

M.O., 2024-14**Order number V-1.1-2024-14 of the Minister of Finance
dated 27 September 2024**

Securities Act
(chapter V-1.1)

CONCERNING the Regulation to amend
Regulation 25-102 respecting Designated Benchmarks
and Benchmark Administrators

WHEREAS paragraphs 9.2.1, 9.3, 9.5 and 9.6 of
section 331.1 of the Securities Act (chapter V-1.1) pro-
vide that the *Autorité des marchés financiers* may make
regulations concerning the matters referred to in those
paragraphs;

WHEREAS section 333 of the said Act provides, more
particularly, that the *Autorité des marchés financiers* may
establish various classes of persons, securities and trans-
actions and prescribe appropriate rules for each class in
exercising its regulatory powers;

WHEREAS the third and fourth paragraphs of sec-
tion 331.2 of the said Act provide that a draft regula-
tion shall be published in the *Bulletin de l'Autorité des
marchés financiers*, accompanied 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 first and fifth paragraphs of the said
section provide that every regulation made under sec-
tion 331.1 must be approved, with or without amendment,
by the Minister of Finance 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 25-102 respecting
Designated Benchmarks and Benchmark Administrators
was approved by ministerial order no. 2021-07 dated
23 June 2021 (2021, G.O. 2, 2586);

WHEREAS there is cause to amend this Regulation;

WHEREAS, in accordance with the third and fourth
paragraphs of section 331.2 of the said Act, the draft
regulation to amend Regulation 25-102 respecting
Designated Benchmarks and Benchmark Administrators
was published in the *Bulletin de l'Autorité des marchés
financiers*, vol. 21, no. 20 of 23 May 2024;

WHEREAS the *Autorité des marchés financiers*
made, on 6 September 2024, by the decision no. 2024-
PDG-0040, Regulation to amend Regulation 25-102
respecting Designated Benchmarks and Benchmark
Administrators;

WHEREAS there is cause to approve this Regulation
without amendment;

CONSEQUENTLY, the Minister of Finance
approves without amendment the Regulation to amend
Regulation 25-102 respecting Designated Benchmarks
and Benchmark Administrators appended hereto.

27 September 2024

ERIC GIRARD
Minister of Finance

**REGULATION TO AMEND REGULATION 25-102 RESPECTING
DESIGNATED BENCHMARKS AND BENCHMARK
ADMINISTRATORS**

Securities Act

(chapter V-1.1, s. 331.1, par. (9.2.1), (9.3), (9.5) and (9.6), and s. 333)

1. Section 1 of Regulation 25-102 respecting Designated Benchmarks and Benchmark Administrators (chapter V-1.1, r. 8.2) is amended by inserting the following after subsection (8):

“(8.1) In Québec, the securities regulatory authority may designate a benchmark as a critical benchmark only if it fulfills one or more of the following criteria and conditions:

(a) the benchmark:

(i) is used, by itself or within a combination of benchmarks, as a reference for contracts, derivatives, investment funds, instruments or securities that have a total value in one or more jurisdictions of Canada that is significant on the basis of all the range of maturities or tenors of the benchmark, where applicable; and

(ii) has no appropriate substitute in that part of the market or economy the benchmark is intended to represent;

(b) there would be significant and adverse impacts on market integrity, financial stability, the economy, or the financing of businesses in one or more jurisdictions of Canada or a significant number of market participants in one or more jurisdictions of Canada resulting from any of the following situations:

(i) the benchmark administrator ceases to provide the benchmark;

(ii) input data is not reliable or is not sufficient to provide a benchmark that accurately and reliably represents that part of the market or economy the benchmark is intended to represent.

“(8.2) In Québec, the securities regulatory authority may designate a benchmark as a regulated-data benchmark only if the benchmark is determined by the application of a methodology to any of the following:

(a) transaction data that is provided entirely from:

(i) one or more of the following:

(A) a recognized exchange in a jurisdiction of Canada or an exchange that is subject to appropriate regulation in a foreign jurisdiction;

(B) a recognized quotation and trade reporting system in a jurisdiction of Canada or a quotation and trade reporting system that is subject to appropriate regulation in a foreign jurisdiction;

(C) an alternative trading system that is registered as a dealer in a jurisdiction of Canada or recognized as an exchange in Québec, and is a member of a self-regulatory entity, or an alternative trading system that is subject to appropriate regulation in a foreign jurisdiction;

(D) a marketplace that is similar or analogous to the marketplaces referred to in subparagraph (A), (B) or (C) and that is subject to appropriate regulation in a jurisdiction of Canada or a foreign jurisdiction; or

(ii) a service provider to which the benchmark administrator of the benchmark has outsourced the data collection in accordance with section 13, if the service provider receives the data entirely and directly from a marketplace referred to in subparagraph (i);

(b) net asset values of investment funds that are reporting issuers in a jurisdiction of Canada or subject to appropriate regulation in a foreign jurisdiction.

“(8.3) In Québec, the securities regulatory authority may designate a benchmark as an interest rate benchmark only if the benchmark is used, or is expected to be used, to set an interest rate in a transaction and is determined by using any of the following:

(a) the rate at which financial institutions could lend to, or borrow from, other financial institutions, or market participants other than financial institutions, in the money market;

(b) a survey of rates contributed by financial institutions that routinely accept bankers’ acceptances issued by borrowers and are market makers in bankers’ acceptances either directly or through an affiliated entity.

“(8.4) In Québec, the securities regulatory authority may designate a benchmark as a commodity benchmark only if the benchmark is determined by reference to or an assessment of an underlying interest that is a commodity other than a currency.

“(8.5) Despite subsections (8.1) to (8.4), in Québec, the securities regulatory authority may designate a benchmark if the benchmark is sufficiently important to financial or commodity markets or if it exposes these markets, the benchmark users or the public to a sufficiently important risk.”.

2. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

107054

