



Canadian Securities  
Administrators

Autorités canadiennes  
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## CSA Notice of Publication Amendments to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*

September 25, 2025

### Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are adopting in final form the amendments (the **Amendments**) to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* (**National Instrument 94-101**).

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on March 25, 2026, in all CSA jurisdictions.

The text of the Amendments is published with this Notice and is also available on the websites of the following CSA jurisdictions:

[www.albertasecurities.ca](http://www.albertasecurities.ca)

[www.bcsc.bc.ca](http://www.bcsc.bc.ca)

[www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca)

[www.fcnb.ca](http://www.fcnb.ca)

[www.lautorite.qc.ca](http://www.lautorite.qc.ca)

<https://mbsecurities.ca>

<https://nssc.novascotia.ca/>

[www.osc.ca](http://www.osc.ca)

### Background

National Instrument 94-101 came into force in 2017. Its main purposes are to reduce counterparty risk in the over-the-counter (**OTC**) derivatives market and increase financial stability by requiring certain counterparties to clear certain prescribed derivatives through a central counterparty. An overview of this regime is provided in the January 19, 2017, CSA Notice of Publication: National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives* and related Companion Policy<sup>1</sup>.

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<sup>1</sup> Available online at: <https://fcnb.ca/sites/default/files/2020-01/94-101-NOA-2017-01-19-E.pdf>

National Instrument 94-101 is divided into two parts: (i) mandatory central counterparty clearing for prescribed derivatives by certain counterparties (including exemptions), and (ii) the determination of derivatives subject to mandatory central counterparty clearing. The list of mandatory clearable derivatives is included as Appendix A to National Instrument 94-101.

The CSA published proposed amendments to National Instrument 94-101 (the **Proposed Amendments**) for a 90-day comment period on September 19<sup>th</sup>, 2024, except for the British Columbia Securities Commission (**BCSC**), who published the Proposed Amendments for a 60-day comment period on March 14<sup>th</sup>, 2025.

### **Substance and purpose**

We are making the Amendments to National Instrument 94-101 for two purposes. First, the Amendments aim to update the list of mandatory clearable derivatives to reflect the transition to a new interest rate benchmarks regime based on overnight interest rate benchmarks, such as the Canadian Overnight Repo Rate Average (**CORRA**) and Secured Overnight Financing Rate (**SOFR**). Those benchmarks are commonly referred to as risk-free interest rate benchmarks.

This transition was caused by the loss of market confidence in the credibility and integrity of the London inter-bank offered rate (**LIBOR**) and the inter-bank offered rates (**IBORs**). Following findings of manipulation in 2012, the Financial Stability Board called for the cessation of the IBORs and the implementation of alternative reference rates. Publication of several IBORs has stopped and the Canadian dollar offered rate (**CDOR**) interest rate benchmark ceased to be published on June 28, 2024. As a result, the use of interest rate swaps referencing these benchmarks has significantly decreased and, in several cases, has disappeared. The Amendments reflect the cessation of certain IBORs as well as the CDOR interest rate benchmarks and accounts for the shift in trading activity and systemic importance.

The Amendments remove the requirement to clear certain interest rate swaps and forward rate agreements (**FRA**) referencing the following interest rate benchmarks listed in Appendix A of National Instrument 94-101:

- Canadian dollar CDOR,
- United States dollar (**USD**) LIBOR,
- British pound (**GBP**) LIBOR, and
- Euro Overnight Index Average (**EONIA**).

These derivatives are removed in each of the fixed-to-float swap, basis swap, overnight index swaps (**OIS**), and FRA classes, as applicable.

Furthermore, the Amendments replace those classes of OTC derivatives referencing certain IBORs or CDOR that are no longer of systemic importance with OIS referencing risk-free interest rate benchmarks. Consequently, the Amendments are adding OIS referencing USD SOFR with a maturity

between 7 days to 50 years and Euro Short-Term Rate (**€STR**) with a maturity between 7 days to 3 years.

For reasons of liquidity and international harmonization, we are expanding the maturity of OIS referencing GBP SONIA subject to mandatory clearing to include maturity between 7 days to 50 years. Likewise, given the significant liquidity for the review period of April 2023 to September 2023 (the **Reference Period**) we are expanding the maturity of OIS referencing CORRA to include maturity between 7 days to 30 years.

The second purpose of the Amendments is to add certain classes of OTC derivatives to the list of mandatory clearable derivatives provided in Appendix A of National Instrument 94-101. To determine which OTC derivatives are subject to mandatory central counterparty clearing, we relied on data reported during the Reference Period by market participants to recognized trade repositories in accordance with applicable regulations. To complete our analysis, we used most of the factors listed in Companion Policy *94-101 Mandatory Central Counterparty Clearing of Derivatives*. We concluded that the following classes of derivatives should be added to the list of mandatory clearable derivatives in Appendix A of National Instrument 94-101:

- Fixed-to-float interest rate swaps referencing Australian dollar (**AUD**) Bank Bill Swap rates (**BBSW**) with a maturity including 28 days to 30 years;
- Credit default swap index CDX.NA.IG<sup>2</sup> with tenors of 5 and 10 years (Series 47 and all subsequent Series);
- Credit default swap index CDX.NA.HY<sup>3</sup> with a tenor of 5 years (Series 47 and all subsequent Series); and
- Credit default swap index iTraxx Europe with a tenor of 5 years (Series 46 and all subsequent Series).

## Comments Received

In response to the Proposed Amendments, we received submissions from 5 commenters. We have considered the comments received and thank all of the commenters for their input. A list of those who submitted comments and a summary of the comments as well as our responses are attached to this Notice at Annexes A and B, respectively. The comment letters can be viewed on the websites of each of the:

- Autorité des marchés financiers at <https://lautorite.qc.ca/>,
- British Columbia Securities Commission at <https://www.bcsc.bc.ca/>, and
- Ontario Securities Commission at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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<sup>2</sup> North American Investment Grade CDX Index.

<sup>3</sup> North American High Yield CDX Index.

## Summary of Changes

In finalizing the Amendments, the CSA carefully reviewed the comments received on the Proposed Amendments. Two commenters expressed the need for a six-month implementation period starting from the date of the final publication of the Amendments before they become effective. We acknowledge that market participants need time to adapt their systems to comply with the Amendments. As a result, we amended the applicable series to the mandatory clearable credit default swaps (**CDS**) indices given the provided 6-month implementation period.

## Local Matters

An annex D is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

## List of Annexes

This Notice contains the following annexes:

- **Annex A** – List of Commenters
- **Annex B** – CSA Summary of Comments and Responses
- **Annex C** – Amendments to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*
- **Annex D** – Local matters, if applicable

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**Annex A**  
**List of Commenters**

<b>Commenters</b>
<a href="#"><u>Canadian Advocacy Council of CFA Societies Canada</u></a>
<a href="#"><u>Canadian Markets Infrastructure Committee</u></a>
<a href="#"><u>CME Group Inc.</u></a>
<a href="#"><u>International Swaps and Derivatives Association</u></a>
<a href="#"><u>Investment Industry Association of Canada</u></a> (published only on BCSC's website)

## **Annex B**

### **Summary of Comments and Responses on Proposed Amendments to National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives**

On September 19, 2024, the CSA published the Proposed Amendments to National Instrument 94-101 to request comments from market participants, except for the BCSC which was unable to publish at that time due to British Columbia's elections and related communications stoppage. The BCSC published the Proposed Amendments for comments on March 14<sup>th</sup>, 2025, and worked with staff from other CSA members in reviewing of all comment letters and the preparation of this Notice, including our responses to comments. CSA staff thank all the commenters for taking the time and effort to respond.

#### **Overview of comments**

##### ***General support for the initiative***

All commenters were generally supportive of the changes to update the list of mandatory clearable derivatives to reflect the transition to a new interest rate benchmarks regime based on overnight risk-free interest rate benchmarks. As the Proposed Amendments reflected the cessation of certain IBORs and the CDOR interest rate benchmarks, the removal of the requirement to clear OTC derivatives referencing those benchmarks is appropriate.

Most commenters welcomed the addition of certain OIS referencing, among others, SOFR, €STR and CORRA to the list of mandatory clearable derivatives. One commenter believed that the high level of voluntary clearing by market participants of OIS referencing those overnight risk-free interest rate benchmarks has demonstrated the beneficial effects on the mitigation of systemic risk. Two other commenters pointed out that the CSA's initiative is largely in line with global developments and the existing requirements in other jurisdictions on the scope of the mandatory central counterparty clearing requirements.

#### **Addition of new classes of derivatives**

With respect to the addition of OTC derivatives referencing the AUD BBSW and certain CDS indices, two commenters fully supported the CSA's initiative to include them within the scope of mandatory clearable derivatives. The commenters mentioned that those products are already widely cleared by market participants and pointed out that the mandatory clearing increases the level of standardization and liquidity in OTC markets for these classes of derivatives.

#### **Effective date of the Amendments**

Two commenters requested a six-month implementation period starting from the date of the final publication of the Amendments before they become effective. This implementation period would allow market participants sufficient time to adapt their control framework, middleware and reporting systems.

#### **Maturity of OIS referencing CORRA**

The Proposed Amendments require the clearing of OIS referencing CORRA interest rate benchmark with a maturity between 7 days and 30 years. Two commenters recommended harmonizing the maturity scope of OIS referencing CORRA with the Commodity Futures Trading Commission's (CFTC) clearing requirement by aligning OIS referencing CORRA with the maturity period of 7 days to 2 years currently in place in the United States. Furthermore, one of these commenters pointed out the absence

of supporting derivatives data or rationale to explain the increase of the scope of maturity for OIS referencing CORRA interest rate benchmark from 2 years to 30 years.

### **Maturity of OIS referencing SONIA**

The Proposed Amendments require the clearing of OIS referencing SONIA interest rate benchmark with a maturity between 7 days to 50 years. One commenter recommended alignment with CFTC's clearing requirements. The commenter suggested harmonizing with the maturity period of 7 days to 2 years.

### **Request for additional information**

One commenter requested additional information regarding the quantitative thresholds and any additional indicators or discretionary factors that were used by staff to update the list of mandatory clearable derivatives. Specifically, the commenter would prefer to review a summary of the analysis and evaluation criteria for each derivative listed as mandatory clearable derivatives. The commenter suggested that this analysis should include the international harmonization criteria which is an important factor in the determination of CSA's modifications.

### **The reference to risk-free interest rate benchmarks**

One commenter suggested to CSA staff refrain from using the term "risk-free" when describing the update of the list of mandatory clearable derivatives referencing new overnight interest rate benchmarks. The commenter believes that such term could be perceived as misleading for investors as "risk-free" does not accurately describe the nature of the derivatives listed in Appendix A of National Instrument 94-101. To avoid potential confusion, the commenter suggested to CSA staff to remove such term from its publication.

### **The CSA's question regarding single-name CDS**

Three commenters responded to the CSA's question whether the addition of single-name CDS to the list of mandatory clearable derivatives would be beneficial for market participants. None of these commenters supported the addition of any single-name CDS.

Despite the recognition of benefits associated with clearing OTC derivatives such as the reduction of counterparty risk, the three commenters pointed out that there is currently no other jurisdiction requiring mandatory clearing of single-name CDS. Given the small size of Canada's OTC derivatives market compared with the global OTC derivatives market, the commenters were of the opinion that Canada should not be the first jurisdiction to require the clearing of these products.

One of the commenters suggested that requiring mandatory clearing of single-name CDS may result in a reduction of liquidity and a significant increase in margin requirements for market participants. The commenter added that the implementation of such a requirement would impose significant costs and increase the regulatory burden upon regulated entities. The other commenter doubted that single-name CDS are sufficiently liquid for mandatory clearing requirements.



General comments on the Proposed Amendments		
Subject	Comments	CSA Responses
General comments	There was widespread support for the general objective of the Proposed Amendments, with comments that this will enhance liquidity and international harmonization.	We thank the commenters for their submission.
Removal of IBORs and CDOR interest rate benchmarks	All commenters acknowledged the shift to the overnight risk-free interest rate benchmarks and welcomed the removal of certain IBORs and CDOR interest rate benchmarks which are no longer of a systemic importance.	We appreciate the commenters' review and feedback.
Addition of OIS referencing new interest rate benchmarks regime	Commenters addressing this topic directly welcomed the addition of OIS referencing overnight risk-free interest rate benchmarks to reflect the transition to this new regime. This CSA initiative is in line with global developments.	
Addition of new classes of derivatives	The addition of new classes of derivatives such as swaps referencing BBSW or CDS indices was welcomed by two commenters. These products are already widely cleared, and the CSA's initiative will increase both the liquidity and the level of standardization.	
Effective date of the Proposed Amendments	Two commenters requested a six-month period for the implementation following the	We acknowledge that market participants have to prepare to comply with the new scope of mandatory clearable derivatives. Consequently,

	final publication of the Amendments.	CSA staff agrees to grant market participants a six-month implementation period starting from the date of the final publication of the Amendments.
Maturity of OIS referencing to CORRA interest rate benchmark	Two commenters recommended harmonization with the mandatory clearing requirements in the United States.	<p>No change.</p> <p>CDOR ceased to be published after a final publication on June 28<sup>th</sup>, 2024, and was replaced by CORRA for most instruments. This risk-free rate benchmark rapidly became the main interest rate benchmark in Canada.</p> <p>The transition to risk-free interest rate benchmarks has caused parties with contractual provisions referencing CDOR to negotiate fallback clauses providing the replacement of CDOR with the CORRA. As a result, the CORRA became systemically important for Canadian financial markets.</p> <p>With the migration from CDOR to CORRA interest rate benchmark, outstanding positions with a maturity beyond 2 years have grown substantially as compared to trading volume in the Reference Period. Similarly, trading volume beyond this maturity has increased significantly as compared to the Reference Period.</p>
Maturity of OIS referencing SONIA interest rate benchmark	One commenter recommended harmonization with the mandatory clearing requirements in the United States.	<p>No change.</p> <p>On August 12<sup>th</sup>, 2022, the CFTC amended its rule to extend the scope of maturity of OIS referencing SONIA to 7 days to 50 years.</p> <p>That amendment, intended to align the CFTC's requirements with global developments, has been effective since October 31<sup>st</sup>, 2022.</p>
Request for additional information	One commenter requested additional information regarding the quantitative	No change.

	thresholds and any additional indicators or discretionary factors that were used by the CSA to update the list of mandatory clearable derivatives.	We appreciate the commenter's feedback but would like to point out that the factors used to determine which OTC derivatives or classes of OTC derivatives should be subject to the mandatory clearing requirements are listed in the consultation notice dated September 19, 2024, and the NI 94-101 Companion Policy.
Reference to overnight risk-free interest rate benchmarks	One commenter suggested that the CSA should avoid using the term "risk-free" when referring to interest rate benchmarks.	No change.  We thank the commenter for its input; however, the CSA is using a term which is commonly used by industry, international organizations, regulators and central banks.
Addition of single-name CDS to the list of mandatory central counterparty clearing	Three commenters answered the CSA's question, and none supported the addition of any single-name CDS to the list of mandatory clearable derivatives.	We thank the commenters for their submission, and we acknowledge that international harmonization should be considered by the CSA before adding single-name CDS to the list of mandatory clearable derivatives.  We have therefore removed single-name CDS from the list of mandatory clearable derivatives.  Should the CSA staff consider the addition of any single-name CDS to the list of mandatory clearable OTC derivatives in the future, it will consult market participants.

## Annex C

### Amendments to National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*

1. *National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives is amended by this Instrument.*
2. *Appendix A is replaced with the following:*

#### Appendix A to

### National Instrument 94-101 *Mandatory Central Counterparty Clearing of Derivatives*

#### *Mandatory Clearable Derivatives* (Subsection 1(1))

##### Interest Rate Swaps

Fixed-to-float swaps					
Floating rate index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
EURIBOR	EUR	28 days to 50 years	Single currency	No	Constant or variable
BBSW	AUD	28 days to 30 years	Single currency	No	Constant or variable

Basis swaps					
Floating rate index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
EURIBOR	EUR	28 days to 50 years	Single currency	No	Constant or variable

Overnight index swaps					
Floating rate index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
CORRA	CAD	7 days to 30 years	Single currency	No	Constant
FedFunds	USD	7 days to 3 years	Single currency	No	Constant
SOFR	USD	7 days to 50 years	Single currency	No	Constant
€STR	EUR	7 days to 3 years	Single currency	No	Constant

SONIA	GBP	7 days to 50 years	Single currency	No	Constant
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#### Forward Rate Agreements

Floating rate index	Settlement currency	Maturity	Settlement currency type	Optionality	Notional type
EURIBOR	EUR	3 days to 3 years	Single currency	No	Constant

#### Credit Default Swaps

Index	Region	Maturity	Applicable series	Tranched
CDX.NA.IG	North America	5 years and 10 years	Series 47 and subsequent series	No
CDX.NA.HY	North America	5 years	Series 47 and subsequent series	No
iTraxx Europe	Europe	5 years	Series 46 and subsequent series	No

3. This Instrument comes into force on March 25, 2026.