

B.2 Orders

B.2.1 Ontario Securities Commission – Coordinated Blanket Order 96-933

Ontario Securities Commission

COORDINATED BLANKET ORDER 96-933

Citation: Re Temporary Exemptions from Derivatives Data Reporting Requirements relating to the Unique Product Identifier for Commodity Derivatives

February 20, 2025

Definitions

1. Unless otherwise defined in this Order, terms defined in the *Securities Act* (Ontario), Ontario Securities Commission Rule 14-501 *Definitions*, and the Amended TR Rule have the same meaning in this Order.
2. In this Order:
 - (a) “Amended TR Rule” means Ontario Securities Commission Rule 91-507 *Derivatives: Trade Reporting* as amended by the TR Amendments;
 - (b) “commodity derivative” means a derivative for which an underlying interest is a commodity other than cash or currency;
 - (c) “Pre-Amended TR Rule” means Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* immediately before the TR Amendments come into force;
 - (d) “TR Amendments” means amendments to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* that come into force on July 25, 2025.¹

Background

Unique Product Identifiers under the Pre-Amended TR Rule

3. Subsection 30(2) of the Pre-Amended TR Rule requires a reporting counterparty to identify each transaction that is required to be reported under the Pre-Amended TR Rule, in all recordkeeping and reporting that is required under the Pre-Amended TR Rule, by means of a unique product identifier. Subsection 30(1) of the Pre-Amended TR Rule defines “unique product identifier” as “a code that uniquely identifies a derivative and is assigned in accordance with international or industry standards.”
4. Paragraph 27(c) of the Pre-Amended TR Rule requires a reporting counterparty to include the unique product identifier in every required report.
5. Appendix A to the Pre-Amended TR Rule requires the unique product identifier to consist of a “code based on the taxonomy of the product”. In practice, this taxonomy is assigned or adopted by the designated trade repository to which the transaction is reported (a **TR UPI**).

Unique Product Identifiers under the Amended TR Rule

6. Subsection 30(2) of the Amended TR Rule requires a designated trade repository and a reporting counterparty to identify each type of derivative, in all recordkeeping and reporting that is required under the Amended TR Rule, by means of a single unique product identifier. Subsection 30(1) of the Amended TR Rule defines “unique product identifier” as “a code that uniquely identifies a type of derivative and is assigned by the Derivatives Service Bureau” (a **DSB UPI**).

¹ See OSC Notice of Publication at <https://www.osc.ca/en/securities-law/instruments-rules-policies/9/91-507/osc-notice-publication-amendments-osc-rule-91-507-trade-repositories-and-derivatives-data>.

7. Paragraph 27(c) of the Amended TR Rule requires a reporting counterparty to include the unique product identifier in every required report.
8. Paragraph 36.1(3)(a) of the Amended TR Rule requires certain references in the Amended TR Rule to be read as referring to a derivatives trading facility in certain circumstances, as set out in section 36.1. As result, a derivatives trading facility may also be required to identify a type of derivative by means of a DSB UPI in all recordkeeping and all reporting required under the Amended TR Rule.
9. In accordance with paragraph 27(c) and subsection 30(2) of the Amended TR Rule, a reporting counterparty, and a derivatives trading facility in certain circumstances as set out in section 36.1, will be required to report a DSB UPI under Data Element Number 117 of Appendix A to the Amended TR Rule beginning on July 25, 2025.
10. Under subsection 26(6) of the Amended TR Rule, a reporting counterparty must ensure that all reported derivatives data relating to a derivative satisfies the validation procedure of the designated trade repository to which the derivative is reported. Section 22.2 of the Amended TR Rule requires a designated trade repository to establish, implement, maintain and enforce a validation procedure. A validation procedure includes validating that a reporting counterparty or derivatives trading facility has reported a DSB UPI under Data Element Number 117 of Appendix A to the Amended TR Rule.

Purpose and International Context

11. The purpose of the DSB UPI requirement under the Amended TR Rule is to identify each type of derivative consistently across jurisdictions that are members of the Financial Stability Board, as provided under UPI Technical Guidance published by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions in September 2017.² The DSB UPI requirement will provide the Commission with important capabilities to link and aggregate data to support its mandate.
12. Capital market regulators globally have required, or are in the process of requiring, the reporting of a DSB UPI through revisions to their derivatives data reporting rules. A DSB UPI has been required in respect of all asset classes in the European Union since April 29, 2024, the United Kingdom since September 30, 2024, and Australia and Singapore since October 21, 2024. It is expected to be required in Japan beginning April 7, 2025 and Hong Kong beginning September 29, 2025.³
13. In the United States, the Commodity Futures Trading Commission (the **CFTC**) has required a DSB UPI in respect of the credit, equity, foreign exchange, and interest rate asset classes since January 29, 2024.⁴ The CFTC has not published an implementation date for the DSB UPI in respect of the commodity asset class.

Delay in implementation for Commodity Derivatives

14. Staff of the Canadian Securities Administrators (the **CSA**) have received numerous requests from designated trade repositories, derivatives industry groups, and reporting counterparties to delay implementation of the DSB UPI for commodity derivatives because the CFTC has not yet implemented the DSB UPI for commodity derivatives.
15. All designated trade repositories in Ontario are provisionally registered with the CFTC. The Commission understands that many derivatives are required to be reported under both CFTC regulations and CSA rules, and many reporting counterparties report under both CFTC regulations and CSA rules. Accordingly, the Commission understands that designated trade repositories may use data submission specifications for their participants that align with both CFTC regulations and CSA rules, and reporting counterparties may use systems that report the same data elements under both CFTC regulations and CSA rules. The Commission also understands that transitioning from reporting a TR UPI to a DSB

² Available at https://www.leiroc.org/publications/gls/roc_20170901.pdf.

³ Regulation (EU) 2022/1855 of the European Parliament and of the Council, *Eur-Lex*, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R1855>

UK Financial Conduct Authority, *Policy Statement PS23/2*, available at: <https://www.fca.org.uk/publication/policy/ps23-2.pdf>

Australia Securities & Investments Commission Derivative Transaction Rules (Reporting) 2024, available at: <https://www.legislation.gov.au/F2022L01706/latest/text>

Singapore Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013, *Singapore Statutes Online*, available at: <https://sso.agc.gov.sg/SL/SFA2001-S668-2013?Provids=P11I-#pr9->

Japan Financial Services Agency, *Consultation Paper on Securities*, available at: <https://www.fsa.go.jp/news/r5/shouken/20231121/03.pdf>

Hong Kong Securities and Futures Commission, *Joint further consultation on enhancements to the OTC derivatives reporting regime for Hong Kong to mandate – (1) the use of Unique Transaction Identifier, (2) the use of Unique Product Identifier and (3) the reporting of Critical Data Elements and Joint consultation conclusions on revising the list of designated jurisdictions for the masking relief*, available at: <https://apps.sfc.hk/edistributionWeb/gateway/EN/consultation/market-infrastructure-and-trading/doc?refNo=24CP1>

⁴ Order Designating the Unique Product Identifier and Product Classification System to be Used in Recordkeeping and Swap Data Reporting, 88 FR 11790 available at: <https://www.federalregister.gov/documents/2023/02/24/2023-03661/order-designating-the-unique-product-identifier-and-product-classification-system-to-be-used-in>

UPI in respect of commodity derivatives is complex, as it necessitates, among other things, mapping each type of commodity that underlies each derivative to a DSB UPI.

16. The Commission seeks to provide market participants with the exemptions listed below to enable them to continue to report TR UPIs in respect of commodity derivatives for a limited time to enable consistent reporting in respect of unique product identifiers for commodity derivatives in Canada and the United States.

Order*Identification, Recordkeeping and Reporting*

17. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 143.11(2) of the Act that a reporting counterparty and a derivatives trading facility are exempt from the requirements under paragraph 27(c) and subsection 30(2) of the Amended TR Rule, and under Data Element Number 117 of Appendix A to the Amended TR Rule, to identify each type of derivative in all recordkeeping and reporting that is required under the Amended TR Rule, by means of a DSB UPI, provided that:
- (a) the derivative is a commodity derivative;
 - (b) the relevant reporting counterparty or derivatives trading facility identifies each type of derivative in all recordkeeping and reporting that is required under the Amended TR Rule by means of a TR UPI.
18. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 143.11(2) of the Act that a designated trade repository is exempt from the requirement under subsection 30(2) of the Amended TR Rule to identify each type of derivative in all recordkeeping and reporting that is required under the Amended TR Rule, by means of a DSB UPI, provided that:
- (a) the derivative is a commodity derivative;
 - (b) the designated trade repository identifies each type of derivative in all recordkeeping and reporting that is required under the Amended TR Rule by means of a TR UPI.

Validation Procedure

19. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 143.11(2) of the Act that a designated trade repository is exempt from the requirements under section 22.2 of the Amended TR Rule in respect of the application of its validation procedure, in relation to a derivative, to Data Element Number 117 of Appendix A to the Amended TR Rule, provided that:
- (a) the derivative is a commodity derivative;
 - (b) the validation procedure is designed to validate that derivatives data reported under Data Element Number 117 of Appendix A to the Amended TR Rule satisfies the TR UPI;
 - (c) the designated trade repository complies with the requirements under section 22.2 of the Amended TR Rule in respect of the application of its validation procedure.

Effective Date and Term

20. This Order comes into effect on July 25, 2025 and will cease to be effective on January 24, 2027, unless it is extended or revoked by the Commission.

For the Commission:

"D. Grant Vingo"
Chief Executive Officer
Ontario Securities Commission