

ALBERTA SECURITIES COMMISSION

RECOGNITION ORDER:
TRADE REPOSITORY

Citation: Re KOR Reporting Inc., 2024 ABASC 65

Date: 20240419

KOR Reporting Inc.

Background

1. KOR Reporting Inc. (the **Applicant**) intends to carry on business as a trade repository in Alberta (the **Local Jurisdiction**) in accordance with Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* (**MI 96-101**).
2. The Applicant has filed an application with the Alberta Securities Commission (the **Commission**) requesting:
 - (a) recognition under section 67.3 of the *Securities Act* (Alberta) (the **Act**) as a trade repository to offer trade repository services in Alberta; and
 - (b) exemptions from the following provisions of MI 96-101 under section 43(2) of MI 96-101:
 - (i) section 3(1) of MI 96-101 which requires that, no later than 45 days before implementing a significant change to a matter set out in Form 96-101F1 *Application for Recognition – Trade Repository Information Statement* (**Form 96-101F1**), a recognized trade repository must file an amendment to the information it had provided in Form 96-101F1 in the manner therein set out (the **Change Notification Requirement**);
 - (ii) section 39(1) of MI 96-101 which requires that a recognized trade repository create and make available on its website, on a reasonably frequent basis and in a manner that is easily accessible to the public at no cost, aggregate data on price (if applicable) relating to the derivatives reported to it under MI 96-101 (the **Price Data Requirement**); and
 - (iii) section 39(2) of MI 96-101 which requires that data made available under section 39(1) of MI 96-101 be broken down by geographic location (if applicable) (the **Geographic Data Requirement**).
3. Under the *Memorandum of Understanding Respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities*, effective December 3, 2015, among the Commission and other Canadian securities regulatory authorities, the Ontario Securities Commission (the **OSC**) has been selected as the Lead Authority for the Applicant, and the Commission is a Reliant Authority.

4. Under the *Memorandum of Understanding Concerning Cooperation and the Exchange of Information Related to the Supervision of Cross-Border Covered Entities*, dated March 25, 2014 (the **Cross-Border Memorandum**), among the United States Commodity Futures Trading Commission (the **CFTC**), the Commission and other Canadian securities regulatory authorities, the signatories have agreed to share information concerning Cross-Border Covered Entities, including the Applicant.

Interpretation

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

Representations

6. The Applicant makes the following representations:
 - (a) the Applicant is a corporation organized under the laws of the state of Delaware;
 - (b) the Applicant is a wholly-owned subsidiary of KOR US Holdings Inc.;
 - (c) the Applicant is provisionally registered with the CFTC as a swap data repository (**SDR**) for interest rate, credit, equity, foreign exchange and commodities asset classes and is in good standing as an SDR;
 - (d) the Applicant is designated as a trade repository, in accordance with OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, by the OSC under an order dated December 21, 2023 (the **OSC Designation Order**) and is in good standing in Ontario as a trade repository;
 - (e) section 23 of Schedule "A" to the OSC Designation Order permits the Applicant, if it is required to file with the CFTC information relating to a significant change, to satisfy the Ontario equivalent of the Change Notification Requirement by providing the same information concurrently to the OSC; and
 - (f) the CFTC does not currently impose on the Applicant requirements comparable to the Price Data Requirement and the Geographic Data Requirement.

Undertakings

7. The Applicant undertakes:
 - (a) to maintain in good standing its registration with the CFTC as an SDR or a provisional SDR and to remain subject to regulatory oversight by the CFTC;
 - (b) to maintain in good standing its designation by the OSC as a trade repository and to remain subject to regulatory oversight by the OSC;

- (c) to provide services to its participants that are local counterparties in Alberta (the **Local Participants**) on the same terms and conditions, including fees, as it provides to comparable participants in other jurisdictions in Canada in which the Applicant is designated or recognized as a trade repository;
- (d) to operate a trade repository that enables Local Participants to fulfil their reporting obligations under MI 96-101;
- (e) to 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; credit; equity; foreign exchange; and commodities;
- (f) to provide the services described in subparagraphs (c), (d) and (e) during at least the hours of 8:00 a.m. to 8:00 p.m. (Eastern Time) Monday through Friday, except when closed for maintenance;
- (g) to carry on its business as a trade repository in compliance with MI 96-101, subject to this order;
- (h) to report to the Commission in accordance with the reporting requirements set out in the Appendix to this order (the **Reporting Requirements**);
- (i) to provide promptly to the Commission any information that a Commission representative may request;
- (j) to employ reasonable procedures for monitoring and enforcing compliance with the undertakings herein; and
- (k) to continue to ensure the representations herein remain accurate in all material respects.

Decision

8. Based on the representations and undertakings herein and considering that it would not be prejudicial to the public interest to do so, the Commission:
- (a) under section 67.3 of the Act, recognizes the Applicant as a trade repository; and
 - (b) under section 43(2) of MI 96-101, orders that the Applicant is exempt from section 3(1) of MI 96-101 in respect of any significant change concerning which it is also required to file information with the CFTC or the OSC (or both), if the Applicant files that information concurrently with the CFTC or the OSC, respectively, (or both) and with the Commission's Executive Director (the **ED**); and
 - (c) under section 43(2) of MI 96-101, orders that the Applicant is exempt from the Price Data Requirement and the Geographic Data Requirement in sections 39(1) and (2) of MI 96-101, respectively, provided that if the CFTC implements

requirements comparable to the Price Data Requirement or the Geographic Data Requirement (or both), the Applicant will comply with the relevant CFTC requirement within such time as the CFTC requires;

in each case for so long as the Applicant satisfies the undertakings herein.

For the Commission:

“original signed by”

Tom Cotter
Vice-Chair

“original signed by”

Kari Horn
Vice-Chair

APPENDIX

Reporting Requirements

This Appendix forms a part of, and adopts terms defined in, this order.

Event Reporting

1. The Applicant will promptly notify the ED, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information, of the occurrence of any of the following:
 - (a) the Applicant's registration with the CFTC as an SDR is revoked, suspended or amended in a material respect;
 - (b) the Applicant's designation by the OSC as a trade repository is revoked, suspended or amended in a material respect;
 - (c) a material change to the regulatory oversight of the Applicant by the CFTC or the OSC;
 - (d) a material change to the control or ownership of the Applicant;
 - (e) a material change to the control or ownership of KOR US Holdings Inc.;
 - (f) to the extent not addressed by paragraph (a), (b), (c), (d) or (e), a material change from any representation in this order;
 - (g) a local counterparty's application to become a Local Participant has been denied after exhaustion of the Applicant's appeal process;
 - (h) a Local Participant's access to the Applicant's services has been revoked or suspended; and
 - (i) any event, circumstance or situation about which the Applicant has notified or is required to notify the OSC in accordance with the part of the OSC Designation Order Schedule "A" titled "Reporting Requirements".

Other Reporting

2. The Applicant will provide to the ED a list of current Local Participants, in a manner and form and at the times acceptable to the ED 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.
3. The Applicant will provide to the ED, concurrent with its submission to the CFTC, the annual update to the Applicant's Form SDR.

4. The Applicant will provide to the ED, promptly on request by the ED and 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) has been reported to the Applicant under MI 96-101;
 - (b) is in the custody or control of the Applicant; and
 - (c) relates to a Local Participant, the operations of the Applicant as a recognized trade repository in the Local Jurisdiction or the Applicant's compliance with this order.

Data Reporting and Dissemination

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