

APPENDIX A

DC Rules Chapter 7 – Clearing and Margins

Current Rule	Revised Rule	Rationale/Remarks
<p>7.02A TRADE REGISTRATION SYSTEM FOR ELIGIBLE OTC TRANSACTIONS</p>	<p>7.02A TRADE REGISTRATION <u>OF SYSTEM FOR</u> ELIGIBLE OTC TRANSACTIONS</p>	<p>Amendments have been made to these rules to provide for additional avenues to register OTC transactions with the Clearing House, other than the Trade Registration System (“TRS”).</p>
<p>7.02A.1 <u>Eligible OTC Transactions</u></p> <p>7.02A.1.1 Only OTC transactions which meet the following criteria (“Eligible OTC transactions”) will be eligible for registration with the Clearing House:</p> <ul style="list-style-type: none"> a. a transaction which falls under one of the classes of Eligible OTC Contracts; and b. a transaction where the Seller and the Buyer have satisfied the risk limits prescribed by their respective Clearing Members; and c. a transaction where: <ul style="list-style-type: none"> i. the trade price falls within the price band prescribed by the 	<p>7.02A.1 <u>Eligible OTC Transactions</u></p> <p>7.02A.1.1 Only OTC transactions which meet the following criteria (“Eligible OTC transactions”) will be eligible for registration with the Clearing House:</p> <ul style="list-style-type: none"> a. a transaction which falls under one of the classes of Eligible OTC Contracts; and b. a transaction where the Seller and the Buyer have satisfied the risk limits prescribed by their respective Clearing Members; and c. a transaction where: <ul style="list-style-type: none"> i. the trade price falls within the price band prescribed by the 	

<p>Clearing House; or</p> <p>ii. notwithstanding that the trade price does not fall within the price band prescribed by the Clearing House, the Clearing Member acting for the Seller and the Clearing Member acting for the Buyer have both signified their respective agreement through the Trade Registration System, to clear the transaction.</p>	<p>Clearing House; or</p> <p>ii. notwithstanding that the trade price does not fall within the price band prescribed by the Clearing House, the Clearing Member acting for the Seller and the Clearing Member acting for the Buyer have both signified their respective agreement <u>through the Trade Registration System</u> to clear the transaction <u>and have both met the capital and notification requirements prescribed by Rule 2.11.5.</u></p>	<p>The words ‘through the Trade Registration System’ are not consistent with the purpose behind this rule and therefore have been removed.</p> <p>The insertion of a cross-reference to the capital and notification requirements under Rule 2.11.5 has been added for additional clarity.</p>
<p>7.02A.2 Registration of OTC Transactions</p> <p>7.02A.2.1 The Trade Registration System will be utilized for the registration of OTC transactions with the Clearing House for clearing.</p>	<p>7.02A.2 Registration of OTC Transactions</p> <p>7.02A.2.1 <u>OTC transactions will be registered with the Clearing House for clearing through the Trade Registration System, or other facility as prescribed by the Clearing House. will be utilized for the registration of OTC transactions with the Clearing House for clearing.</u></p>	<p>Amendments have been made to these rules to provide for additional avenues to register OTC transactions with the Clearing House, other than the TRS.</p>
<p>7.02A.2.2 An Eligible OTC transaction may only be registered through the Trade</p>	<p>7.02A.2.2 An Eligible OTC transaction may only be registered <u>through the Trade Registration</u></p>	

<p>Registration System by any of the following parties:</p> <ul style="list-style-type: none"> a. an Inter Dealer Broker; b. a Clearing Member acting for a Seller; or c. such other party authorized by the Clearing Member acting for a Seller and approved by the Clearing House. 	<p>System by any of the following parties:</p> <ul style="list-style-type: none"> a. an Inter Dealer Broker; b. a Clearing Member acting for a Seller; or c. such other party authorized by the Clearing Member acting for a Seller and approved by the Clearing House. 	
<p>7.02A.2.4 Any of the parties submitting registration or confirmation of an Eligible OTC transaction through the Trade Registration System shall comply with the terms and conditions governing the access to and operation of the Trade Registration System, as varied, amended, or supplemented from time to time.</p>	<p>7.02A.2.4 Any of the parties submitting registration or confirmation of an Eligible OTC transaction through the Trade Registration System, <u>or other facility prescribed by the Clearing House</u>, shall comply with the terms and conditions governing the access to and operation of the Trade Registration System <u>that system</u>, as varied, amended, or supplemented from time to time.</p>	
<p>7.02A.2.9 Unless:</p> <ul style="list-style-type: none"> a. the registration of an Eligible OTC transaction or the complete specification of trade details pursuant to Rule 7.02A.2.7; and b. the confirmation of the details set out in Rule 7.02A.2.8; and 	<p>7.02A.2.9 Unless:</p> <ul style="list-style-type: none"> a. the registration of an Eligible OTC transaction or the complete specification of trade details pursuant to Rule 7.02A.2.7; and b. the confirmation of the details set out in Rule 7.02A.2.8; and 	

<p>c. the signifying of agreement to the clearing of a trade, if the trade price does not fall within the prescribed price band as set out in Rule 7.02A.1.1.c.ii,</p> <p>are submitted to the Clearing House via the Trade Registration System on the same day, prior to the trade submission deadline(s) prescribed by the Clearing House, such Eligible OTC transaction will not be registered and the registration and confirmation details of the trade will be automatically deleted from the Trade Registration System.</p>	<p>c. the signifying of agreement to the clearing of a trade, if the trade price does not fall within the prescribed price band as set out in Rule 7.02A.1.1.c.ii,</p> <p>are submitted to the Clearing House via the Trade Registration System on the same day, prior to the trade submission deadline(s) prescribed by the Clearing House, such Eligible OTC transaction will not be registered and the registration and confirmation details of the trade will be automatically deleted from the Trade Registration System.</p>	
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