



IN THE MATTER OF THE *SECURITIES ACT*  
(S.Y. 2007 c.16 as amended)

- and -

In the matter of Chicago Mercantile Exchange Inc.

**SUPERINTENDENT ORDER 2016/05 Y.S.A.**

**RECOGNITION ORDER**

Section 72

**Background**

1. Chicago Mercantile Exchange Inc. (the Applicant) intends to carry on business as a trade repository in Yukon (the Local Jurisdiction) in accordance with Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (MI 96-101) and by acting as a trade repository for transactions in a “specified derivative”, as the term is defined in Multilateral Instrument 91-101 *Derivatives: Product Determination*.
2. The Applicant has filed an application with the Superintendent of Securities (the Superintendent) seeking recognition as a quotation and trade reporting system pursuant to section 72 of the *Securities Act* (Yukon) (the Act).
3. Under the *Memorandum of Understanding respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities* dated December 3, 2015 among various Canadian securities regulatory authorities, the Ontario Securities Commission (the **OSC**) has been selected as the lead authority for the Applicant.
4. Under the *Memorandum of Understanding regarding Cooperation and the Exchange of Information related to the Supervision of Cross-border Covered Entities* dated March 25, 2014, the United States (US) Commodity Futures Trading Commission (the CFTC), the Superintendent and other Canadian securities regulatory authorities have agreed to share information regarding cross-border covered entities including the Applicant.

**Interpretation**

5. Terms defined in the Act, National Instrument 14-101 *Definitions*, Multilateral Instrument 91-101 *Derivatives: Product Determination* or in MI 96-101 have the same meaning in this order unless otherwise defined herein.

**Representations**

6. This decision is based on the following representations made by the Applicant to the Superintendent:

- (a) the Applicant is a corporation organized under the laws of the State of Delaware in the US and is a wholly owned subsidiary of CME Group Inc. (CMEG), a publicly traded for-profit corporation organized under the laws of Delaware;
- (b) the Applicant is provisionally registered with the CFTC as a swap data repository (SDR) and is in good standing as a SDR; and
- (c) the Applicant is designated as a trade repository by the OSC pursuant to a September 19, 2014 order (the OSC Designation Order) and is in good standing in Ontario as a trade repository.

**Decisions**

- 7. Based on the representations herein, the Superintendent is satisfied that the recognition of the Applicant will not be prejudicial to the public interest.
- 8. The Superintendent recognizes the Applicant as a quotation and trade reporting system under section 72 of the Act, for the purpose of acting as a trade repository in accordance with MI 96-101, effective July 28, 2016, on the terms and conditions in Schedule A and Schedule C that are attached to and a part of this order.
- 9. The Superintendent exempts the Applicant from certain requirements, as set out in Schedule B and Schedule D that are attached to and a part of this order,

**Dated** at Whitehorse, in Yukon, this 28th day of July, 2016.

*Fred Pretorius* (original signature on file)

Fred Pretorius  
Superintendent of Securities

## **Schedule A General Terms and Conditions**

### **Regulation by the CFTC and the OSC**

1. The Applicant will maintain its registration as a SDR with the CFTC and will remain subject to regulatory oversight by the CFTC.
2. The Applicant will maintain, in good standing, its designation as a trade repository by the OSC and will remain subject to regulatory oversight by the OSC.

### **Local Services**

3. The Applicant will provide services to its participants that are local counterparties in the Local Jurisdiction (Local Participants) on the same terms and conditions, including fees, as it provides to comparable participants in other jurisdictions in Canada, where the Applicant is recognized or designated as a trade repository.
4. The Applicant will offer a trade repository solution that enables Local Participants to fulfill their reporting obligation under MI 96-101.
5. The Applicant will offer the services required in paragraphs 3 and 4 between the hours of 8:00 a.m. to 8:00 p.m., Eastern Time Monday through Friday except when closed for maintenance.
6. The Applicant will accept derivatives data in relation to specified derivatives that are required to be reported in the Local Jurisdiction, in the following asset classes: interest rate, commodity, credit and foreign exchange.

### **Reporting Requirements**

7. The Applicant will, promptly on request by the Superintendent, provide the Superintendent, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information, any information that:
  - (a) is reported to the Applicant under MI 96-101;
  - (b) is in the custody or control of the Applicant; and
  - (c) relates to Local Participants, the operations of the Applicant as a recognized trade repository in the Local Jurisdiction or compliance with this order.
8. The Applicant will promptly notify the Superintendent, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information, of any of the following:
  - (a) a material change or proposed material change to its status as a SDR in the US or the regulatory oversight of the CFTC;

- (b) a material change or proposed material change to its status as a trade repository in Ontario or the regulatory oversight of the OSC;
  - (c) a material change to the control or ownership of its ultimate parent, CMEG;
  - (d) a material change to the representations in this order;
  - (e) a Local Participant has been sanctioned by the Applicant or has had its access terminated by the Applicant;
  - (f) a Local Participant has been denied access to the Applicant's services as a trade repository after the exhaustion of the Applicant's appeal process; and
  - (g) the Applicant has notified the OSC of any event, circumstance or situation under the part of the OSC Designation Order entitled "Reporting Requirements".
9. The Applicant will provide a list of current Local Participants to the Superintendent, in a manner and form acceptable to the Superintendent and subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information, at such times as are prescribed for the provision of corresponding information to the OSC under the OSC Designation Order.

**Data Reporting and Dissemination**

10. The Applicant will fulfil its obligations under section 37 of MI 96-101 by providing the relevant data and information, in a manner and at the times acceptable to the Superintendent subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information, to the Superintendent and, if directed to do so in writing by the Superintendent, to another Canadian securities regulatory authority.

**MI 96-101**

11. The Applicant will, subject to the exemptions in Schedule B, comply with the applicable requirements set out in MI 96-101.

## **Schedule B General Exemption**

### **Background**

1. The Applicant has filed an application with the Superintendent for recognition as a quotation and trade reporting system (QTRS) pursuant to section 72 of the Act to allow it to operate as a trade repository under MI 96-101.
2. The Applicant has also filed an application with the Superintendent under section 43 of MI 96-101 for an order exempting the Applicant from subsections 3(1), 39(1) and 39(2) of MI 96-101, which requires the Applicant to:
  - (a) file an amendment to Form 96-101F1 *Application for Recognition – Trade Repository Information Statement* (Form 96-101F1), in the manner set out in Form 96-101F1, no later than 45 days before implementing a significant change pursuant to subsection 3(1) of MI 96-101;
  - (b) make publicly available aggregate data by price pursuant to subsection 39(1) of MI 96-101; and
  - (c) make publicly available aggregate data broken down by geographic location pursuant to subsection 39(2) of MI 96-101.

(the Exemption Sought).

3. Where the Applicant is required to file an amendment to Form 96-101F1 under subsection 3(1) of MI 96-101 and the proposed change must also be filed with the CFTC, the Applicant must file the proposed change with the CFTC promptly and also annually within 60 days after the end of the Applicant's fiscal year.
4. The CFTC does not currently impose a requirement to make publicly available aggregate data by price that is comparable to subsection 39(1) of MI 96-101.
5. The CFTC does not currently impose a requirement to make publicly available aggregate data broken-down by geographic location that is comparable to subsection 39(2) of MI 96-101.

### **Representations**

6. The OSC Designation Order includes terms and conditions under the heading "Change of Information" similar to the Exemption Sought and the Applicant complies with the filing requirements under the OSC Designation Order.
7. In the event that the CFTC does impose a requirement to make publicly available aggregate data by price that is comparable to subsection 39(1) of MI 96-101 or a requirement to make publicly available aggregate data broken-down by geographic location that is comparable to subsection 39(2) of MI 96-101, the Applicant will comply

with such requirement or requirements, as the case may be, within a reasonable period of time.

**Decision**

8. The Superintendent, considering that it would not be prejudicial to the public interest to do so, orders that the Exemption Sought is granted provided that:
  - (d) the Applicant remains registered as a SDR and subject to the regulatory oversight and requirements of the CFTC and the OSC;
  - (e) the Applicant files with the Superintendent an amendment to the information provided in Form 96-101F1 under subsection 3(1) of MI 96-101 concurrently with the filings to the CFTC. If a significant change to a matter set out in Form 96-101F1 is not subject to filing with the CFTC, the Applicant will comply with the filing requirement as set out in subsection 3(1) of MI 96-101.

## **Schedule C**

### **Yukon-Specific Terms and Conditions**

#### **Compliance with MI 96-101**

1. The Applicant will provide services as a trade repository for specified derivatives in accordance with the MI 96-101, but will not operate a trading platform for securities or derivatives in Yukon.

## Schedule D

### Yukon-Specific Exemption

#### Background

1. The Applicant is seeking recognition as a quotation and trade reporting system (QTRS) and is therefore subject to all requirements applicable to QTRSs under the Act.
2. The Applicant is seeking recognition as a QTRS in Yukon solely for the purpose of providing services as a trade repository under MI 96-101, and does not intend to operate as a marketplace as defined in National Instrument 21-101 *Marketplace Operation* (NI 21-101) and therefore seeks an exemption from all requirements applicable to QTRSs or marketplaces in NI 21-101, National Instrument 23-101 *Trading Rules* and National Instrument 23-103 *Electronic Trading and Direct Access to Marketplaces*. (the Yukon exemption sought).

#### Representations

3. The Applicant will offer persons in Yukon services to allow those persons to report trades in specified derivatives.
4. The Applicant will not conduct business as a marketplace in the Yukon.

#### Decision

5. Considering that it is not prejudicial to the public interest, the Superintendent orders that the Yukon exemption sought is granted provided that the Applicant does not conduct business as a marketplace in Yukon.