

(2) the insured is a reporting issuer or a subsidiary of such a reporting issuer within the meaning of the Securities Act (chapter V-1.1);

(3) the insured is a foreign business corporation within the meaning of the Taxation Act (chapter I-3) or the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.));

(4) the insured is a director, officer or trustee of any entity referred to in any of paragraphs 1 to 3, even one not insured under such a contract.

3. The duration of a contract referred to in section 1 or 2 may not be more than 1 year. In the case of renewal, the insured must meet the conditions set out in those sections at the time of renewal, as the case may be.

4. When a director, officer or trustee referred to in paragraph 3 of section 1 or paragraph 4 of section 2 also pursues activities as a member of a pension committee, those activities must be covered under a contract that does not depart from the rules set out in article 2500 and the first and second paragraphs of article 2503 of the Civil Code.

5. Where a minimum amount of civil liability insurance coverage is specified by law, proceeds must be applied to the payment of injured third persons before any other payment.

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

105671

M.O., 2022-07

Order number I-14.01-2022-07 of the Minister of Finance dated 1 April 2022

Derivatives Act
(chapter I-14.01)

CONCERNING the Regulation to amend Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives

WHEREAS subparagraphs 2, 3, 9, 11, 12 and 29 of the first paragraph of section 175 of the Derivatives Act (chapter I-14.01) provide that the *Autorité des marchés financiers* may make regulations concerning the matters referred to in those subparagraphs;

WHEREAS the fourth and fifth paragraphs of that section provide that a draft regulation under that section must be published in the *Bulletin de l'Autorité des marchés financiers* with the notice required under section 10 of the Regulations Act (chapter R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the second and sixth paragraphs of that section provide that a regulation under the first paragraph of that section must be submitted to the Minister of Finance, who may approve it with or without amendment, and comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation;

WHEREAS the Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives was approved by ministerial order no. 2017-01 dated 16 March 2017 (2017, *G.O.* 2, 633);

WHEREAS there is cause to amend this Regulation;

WHEREAS the draft Regulation to amend Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives was published for a first consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 14, no. 40 of 12 October 2017;

WHEREAS the draft Regulation to amend Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives was published for a second consultation in the *Bulletin de l'Autorité des marchés financiers*, vol. 17, no. 35 of 3 September 2020;

WHEREAS the *Autorité des marchés financiers* made, on 23 March 2022, by the decision no. 2022-PDG-0019, Regulation to amend Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives;

WHEREAS there is cause to approve this Regulation with amendment;

CONSEQUENTLY, the Minister of Finance approves with amendment the Regulation to amend Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives appended hereto.

April 1, 2022

ERIC GIRARD
Minister of Finance

REGULATION TO AMEND REGULATION 94-101 RESPECTING MANDATORY CENTRAL COUNTERPARTY CLEARING OF DERIVATIVES

Derivatives Act

(chapter I-14.01, s. 175, par. 1, subpar. (2), (3), (9), (11), (12) and (29))

1. Section 1 of Regulation 94-101 respecting Mandatory Central Counterparty Clearing of Derivatives (chapter I-14.01, r. 0.01) is amended:

(1) in paragraph (1):

(a) by inserting, before the definition of the expression “local counterparty”, the following:

““investment fund” has the meaning ascribed to it in Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42);”;

(b) by inserting, after the definition of the expression “participant”, the following:

““prudentially regulated entity” means a person that is subject to the laws of Canada, a jurisdiction of Canada or a foreign jurisdiction where the head office or principal place of business of an authorized foreign bank named in Schedule III of the Bank Act (S.C. 1991, c. 46) is located, and a political subdivision of that foreign jurisdiction, relating to minimum capital requirements, financial soundness and risk management, or the guidelines of a regulatory authority of Canada or a jurisdiction of Canada relating to minimum capital requirements, financial soundness and risk management;

““reference period” means the period beginning on September 1 in a given year and ending on August 31 of the following year;”;

(2) by replacing paragraph (2) with the following:

“(2) In this Regulation, a person (the first party) is an affiliated entity of another person (the second party) if any of the following apply:

(a) the first party and the second party are consolidated in consolidated financial statements prepared in accordance with one of the following:

(i) IFRS;

(ii) generally accepted accounting principles in the United States of America;

(b) all of the following apply:

(i) the first party and the second party would have been, at the relevant time, required to be consolidated in consolidated financial statements prepared by the first party, the second party or another person, if the consolidated financial statements were prepared in accordance with the principles or standards referred to in subparagraph (a)(i) or (ii);

(ii) neither the first party's nor the second party's financial statements, nor the financial statements of the other person, were prepared in accordance with the principles or standards referred to in subparagraph (a)(i) or (ii);

(c) except in British Columbia and Quebec, the first party and the second party are both prudentially regulated entities and are consolidated for that purpose.”;

(3) by repealing paragraph (3).

2. Section 3 of the Regulation is amended:

(1) by inserting, before paragraph (1), the following:

“(0.1) Despite subsection 1(2), an investment fund is not an affiliated entity of another person for the purposes of paragraphs (1)(b) and (c) of this section.

“(0.2) Despite subsection 1(2), a person is not an affiliated entity of another person for the purposes of paragraphs (1)(b) and (c) of this section if the following apply:

(a) the person has, as its primary purpose, one of the following:

(i) financing a specific pool or pools of assets;

(ii) providing investors with exposure to a specific set of risks;

(iii) acquiring or investing in real estate or other physical assets;

(b) all the indebtedness incurred by the person whose primary purpose is one set out in subparagraph (a)(i) or (ii), including obligations owing to its counterparty to a derivative, are secured solely by the assets of that person.”;

(2) in paragraph (1):

(a) by replacing subparagraph (ii) of subparagraph (b) with the following:

“(ii) had, for the months of March, April and May preceding the reference period in which the transaction was executed, an average month-end gross notional amount under all outstanding derivatives exceeding \$1 000 000 000 excluding derivatives referred to in paragraph 7(1)(a);”;

(b) by replacing subparagraph (c) with the following:

“(c) the counterparty

(i) is a local counterparty in any jurisdiction of Canada,

(ii) had, during the previous 12-month period, 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 referred to in paragraph 7(1)(a), and

(iii) had, for the months of March, April and May preceding the reference period in which the transaction was executed, an average month-end gross notional amount under all outstanding derivatives exceeding \$1 000 000 000 000 excluding derivatives referred to in paragraph 7(1)(a).”;

(3) by deleting, in paragraph (2), “(1)(b) or”, “(b)(ii) or (1)” and the words “, as applicable”.

3. Section 6 of the Regulation is amended by replacing the words “the following counterparties” with the words “a counterparty in respect of a mandatory clearable derivative if any counterparty to the mandatory clearable derivative is any of the following”.

4. Section 7 of the Regulation is amended:

(1) in paragraph (1):

(a) by deleting, in the text preceding subparagraph (a), the words “the application of”;

(b) by deleting, in subparagraph (a), “if each of the counterparty and the affiliated entity are consolidated as part of the same audited consolidated financial statements prepared in accordance with “accounting principles” as defined in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25)”;

(c) by deleting subparagraph (b);

(2) by deleting paragraphs (2) and (3).

5. Section 8 of the Regulation is amended:

(1) by deleting, in the text preceding subparagraph (a), the words “the application of”;

(2) by replacing paragraph (d) with the following:

“(d) the multilateral portfolio compression exercise involved both counterparties to the mandatory clearable derivative;”;

(3) by replacing, in paragraph (e), the word “is” with the word “was”.

6. Part 4 of the Regulation, including section 10, is repealed.

7. Appendix A and Appendix B of the Regulation are replaced with the following:

**“APPENDIX A
MANDATORY CLEARABLE DERIVATIVES
(Subsection 1(1))**

Interest Rate Swaps

Type	Floating index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
Fixed-to-float	CDOR	CAD	28 days to 30 years	Single currency	No	Constant or variable
Fixed-to-float	LIBOR	USD	28 days to 50 years	Single currency	No	Constant or variable
Fixed-to-float	EURIBOR	EUR	28 days to 50 years	Single currency	No	Constant or variable
Fixed-to-float	LIBOR	GBP	28 days to 50 years	Single currency	No	Constant or variable
Basis	LIBOR	USD	28 days to 50 years	Single currency	No	Constant or variable
Basis	EURIBOR	EUR	28 days to 50 years	Single currency	No	Constant or variable
Basis	LIBOR	GBP	28 days to 50 years	Single currency	No	Constant or variable
Overnight index swap	CORRA	CAD	7 days to 2 years	Single currency	No	Constant
Overnight index swap	FedFunds	USD	7 days to 3 years	Single currency	No	Constant
Overnight index swap	EONIA	EUR	7 days to 3 years	Single currency	No	Constant
Overnight index swap	SONIA	GBP	7 days to 3 years	Single currency	No	Constant

Forward Rate Agreements

Type	Floating index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
Forward rate agreement	LIBOR	USD	3 days to 3 years	Single currency	No	Constant
Forward rate agreement	EURIBOR	EUR	3 days to 3 years	Single currency	No	Constant
Forward rate agreement	LIBOR	GBP	3 days to 3 years	Single currency	No	Constant

**“APPENDIX B
LAWS, REGULATIONS OR INSTRUMENTS OF FOREIGN
JURISDICTIONS APPLICABLE FOR SUBSTITUTED COMPLIANCE
(Subsection 3(5))**

Foreign jurisdiction	Laws, regulations or instruments
European Union	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended by Regulation (EU) 2019/2099
United Kingdom	<p>Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment etc., and Transitional Provision) (EU Exit) (No 2) Regulations 2019</p> <p>The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019</p> <p>The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018</p>

	The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 2) Instrument 2019 The Technical Standards (European Market Infrastructure Regulation) (EU Exit) (No 3) Instrument 2019
United States of America	Clearing Requirement and Related Rules, 17 CFR Part 50

”.

8. Form 94-101F1 and Form 94-101F2 of the Regulation are repealed.
9. (1) This Regulation comes into force on 1 September 2022, except section 7, which comes into force on the date of its publication in the *Gazette officielle du Québec*.
- (2) In Saskatchewan, despite paragraph (1), if this Regulation is filed with the Registrar of Regulations after:
- (a) 12 April 2022, but before 1 September 2022, then Section 7 of this Regulation comes into force on the day on which it is filed with the Registrar of Regulations; or
- (b) 1 September 2022, then this Regulation comes into force on the day on which it is filed with the Registrar of Regulations.

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