

Blanket Order No. 16 (Variation)

**IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED**

- AND -

**IN THE MATTER OF
TRADING IN COMMODITY FUTURES CONTRACTS AND
COMMODITY FUTURES OPTIONS**

**ORDER
(Section 151)**

WHEREAS:

On March 27th, 1991, the Nova Scotia Securities Commission (the "Commission") issued Blanket Order No. 16 (the "Blanket Order") pursuant to subsection 79(1) of the Securities Act, R.S.N.S. 1989, Chapter 418, as amended (the "Act") wherein the Commission ordered that a trade in a Commodity Futures Contract entered into on a Recognized Exchange or a Commodity Futures Option cleared through a Recognized Clearing Organization and traded on a Recognized Exchange is not subject to section 58 of the Act, subject to the conditions therein set forth;

Winnipeg Commodity Clearing Ltd. ("Winnipeg") has made an application to the Commission pursuant to paragraph (b) of the Blanket Order to vary the Blanket Order to add Winnipeg to the list of Recognized Clearing Organizations set out in paragraph (a) of the Blanket Order;

The Commission has read the application of Winnipeg and the recommendation of staff of the Commission;

All capitalized terms in this Order shall have the same meaning as in the Blanket Order; and

5. The Commission is of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 151 of the Act that the Blanket Order be varied by deleting paragraph (a) thereof and substituting therefor the following paragraph:

"(a) For the purposes of this Order solely, the following are Recognized Clearing Organizations:

(i) Trans Canada Options Inc.;

(ii) International Options Clearing Corporation;

(iii) Winnipeg Commodity Clearing Ltd.; and

(iv) such other clearing organizations as are recognized from time to time by the Commission;"

DATED at Halifax, Nova Scotia this 14th day of August, 1991.

NOVA SCOTIA SECURITIES COMMISSION

"Robert B. MacLellan"

Robert B. MacLellan, Chairman

"H. Leslie O'Brien"

H. Leslie O'Brien, Vice Chairman

"C. William Gurnham"

C. William Gurnham, Esq.

Blanket Order No. 16

IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418

- AND -

IN THE MATTER OF
TRADING IN COMMODITY FUTURES CONTRACTS
AND COMMODITY FUTURES OPTIONS

ORDER
(Subsection 79(1))

UPON the applications of certain interested parties to the Nova Scotia Securities Commission (the "Commission") for an order pursuant to subsection 79(1) of the Securities Act, R.S.N.S. 1989, Chapter 418 (the "Act") that a trade in a Commodity Futures Contract (as hereinafter defined) entered into on a Recognized Exchange (as hereinafter defined) or a Commodity Futures Option (as hereinafter defined) cleared through a Recognized Clearing Organization (as hereinafter defined) and traded on a Recognized Exchange is not subject to section 58 of the Act;

AND UPON reading the applications and the recommendation of staff of the Commission;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 79(1) of the Act that section 58 of the Act shall not apply to a trade by and with persons or companies who are registered under the Act as a dealer in the category of a broker or an investment dealer of:

- (i) a Commodity Futures Contract entered into on a Recognized Exchange; or

- (ii) a Commodity Futures Option cleared through a Recognized Clearing Organization and traded on a Recognized Exchange

provided that such trade is made in accordance with the rules of the Recognized Exchange upon which the trade is made and in accordance with the applicable laws of the jurisdiction where the Recognized Exchange is located;

- (a) For the purposes of this Order solely, the following are Recognized Clearing Organizations:

- (i) Trans Canada Options Inc.;
- (ii) International Options Clearing Corporation; and
- (iii) such other clearing organizations as are recognized from time to time by the Commission;

- (b) A clearing organization may become a Recognized Clearing Organization for the purposes of this Order pursuant to subclause (a)(iii) of this Order upon application to the Commission;

- (c) For the purposes of this Order solely, the following are Recognized Exchanges:

- (i) The Toronto Futures Exchange;
- (ii) The Montreal Exchange, including the International Options Market and the Mercantile Division; and
- (iii) The Winnipeg Commodity Exchange;

- (d) For the purposes of this Order:

- (i) A Commodity means:
 - (1) whether in the original or a processed

state, any agricultural product, forest product, product of the sea, mineral, metal, hydrocarbon fuel, currency or precious stone or other gem, and any goods, article, service, right or interest, or class thereof;

Government National Mortgage Association Certificates guaranteed by the Government National Mortgage Association of the United States of America;

treasury bills, bonds and other evidences of indebtedness of a country or of a political subdivision thereof;

commercial paper of companies incorporated in the United States of America rated A-1 by Standard and Poor's Corporation and P-1 by Moody's Investor Service Inc.;

equity securities deliverable under a contract providing for the future delivery of equity securities traded on a Recognized Exchange;

interests that are cash values deliverable under contracts traded on a Recognized Exchange, the amounts of which are determined with reference to:

(A) indices of rates of interest;

(B) indices of,

(i) prices, or

(ii) values,

pertaining to any commodities, goods, articles, services, rights or interests or any combination thereof;

- (C) a rate of interest;
 - (D) an average of quotations for a rate of interest or for a series of rates of interest; or
 - (E) values of commodities; and
- (7) such other commodities as are designated as a Commodity from time to time by the Commission upon application to the Commission;
- (ii) a Commodity Futures Contract means a contract to make or take delivery of a specified quantity and quality, grade or size of a Commodity during a designated future month at a price agreed upon when the contract is entered into on a Recognized Exchange pursuant to standardized terms and conditions set forth in such Exchange's by-laws, rules or regulations; and
 - (iii) a Commodity Futures Option means a right, acquired for a consideration, to assume a long or short position in relation to a Commodity Futures Contract at a specified price and within a specified period of time and any other option of which the subject is a Commodity Futures Contract; and
- (e) The Recognized Clearing Organizations shall provide to the Registrar of Securities (the "Registrar"):
- (i) initially, their most recent audited financial information and information as to incorporation, principal or registered office, officers, directors and shareholders;
 - (ii) within 150 days of the end of their respective

fiscal years, their respective audited financial information for the most recent fiscal year then ended; and

- (iii) forthwith, and in any event within five (5) days of the occurrence of a material change to information previously provided to the Registrar respecting incorporation, principal or registered office, officers, directors and shareholders, details of said material change.

DATED at Halifax, Nova Scotia this 27th of March, 1991.

"Robert B. MacLellan"

Robert B. MacLellan

"H. Leslie O'Brien"

H. Leslie O'Brien, Q.C.
