

PROVINCE OF BRITISH COLUMBIA

RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

Securities Act

The British Columbia Securities Commission orders that, effective September 5, 2017, National Instrument 24-101 *Institutional Trade Matching and Settlement*, B.C. Reg. 64/2007, is amended as set out in the attached Schedule.

DEPOSITED

September 5, 2017

B.C. REG. 167/2017

08 / 22 / 17

Date



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: _____

SCHEDULE

1. National Instrument 24-101 Institutional Trade Matching and Settlement, B.C. Reg. 64/2007, is amended as set out in this Schedule.

2. Section 1.1 is amended

(a) by repealing the definition of “clearing agency” and substituting the following:

“clearing agency” means a recognized clearing agency that operates as a securities settlement system as defined in section 1.1 of National Instrument 24-102 *Clearing Agency Requirements*; ,

(b) in the definition of “DAP/RAP trade” by

(i) adding “in a security” immediately after “means a trade”, and

(ii) replacing “made” with “completed” in paragraph (b), and

(c) by repealing the definitions of “North American region” and “T+3”.

3. Section 1.2 is amended by repealing subsection (2) and substituting the following:

(2) For the purposes of this Instrument, in Québec, a clearing agency includes a clearing house and a settlement system within the meaning of the *Securities Act* (Québec).

4. Paragraph 2.1 (f) is repealed and the following substituted:

(f) a purchase governed by Part 9, or a redemption governed by Part 10, of National Instrument 81-102 *Investment Funds*, .

5. Section 3.1 is amended

(a) in subsection (1) by

(i) replacing “shall” with “must”, and

(ii) adding “Eastern Time” after “12 p.m. (noon)”, and

(b) by repealing subsection (2).

6. Section 3.2 is amended by replacing “shall” with “must”.

7. Section 3.3 is amended

(a) in subsection (1) by

(i) replacing “shall” with “must”, and

(ii) adding "Eastern Time" after "12 p.m. (noon)", and

(b) by repealing subsection (2).

- 8. Sections 3.4 and 4.1 are amended by replacing "shall" with "must".**
- 9. Section 5.1 is amended by replacing "through which trades governed by this Instrument are cleared and settled shall" with "must".**
- 10. Sections 6.1 to 8.1 are amended by replacing "shall" with "must" wherever it appears.**
- 11. Form 24-101F1 is amended by repealing the INSTRUCTIONS and substituting the following:**

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 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 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.

- 12. Form 24-101F1 is amended by replacing Exhibit A – DAP/RAP trade statistics for the quarter with the following:**

Exhibit A – DAP/RAP trade statistics for the quarter

If 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)

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

(2) Debt DAP/RAP trades

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

13. Form 24-101F1 is amended in Exhibits B and C by replacing "Companion Policy 24-101CP" with "Companion Policy 24-101".

14. Form 24-101F2 is amended by repealing the INSTRUCTIONS and substituting the following:

INSTRUCTIONS:

Deliver this form together with all exhibits pursuant to section 5.1 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Include client trades in an exchange-traded fund (ETF) security in the equity trades statistics.

Exhibits must be provided in an electronic file, in the following file format: "CSV" (Comma Separated Variable).

15. Form 24-101F2 is amended in Exhibit A, in Tables 1 and 2, by

(a) deleting the row titled “T+3”, and

(b) replacing the “>T+3” with “>T+2”.

16. Form 24-101F3 is amended under the heading “INSTRUCTIONS:” by

(a) deleting “or 10.2(4)”,

(b) replacing “shall” with “must”, and

(c) deleting the following:

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.

17. Form 24-101F4 is amended under the heading “INSTRUCTIONS:” by replacing “shall” with “must” in the second paragraph.

18. Form 24-101F5 is amended under the heading “INSTRUCTIONS:” by

(a) adding the following paragraph after the first paragraph:

Include DAP/RAP trades in an exchange-traded fund (ETF) security in the equity DAP/RAP trades statistics., **and**

(b) replacing “shall” with “must” wherever it appears.

19. Form 24-101F5 is amended in Exhibit C, in Tables 1 and 2, by

(a) deleting the row titled “T+3”, and

(b) replacing “>T+3” with “>T+2”.

Transition

**Registered firm’s exception report –
former rules apply to first quarter ending after September 5, 2017**

20. (1) For the purposes of the calculations under National Instrument 24-101 *Institutional Matching and Settlement* that determine whether, with respect to the calendar quarter ending September 30, 2017, Form 24-101F1 must be delivered under section 4.1 of that Instrument, a registered firm may make the determination under that Instrument as it was in force on September 4, 2017.

- (2) If a registered firm is required to deliver Form 24-101F1, with respect to the calendar quarter ending September 30, 2017, the firm may comply with the requirement by delivering the version of Form 24-101F1 that was in force on September 4, 2017.

**Clearing agency's operations report –
former rules apply to first quarter ending after September 5, 2017**

21. For the purposes of section 5.1 of National Instrument 24-101 *Institutional Matching and Settlement*, a clearing agency may comply with the requirement to deliver Form 24-101F2, with respect to the calendar quarter ending September 30, 2017, by delivering the version of Form 24-101F2 that was in force on September 4, 2017.

**Matching service utility's operations report –
former rules apply to first quarter ending after September 5, 2017**

22. For the purposes of section 6.4(1) of National Instrument 24-101 *Institutional Matching and Settlement*, a matching service utility may comply with the requirement to deliver Form 24-101F5, with respect to the calendar quarter ending September 30, 2017, by delivering the version of Form 24-101F5 that was in force on September 4, 2017.