critical information technology systems following the declaration of a disaster by the matching service utility and the service level to which such systems are to be restored.
13. Any single points of failure faced by the matching service utility.

#### **Exhibit N – Material systems failures**

Provide a brief description of policies and procedures in place for reporting to regulators material systems failures. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes during normal business hours.

#### **Exhibit O – Independent systems audit**

1. ~~Briefly describe your plans~~ Provide high level information on the qualified party engaged to provide an annual independent ~~audit of your~~ systems review and vulnerability assessment.
2. If applicable, provide a copy of the last ~~external~~ systems operations audit report.

#### **7. INTEROPERABILITY**

#### **Exhibit P – Interoperability agreements**

List all other matching service utilities for which you have entered into an *interoperability* agreement. Provide a copy of all such agreements.

#### **8. OUTSOURCING**

#### **Exhibit Q – Outsourcing firms**

For each person or company (outsourcing firm) with whom or which you have an outsourcing agreement or arrangement relating to your services of a matching service utility, provide the following information:

1. Name and address of the outsourcing firm.
2. Brief description of business services or functions of the outsourcing firm.
3. Brief description of the outsourcing firm's contingency and business continuity plans in the event of a catastrophe.

#### **CERTIFICATE OF MATCHING SERVICE UTILITY**

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of matching service utility - type or print)

\_\_\_\_\_  
(Name of director, officer or partner - type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - type or print)

**FORM 24-101F4**

**MATCHING SERVICE UTILITY  
NOTICE OF CESSATION OF OPERATIONS**

**DATE OF CESSATION INFORMATION:**

- Type of information:            VOLUNTARY CESSATION  
         INVOLUNTARY CESSATION

Effective date of operations cessation: \_\_\_\_\_ (DD/MMM/YYYY)

**MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:**

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Legal counsel:  
    Firm name:  
    Telephone number:  
    E-mail address:

**INSTRUCTIONS:**

Deliver this form together with all exhibits pursuant to section 6.3 of the Instrument.

For each exhibit, include your name, the date of delivery of the exhibit and the date as of which the information is accurate (if different from the date of the delivery). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable ~~shall~~must be furnished in lieu of the exhibit.

**EXHIBITS:**

**Exhibit A**

Provide the reasons for your cessation of business.

**Exhibit B**

Provide a list of all the users or subscribers for which you provided services during the last 30 days prior to you ceasing business. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser, or other party).

**Exhibit C**

List all other matching service utilities for which an *interoperability* agreement was in force immediately prior to cessation of business.

**CERTIFICATE OF MATCHING SERVICE UTILITY**

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of matching service utility - type or print)

\_\_\_\_\_  
(Name of director, officer or partner - type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - type or print)

FORM 24-101F5

MATCHING SERVICE UTILITY  
QUARTERLY OPERATIONS REPORT OF  
INSTITUTIONAL TRADE REPORTING AND MATCHING

**CALENDAR QUARTER PERIOD COVERED:**

From: \_\_\_\_\_ to: \_\_\_\_\_

**MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:**

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:  
Telephone number:  
E-mail address:

**INSTRUCTIONS:**

Deliver this form together with all exhibits pursuant to section 6.4 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

[Include DAP/RAP trades in an exchange-traded fund \(ETF\) security in the equity DAP/RAP trades statistics.](#)

Exhibits ~~shall~~must be reported in an electronic file, in the following format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

If any information specified is not available, a full statement describing why the information is not available ~~shall~~must be separately furnished.

**EXHIBITS**

**1. SYSTEMS REPORTING**

**Exhibit A – External systems audit**

If an external audit report on your core systems was prepared during the quarter, provide a copy of the report.

**Exhibit B – Material systems failures reporting**

Provide a brief summary of all material systems failures, [malfunction, delay or security breach](#) that occurred during the quarter and for which you were required to notify the securities regulatory authority under section 6.5(c) of the Instrument.

**2. DATA REPORTING**

**Exhibit C – Aggregate matched trade statistics**

Provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report.

Month/Year: \_\_\_\_\_ (MMM/YYYY)

Table 1 — Equity trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+32								
Total								

Table 2 — Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	\$ Value of Trades	% Industry	# of Trades	% Industry	\$ Value of Trades	% Industry
T								
T+1 - noon								
T+1								
T+2								
T+3								
>T+32								
Total								

**Legend**

"# of Trades" is the total number of transactions in the month;  
"\$ Value of Trades" is the total value of the transactions (purchases and sales) in the month.

**Exhibit D – Individual matched trade statistics**

Using the same format as Exhibit C above, provide the relevant information for each user or subscriber in respect of trades during the quarter that have been entered by the user or subscriber and matched within the timelines indicated in Exhibit C.

**CERTIFICATE OF MATCHING SERVICE UTILITY**

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
(Name of matching service utility- type or print)

\_\_\_\_\_  
(Name of director, officer or partner - type or print)

\_\_\_\_\_  
(Signature of director, officer or partner)

\_\_\_\_\_  
(Official capacity - type or print)