



IN THE MATTER OF THE *SECURITIES ACT*,
S.N.W.T. 2008, c. 10, AS AMENDED

- and -

**Exemption from the mandatory clearing requirements in National Instrument
94-101 *Mandatory Central Counterparty Clearing of Derivatives* for certain
counterparties**

BLANKET ORDER 94-501
(Section 16)

WHEREAS subsection 3(1) of National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* (“NI 94-101”) requires a local counterparty to a transaction in a mandatory clearable derivative to submit, or cause to be submitted, the mandatory clearable derivative to a regulated clearing agency that offers clearing services in respect of the mandatory clearable derivative (the **Clearing Requirement**), if one or more of the following applies to each counterparty:

- (a) the counterparty
 - (i) is a participant of a regulated clearing agency that offers clearing services in respect of the mandatory clearable derivative, and
 - (ii) subscribes to clearing services for the class of derivatives to which the mandatory clearable derivative belongs;
- (b) effective October 4, 2017, the counterparty
 - (i) is, at the date the transaction for the mandatory clearable derivative occurs, an affiliated entity of a participant referred to in paragraph (a), and
 - (ii) has had, at any time after the date on which NI 94-101 comes into force, a month-end gross notional amount under all outstanding derivatives exceeding \$1,000,000,000 excluding derivatives to which paragraph 7(1)(a) of NI 94-101 applies;

- (c) effective October 4, 2017, the counterparty
- (i) is, at the date the transaction for the mandatory clearable derivative occurs, a local counterparty in any jurisdiction of Canada, other than a counterparty to which paragraph (b) applies, and
 - (ii) has had, at any time after the date on which NI 94-101 comes into force, a month-end gross notional amount under all outstanding derivatives, combined with each affiliated entity that is a local counterparty in any jurisdiction of Canada, exceeding \$500,000,000,000 excluding derivatives to which paragraph 7(1)(a) of NI 94-101 applies.

AND WHEREAS the Canadian Securities Administrators is considering publishing for comment proposed amendments to NI 94-101. If implemented, these proposed amendments would clarify the scope of application of the Clearing Requirement so that certain counterparties will not be subject to the Clearing Requirement under paragraphs 3(1)(b) and (c) of NI 94-101 (the **Proposed Amendments**);

AND WHEREAS some counterparties that would have been subject to the Clearing Requirement effective October 4, 2017 may not be subject to the Clearing Requirement as a result of the Proposed Amendments;

AND WHEREAS the Superintendent has determined that it would not be prejudicial to the public interest to make this Order;

IT IS ORDERED THAT:

1. Terms defined in the Northwest Territories *Securities Act*, (the *Act*), in National Instrument 14-101 *Definitions* or in NI 94-101 have the same meaning in this Blanket Order.
2. A counterparty that is subject to a Clearing Requirement under paragraph 3(1)(b) or (c) of NI 94-101 is exempt from that requirement unless that counterparty is also subject to a Clearing Requirement under paragraph 3(1)(a) of NI 94-101.
3. The exemption under paragraph 2 of this Blanket Order is only available in respect of a transaction in a mandatory clearable derivative that occurs on or before August 20, 2018.

4. This Blanket Order takes effect on October 4, 2017.

Dated at Yellowknife, in the Northwest Territories, this 18th day of July, 2017.

Tom Hall

Thomas W. Hall,
Superintendent of Securities