620 8th Avenue 35th Floor New York, NY 10018 United States

+1 212 931 4900 Phone +1 212 221 9860 Fax

www.markit.com



August 21, 2014

Anne-Marie Beaudoin, Corporate Secretary Autorité des marchés financiers Tour de la Bourse 800, square Victoria C.P. 246, 22e étage Montréal, Québec H4Z 1G3

Fax: (514) 864-6381

Submitted via E-mail: consultation-en-cours@lautorite.qc.ca

Re: Notice and Request for Comments: Draft Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting and Blanket decision regarding exemption from reporting obligation under Draft Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting

Dear Sirs and Mesdames,

We appreciate the opportunity to comment on the Autorité des marchés financiers's ("*AMF*") Notice and Request for Comments: Draft Regulation to amend Regulation 91-507 respecting Trade Repositories and Derivatives Data ("Draft Regulation") and the AMF's Blanket decision No. 2014-PDG-0084 regarding exemption from reporting obligation under Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting ("Blanket Decision") issued by the AMF on July 31, 2014 and the notice thereto.

Markit is a provider of financial information services to the global financial markets, offering independent data, valuations, risk analytics for internal capital models, and related services across regions, asset classes and financial instruments.¹ MarkitSERV² is the

1

¹ Please see <u>www.markit.com</u> for further information.

² MarkitSERV, a wholly owned subsidiary of Markit Group Limited, provides a single gateway for OTC derivatives trade processing. The company offers trade processing, confirmation, matching, and reconciliation services across regions and asset classes, including interest rate, credit, equity, and foreign exchange derivatives. MarkitSERV also connects dealers and buy-side institutions to trade execution venues, CCPs, and trade repositories. Please see www.markitserv.com for additional information.

Markit subsidiary that offers confirmation, connectivity, and regulatory reporting services to the global OTC derivatives markets. Specifically, MarkitSERV provides trade processing, confirmation, and matching services for OTC derivatives across regions and asset classes, as well as universal middleware connectivity for downstream processing such as clearing and regulatory reporting.

For many months, MarkitSERV has worked with the industry to develop a regulatory reporting solution for Canadian counterparties that is based on the harmonized reporting counterparty hierarchy that the Canadian Securities Administrators' OTC Derivatives Committee developed in consultation with industry stakeholders ("TR Reporting Hierarchy"). On the basis of our experience with the implementation of the Canadian reporting requirements we would herewith like to declare our general support for the comment letter submitted August 14, 2014 by the International Swaps and Derivatives Association ("ISDA") in response to this request for comments.

In particular, we agree that it will be essential for regulatory reporting rules to be harmonized across Quebec, Ontario, and Manitoba in order to enable a smooth and timely implementation of the reporting requirements. The lack of harmonization will potentially cause further costly re-build and delays in when the industry is ready to report. However, as drafted and as described in detail in the ISDA Comment Letter, the AMF's Draft Regulation is not harmonized with those of the Ontario Securities Commission ("OSC") and Manitoba Securities Commission ("MSC"). We therefore urge the AMF to adopt amendments to the Draft Regulation and/or through an interim blanket decision to provide for a regulatory reporting regime that reflects the TR Reporting Hierarchy.³ Additionally, we encourage the AMF to harmonize the mandatory compliance date between Canadian and non-Canadian dealers to avoid conflicting reporting hierarchies between Quebec versus Ontario and Manitoba.⁴

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³ We note, for example, that under the proposed Draft Regulation's Section 25, a non-dealer Canadian financial institution, e.g., the treasury branch of a Canadian end-user corporation, insurance company, or trust, would be treated as the reporting counterparty in a transaction with a non-Canadian financial institution, e.g., an international investment bank.

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⁴ The Draft Regulation would amend section 42 of Regulation 91-507 to extend the compliance date to June 30, 2015 for "[a] reporting counterparty that is neither a recognized or exempt clearing house, nor [a] Canadian financial institution, nor a person subject to the registration requirement as a dealer under the Act." In contrast, the Blanket Decision would impose an October 31, 2014 compliance date for Canadian financial institutions and dealers.

Markit appreciates the opportunity to comment on the AMF's request for comment. We would be happy to elaborate or further discuss any of the points addressed above. In the event you may have any questions, please do not hesitate to contact the undersigned or Salman Banaei at salman.banaei@markit.com.

Yours sincerely,

Marcus Schüler Head of Regulatory Affairs

Markit

marcus.schueler@markit.com