

Rule 2025 – 002 – Eligible Financial Contracts

1 Interpretation

1(1) In this Rule,

(i) “Act” means the *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7, as amended,

(ii) “derivative instrument” means a financial agreement whose obligations are derived from, referenced to, or based on, one or more underlying reference items such as interest rates, indices, currencies, commodities, securities or other ownership interests, credit or guarantee obligations, debt securities, climatic variables, bandwidth, freight rates, emission rights, real property indices and inflation or other macroeconomic data and includes

(a) a contract for differences or a swap, including a total return swap, price return swap, default swap or basis swap,

(b) a futures agreement,

(c) a cap, collar, floor or spread,

(d) an option, and

(e) a spot or forward.

1(2) In addition to s. 1(1), if a term or phrase used in this Rule is defined in the Act, that definition shall apply for the purpose of this Rule.

2 Eligible Financial Contracts

2(1) For the purposes of s. 234.1 of the Act, “eligible financial contract” means,

(i) a derivative instrument, whether settled by payment or delivery, that

(a) trades on a futures or options exchange or board, or other regulated market,
or

(b) is the subject of recurrent dealings in the derivatives market or in the over-the-counter securities or commodities markets,

(ii) an agreement to

(a) borrow or lend securities or commodities, including an agreement to transfer securities or commodities under which the borrower may repay the loan with other securities or commodities, cash or cash equivalents,

- (b) clear or settle securities, futures, options or derivatives transactions, or
- (c) act as a depository for securities,
- (iii) a repurchase, reverse purchase or buy-sellback agreement with respect to securities or commodities,
- (iv) a margin loan in so far as it is in respect of a securities account or futures account maintained by a
 - (a) clearing agent, or
 - (b) person, including a broker, bank or a trust company, that in the ordinary course of business maintains securities accounts or futures accounts for others,
- (v) any combination of agreements referred to in any of clauses (i) to (iv),
- (vi) a master agreement in so far as it is in respect of an agreement referred to in any of clauses (i) to (v),
- (vii) a master agreement in so far as it is in respect of a master agreement referred to in clause (vi),
- (viii) a guarantee of, or an indemnity or reimbursement obligation with respect to, the liabilities under an agreement referred to in any of clauses (i) to (vii), and
- (ix) an agreement relating to financial collateral, including any form of security or security interest in collateral and a title transfer credit support agreement, with respect to an agreement referred to in any of clauses (i) to (viii).

3 Coming into Force

- 3(1) This Rule comes into force on the later of the date that sections 11 and 13 of Schedule 5 of *Building Ontario For You Act (Budget Measures), 2024* comes into force and 15 days after the Rule is approved by the Minister.