

GENERAL ORDER 11-916

IN THE MATTER OF *THE SECURITIES ACT, 1988* (the *Act*)

AND

IN THE MATTER OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION
OF CANADA (**IIROC**)

DESIGNATION ORDER

(Section 26.1 of the *Act*)

WHEREAS part 8 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) requires persons or companies to provide to an information processor (**IP**) accurate and timely information regarding trades in corporate and government debt securities (together **Unlisted Debt Securities**) executed by or through the person or company, as required by the IP;

AND WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (**Authority**) can designate a person or company to be an information processor (**IP**) for corporate and government debt securities as defined in section 1.1 (Corporate Debt Securities) of NI 21-101;

AND WHEREAS the terms used in this order are defined in the *Act* and/or NI 21-101, as the case may be;

AND WHEREAS the Investment Industry Regulatory Organization of Canada (**IIROC** or the **Applicant**) has filed an application dated June 24, 2020 (**Application**) with the Authority requesting an order pursuant to section 26.1 of the *Act* designating IIROC as an IP for Unlisted Debt Securities;

AND WHEREAS the Applicant is currently the IP for corporate debt securities as permitted by a letter dated July 4, 2016 and has operated in compliance with the undertakings (**Undertakings**) contained in that letter;

AND WHEREAS the Applicant has filed Form 21-101F5 with respect to Unlisted Debt Securities;

AND WHEREAS subsection 26.1 of the *Act* allows the Authority to designate a person or company as an IP if the Authority considers it to be in the public interest;

AND WHEREAS the Applicant has represented to the Authority that:



1. The Applicant has the necessary systems in place to collect and disseminate information regarding trades in Unlisted Debt Securities;
2. The Applicant currently disseminates information regarding trades in corporate debt securities in a manner approved by the Canadian Securities Administrators (CSA);
3. The Applicant has sufficient financial and human resources to comply with the requirements applicable to an IP to collect and disseminate consolidated information regarding trades in Unlisted Debt Securities;
4. The Applicant will make available comprehensive information regarding trades in Unlisted Debt Securities to all market participants, including investors, at no cost; and
5. The Applicant has an appropriate governance structure and conflicts of interest policies and procedures in place;

AND WHEREAS, based on the Application, the Authority has determined that it is in the public interest to designate the Applicant as an IP for Unlisted Debt Securities;

IT IS ORDERED by the Authority that, pursuant to section 26.1 of the *Act*, the Applicant is designated as an IP for Unlisted Debt Securities,

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule A.

Dated August 26, 2020, in effect August 31, 2020.



Roger Sobotkiewicz, Chairperson
FCAA

Schedule A

TERMS AND CONDITIONS APPLICABLE TO THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA AS AN INFORMATION PROCESSOR FOR UNLISTED DEBT SECURITIES

1. DEFINITIONS AND INTERPRETATION

“Bank” means a bank listed in Schedule I, II or III of the *Bank Act* (Canada);

“Data Contributor” means an IIROC Dealer Member that reports trades in debt securities to IIROC under IIROC Dealer Member Rule 2800C and a Bank;

“IIROC” means The Investment Industry Regulatory Organization of Canada;

“IIROC IP” means IIROC acting as an information processor;

2. PUBLIC INTEREST RESPONSIBILITIES

- (a) IIROC IP must conduct the business and operations of the designated IP for Unlisted Debt Securities in a manner that is consistent with the public interest.
- (b) IIROC IP must provide a written report to the Authority, as required by the Authority, describing how, as the designated IP for Unlisted Debt Securities, it is meeting its regulatory and public interest functions.

3. CHANGES TO FORM F5

- (a) As required by section 14.2 of NI 21-101, IIROC IP must file with the Authority amendments to the information provided in Form F5. IIROC IP must not implement a significant change to the information in its Form F5 without the prior approval of the Authority.
- (b) IIROC IP will file with Authority Staff all material contracts related to the IP services.

4. RESOURCES

- (a) IIROC IP must maintain sufficient financial resources to ensure its ability to conduct its operations.
- (b) IIROC IP must ensure that sufficient human resources are available and appropriately trained to enable IIROC IP to properly perform its functions, including monitoring the timeliness and accuracy of data concerning Unlisted Debt Securities reported to IIROC and displayed by IIROC IP.

5. PROVISION OF TRADE INFORMATION

- (a) IIROC IP must receive information from Data Contributors regarding trades executed by or through the Data Contributors no later than 10:00 p.m. on the same business day the trades were executed and in accordance with its Form F5.

6. FAIR AND REASONABLE TERMS

- (a) IIROC IP must ensure that all persons and companies are given access to IIROC IP on fair and reasonable terms.

7. FEES, FEE STRUCTURE AND REVENUE SHARING

- (a) IIROC IP must make available, on its website, the fee schedule for the dissemination of Unlisted Debt Securities.
- (b) IIROC IP must make available, on its website, any payment arrangements with Data Contributors.

8. DATA REPORTED TO AND DISSEMINATED BY IIROC IP

- (a) IIROC IP staff must monitor the timeliness and accuracy of information received by and disseminated by the IP on an ongoing basis and take adequate measures to resolve any data integrity issues on a timely basis.
- (b) Within 45 days from the end of each quarter, IIROC must provide Authority Staff quarterly reports on the timeliness and integrity of the information reported to and disseminated by IIROC IP, highlighting significant issues and proposed steps for resolution. These reports must include significant data integrity issues identified in the field examinations of Data Contributors conducted by IIROC.

9. REVIEW OF THE DISSEMINATION MODEL

- (a) On request by the Authority, IIROC IP must
 - (i) review the continuing adequacy of the publication delay for the Unlisted Debt Securities trade data made available by IIROC IP (T+1 5:00 pm ET), and
 - (ii) review the continuing adequacy of the volume caps applied to trade data in Unlisted Debt Securities by IIROC IP.
- (b) No later than 30 days following completion of the review, IIROC IP must file with the Authority the results of the review and any recommendations for changes to the publication delay or the volume caps.