

B.2.2 Canadian Investment Regulatory Organization – ss. 21.2.3, 144

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(ACT)**

AND

**IN THE MATTER OF
CANADIAN INVESTMENT REGULATORY ORGANIZATION**

ORDER

(Sections 21.2.3 and 144 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 terms used in this order are defined in the *Securities Act* (Ontario) and NI 21-101, as the case may be;

AND WHEREAS on August 24, 2020, the Ontario Securities Commission (**Commission**) made an order under subsection 21.2.3(1) of the Act designating the Investment Industry Regulatory Organization of Canada (**IIROC**) as an IP for Unlisted Debt Securities, effective August 31, 2020 (**Designation**);

AND WHEREAS effective January 1, 2023, IIROC and the Mutual Fund Dealers Association of Canada consolidated their regulatory activities through a legal amalgamation (**Amalgamation**) to form the New Self-Regulatory Organization of Canada (**New SRO**);

AND WHEREAS on October 25, 2022, the Commission made an order under subsection 21.1(1) of the Act recognizing New SRO as a self-regulatory organization, effective January 1, 2023;

AND WHEREAS the Commission has received an application under section 144 of the Act to vary and restate the Designation to reflect the legal name change of New SRO to Canadian Investment Regulatory Organization (**CIRO**) and to replace references to IIROC with references to CIRO (**Application**);

AND WHEREAS CIRO will act as an IP for Unlisted Debt Securities in accordance with NI 21-101 (**CIRO IP**);

AND WHEREAS, based on the Application, the Commission has determined that:

- (a) it is in the public interest to continue to designate CIRO as an IP for Unlisted Debt Securities under subsection 21.2.3 of the Act; and
- (b) it is not prejudicial to the public interest to vary the Designation under section 144 of the Act.

IT IS ORDERED under section 144 of the Act that the application to vary the Designation is granted.

IT IS ORDERED under section 21.2.3 of the Act that CIRO continues to be designated as an IP for Unlisted Debt Securities,

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

Dated May 11th, 2023, to take effect June 1, 2023.

“Susan Greenglass”
Director, Market Regulation
Ontario Securities Commission

SCHEDULE A
TERMS AND CONDITIONS APPLICABLE TO CANADIAN INVESTMENT REGULATORY ORGANIZATION 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 a CIRO Dealer Member that reports trades in debt securities to CIRO under CIRO Investment Dealer and Partially Consolidated Rule 7200 and a Bank;

“CIRO” means Canadian Investment Regulatory Organization;

“CIRO IP” means CIRO acting as an IP;

2. PUBLIC INTEREST RESPONSIBILITIES

(a) CIRO 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) CIRO IP must provide a written report to the Commission, as required by the Commission, 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, CIRO IP must file with the Commission amendments to the information provided in Form F5. CIRO IP must not implement a significant change to the information in its Form F5 without the prior approval of the Commission.

(b) CIRO IP must file with Commission Staff all material contracts related to the IP services.

4. RESOURCES

(a) CIRO IP must maintain sufficient financial resources to ensure its ability to conduct its operations.

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

5. PROVISION OF TRADE INFORMATION

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

7. FEES, FEE STRUCTURE AND REVENUE SHARING

(a) CIRO IP must make available, on its website, the fee schedule for the dissemination of Unlisted Debt Securities.

(b) CIRO IP must make available, on its website, any payment arrangements with Data Contributors.

8. DATA REPORTED TO AND DISSEMINATED BY CIRO IP

(a) CIRO 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, CIRO must provide Commission Staff quarterly reports on the timeliness and integrity of the information reported to and disseminated by CIRO 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 CIRO.

9. REVIEW OF THE DISSEMINATION MODEL

- (a) On request by the Commission, CIRO IP must
 - (i) review the continuing adequacy of the publication delay for the Unlisted Debt Securities trade data made available by CIRO 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 CIRO IP.
- (b) No later than 30 days following completion of the review, CIRO IP must file with the Commission the results of the review and any recommendations for changes to the publication delay or the volume caps.