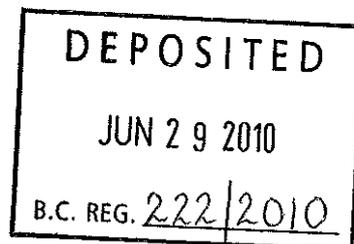


PROVINCE OF BRITISH COLUMBIA
RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

The British Columbia Securities Commission orders that, effective July 1, 2010, National Instrument 24-101 *Institutional Trade Matching and Settlement*, B.C. Reg. 64/2007, is amended as set out in the attached Schedule.



June 29, 2010
Date

[Signature]
British Columbia Securities Commission

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

Authority under which Order is made:

Act and section: Securities Act, R.S.B.C. 1996, c. 418, s. 184

Other: _____

June 8, 2010

R/536/2010/21

SCHEDULE

1 Section 1.1 of National Instrument 24-101 Institutional Trade Matching and Settlement, B.C. Reg. 64/2007, is amended

- (a) *in the definition of “clearing agency” by striking out “authorized” and substituting “recognized”,*
- (b) *by repealing the definition of “institutional investor” and substituting the following:*

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

- (c) *by adding the following definition:*

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

- (d) *by repealing paragraphs (a) and (b) of the definition of “trade-matching party” and substituting the following:*

- (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, , *and*

- (e) *in the definitions of “T+1”, “T+2” and “T+3” by striking out “the day on which a trade is executed” and substituting “T”.*

2 Paragraph 2.1 (f) is amended by adding “in a security of a mutual fund” after “a trade”.

3 Section 3.1 is amended

- (a) *in subsection (1) by striking out “the end of T” and substituting “12 p.m. (noon) on T+1”, and*
- (b) *by repealing subsection (2) and substituting the following:*
 - (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.

4 *Section 3.2 is repealed and the following substituted:*

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

A registered dealer shall 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.

5 *Section 3.3 is amended*

(a) *in subsection (1) by striking out “the end of T” and substituting “12 p.m. (noon) on T+1”, and*

(b) *by repealing subsection (2) and substituting the following:*

- (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.

6 *Section 3.4 is repealed and the following substituted:*

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

A registered adviser shall 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.

7 *Part 4 is repealed and the following substituted:*

PART 4 REPORTING BY REGISTERED FIRMS

4.1 Exception reporting requirement

A registered firm shall 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.

8 *Form 24-101F1 is repealed and the following substituted:*

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 and Exemptions:

- 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:

Email 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.

EXHIBITS:

Exhibit A – DAP/RAP trade statistics for the quarter

Complete Tables 1 and 2 below for each calendar quarter.

(1) *Equity DAP/RAP trades*

<i>Entered into CDS by deadline (to be completed by dealers only)</i>				<i>Matched by deadline</i>			
# of Trades	%	\$ Value of Trades	%	# of Trades	%	\$ Value of Trades	%

(2) *Debt DAP/RAP trades*

<i>Entered into CDS by deadline (to be completed by dealers only)</i>				<i>Matched by deadline</i>			
# of Trades	%	\$ Value of Trades	%	# of Trades	%	\$ Value of Trades	%

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 24-101CP 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 24-101CP 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)