

The Ontario Securities Commission

# OSC Bulletin

June 30, 2021

Volume 44, Issue 26

(2021), 44 OSCB

The Ontario Securities Commission administers the  
*Securities Act* of Ontario (R.S.O. 1990, c. S.5) and the  
*Commodity Futures Act* of Ontario (R.S.O. 1990, c. C.20)

**The Ontario Securities Commission**

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Published under the authority of the Commission by:

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2075 Kennedy Road  
Toronto, Ontario  
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Printed in the United States by Thomson Reuters.

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# Chapter 1

## Notices

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### 1.1 Notices

#### 1.1.1 OSC Notice 11-792 – Notice of Statement of Priorities Year to end March 31, 2022

##### ONTARIO SECURITIES COMMISSION

##### OSC NOTICE 11-792– NOTICE STATEMENT OF PRIORITIES FOR FINANCIAL YEAR TO END MARCH 31, 2022

The *Securities Act* (Act) requires the Ontario Securities Commission (“OSC” or “Commission”) to deliver to the Minister of Finance and publish in its Bulletin each year a statement of the Chair setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities. In the OSC Notice published on November 16, 2020, the OSC solicited stakeholder feedback on the priorities outlined in its [2021-2022 Statement of Priorities \(SoP\)](#) – Draft for Comment. The OSC received sixteen comment letters.

On balance, the feedback was broadly supportive of the overall direction of the OSC goals and proposed priorities. Respondents supported proposed work to address the recommendations of the Capital Markets Modernization Taskforce (Taskforce) and noted that investor protection and reducing the regulatory burden, or costs to industry when participating and accessing capital in our markets, should remain important. Respondents also provided a range of unique insights that will be useful to consider in future policy development.

In addition to feedback on the identified priorities, respondents highlighted a range of noteworthy items and issues including:

- need to be fluid and flexible with shorter consultation and faster policy implementation
- importance of regulatory harmonization both internationally and across the CSA along with reciprocal enforcement
- need for greater accountability regarding cost benefit and outcome measurement.

A summary of specific comment areas is set out below:

1. Respondents view implementing the client focused reforms as a critically important priority as it helps better align the interests of industry and investors, and better addresses conflicts of interest that cannot be eliminated within the industry. They recommend the OSC focus resources and actions to enable and encourage early adoption by industry, rather than waiting to “operationalize” them on the date they become legally required and that the OSC be steadfast in maintaining this deadline.
2. Comments related to the priority related to proposed OSC Rule 81-502 *Restrictions on the Use of the Deferred Sales Charge (DSC) Option for Mutual Funds*, its related companion policy, were mixed. Most respondents remained opposed, recommending that the OSC abandon development of a convoluted framework just to preserve DSCs and favouring completely banning the use of embedded commissions. Those supporting the proposed amendments urged the OSC to finalize implementation.
3. There was continued support for the OSC Investor Office, and the initiatives proposed to improve investor protection. Respondents continued to support the OSC’s efforts to increase the use of educational resources to help improve investor financial outcomes. Respondents also commended the work undertaken recently by the Investor Office, including its contribution to the CSA’s proposals to enhance protections for vulnerable investors. There was also support for planned collaboration across the provincial public sector on this important initiative.
4. There continues to be support for strengthening the powers of the Ombudsman for Banking Services and Investments (OBSI) to provide an effective, independent and fair dispute resolution system and improve investors’ access to compensation where registered firms or advisors have acted unfairly, made an error or given bad advice.
5. There was support for the OSC’s work with the CSA on the review of the SRO framework and that a consolidated SRO is necessary and long overdue. Concerns were raised that the focus should be less about cost cutting and more on achieving better regulatory approaches that reflect the evolution of the market.
6. The events of the past year have demonstrated the importance of recognizing environmental, social and governance (ESG) risks arising from global systemic events as financial stability risks requiring appropriate disclosures. Respondents noted that these disclosures address investor needs for information to make decisions and contribute to efficient capital markets.

7. Respondents were also supportive of both gender and other forms of diversity on boards and at the senior management level, including requirements for disclosures and written policies. Respondents also noted support for the OSC's focus on growing and sustaining diversity and ensuring the employee experience is equitable and inclusive for everybody.
8. There was widespread support for OSC proposals to reduce regulatory burden. Concern was expressed about the potential for undue focus being placed on costs as a key determinant for burden reduction choices. It was suggested that the real aim of modernization and burden reduction should be focused on optimizing regulations to achieve desired outcomes as effectively as possible.
9. The recent shift to working remotely has increased reliance on digitalization by retail investment funds, investors, and the future of the capital markets generally. Respondents support prioritizing working with the other regulators to digitalize the investor experience through initiatives such as: eliminating the use of paper for regulatory materials, electronic delivery as the default mechanism for delivery, access equals delivery, e-signatures, creating digital mailboxes and removing barriers to other electronic initiatives. The coronavirus pandemic has shown that an electronic model can meet the needs of the industry and investors that also effectively addresses the OSC's goals of reducing regulatory burden.
10. Respondents noted that, given our interconnected and dynamic financial and capital markets, it is essential that regulators with responsibility for different aspects of these markets work together to better identify, monitor, mitigate and manage systemic risk. Respondents were supportive of the OSC's efforts to address systemic risk including building a domestic derivatives framework to reduce potential risks. Some respondents expressed concern about the rate of progress on this project and encouraged the OSC to conclude the derivatives framework project as soon as possible and then undertake a post-mortem to identify process improvements and streamlining opportunities that can be incorporated to expedite future regulatory initiatives.
11. Respondents also noted that support for the Cooperative Capital Markets Regulatory System should be an ongoing priority for the OSC included in the final 2021-2022 Statement of Priorities. There is continued support for Ontario's leadership on the issue of a national securities regulator due to the belief that harmonization and confidence in Canada's capital markets will be bolstered by adopting an effective and efficient national regulator. The Board of Directors of the Capital Markets Authority Implementation Organization (CMAIO) announced the decision to pause CMAIO operations effective March 31, 2021.

The SoP has been revised to reflect the role the OSC will play in supporting the Ministry of Finance in advancing work on the Capital Markets Modernization Taskforce recommendations identified in the Ontario Government's 2021 Budget including:

- supporting the Ministry of Finance in drafting the *Capital Markets Act*, including incorporating select Taskforce recommendations
- integrating new mandates for fostering capital formation and competition into OSC activities
- mandating enhanced disclosure by public companies of material ESG information, specifically improving climate-related disclosure
- integrating the structural changes to the OSC set out in the *Securities Commission Act* (i.e. CEO and Tribunal, etc.).

The SoP has also been updated to address issues raised by respondents, market developments and impacts and lessons learned from the coronavirus pandemic. Material new or changed priorities incorporated into the final SoP include:

- bring forward final amendments to join the CSA rule in banning the use of the DSC option
- publish a position paper regarding the framework for Self-Regulatory Organizations
- work with the CSA and IIROC, to strengthen oversight of crypto asset trading platforms to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws
- reflect that the OSC will develop an enhanced framework for reducing burden and modernizing regulation to help reduce regulatory costs and minimize barriers to entry of new (innovative) firms to foster economic growth and innovation.

We remain committed to policy development that balances the desire to be timely with the need to achieve harmonized outcomes that best meet the needs of Ontario investors and market participants. The other important initiatives and issues identified for inclusion by various respondents will be provided to staff for consideration. Many of these are already addressed within our branch business plans or will be considered for future work. While the OSC remains focused on its core regulatory work we must continue to be flexible responding to coronavirus pandemic related challenges and evolving market conditions. As such, the OSC anticipates adjusting and re-aligning priorities throughout the year to accommodate changes where appropriate.

All comment letters received are available on our website [www.osc.ca](http://www.osc.ca). The SoP will serve as the guide for the Commission's operations. Following delivery of the SoP to the Minister of Finance, we will also publish on our website a report on our progress against our 2020-2021 priorities.

**[Editor's Note: The *Statement of Priorities* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Statement of Priorities.]**

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OSC

2021-2022

Statement of Priorities

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# INTRODUCTION

## Overview

We are pleased to present the Ontario Securities Commission (OSC) Chair's Statement of Priorities (SoP) for the OSC for the year commencing April 1, 2021. The *Securities Act* requires the OSC to publish the SoP in its Bulletin and to deliver it to the Minister of Finance by June 30 of each year. This SoP also supports the OSC's commitment to be both effective and accountable in delivering its regulatory services.

The OSC regulates the largest capital market in Canada and our actions have impacts for Ontario and the rest of Canada. The OSC is committed to promoting fair and efficient markets in Ontario and has identified a broad range of initiatives to improve the existing regulatory framework. We strive to anticipate problems in the market and act decisively to promote public confidence in our capital markets, protect investors, and support market integrity. We will continue to proactively identify emerging issues, trends, and risks in our capital markets.

Confidence in fair and efficient markets is a prerequisite for economic growth. Investor protection is always a top priority for the OSC.

The OSC continues to move the regulatory agenda forward, improving the way we approach our work and engage with industry participants and other regulators to understand the issues and their concerns. The OSC interacts extensively with stakeholders through various

advisory committees, roundtables, and other means of consultation, to inform operational approaches and policy development. The OSC engages with investor advocacy groups and investors directly to gain insights to better understand investor needs and interests.

Our significant work in the international regulatory environment, taking into consideration the constraints imposed by the COVID-19 pandemic, will continue as another key means to gain insights into emerging issues and standards that can be integrated into our policy development and oversight activities. These actions are essential to reach solutions that balance the inclusion of innovation and competition in the marketplace with the maintenance of appropriate investor safeguards.

The OSC works as part of the Canadian Securities Administrators (CSA) to harmonize rules and their application across the country. The OSC is also a member of the Heads of Regulatory Agencies (HoA), an important federal-provincial forum for cooperation on financial sector issues. Chaired by the Bank of Canada, the HoA brings together the Department of Finance Canada, the Office of the Superintendent of Financial Institutions (OSFI) as well as the Autorité des marchés financiers, the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission.

# INTRODUCTION

## Key Priorities

Our 2021-2022 SoP sets out the four strategic goals on which the OSC intends to focus its resources and actions in 2021-2022. It also lays out the priority initiatives that the OSC will pursue in support of each of these strategic goals.

These priorities reflect our current understanding of the impacts of the COVID-19 pandemic and recommendations

of the Capital Markets Modernization Taskforce (Taskforce); however, the OSC recognizes that it may need to adjust priorities as the year unfolds and the government continues to review the Taskforce Report.

### GOAL 1 – Promote Confidence in Ontario’s Capital Markets

Promote confidence in Ontario’s capital markets among market participants and investors

- Support Implementation of Client Focused Reforms (CFR)
- Implement Mutual Fund Embedded Commissions Rules and Discontinuance of the Mutual Fund Deferred Sales Charges (DSC) Payment Option in Coordination with the CSA Harmonized Rule
- Improve the Retail Investor Experience and Protection
- Strengthen Investor Redress through the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities
- Bring Timely and Impactful Enforcement Actions
- Publish Position Paper Regarding the Framework for Self-Regulatory Organizations (SROs)
- Continue to Expand Systemic Risk Oversight
- Strengthen Oversight of Crypto Asset Trading Platforms and other Dealers
- Advance Work on the Capital Markets Modernization Taskforce (Taskforce) Policy Recommendations Identified in the Ontario Government’s 2021 Budget
- Improve Climate Change-Related Disclosures
- Integrate New Mandates for Fostering Capital Formation and Competition in our Activities

### GOAL 2 – Reduce Regulatory Burden

Enhance access for businesses and financial services providers to Ontario’s capital markets

- Develop an Enhanced Framework for Reducing Burden and Modernizing Regulation
- Continue to Implement Burden Reduction Initiatives

### GOAL 3 – Facilitate Financial Innovation

Cultivate an environment that supports development of innovative financial business models

- Implement Multi-Year Plan for the Innovation Office
- Engage with Innovative Businesses and Support Innovation in Capital Markets

### GOAL 4 – Strengthen Our Organizational Foundation

People, Technology, and Information

- Redevelopment of CSA National Systems
- Modernize OSC Technology Platform
- Foster Inclusion, Equity and Diversity
- Continue to Monitor and Adapt to the Impacts of the COVID-19 Pandemic
- Implement the OSC Structural Changes as Set Out in the Securities Commission Act

# INTRODUCTION

## Scan and Impacts

### Effects of COVID-19

Since the outbreak of the COVID-19 pandemic in early 2020, the world's economies and financial markets have experienced unprecedented conditions. The economic consequences of putting large parts of the economy into lockdown are apparent. With the supply and demand for goods and services severely restricted, economic growth has fallen substantially. Millions of Canadians have found themselves without employment and businesses have struggled to make payments to suppliers and for rent.

Governments provided large-scale fiscal and monetary support for the economy and financial markets. At the same time, we saw unprecedented levels of Central Bank intervention in markets to support liquidity. These supports provided the foundation of the recovery as it is unfolding to date. The OSC, along with our CSA colleagues, took a variety of steps to support industry participants and investors during these extraordinary times. Regulators will continue their efforts to identify and implement support measures where appropriate.

Households with constrained income are likely to prioritize non-discretionary spending and reduce their investing. The experience of the economic shutdown encouraged many households to pay down their debt and build up contingency savings in case of future waves of the virus and associated lockdowns. This may impact investor behaviour.

Low interest rates will challenge investors to find returns that match their needs and plans. Regulators will need to remain vigilant about products promising higher returns and that investors have the necessary tools to make informed decisions.

### Capital Markets Modernization Taskforce

On March 24, 2021, the Ontario government released the 2021 provincial budget (the 2021 Budget), in which it announced it is moving forward with legislative amendments to support the Taskforce's proposals to: (a) expand the mandate of the OSC to include competition and capital formation in order to facilitate economic growth; (b) separate the OSC Chair and Chief Executive Officer position into two distinct roles; and (c) separate the Board and adjudicative responsibilities of the OSC.

The Ontario government also announced that, as it continues to review the Final Taskforce Report, it would publish the draft Capital Markets Act for stakeholder consultation in the coming months.

### Financial Innovation

The pace of technological evolution and innovation creates challenges to develop and maintain a responsive and aligned regulatory framework. Market participants continue to expand product and service offerings. Fintech and other market innovation continue to advance as key disruptive forces in the financial services industry. Fintech is leveraging technological innovation, digitalization, and distributed ledger technology to create new product offerings, including blockchain-based crypto-assets funds and crypto-asset trading platforms.

Activity in the crypto-asset sector continues to accelerate. Global crypto-asset market capitalization exceeded US\$1 trillion for the first time in January 2021 and US\$2 trillion in April 2021. Recent drivers for Bitcoin appear to have been speculative interest from retail investors coupled with growing institutional interest.

Crypto-assets and the firms that trade them pose regulatory challenges, but they are not the first nor will they be the last challenging forms of financial services innovation. To meet these challenges, we will need to:

- balance our multiple mandates to foster innovation, facilitate investor choice, foster competition and capital formation and protect investors while maintaining fair and efficient markets and financial stability
- remain technology-neutral and cultivate the capabilities to have a deep understanding of new technologies to ensure that we can deliver on our multiple mandates
- develop a common approach across all involved regulators in Canada to manage the risks of regulatory gaps and regulatory arbitrage.

### Growing Role of Retail Investing

Over the past year, there has been a trend towards greater retail investor participation in our markets, especially via online discount brokers. This increased retail activity highlights the importance of transparency about

fees charged by intermediaries. It also highlights the importance of our investor education activities and identifying opportunities for the design of messages to evolve along with investors' sources of information.

### **Surge in Capital-Raising**

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Public market financing has been strong in many areas, including technology, healthcare, and consumer products. We have seen an unprecedented volume of prospectus filings, with a total of 645 received for our fiscal year

ended March 31, 2021, a 67% year over year increase and a greater than 200% increase in the fourth quarter for filings for which Ontario was the principal regulator. OSC staff continue to review and process prospectus filings well within published OSC service standards for first comment letters and issuance of final receipts. We are committed to being responsive to those whom we regulate and supporting capital raising in Ontario while retaining an appropriate degree of investor protection.

# OUR GOALS

## GOAL 1 – Promote Confidence in Ontario’s Capital Markets

The OSC shares the Ontario government’s commitment to making Ontario’s capital markets globally competitive and an attractive place in which to invest, grow businesses and create jobs. One of the ways we uphold that commitment is by promoting confidence in Ontario’s capital markets through a balanced policy framework and by engaging and educating investors, exercising effective compliance oversight, and pursuing timely and vigorous enforcement.

To achieve globally competitive, efficient and strong capital markets and a regulatory system that attracts investment from around the world, the OSC will be required to effectively balance the need to streamline capital raising for businesses, while seeking to protect investors from financial systemic risk and misconduct. Every year we design and carry out routine and targeted reviews of market participants with the objective of upholding the highest standards of disclosure and compliance through our various compliance oversight programs.

### OUR KEY PRIORITIES

#### **1.1 Support Implementation of Client Focused Reforms**

To improve the client/registrar relationship, regulatory reforms to NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* were published in final form in 2019. Certain amendments relating to conflicts of interest will take effect on June 30, 2021, and the remaining changes will take effect on December 31, 2021.

Under the amendments, registrants will be required to:

- Address material conflicts of interest in the best interest of the client
- Put the client’s interest first when making a suitability determination
- Do more to clarify for clients what they should expect from registrants.

#### **Actions will include:**

- The OSC, with other CSA jurisdictions and the SROs, will work with the implementation committee to

provide guidance, respond to questions and otherwise assist registrants to operationalize the amendments

- Publish Frequently Asked Questions guidance to assist registrants with implementing the Client Focused Reforms.

#### **Planned Outcomes:**

- Investors will benefit from registrants addressing material conflicts of interest in their best interest
- Registrants have considered specific factors when deciding whether an investment product is suitable and whether their recommendations “put the client’s interest first”
- Investors will receive greater clarity around the products and services they can expect from their registrants. Registrants will need to:
  - explain the potential impact on a client’s investment returns from management expense fees or other ongoing fees connected with the investment product (and the effect of compounding fees over time)
  - provide investors with more information about any restrictions on their ability to liquidate or resell an investment product
- Increased investor confidence in the industry by better aligning industry conduct with investors’ expectations, as reflected by fewer compliance review recommendations relating to inadequate know-your-client and know-your-product due diligence and unsuitable investments.

#### **1.2 Implement Mutual Fund Embedded Commissions Rules and Discontinuance of the Mutual Fund Deferred Sales Charges (DSC) Payment Option in Coordination with the CSA Harmonized Rule**

The OSC will work with fund managers and dealers to streamline implementation issues relating to the trailing commission ban (OEO ban) where no suitability determination is required. The OSC will work to bring forward final amendments to join the CSA rule in banning the use of the DSC option (DSC ban) by prohibiting the payment by fund organizations of upfront sales commissions.

**Actions will include:**

- Provide appropriate accommodation allowing flexibility for investors to be switched to different fee options when implementing the OEO ban
- Foster the launch of new products and services that facilitate the implementation of the OEO ban and DSC ban
- Obtain mutual fund sales, new products, and new services data for trend analysis, and follow up if the trends raise any concerns
- Publish the final amendments in spring 2021 relating to the DSC ban.

**Planned Outcomes:**

- Harmful DSC sales practices are removed in Ontario
- Instead of embedded fees, investors are charged applicable direct fees for mutual fund trades on OEO platforms
- Improved transparency and experience for investors with their dealers and advisors when investing in mutual funds.

**1.3 Improve the Retail Investor Experience and Protection**

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The OSC will identify ways to improve the investor experience and investor protection. Efforts will focus on engaging stakeholders, identifying appropriate areas for improvement, and making changes that will help investors have positive experiences and be better informed when making investment decisions.

Collectively, these efforts are intended to lead to greater investor protection and help reduce the impact of fraud. A range of initiatives will be completed in support of this priority.

**Actions will include:**

- Stakeholder consultations on ways to improve the investor experience
- Investor education and financial literacy activities
- Continued implementation of the OSC Seniors Strategy
- Finalize amendments to implement a regulatory framework to address issues of financial exploitation and diminished mental capacity among older and vulnerable investors
- Continued expansion of the use of behavioural insights in policy work
- Timely and responsive investor research conducted and published
- Collaboration on financial literacy initiatives with the Government of Ontario, including the Ministry of Finance, Ministry of Education, and Ministry of Seniors and Accessibility.

**Planned Outcomes:**

- Financial education resources and channels, such as *GetSmarterAboutMoney.ca*, continue to be used by more investors and the OSC is seen as a leader in Canada and internationally
- Enhanced protection of seniors and vulnerable investors
- More informed investment decisions through continued investor education
- Effectiveness of OSC policies and programs improved through integration of behavioural insights.

**1.4 Strengthen Investor Redress through the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities**

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Investors can be at risk for potential losses in cases where registered firms or individuals have acted unfairly, made an error or given bad advice. The OSC strives to improve investor access to redress in these types of situations. Avenues to obtain investor redress, including an effective and fair dispute resolution system, are now regarded as an essential element of investor protection frameworks. To achieve better results for investors, the OSC will continue its efforts to strengthen OBSI in its role as the independent dispute resolution service.

**Actions will include:**

- Provide analysis of the proposal for OBSI binding decisions in Ontario within increased claim limits
- Engage with our CSA partners on strengthening OBSI.

**Planned Outcomes:**

- Better results for investors regarding redress and dispute resolution, which will also foster investor confidence.

**1.5 Bring Timely and Impactful Enforcement Actions**

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Effective compliance and enforcement are essential to maintaining the integrity and attractiveness of our capital markets. Disruption of illegal activity and deterrence are key strategies to prevent or limit harm to investors. Our actions against firms and individuals who do not comply with the rules need to be timely and visible to achieve the desired deterrent effect and enhance public confidence in our markets.

As securities fraud and misconduct become increasingly complex, regulators must evolve their compliance and enforcement approaches and expand their tools.

Growth in cross-border activity, which is accelerated by technology, benefits investors by reducing friction and

cost, but can also harm investors by enabling cross-border fraud and misconduct that can be very difficult to address.

This creates challenges for effective enforcement. If regulatory approaches are not aligned, cross-border enforcement efforts may be impeded. Regulators need greater access to data and analytics tools to effectively identify, investigate and prosecute misconduct.

**Actions will include:**

- Focus investigative and litigation resources on cases expected to have a strong regulatory impact and that are aligned with our strategic priorities
- Continue to identify and develop enhanced analytical tools, including working with the CSA to implement the next phases of the Market Analysis Platform (MAP)
- The quasi-criminal team will work in cooperation with policing partners and continue to focus on fraudulent behaviour and recidivism
- Take proactive and timely disruption steps to mitigate or stop investor harms
- The Whistleblower group will triage tips to focus action on impactful enforcement proceedings with effective regulatory messages.

**Planned Outcomes:**

- Implementation of new tools that increase use of data to support case selection and investigations
- Enhanced profile for the OSC Whistleblower Program increases the number of credible tips
- Continued number of visible, effective disruption actions completed
- Continued visibility of priority case outcomes with strong regulatory messages aligned with OSC strategic priorities
- Greater use of data analytics in market conduct cases to strengthen the detection of harmful conduct
- In conjunction with our CSA partners, successful roll-out of the next phases of the MAP initiative to further enhance enforcement effectiveness in identifying and pursuing insider trading and market manipulation cases.

**1.6 Publish Position Paper Regarding the Framework for Self-Regulatory Organizations (SROs)**

Consider ongoing SRO developments and feedback on initial consultation paper and develop responses as required regarding the evolution of the SRO framework.

**Actions will include:**

- Publish recommended SRO framework.

**Planned Outcomes:**

- Recommended SRO framework that is informed by stakeholder feedback on initial consultation paper and

reflects the objectives articulated in the consultation paper and the evolution of the market.

**1.7 Continue to Expand Systemic Risk Oversight**

The OSC works with many domestic and international regulators to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from global systemic events. The OSC is continuing to build a domestic derivatives framework and to operationalize the necessary compliance and oversight tools required to achieve a practical and effective regime.

The OSC will also continue to strengthen the regulatory framework to better manage liquidity risk and leverage associated with investment funds.

**Actions will include:**

- Subject to Ministerial approval, finalize amendments to the Derivatives Dealer Business Conduct Rule, limiting the scope of the rule and specifying which jurisdictions will be granted equivalency
- Work with the CSA on the next version of the proposed Derivatives Dealer Registration Rule
- Finalize the Notice on status of Margin Rule for uncleared derivatives involving Ontario entities
- Finalize amendments to the Derivatives Trade Reporting Rule with respect to internationally adopted data standards
- Conduct risk-based compliance reviews of OTC Derivatives Rules (Trade Reporting, Clearing, Segregation and Portability)
- Design and implement a framework for analyzing OTC derivatives data for systemic risk oversight and market conduct purposes including development of enhanced derivatives data mart, analytical tools, and the creation of snapshot descriptions of the Canadian OTC derivatives market
- Implement annual surveys, in a scalable manner, of private and public investment funds about their portfolio exposure to assess relevant systemic risks, with a focus on aggregated asset classes and leverage information
- Work with other provincial and federal agencies, including through the HoA, to enhance the identification of financial system vulnerabilities and promote financial system resilience.

**Planned Outcomes:**

- Finalized amendments to the Business Conduct Rule for derivatives dealers
- Effective systemic risk oversight supported by timely access and analysis of integrated derivatives OTC trade data
- Established operational procedures for new compliance and oversight processes

- New templates for systemic risk analysis operationalized
- Increased use of data and enhanced data analysis for systemic risk monitoring, research, inter-agency information sharing and policy development
- Improved and more effective coordination and cooperation with regulatory partners.

### **1.8 Strengthen Oversight of Crypto Asset Trading Platforms and other Dealers**

With the CSA and IIROC, work to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws, as set out in Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements* published on March 29, 2021.

#### **Actions will include:**

- Engage with crypto firms to assess if their activities require dealer registration or approval as a marketplace and if so, have them to complete the registration or approval process
- Use appropriate tools to address non-compliance.

#### **Planned Outcomes:**

- Crypto asset trading platforms operate with appropriate regulatory oversight
- An appropriate balance is achieved in fostering innovation in Canadian capital markets and promoting investor protection and fair and efficient capital markets.

### **1.9 Advance Work on the Capital Markets Modernization Taskforce (Taskforce) Policy Recommendations Identified in the Ontario Government's 2021 Budget**

On March 24, 2021 the Minister of Finance released *Ontario's Action Plan: Protecting People's Health and Our Economy*. As it continues to review the Final Taskforce Report, the Government indicated that it would publish for comment the *Capital Markets Act* in the coming months. The OSC will undertake policy work and consultations to support the Ministry of Finance in developing and implementing identified reforms.

#### **Actions will include:**

- Support Ministry of Finance in drafting the *Capital Markets Act*, including incorporating selected Taskforce recommendations
- Publication by the Government of a consultation draft *Capital Markets Act*
- Advance policy work on other prioritized Taskforce recommendations.

#### **Planned Outcomes:**

- Securities regulation in Ontario is governed by a modern legislative platform, informed by stakeholder consultations
- Improved confidence in Ontario's capital markets leads to increased capital investment in Ontario.

### **1.10 Improve Climate Change-Related Disclosures**

The 2021 Budget included a discussion on environmental, social and governance (ESG) disclosures, following the recommendations of the Taskforce. The Taskforce recommended mandating disclosure by public companies of material ESG information, specifically climate-related disclosure that is compliant with the Task Force on Climate-Related Financial Disclosure recommendations. The Taskforce's final report highlighted that, globally and in Ontario, there is increased investor interest in issuers reporting on ESG-related information and creating a uniform standard of disclosure to create an equal playing field for all issuers. The 2021 Budget stated that the OSC will begin policy work to inform further regulatory consultation on ESG disclosure later this year.

#### **Actions will include:**

- Publish for comment a proposed rule setting out disclosure requirements regarding climate-related matters for public companies

#### **Planned outcomes:**

- Investors have access to the climate-related information needed to inform their investment and voting decisions
- Public companies have clarity on their climate-related disclosure requirements.

### **1.11 Integrate New Mandates for Fostering Capital Formation and Competition in our Activities**

In the Ontario Government's 2021 Budget, the Government announced its intention to move forward with legislative amendments to support the Taskforce's proposals to expand the mandate of the OSC to include fostering competitive markets and capital formation. These amendments to the *Ontario Securities Act* came into effect on April 27, 2021.

The OSC will embed these new mandates in our work and reflect them in our policymaking and in our ongoing regulatory operations in a manner that balances the importance given to each of the purposes of the *Ontario Securities Act* while supporting the objectives of fostering competitive markets and capital formation.

**Actions will include:**

- Conduct research to assess the implication of fostering competitive markets and capital formation on securities regulation, including conducting fact-gathering from peer regulators with similar mandates
- Engage with OSC advisory committees and other stakeholder groups on the consideration of these mandates in OSC work
- Develop and implement internal processes to promote consideration of the impact on policy

- and ongoing regulatory operations of fostering competitive markets and capital formation, including developing a shared understanding of what these terms mean in the context of the OSC's work.

**Planned Outcomes:**

- OSC policy-making and regulatory operations visibly demonstrate a commitment to all the components of the OSC's mandate
- Positive feedback from stakeholders.

# OUR GOALS

## GOAL 2 – Reduce Regulatory Burden

Delivering responsive regulatory oversight includes being mindful of the impact of regulatory burden on market participants and continually focusing on service improvements. The OSC, with its CSA partners, continues to pursue opportunities to reduce undue burden and to make its interface with market participants easier and less costly. The mandate of the newly created Office of Economic Growth and Innovation (Innovation Office) includes overseeing and facilitating the OSC's continuing efforts to reduce regulatory burden.

### OUR KEY PRIORITIES

#### **2.1 Develop an Enhanced Framework for Reducing Burden and Modernizing Regulation**

The OSC will develop an enhanced framework for continuous improvement. This framework will include a systematic focus on reducing undue regulatory burden and related costs and minimizing barriers to entry of new firms to foster economic growth and innovation.

##### **Actions will include:**

- Develop a continuous improvement framework with a systematic focus on reducing undue regulatory burden
- Identify and consider leading global practices undertaken by similar organizations to reduce regulatory costs.

##### **Planned Outcomes:**

- Implementation of enhanced continuous improvement framework with systematic focus on reducing undue regulatory burden

#### **2.2 Continue to Implement Burden Reduction Initiatives**

We will continue to work on prioritizing initiatives to reduce regulatory burden under the oversight of the Innovation Office.

Adoption of certain Taskforce recommendations and continued implementation of burden reduction initiatives identified in the OSC report *"Reducing Regulatory Burden in Ontario's Capital Market"* (published November 2019) will be guided by the principles of the new framework.

##### **Actions will include:**

- Continue implementing identified and prioritized burden reduction initiatives
- Focus initiatives include closely working with our CSA partners on Rationalization of Investment Fund Disclosure (RID) project and streamlining continuous disclosure requirements.

##### **Planned Outcomes:**

- Ongoing reduction of undue regulatory burden aims at:
  - Greater transparency around our processes and flexibility on what is required to fulfill regulatory requirements
  - Less duplication of requirements and form filings
  - A more tailored regulatory approach that considers the size and type of businesses
  - Improved coordination between the OSC and our regulatory partners
  - Rules and guidance that are easier to read and understand and clearer communication from staff.

# OUR GOALS

## GOAL 3 – Facilitate Financial Innovation

The OSC will continue to develop flexible regulatory approaches and improved access to services and support for businesses looking to establish or expand in Ontario. These efforts will build on the progress to date with the creation of the Innovation Office. This includes creating an environment that supports emerging financial technology, while at the same time ensuring investor protection, through flexible and proportionate regulatory approaches.

### OUR KEY PRIORITIES

#### **3.1 Implement Multi-Year Plan for Innovation Office**

The Innovation Office published a Charter that sets out its vision and priorities over the next few years. These initiatives, which include strengthening the OSC LaunchPad, supporting OSC's continued commitment to modernize regulation and reduce regulatory burden, and introducing new outreach programs with stakeholders including innovation hubs and others, will support innovation, facilitate capital formation, and foster economic growth.

The Innovation Office will play a key role in supporting the OSC's expanded mandate to foster capital formation and economic growth and implementing the Taskforce recommendations.

#### **Actions will include:**

- Foster, promote and, where possible, model and test innovative business models and methods in capital formation, transaction and service efficiency and fairness
- Obtain stakeholder feedback to ensure initiative objectives are being met
- Increase the OSC's visibility and credibility as an innovative and agile regulator
- Demonstrate clear, visible connections to the innovation ecosystem, including innovation hubs, stakeholders, market participants, investors, and other regulators
- Monitor innovation and economic growth initiatives and engage actively with innovation hubs and similar

groups within domestic and global regulatory organizations.

#### **Planned Outcomes:**

- The Innovation Office is fully operational and delivering on its mandate
- Provide enhanced support to innovative businesses, entrepreneurs, and start-ups to help foster economic growth, strengthen the innovation ecosystem, and improve access for investors in Ontario
- Insights gained by testing innovative ideas with market participants and investors
- Increased OSC profile as an innovative and agile regulator through effective engagement with innovation hubs and similar groups within domestic and global regulatory organizations.

#### **3.2 Engage with Innovative Businesses and Support Innovation in Capital Markets**

The Innovation Office will expand on the work of OSC LaunchPad through deeper engagement with businesses and will provide support for a strong Ontario innovation ecosystem and improved access to services by investors. The OSC will help innovative businesses navigate applicable regulatory requirements and will be flexible with businesses as they meet their obligations (e.g. by granting conditional exemptive relief, time or activity-limited approvals and providing guidance about how to comply within new business models) and where possible, help them test their products or services in Ontario.

#### **Actions will include:**

- Research, identify and test new innovative methods, services, and products specific to the OSC's mandate to enhance capital markets efficiency
- Identify, understand, and promote emerging business models, services and products in finance that benefit investors and our capital markets
- Provide additional tools to assist firms that want to test novel products and services
- Develop and implement an Ontario regulatory sandbox that promotes financial innovation and fosters capital formation

- Work with external stakeholders, such as law firms, advisors, incubators and accelerators, venture capital and angel investor organizations to consider potential tools to give the innovation community important insights and information into securities law requirements, including information for start-ups on whether and how securities regulations may apply to their business
- Work with the CSA Sandbox to issue timely approvals and/or exemptive relief for Ontario businesses offering novel products or services to operate in Canada as registered firms or marketplaces.

**Planned Outcomes:**

- Costs and “time to market” for innovative businesses are reduced

- Implemented tools support new businesses seeking to raise capital
- Enhanced OSC LaunchPad offerings and Ontario regulatory sandbox assist start-ups and provide an environment for businesses to test their solutions in Ontario
- Positive feedback from stakeholders regarding guidance issued, surveys conducted, and support provided to innovative businesses
- Newly launched interactive website for the Innovation Office.

# OUR GOALS

## GOAL 4 – Strengthen Our Organizational Foundation

The OSC regulates and supports an ever-changing and highly competitive financial sector. The COVID-19 pandemic, global discussion about anti-black racism, ongoing review of our capital markets by the government appointed Taskforce, and resulting stakeholder commentary have increased the need and urgency for the OSC to have a strong but adaptable organizational foundation, including people, policies, systems and data.

### OUR KEY PRIORITIES

#### 4.1 Redevelopment of CSA National Systems

The OSC, along with the other CSA jurisdictions, will replace the legacy CSA national systems with SEDAR+. This new CSA system will be the common platform for all filings, disclosure, payments, and information searching for the Canadian capital markets.

MAP is the newly launched CSA market activity analytics platform and one of the critical OSC enforcement tools. Initially focused on equity trades, MAP will continue to evolve to integrate additional data sets such as exchange traded derivatives and more sophisticated analytics.

##### Actions will include:

- Actively participate with the CSA to develop SEDAR+ and MAP systems that meet the needs of internal and external stakeholders
- Work with other CSA jurisdictions to complete a controlled transition to the new system for market participants and internal users
- Complete development of CSA Systems Fee Rule in time for Phase 1 launch of SEDAR+.

##### Planned Outcomes:

- SEDAR+ is launched as a modern, easy-to-use, online national system that is more responsive to current and future needs of market participants
- Regulatory processes are more efficient and service delivery to market participants is improved, reducing overall regulatory burden

- MAP supports increased ability to analyze complex market abuse cases, across markets and related parties.

#### 4.2 Modernize OSC Technology Platform

The OSC continues to digitize its platforms and processes and increase use of data and analytics in delivering regulatory outcomes.

Modernization effort is focused on integration with SEDAR+ and rollout of the Digital Transformation program, overseen by the newly created Digital Solutions Branch.

##### Actions will include:

- Fully operationalize the new Digital Solutions Branch
- Complete work on OSC local systems and related processes, workflows, and policies to ensure they are aligned with phase 1 of SEDAR+ when it is launched
- Develop Digital Transformation roadmap including Enterprise Resource Planning (ERP) implementation, optimization of regulatory operations through an integrated digital platform, automation of manual tasks using robotic process automation technology, as well as provision of enterprise data and analytics platform
- Deliver frequent, incremental business value through analytics and automation while gradually replacing legacy systems with new modern cloud-based platforms.

##### Planned Outcomes:

- Digital-first culture, supported by integrated data and modern tools, technologies, and processes
- Increased efficiency of internal regulatory operations and corporate services through optimization and automation of business processes
- Accelerated transition from stand-alone, legacy systems to integrated enterprise platforms, processes, and data flows.

### ***4.3 Foster Inclusion, Equity and Diversity***

The OSC is focused on building and sustaining diversity in our OSC community and ensuring that the employee experience is equitable and inclusive for everyone.

#### **Actions will include:**

- Implement an Inclusion and Diversity Strategy to remove barriers to inclusion at the OSC, and to achieve equitable opportunities and a consistent employee experience for all
- Provide and promote opportunities for learning and dialogue to develop a better understanding of bias, racism, and barriers to inclusion
- Take actions outlined in the BlackNorth Initiative (BNI) CEO pledge to end anti-Black systemic racism.

#### **Planned Outcomes:**

- Updated and new policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- Increased understanding leading to individual and organizational change in practices and behaviours to support equity and inclusion
- A workplace where employees experience psychological safety and inclusion
- Achieve the goals and targets set out in the BNI CEO pledge.

### ***4.4 Continue to Monitor and Adapt to the Impacts of the COVID-19 Pandemic***

The OSC will continue to adapt work practices and the workplace to support effective and efficient delivery of regulation and business operations, during and after the COVID-19 pandemic.

#### **Actions will include:**

- Adjust work policies and practices to accommodate remote work, and support collaboration and organizational culture in a fully remote workplace model during the COVID-19 pandemic and a hybrid workplace model post-pandemic
- Provide resources, benefits, and flexible work practices to support employee physical and mental health and well-being

- Implement physical space design features to ensure employee health and safety, and to support a hybrid workplace.

#### **Planned Outcomes:**

- Updated and new policies and practices that address employment practices in a hybrid workplace and flexible work arrangements
- Increased awareness and utilization of health and well-being benefits and programs
- Redefined and redesigned office space.

### ***4.5 Implement the OSC Structural Changes as Set Out in the Securities Commission Act***

In the 2021 Budget, the Government confirmed its intentions to implement legislative amendments to respond to Taskforce recommendations addressing the structure of the OSC. The OSC will implement the governance and tribunal structural changes required by the Securities Commission Act, 2021 to reflect governance best practices and enhance tribunal independence.

#### **Actions will include:**

- Defining new roles of key senior leaders, recruitment and orientation – CEO, Chair, Board Directors, Chief Adjudicator and Adjudicators
- Revising OSC Charter of Governance, By-laws, policies, delegation orders, Rules of Procedure and Forms, Practice Guideline and other governance and tribunal resources
- Establishing a new tribunal identity and funding allocation.

#### **Planned Outcomes:**

- An improved OSC governance framework that aligns with corporate governance best practices
- Separation of the regulatory and adjudicative functions to support a more effective delivery of the OSC mandate
- A new Capital Markets Tribunal enhancing tribunal independence, while preserving accessibility and transparency.

# BUDGET

## Financial Outlook

The OSC's 2021-2022 budgeted deficiency of revenues over expenses of \$12.9 million is primarily due to investments in four key growth areas:

- Investor education through expanded outreach and financial literacy initiatives, including the introduction of other methods to advance investor education and protection
- Full operation of the OSC's new Office of Economic Growth and Innovation, including increased engagement with fintech companies to support innovation in capital markets
- Support systemic risk oversight through continued development of an over-the-counter derivatives trades data repository
- Implementation of an enterprise-wide strategy to modernize OSC technology, acquire appropriate market data, and accelerate digitalization of OSC operations. The strategy consists of developing a digital transformation roadmap and replacing legacy systems with modern cloud-based platforms to optimize both our regulatory and back-office operations. In addition, we plan to use robotic process automation technology to achieve efficiencies in some areas of operation with repetitive manual tasks. This strategy requires significant spending over the next few years and the movement towards cloud-based solutions shifts costs into the operating budget from the capital budget.

Budgeted revenue for 2021-2022 of \$127.9 million is \$10.5 million below 2020-2021 actual revenues and \$2.4 million below the prior year budget. A majority of revenues are directly impacted by capital market conditions, which have become significantly volatile since the onset of the COVID -19 pandemic. The strong capital markets recovery experienced during the second half of

the fiscal year is reflected in the 2021 results, since most participation fees are received in the fourth quarter. This recent growth has not been reflected in the 2022 revenue budget.

Budgeted expenses (net of recoveries and finance costs) for 2021-2022 of \$140.8 million is \$12.9 million higher than the 2020-2021 actuals, and \$5.7 million higher than prior year budget. Cost savings experienced in 2020-2021 were primarily driven by a targeted cost reduction plan and natural savings resulting from lockdown measures, such as reduced travel and office expenses. While lockdown measures may continue to impact costs next year, we do not plan on continuing our cost reduction plan but rather to deliver on deferred 2020-2021 initiatives.

Capital spending on projects is expected to increase by \$1.6 million from 2020-2021 actual capital spending primarily towards costs to integrate local systems into SEDAR+, leasehold improvements to complete the build-out of an additional floor leased in fiscal year 2020 and technology infrastructure refresh projects.

The OSC's 2021-2022 budget does not include financial implications from Taskforce recommendations, as the budget was approved prior to the release of the recommendations. The OSC is reviewing the scope and implications to resource requirements and costs which may impact spend for fiscal 2021-2022 and future years.

We continue to assess whether fees charged to market participants remain appropriate by regularly monitoring capital markets activities for revenue implications and expense implications from additional resources necessary to meet growth in regulatory activities and Taskforce requirements.

| \$000's                                                                               | 2020-2021<br>Budget | 2020-2021<br>Actual | 2021-2022<br>Proposed<br>Budget | Proposed<br>Budget to<br>2020-2021<br>Budget<br>\$ | Proposed<br>Budget to<br>2020-2021<br>Budget<br>% | Proposed<br>Budget to<br>2020-2021<br>Actual<br>\$ | Proposed<br>Budget to<br>2020-2021<br>Actual<br>% |
|---------------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------|----------------------------------------------------|---------------------------------------------------|----------------------------------------------------|---------------------------------------------------|
| <b>Revenue</b>                                                                        | <b>\$130,312</b>    | <b>\$138,434</b>    | <b>\$127,943</b>                | <b>(\$2,369)</b>                                   | <b>(2%)</b>                                       | <b>(\$10,491)</b>                                  | <b>(8%)</b>                                       |
| <b>Operating Expenses</b>                                                             | <b>\$136,004</b>    | <b>\$129,079</b>    | <b>\$144,146</b>                | <b>(\$8,142)</b>                                   | <b>(6%)</b>                                       | <b>(\$15,067)</b>                                  | <b>(12%)</b>                                      |
| Finance Costs (IFRS 16)                                                               | 1,820               | 1,900               | 1,848                           | (28)                                               | (2%)                                              | 52                                                 | 3%                                                |
| Recoveries (insurance<br>proceeds, enforcement<br>costs, investor<br>education costs) | (2,681)             | (3,007)             | (5,164)                         | 2,483                                              | 93%                                               | 2,157                                              | 72%                                               |
| <b>Expenses<br/>(net of recoveries and<br/>finance costs)</b>                         | <b>\$135,143</b>    | <b>\$127,972</b>    | <b>\$140,830</b>                | <b>(\$5,687)</b>                                   | <b>(4%)</b>                                       | <b>(\$12,858)</b>                                  | <b>(10%)</b>                                      |
| <b>Operating<br/>Surplus/(Deficit)</b>                                                | <b>(\$4,831)</b>    | <b>\$10,462</b>     | <b>(\$12,887)</b>               | <b>(\$8,056)</b>                                   | <b>(167%)</b>                                     | <b>(\$23,349)</b>                                  |                                                   |
| <b>Capital Additions</b>                                                              | <b>\$9,915</b>      | <b>\$3,839</b>      | <b>\$5,417</b>                  | <b>\$4,498</b>                                     | <b>45%</b>                                        | <b>(\$1,578)</b>                                   | <b>(41%)</b>                                      |

*\*Favourable/(Unfavourable)*

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**1.1.2 Notice of Ministerial Approval of Local Amendments to National Instrument 81-105 Mutual Fund Sales Practices, National Instrument 81-101 Mutual Fund Prospectus Disclosure and National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations**

**NOTICE OF MINISTERIAL APPROVAL OF  
LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 81-105 MUTUAL FUND SALES PRACTICES,  
NATIONAL INSTRUMENT 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE AND  
NATIONAL INSTRUMENT 31-103  
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS**

**Ministerial Approval**

On May 25, 2021, the Ontario Securities Commission (the Commission) made local amendments to National Instrument 81-105 *Mutual Fund Sales Practices* and the related consequential local amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the Rule Amendments). On the same date, the Commission also adopted local changes to Companion Policy 81-105 *Mutual Fund Sales Practices* and related consequential local changes to Companion Policy 81-101 *Mutual Fund Prospectus Disclosure* and Companion Policy 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the Policy Changes).

The above material was published on June 3, 2021 in the Bulletin. See [\(2021\), 44 OSCB 4719](#).

On June 17, 2021, the Minister of Finance approved the Rule Amendments.

The text of the Rule Amendments is published in Chapter 5 of this Bulletin.

**Effective Date**

The Rule Amendments and the Policy Changes have an effective date of June 1, 2022.

## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 I.G. Investment Management Inc. et al.

##### Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Investment fund managers applying on behalf of mutual funds that are subject to NI 81-102 for relief from subclause 111(2)(c)(ii) and subsection 111(4) of the Securities Act (Ontario) which prohibit a mutual fund from knowingly making or holding an investment in an issuer in which a substantial securityholder of the mutual fund, its management company or its distribution company, has a significant interest – Investment fund managers applying for relief from management company reporting requirements in subsections 117(1)1 and 117(1)4 in respect of mutual funds' investments in related closed-end pooled fund – Substantial securityholder of the investment fund managers planning to acquire, through a subsidiary, a significant interest in a closed-end pooled fund – Mutual funds managed by the investment fund managers may invest up to 10% of net assets in the closed-end pooled fund in accordance with the illiquid asset restriction in NI 81-102 – Investment by the mutual funds in the closed-end pooled fund prohibited under the Securities Act (Ontario) once substantial securityholder of the investment fund managers, through a subsidiary, acquires a significant interest in the closed-end pooled fund – Relief granted subject to IRC approval and annual reporting of the particulars of any investments made in reliance on the relief.

##### Applicable Legislative Provisions

Securities Act (Ontario), ss. 111(2)(c)(ii), 111(4), 113, 117(1)1, 117(1)4, 117(2).

June 18, 2021

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF  
APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
I.G. INVESTMENT MANAGEMENT INC.  
MACKENZIE FINANCIAL CORPORATION  
COUNSEL PORTFOLIO SERVICES INC.  
(the Filers)

AND

THE MUTUAL FUNDS  
(as defined below)

##### DECISION

##### Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption to iProfile U.S. Equity Private Pool (the **Pool**), mutual funds managed by the Filers that are subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**), and any additional mutual funds established in the future, subject to NI 81-102 and of which one of the Filers is the manager (collectively, **Mutual Funds**), from the following provisions in the Legislation (the **Requested Relief**):

- (a) the requirements in the Legislation which prohibit a Mutual Fund from knowingly making or holding an investment in an issuer in which a substantial securityholder of the Mutual Fund, its management company or its distribution company, has a significant interest;
- (b) the requirements in the Legislation which require a management company to file a report within 30 days after the month end of (i) every transaction of purchase or sale of securities between a Mutual Fund and any related person or company and (ii) every transaction in which a Mutual Fund is a joint participant with one or more related persons or companies.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission in the principal regulator for the application; and
- (b) the Filers have provided notice that section 4.7(1)(c) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick, and Newfoundland and Labrador (together with the Jurisdiction, the **Jurisdictions**).

##### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined.

## Representations

This decision is based on the following facts represented by the Filer:

### IGIM

1. IGIM is a corporation continued under the laws of Ontario. It is the trustee, portfolio adviser, and manager of certain Mutual Funds, including the Pool.
2. IGIM is registered as a portfolio manager and investment fund manager in Manitoba, Ontario, Quebec, and Newfoundland and Labrador and as a portfolio manager in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, the Northwest Territories, Nunavut and Yukon.
3. IGIM and the Mutual Funds of which it is the investment fund manager are not in default of any of the requirements of securities legislation in any of the Jurisdictions.
4. IGIM is an indirect, wholly owned subsidiary of IGM Financial Inc. ("**IGM**"). Power Corporation of Canada ("**Power**") owns approximately 65% of IGM. Therefore, Power is a substantial securityholder of IGIM for purposes of s.110(2)(b) of the Act.
5. The portfolio management department of IGIM has implemented information barriers between it and the other Filers and between it, Power and Power's subsidiaries.

### Mackenzie

6. Mackenzie is a corporation formed under the laws of Ontario. It is the trustee, manager and portfolio adviser of certain Mutual Funds.
7. Mackenzie is registered as a portfolio manager, investment fund manager, exempt market dealer and commodity trading manager in Ontario. Mackenzie is registered as a portfolio manager, investment fund manager and exempt market dealer in Quebec and Newfoundland and Labrador. Mackenzie is also registered as a portfolio manager and exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon.
8. Mackenzie and the Mutual Funds of which it is the investment fund manager are not in default of any of the requirements of securities legislation of any of the Jurisdictions.
9. Mackenzie is an indirect, wholly owned subsidiary of IGM. As such, Power is a substantial securityholder of Mackenzie under the Legislation.
10. While the portfolio management departments of Mackenzie and Counsel operate independently, formal information barriers have not been

implemented between them. However, information barriers have been implemented between them and IGIM and between them, Power and Power's subsidiaries.

### Counsel

11. Counsel is a corporation formed under the laws of Ontario. It is the trustee, manager and portfolio adviser of certain Mutual Funds.
12. Counsel is registered as a commodity trading manager, investment fund manager and portfolio manager in Ontario. Counsel is registered as an investment fund manager in Quebec and Newfoundland and Labrador.
13. Counsel and the Mutual Funds of which it is the investment fund manager are not in default of any of the requirements of securities legislation in any of the Jurisdictions.
14. Counsel is an indirect, wholly owned subsidiary of IGM. As such, Power is a substantial securityholder of Counsel under the Legislation.

### Lifeco

15. Great-West Lifeco Inc. ("**Lifeco**") is an indirect subsidiary of Power. As of the date of this Application, Power indirectly owns approximately 70% of Lifeco. Power's direct or indirect ownership interest of its subsidiaries is referred to as the "**Power Ownership Percentage**" of the applicable subsidiary in this Application. As such, Power is deemed to own beneficially an amount equal to the Power Ownership Percentage of any voting securities owned by Lifeco pursuant to the Legislation.

### Northleaf

16. Northleaf Capital Group Ltd. (together with its subsidiaries, "**Northleaf**") is a global private markets investment firm with more than US\$16 billion in private credit, private equity and infrastructure commitments under management on behalf of more than 100 institutional investors. Northleaf is led by an experienced group of professionals, who collectively have significant experience in structuring, investing and managing global private markets investments and in evaluating, negotiating, structuring and executing complex financial transactions.
17. On October 28, 2020, affiliates of Power, namely Mackenzie and Lifeco, entered into a strategic relationship with Northleaf whereby Mackenzie and Lifeco jointly acquired a 49.9% non-controlling voting interest and 70% economic interest in Northleaf.
18. None of the Filers, their respective directors, officers, employees and agents is a "responsible person" of Northleaf or a Northleaf Fund (as defined below) within the meaning of subsection 13.5(1) of National Instrument 31-103 *Registration*

*Requirements, Exemptions and Ongoing Registrant Obligations.* Similarly, none of Northleaf, its respective directors, officers, employees and agents is a “responsible person” of a Filer or a Mutual Fund.

*The Pool*

19. The Pool is a mutual fund subject to NI 81-102.
20. IGIM is the trustee, portfolio adviser, and manager of the Pool.
21. The Pool distributes its securities under a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (“**NI 81-101**”).
22. The Pool is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of securities legislation in any of the Jurisdictions.
23. The Pool’s investment objective is to provide long-term capital growth by investing primarily in U.S. equities.
24. The Pool’s investment strategies permit it to invest up to 10% of its net assets in a diversified portfolio of privately-held companies. This limit is consistent with the classification by the Pool of these investments as illiquid assets for purposes of NI 81-102.
25. The Pool’s independent review committee (“**IRC**”) established under National Instrument 81-107 *Independent Review Committee for Investment Funds* (“**NI 81-107**”) has reviewed the investment by the Pool in NCO (as defined below) pursuant to subsection 5.3(1) of NI 81-107 and the IRC has provided a positive recommendation in respect of the investment by the Pool. At the time of the review by the IRC and the investment by the Pool, Power had an indirect beneficial interest less than 10% in NCO as a result of its Power Ownership Percentage of Lifeco and, therefore, approval under clause 5.2(1)(b) of NI 81-107 was not required. If the Requested Relief is granted, approval from the IRC pursuant to clause 5.2(1)(b) of NI 81-107 will be sought if the Pool makes additional investments in NCO, which it anticipates doing. The Filers will proceed on the basis that any proposed investment by the Pool in any Northleaf Fund (as defined below) requires the approval of the IRC prior to the Pool committing to the investment.

*The Mutual Funds*

26. Each Mutual Fund is or, once established, will be a mutual fund subject to NI 81-102.
27. Each Mutual Fund has or will have a Filer as its trustee, portfolio adviser, and manager, as applicable.

28. Each Mutual Fund distributes or will distribute its securities under a simplified prospectus and annual information form prepared in accordance with NI 81-101.
29. Each Mutual Fund is or will be a reporting issuer in each of the Jurisdictions and is not or will not be in default of any of the requirements of securities legislation in any of the Jurisdictions.
30. Each Mutual Fund is or will be permitted by NI 81-102 to invest up to 10% of its net assets in illiquid assets, which includes Northleaf Funds. The simplified prospectus of each Mutual Fund discloses or will disclose in its investment strategies that the Mutual Fund may invest up to 10% of its net assets in illiquid assets, measured at the time of investment, which may include securities of a Northleaf Fund, and describe the Mutual Fund’s relationship to the Northleaf Fund.
31. Any proposed investment by a Mutual Fund in a Northleaf Fund, including NCO, requires a review by and the approval of the IRC of the Mutual Fund prior to such Mutual Fund committing to the investment.

*The Northleaf Funds*

32. Northleaf Capital Opportunities (“**NCO**”) is a closed-end pooled fund managed by Northleaf that seeks to provide investors with access to direct investments in mid-market private equity assets with a focus on appropriate risk-adjusted returns. NCO pursues a flexible strategy and targets non-control investments across the capital structure, including (i) structured capital investments consisting of preferred equity and higher returning debt securities and (ii) common equity investments.
33. Northleaf seeks to be an active investor engaged with management of the companies in which NCO invests (“**Portfolio Investments**”) to maintain an active ongoing governance role for the duration of NCO’s investment. This includes, in certain circumstances, Northleaf having representation, as a voting member or observer, on the board of directors (or similar) of NCO’s Portfolio Investments.
34. Northleaf also expects to often play an active role in determining the timing and manner of Portfolio Investment exits, including through voting or observer roles on portfolio company boards of directors (or similar), and in some cases Northleaf will have contractual rights to force a liquidity event of a Portfolio Investment.
35. NCO is not an “investment fund” under the Act because, while it does not seek legal control of its Portfolio Investments, it makes investments on the basis that it will be actively involved in the management of the companies in which it invests.
36. In addition to NCO, Northleaf currently or in future may offer other private markets funds that are not

- investment funds due to the nature of the investment strategy as an active investor engaged with management of the companies in which the fund invests (the “**Northleaf PE Funds**”). Northleaf also offers private credit funds, that originate loans in the private credit market, and which are also not investment funds (“**Northleaf PC Funds**”). For purposes of this Application, a “**Northleaf Fund**” is a Northleaf PE Fund or a Northleaf PC Fund.
37. NCO is organized using a series of partnerships resident in and formed under the laws of Ontario. While other Northleaf Funds are also expected to be organized using a series of partnerships and/or trusts resident in and formed under the law of Ontario, they may utilize other structures that are beneficial to investors.
38. NCO has a term of 10 years from the date of final closing, plus two possible extensions of one year each in Northleaf’s discretion and further extensions approved by NCO’s third-party investors. The final closing must occur within 18 months of the initial closing, which occurred in Q4 of 2020.
39. NCO draws capital from its investors up to the amount of their capital commitments.
40. Any investment in a Northleaf Fund by the Pool or any Mutual Fund is or will be an illiquid asset for purposes of NI 81-102.
41. Lifeco, through a subsidiary, has invested in NCO. As at the time of this Application, Lifeco’s capital commitment to NCO is in an amount such that the Power Ownership Percentage of NCO is and will remain less than 10% of NCO’s aggregate committed capital, but, if the Requested Relief is granted, Lifeco, through one or more subsidiaries, intends to increase its investment in NCO such that the Power Ownership Percentage of NCO would be greater than 10% of NCO’s aggregate committed capital. Such an interest would be deemed to be a significant interest under the Legislation and would also result in NCO being considered a “related person or company” to a Mutual Fund under the Legislation.
42. The Filers have been advised that Lifeco intends to make similar investments in other Northleaf Funds in which the Mutual Funds may invest.
43. The Pool is invested in NCO. The Mutual Funds may, if consistent with their investment objectives and strategies, also seek to invest in NCO and/or other Northleaf Funds.
44. The existing investment by the Pool in NCO (together with any future investments by the Pool in NCO) will at all times be in an amount that constitutes less than 10% of all capital commitments to NCO and less than 10% of the net assets of the Pool.
45. The portfolio manager of the Pool has engaged in due diligence on Northleaf and NCO, as it would with any investment made by the Pool, negotiated terms that are at least as favourable to the Pool as market terms and conditions, and determined that an investment in NCO is in the best interests of the Pool. Similarly, each Mutual Fund that invests in a Northleaf Fund will engage in due diligence on Northleaf and the Northleaf Fund, negotiate terms that are at least as favourable to the Mutual Fund as market terms and conditions, and determine that such an investment is in the best interests of the Mutual Fund.
46. Neither Power nor Lifeco has influence over the portfolio management decisions made by the Filers.
47. Under section 6.2 of NI 81-107, each Mutual Fund is or would be permitted to invest in securities of a Northleaf Fund subject to compliance with two conditions: (i) the IRC of the Mutual Fund would have to approve the investment under subsection 5.2(2) of NI 81-107 and (ii) the purchase of the securities would have to be made on an exchange. The first condition is or will be met in the case of an investment by a Mutual Fund in a Northleaf Fund, as stated in representation 25 above. The second condition is not met because Northleaf Funds are not and will not be reporting issuers and therefore interests in Northleaf Funds are not and will not be listed or traded on an exchange.
48. Absent the Requested Relief, the Pool, specifically, and the Mutual Funds, generally, would be prohibited by the Legislation from investing in NCO and other Northleaf Funds if Power, through Lifeco or any other Power subsidiary, obtains a beneficial interest of more than 10% in NCO or any other Northleaf Fund indirectly through the applicable Power Ownership Percentage. This is because Power is deemed to be a substantial security holder of each Filer under the Legislation and the management company of each Mutual Fund is or will be a Filer.
49. Absent the Requested Relief, the Pool and the Mutual Funds would be required by the Legislation to divest their investments in NCO or any other Northleaf Fund if Power attains, directly or indirectly through the applicable Power Ownership Percentage, a beneficial interest of more than 10% in NCO or a Northleaf Fund since, in such case, Power would be deemed to have a significant interest in NCO or the applicable Northleaf Fund.
49. Absent the Requested Relief, the Filers would be required by the Legislation to file a report of (i) every transaction of purchase or sale of securities between a Mutual Fund and a Northleaf Fund and (ii) every transaction in which a Mutual Fund is a joint participant with one or more Northleaf Funds, within 30 days of the month end in which the transaction occurred.

50. Pursuant to National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), each Mutual Fund prepares and files interim and annual management reports of fund performance (MRFPs) that disclose any transactions involving a related party, including the identity of that related party, the relationship to the Mutual Fund, the purpose of the transaction, the measurement basis used to determine the recorded amount, and any ongoing commitments to the related party.
51. It is costly and time consuming for the Filers to also provide the reports required by the Management Company Reporting Requirements, which are substantially similar to the information required by NI 81-106 to be disclosed in the MRFPs, on a monthly and segregated basis for the Mutual Fund.

### Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted, provided that:

- (a) The purchase or holding of securities of a Northleaf Fund is consistent with, or necessary to meet, the investment objectives and strategies of a Mutual Fund;
- (b) At the time of entering into any commitment of capital to a Northleaf Fund, the IRC of the Mutual Fund has approved the transaction in accordance with subsection 5.2(2) of NI 81-107;
- (c) Each Filer, as the investment fund manager of a Mutual Fund, complies with section 5.1 of NI 81-107 and the Filer and the IRC comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the Mutual Fund's transactions in securities of a Northleaf Fund;
- (d) No later than the time the Mutual Fund files its annual financial statements, and no later than the 90<sup>th</sup> day after the end of each financial year of the Mutual Fund, the Filers file with the securities regulatory authority or regulator the particulars of any investments made in reliance on the Requested Relief.

"Mary Anne De Monte-Whelan"  
Commissioner  
Ontario Securities Commission

"Lawrence Haber"  
Commissioner  
Ontario Securities Commission

Application File #: 2021/0264

### 2.1.2 Dani Reiss

#### Headnote

National Policy 11-201 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus requirement for trades by a control person of an issuer under automatic securities disposition plans – Applicant intends to annually establish an automatic securities disposition plan (ASDP) in accordance with the guidance provided under CSA Staff Notice 55-317 Automatic Securities Disposition Plans and make orderly sales of securities of the issuer under the ASDP – Trades by the applicant as a control person under the ASDP deemed to be a distribution attracting the prospectus requirement – Applicant cannot rely on the prospectus exemption for a trade by a control person in s. 2.8 of NI 45-102 because the seven-day waiting period requirement in paragraph 2.8(3)(b) and the 30-day expiry provision in paragraph 2.8(4)(a) of NI 45-102 would prevent continued or successive dispositions under the ASDP by requiring the applicant to refile a Form 45-102F1 every 30 days and wait at least seven days before making the first trade after each filing of a Form 45-102F1 – Compliance with all conditions of s.2.8 of NI 45-102 would impede applicant's ability to establish, and effect orderly trades under, an ASDP – Relief granted from the prospectus requirement for trades effected by the control person under the ASDP subject to conditions consistent with the policy rationale underlying section 2.8 of NI 45-102 – Relief expires 12 months after the effective date of the ASDP.

#### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1) and 74(1).  
National Instrument 45-102 Resale of Securities, s. 2.8.

May 11, 2021

#### IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO (the Jurisdiction)

AND

#### IN THE MATTER OF THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

#### IN THE MATTER OF DANI REISS (the Filer)

#### DECISION

#### Background

The principal regulator in the Jurisdiction has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) granting an exemption from the prospectus requirement under the Legislation in connection with the sale of Subordinate Voting Shares (as

defined below) of Canada Goose Holdings Inc. (the Issuer) by the Filer under a Filer ASDP (as defined below) (the Exemption Sought).

Furthermore, the principal regulator has also received a request from the Filer for a decision that the Application, this decision and all supporting materials or other information submitted in connection herewith remain confidential until the earlier of (i) the public disclosure by the Filer of the establishment of a Filer ASDP by way of news release of all relevant information and (ii) 90 days from the date of this decision (the Confidentiality Relief).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) The Ontario Securities Commission is the principal regulator for this Application, and
- (b) The Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of the provinces and territories of Canada, other than Ontario (collectively with Ontario, the Jurisdictions).

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### **Representations**

This decision is based on the following facts represented by the Filer:

#### *The Issuer*

- 1. The Issuer is a corporation incorporated under the *Business Corporations Act* (British Columbia).
- 2. The Issuer's authorized share capital consists of: (i) an unlimited number of subordinate voting shares (the Subordinate Voting Shares), (ii) an unlimited number of multiple voting shares (the Multiple Voting Shares, and together with the Subordinate Voting Shares, the Shares), and (iii) an unlimited number of preferred shares, issuable in series (the Preferred Shares).
- 3. Holders of Subordinate Voting Shares have one vote for every Subordinate Voting Share. Holders of Multiple Voting Shares have 10 votes for every Multiple Voting Share. The Multiple Voting Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances.
- 4. As of April 19, 2021, 59,435,079 Subordinate Voting Shares, 51,004,076 Multiple Voting Shares and no Preferred Shares were issued and outstanding. The Subordinate Voting Shares represented 10.44% of the aggregate voting rights attached to all of the Issuer's outstanding Shares

and the Multiple Voting Shares represented 89.56% of the aggregate voting rights attached to all of the Issuer's outstanding Shares.

- 5. The Subordinate Voting Shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol "GOOS".
- 6. The Issuer is a reporting issuer in each of the Jurisdictions and is not in default of the securities legislation in any Jurisdiction.

#### *The Filer*

- 7. The Filer is the President and Chief Executive Officer of the Issuer and is a director of the Issuer.
- 8. As of April 19, 2021, the Filer directly or indirectly owned, in the aggregate, 20,130,334 Multiple Voting Shares (the Filer Multiple Voting Shares) and no Subordinate Voting Shares (the Filer Subordinate Voting Shares). The Filer Multiple Voting Shares represent (i) 39.47% of the outstanding Multiple Voting Shares, (ii) approximately 18.23% of the outstanding Shares and (iii) approximately 35.35% of the votes attaching to all of the Issuer's outstanding Shares. The Filer Subordinate Voting Shares represent (i) 0% of the outstanding Subordinate Voting Shares, (ii) 0% of the outstanding Shares, and (iii) 0% of the votes attaching to all of the Issuer's outstanding Shares. Together, the Filer Multiple Voting Shares and Filer Subordinate Voting Shares represent, in the aggregate, approximately 35.35% of the votes attaching to all of the outstanding Shares. In addition, the Filer holds 31,680 restricted stock units (RSUs), that may entitle the Filer to 31,680 Subordinate Voting Shares upon vesting and 890,019 stock options (Stock Options), which may be exercised for 890,019 Subordinate Voting Shares.
- 9. The Filer may currently be deemed to be a control person of the Issuer under the Legislation and the securities legislation of the other Jurisdictions in which the Issuer is a reporting issuer.
- 10. The Filer is not in default of the securities legislation in any Jurisdiction.

#### *Automatic Securities Disposition Plan*

- 11. The Filer intends to establish an automatic securities disposition plan in order to be able to make orderly sales of Subordinate Voting Shares all or a substantial part of which will be Subordinate Voting Shares issued to the Filer upon the settlement of RSUs and exercise of Stock Options (each a Filer ASDP). None of the Subordinate Voting Shares to be sold under the Filer ASDP will result from the conversion of Filer Multiple Voting Shares.
- 12. A Filer ASDP will be established in accordance with applicable securities legislation and staff guidance, including Canadian Securities Administrators Staff

Notice 55-317 *Automatic Securities Disposition Plans* (Staff Notice 55-317), including the following:

- (a) a Filer ASDP will include provisions restricting the commencement of sales under the Filer ASDP until after the filing of the Issuer's next interim financial report or annual financial statements;
- (b) a Filer ASDP will include clear written trading parameters and other instructions in the form of a written plan document. The Filer ASDP will either include a formula or specify the number of securities to be sold, and set out any minimum trade price, if any, and any date of sales;
- (c) a Filer ASDP will provide for a term that is sufficiently long to avoid any potential use of Material Undisclosed Information (as defined below);
- (d) a Filer ASDP will include meaningful restrictions on the ability of the Filer to amend, suspend or terminate such Filer ASDP;
- (e) a Filer ASDP will include provisions restricting any securities dealer from consulting with the Filer regarding any sales under the Filer ASDP and the Filer from disclosing information to the dealer concerning the Issuer that might influence the execution of the Filer ASDP;
- (f) the Issuer will oversee the establishment and use of the Filer ASDP;
- (g) at the time the Filer enters into a Filer ASDP, the Filer will not possess any knowledge of privileged information or of a material fact or material change with respect to the Issuer that has not been generally disclosed (collectively, Material Undisclosed Information) and the Filer ASDP will be entered into in accordance with the Issuer's insider trading policy;
- (h) a Filer ASDP will be entered into in good faith and not as part of a plan or scheme to evade the prohibitions of securities legislation in any Jurisdiction or any other applicable securities laws;
- (i) the establishment of a Filer ASDP will be disclosed by way of a news release of all relevant information on the System for Electronic Document Analysis and Retrieval (SEDAR); and
- (j) the Filer will file an insider report on the System for Electronic Disclosure by Insiders (SEDI) each time a trade is made under the Filer ASDP, specifying that such trade was made under the Filer ASDP.

- 13. It is anticipated that pursuant to the terms of a Filer ASDP, among other things:
  - (a) all sales of Subordinate Voting Shares will be conducted by a securities dealer on behalf of the Filer, with no participation by or direction or advice from the Filer;
  - (b) the total number of Subordinate Voting Shares sold in the Sales Period (as defined below) under a Filer ASDP in reliance on the Exemption Sought will not exceed 1% of the total number of Subordinate Voting Shares outstanding, as of the date of the establishment of such Filer ASDP; and
  - (c) all sales of Subordinate Voting Shares will be conducted over a period of effectiveness (the Sales Period) specified in the corresponding Form 45-102F1 *Notice of Intention to Distribute Securities* (a Form 45-102F1) under Section 2.8 of National Instrument 45-102 *Resale of Securities* (NI 45-102) filed when the Filer ASDP is entered into as further described herein.
- 14. It is the intention of the Filer and the Issuer that all sales under any Filer ASDP be exempt from the insider trading restriction in reliance on the available exemption in the Legislation and corresponding law and regulation in the Jurisdictions for trades conducted under automatic plans.
- 15. Under the Filer ASDP intended to be effective on the second trading day following the date on which the Issuer files the interim financial statements for the quarter ending June 27, 2021 (the Effective Date), it is currently the intention of the Filer to sell up to approximately 937,700 Subordinate Voting Shares thereunder, which may include Subordinate Voting Shares issued to the Filer upon the exercise or settlement equity-based compensation instruments. The Filer ASDP will not include Subordinate Voting Shares issued to the Filer upon the conversion of Multiple Voting Shares.
- 16. If the Filer is deemed to be a control person of the Issuer, any sale of the Filer Subordinate Voting Shares would be considered a "control distribution" (as such term is defined in NI 45-102) (a Control Distribution), and would either have to comply with the prospectus requirement or satisfy the conditions of the exemption from the prospectus requirement for trades by a control person in section 2.8 of NI 45-102 (the Prospectus Exemption for Control Trades).
- 17. The Filer's compliance with each of the conditions of the Prospectus Exemption for Control Trades would impede, and ultimately prevent, the implementation and operation of a Filer ASDP because (i) the seven-day waiting period requirement in paragraph 2.8(3)(b), (ii) the 30-day

expiry provision in paragraph 2.8(4)(a) of NI 45-102 and (iii) the prohibition in subsection 2.8(5) of NI 45-102 on filing a new Form 45-102F1 prior to the expiry of a previously filed Form 45-102F1 would prevent continued or successive dispositions under the Filer ASDP by requiring that the Filer refile a Form 45-102F1 respecting the proposed sales of Subordinate Voting Shares every 30 days over the course of the duration of a Filer ASDP and that the Filer wait at least seven days before making the first trade after each filing of a Form 45-102F1. Compliance with these requirements would effectively limit the Filer's ability to conduct sales of Subordinate Voting Shares to intermittent 23-day windows, separated by seven-day waiting periods, which would have a material detrimental impact on the Filer's ability to implement a Filer ASDP.

18. In absence of the Filer's compliance with each of the conditions of the Prospectus Exemption for Control Trades, the Filer requests the Exemption Sought in order to relieve the Filer from the prospectus requirement in connection with each disposition of Filer Subordinate Voting Shares under a Filer ASDP and enable the establishment of a Filer ASDP in accordance with Staff Notice 55-317, while still providing timely and meaningful public disclosure of the intended and completed sales by the Filer of Subordinate Voting Shares consistent with the policy rationale underlying section 2.8 of NI 45-102.

### Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) each Filer ASDP includes provisions restricting the commencement of sales under a Filer ASDP until after the filing of the Issuer's next interim financial report or annual financial statements;
- (b) each Filer ASDP includes meaningful restrictions on the ability of the Filer to amend, suspend, or terminate the Filer ASDP;
- (c) all sales of Subordinate Voting Shares under a Filer ASDP are conducted by any securities dealer with no participation by or direction or advice from the Filer;
- (d) at the time the Filer enters into a Filer ASDP, the Filer does not possess any Material Undisclosed Information;
- (e) the total number of Subordinate Voting Shares sold under a Filer ASDP does not exceed 1% of the total number of outstanding Subordinate Voting Shares,

as of date of the establishment of such Filer ASDP;

- (f) the Filer files a completed and signed notice in the form of Form 45-102F1 (a Notice) in accordance with NI 45-102 at least seven days prior to the first trade of Subordinate Voting Shares under any Filer ASDP that discloses the aggregate number of Subordinate Voting Shares intended to be sold under the Filer ASDP, and the Sales Period for the sale of Subordinate Voting Shares under the Filer ASDP;
- (g) the Filer files insider reports within three days of the completion of each sale under a Filer ASDP in accordance with the insider reporting obligation applicable to trades by a control person in paragraph 2.8(3)(c) of NI 45-102;
- (h) the Sales Period under any Filer ASDP is equal to 12 months;
- (i) the Notice for a Filer ASDP is signed no earlier than one business day before it is filed;
- (j) the Notice filed in connection with trades under any Filer ASDP expires on the earlier of (i) the end of the applicable Sales Period and (ii) the date that the Filer files the last of the insider reports reflecting the sale of all Subordinate Voting Shares referred to in the Notice;
- (k) the Filer does not conduct further sales of Subordinate Voting Shares under a given Filer ASDP following the expiry of the Notice relating to such Filer ASDP;
- (l) the Filer does not conduct sales of Subordinate Voting Shares under a Filer ASDP prior to the expiry of the Notice for any previously commenced Filer ASDP;
- (m) the Issuer is and has been a reporting issuer in the jurisdiction of Canada for the four months immediately preceding each trade under any Filer ASDP;

- (n) the Filer has held any Subordinate Voting Shares, or securities or related financial instruments that were converted into or exercised or settled for such Subordinate Voting Shares, sold under a Filer ASDP for at least four months prior to the trade of such Subordinate Shares;
- (o) no unusual effort is made to prepare the market or to create a demand for the Subordinate Voting Shares;
- (p) no extraordinary commission or consideration is paid to a person or company in respect of the trade;
- (q) the Filer has no reasonable grounds to believe that the Issuer is in default of securities legislation; and

- (r) the Exemption Sought shall terminate on the date that is 12 months following the Effective Date.

Furthermore, the decision of the principal regulator under the Legislation is that the Confidentiality Relief is granted.

"Garnet Fenn"  
Commissioner  
Ontario Securities Commission

"Lawrence Haber"  
Commissioner  
Ontario Securities Commission

OSC File #: 2021/0106

### 2.1.3 NextPoint Acquisition Corp.

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer granted relief from certain restricted security requirements under National Instrument 41-101 General Prospectus Requirements, National Instrument 44-101 Short Form Prospectus Distributions, and National Instrument 51-102 Continuous Disclosure Obligations – relief granted subject to conditions.

OSC Rule 56-501 Restricted Shares – Issuer granted relief from certain restricted share requirements under OSC Rule 56-501 – relief granted subject to conditions.

#### Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 12.2, 12.3, and 19.1.

Form 41-101F1 Information Required in a Prospectus, ss. 1.13 and 10.6.

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

Form 44-101F1 Short Form Prospectus, ss. 1.12 and 7.7.

National Instrument 51-102 Continuous Disclosure Obligations, Part 10 and s. 13.1.

OSC Rule 56-501 Restricted Shares, Parts 2 and 3, and s. 4.2.

June 2, 2021

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
NEXTPPOINT ACQUISITION CORP.  
(the Filer)

DECISION

#### Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the requirements under:

- (a) section 12.2 of National Instrument 41-101 — *General Prospectus Requirements* (**NI 41-101**), relating to the use of restricted security terms, and sections 1.13 and 10.6 of Form 41-101F1 — *Information Required in a Prospectus* (**Form 41-101F1**) and sections 1.12 and 7.7 of Form 44-101F1 — *Short Form Prospectus* (**Form 44-101F1**) relating to restricted security disclosure shall not apply to the common shares in the capital of the Filer (the **Common Shares**) (the **Prospectus Disclosure Exemption**) in connection with (i) the final prospectus the Filer is required to file pursuant to the Toronto Stock Exchange Company Manual (the **TSX Company Manual**) containing disclosure regarding the Filer's proposed qualifying acquisition (the **Filer's Prospectus**) and (ii) other prospectuses (together with the Filer's Prospectus, **Prospectuses**) that may be filed by the Filer under National Instrument 44-101 — *Short Form Prospectus Distributions* (**NI 44-101**), including a prospectus filed under National Instrument 44-102 — *Shelf Distributions*;
- (b) section 12.3 of NI 41-101 relating to prospectus filing eligibility for distributions of restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, shall not apply to distributions of Common Shares, PV Shares (as defined below) or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, Common Shares or PV Shares (the **Prospectus Eligibility Exemption**) in connection with Prospectuses;
- (c) Part 2 of OSC Rule 56-501 *Restricted Shares* (**OSC Rule 56-501**) relating to the use of restricted share terms and restricted share disclosure shall not apply to the Common Shares (the **OSC Rule 56-501 Disclosure**

**Exemption**) in connection with dealer and adviser documentation, rights offering circulars and offering memoranda (**OSC Rule 56-501 Documents**) of the Filer;

- (d) Part 3 of OSC Rule 56-501 relating to the withdrawal of prospectus exemptions for distributions of restricted shares, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted shares or subject securities, shall not apply to the distribution of the Common Shares, PV Shares (as defined below) or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, Common Shares or PV Shares (the **OSC Rule 56-501 Withdrawal Exemption**) in connection with stock distributions (as defined in OSC Rule 56-501) of the Filer; and
- (e) Part 10 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) relating to the use of restricted security terms and restricted security disclosure shall not apply to the Common Shares (the **CD Disclosure Exemption**) in connection with continuous disclosure documents (the **CD Documents**) that may be filed by the Filer under NI 51-102.

The aforementioned requirements are collectively referred to as the **Restricted Security Rules**. The Prospectus Disclosure Exemption, the Prospectus Eligibility Exemption, the OSC Rule 56-501 Disclosure Exemption, the OSC Rule 56-501 Withdrawal Exemption and the CD Disclosure Exemption are collectively referred to as the **Exemption Sought**.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this Application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon (other than with respect to the OSC Rule 56-501 Disclosure Exemption and the OSC Rule 56-501 Withdrawal Exemption), which, pursuant to subsection 8.2(2) of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (**NP 11-202**) and subsection 5.2(6) of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (**NP 11-203**), also satisfies the notice requirement of paragraph 4.7(1)(c) of MI 11-102.

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NP 11-202, NP 11-203, NI 41-101, NI 44-101, NI 51-102 and OSC Rule 56-501 have the same meaning if used in this decision, unless otherwise defined.

### Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) (the **BCBCA**) and is a reporting issuer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and Yukon.
2. The head office of the Filer is located in Katonah, New York and the registered office of the Filer is located in Vancouver, British Columbia.
3. The Filer is a special purpose acquisition corporation incorporated for the purpose of effecting a qualifying acquisition pursuant to the rules of the Toronto Stock Exchange (the **TSX**).
4. On February 22, 2021, the Filer entered into definitive agreements with respect to each of Franchise Group Intermediate L 1, LLC (**Liberty**) and LoanMe, Inc. (**LoanMe**) pursuant to which the Filer will acquire, directly or indirectly, all of the equity interests of each of Liberty and LoanMe (together, the **Target Businesses**).
5. The acquisition of the Target Businesses is intended to constitute a “qualifying acquisition” (as such term is defined in the TSX Company Manual) of the Filer (**Proposed Transaction**).
6. The authorized capital of the Filer consists of an unlimited number of class A restricted voting shares (**Class A Shares**), an unlimited number of class B shares (**Class B Shares**) an unlimited number of common shares (**Common Shares**) and an unlimited number of proportionate voting shares (**PV Shares**, and together with the Common Shares, the **Shares**).
7. The Filer’s Class A Shares and share purchase warrants (**Warrants**) are currently listed on the TSX under the symbol “NAC.U” and “NAC.WT.U”, respectively.
8. Warrants are exercisable 65 days after the closing date of the Proposed Transaction, with each Warrant entitling the holder to acquire one Common Share at an exercise price of U.S.\$11.50 per share. The Warrants will expire at 5:00 p.m.

(Toronto time) on the day that is five years after the completion of the Proposed Transaction or may expire earlier upon the winding-up of the Filer or if the expiry date of the Warrants is accelerated in accordance with the terms thereof.

9. On or following completion of the Proposed Transaction, each Class A Share (unless previously redeemed) will be automatically converted into a Common Share and the Class B Shares will be automatically converted on a 100-for-1 basis into PV Shares and the Filer's outstanding share capital will consist of only Common Shares and PV Shares. No further Class A Shares or Class B Shares may be issued following closing of the Proposed Transaction.
10. Upon completion of the Proposed Transaction, the PV Shares will constitute subject securities (as defined in NI 41-101 and OSC Rule 56-501) and the Filer's only issued and outstanding subject securities will be the PV Shares.
11. Following the Proposed Transaction:
  - (a) The Common Shares may at any time, at the option of the holder thereof and with the consent of the Filer, be converted into PV Shares at a ratio of one (1) PV Share for one hundred (100) Common Shares.
  - (b) The PV Shares may at any time, at the option of the holder thereof, be converted into Common Shares on the basis of one hundred (100) Common Shares for one (1) PV Share, with fractional PV Shares convertible into Common Shares on the same ratio, subject to certain limitations on conversion that maintain the Filer's status as a "foreign private issuer" as defined in Rule 405 of the United States Securities Act of 1933, as amended. The Filer shall not effect any conversion of PV Shares, and the holders of PV Shares shall not have the right to convert any portion of the PV Shares to the extent that after giving effect to such issuance after conversions, the aggregate number of Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended) would exceed forty percent (40%) of the aggregate number of Shares issued and outstanding.
  - (c) If the board of directors of the Filer determines that it is no longer advisable to maintain the PV Shares as a separate class of shares, then the PV Shares shall be converted into Common Shares on the basis of one hundred (100) Common Shares for one (1) PV Share, with fractional PV Shares convertible into Common Shares on the same ratio.
  - (d) Holders of Common Shares and PV Shares are entitled to dividends if, as and when dividends are declared by the board of directors, with each PV Share being entitled to one hundred (100) times the amount paid or distributed per Common Share (or, if a stock dividend is declared on the Common Shares payable in Common Shares only if the board of directors simultaneously declares a stock dividend in: (A) PV Shares on the PV Shares, in a number of shares per PV Share (or fraction thereof) equal to the number of shares declared per Common Share (or fraction thereof); or (B) Common Shares on the PV Shares, in a number of shares per PV Share (or fraction thereof) equal to the number of shares declared by Common Share (or fraction thereof), multiplied by one hundred (100)), and fractional PV Shares will be entitled to the applicable fraction thereof, and otherwise without preference or distinction among or between the Shares.
  - (e) In the event of the liquidation, dissolution or winding-up of the Filer, the holders of Common Shares and PV Shares are entitled to participate in the distribution of the remaining property and assets of the Filer, with each PV Share being entitled to one hundred (100) times the amount distributed per Common Share and fractional PV Shares will be entitled to the applicable fraction thereof, and otherwise without preference or distinction among or between the Shares.
  - (f) The holders of the Common Shares and PV Shares will be entitled to receive notice of, attend and vote at any meeting of shareholders of the Filer, except those meetings at which holders of a specific class of shares are entitled to vote separately as a class under the BCBCA.
  - (g) The Common Shares will carry one (1) vote per share and the PV Shares will carry one hundred (100) votes per share. Fractional PV Shares will be entitled to the number of votes calculated by multiplying the fraction by one hundred (100).
  - (h) Each Warrant will, 65 days after the closing date of the Proposed Transaction, entitle the holder to acquire a Common Share at an exercise price of U.S.\$11.50 per share.
12. The rights, privileges, conditions and restrictions attaching to the Shares may be modified if the amendment is authorized by not less than 66⅔% of the votes cast at a meeting of holders of the Shares duly held for that purpose. However, holders of Common Shares and PV Shares shall each be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment which would prejudice or interfere with any rights or special rights of the holders of Common Shares or PV Shares, as applicable, or which would affect the rights of the holders of the Common Shares and the holders of PV Shares differently, on a per share basis that differs from the basis of one (1) per share in the case of the Common Shares and one hundred (100) per share in the case of the PV Shares.

13. No subdivision or consolidation of the Common Shares or PV Shares may be carried out unless, at the same time, the shares of the other class are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each such class of shares.
14. In addition to the conversion rights described above, if an offer (**Offer**) is made for PV Shares where: (a) by reason of applicable securities legislation or stock exchange requirements, the Offer must be made to all holders of the class of PV Shares; and (b) no equivalent offer is made for the Common Shares, the holders of Common Shares shall have the right, at their option, to convert their Common Shares into PV Shares for the purposes of allowing the holders of the Common Shares to tender to the Offer, provided however that such conversion will be solely for the purpose of tendering the PV Shares to the Offer in question and that any PV Shares that are tendered to the Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.
15. In the event that holders of Common Shares are entitled to convert their Common Shares into PV Shares in connection with an Offer, holders of an aggregate of an odd lot of Common Shares of less than one hundred (100) (an **Odd Lot**) will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one PV Share, provided that such conversion into a fractional PV Shares will be solely for the purpose of tendering the fractional PV Share to the Offer in question and that any fraction of a PV Shares that is tendered to the Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.
16. The Filer is seeking the Exemption Sought in respect of, among other things, references to the Common Shares in Prospectuses and CD Documents.
17. Section 12.2 of NI 41-101 requires that an issuer must not refer to a security in a prospectus by a term or a defined term that includes the word "common" unless the security is an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding security of the issuer.
18. Section 12.3 of NI 41-101 requires that an issuer must not file a prospectus under which restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, are distributed unless:
  - (a) the distribution has received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer, or
  - (b) at the time of any restricted security reorganization related to the securities to be distributed:
    - (i) the restricted security reorganization received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer,
    - (ii) the issuer was a reporting issuer in at least one jurisdiction, and
    - (iii) no purposes or business reasons for the creation of restricted securities were disclosed that are inconsistent with the purpose of the distribution.
19. Sections 1.13 and 10.6 of Form 41-101F1 and sections 1.12 and 7.7 of Form 44-101F1 require that an issuer provide certain restricted security disclosure.
20. Section 2.2 of OSC Rule 56-501 requires dealer and adviser documentation to include the appropriate restricted share term if restricted shares and the appropriate restricted share term or a code reference to restricted shares or the appropriate restricted share term are included in a trading record published by the TSX or other exchange listed in OSC Rule 56-501.
21. Section 2.3 of OSC Rule 56-501 requires that a rights offering circular or offering memorandum for a stock distribution prepared for a reporting issuer comply with certain requirements including, among others, that restricted shares may not be referred to by a term or a defined term that includes "common", "preference" or "preferred" and that such shares shall be referred to using a term or a defined term that includes the appropriate restricted share term.
22. Section 3.2 of OSC Rule 56-501 provides that the prospectus exemptions under Ontario securities law are not available for a stock distribution of securities of a reporting issuer unless either the stock distribution received minority approval of shareholders or all the conditions set out in subsection 3.2(2) are satisfied and the information circular relating to the shareholders' meeting held to obtain such minority approval for the stock distribution included prescribed disclosure.

23. Section 10.1 of NI 51-102 requires a reporting issuer that has outstanding restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or securities that will, when issued, result in an existing class of outstanding securities being considered restricted securities, to provide specific disclosure with respect to such securities in its information circular, a document required by NI 51-102 to be delivered upon request by a reporting issuer to any of its securityholders, an annual information form prepared by the reporting issuer as well as any other documents that it sends to its securityholders.
24. Section 10.2 of NI 51-102 sets out the procedure to be followed with respect to the dissemination of disclosure documents to holders of restricted securities.
25. Pursuant to the Restricted Security Rules, a “restricted security” means an equity security of a reporting issuer if any of the following apply:
- (a) there is another class of securities of the reporting issuer that, to a reasonable person, appears to carry a greater number of votes per security relative to the equity security,
  - (b) the conditions attached to the class of equity securities, the conditions attached to another class of securities of the reporting issuer, or the reporting issuer’s constating documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of the equity securities, or
  - (c) the reporting issuer has issued another class of equity securities that, to a reasonable person, appears to entitle the owners of securities of that other class to participate in the earnings or assets of the reporting issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities.
26. As the PV Share will entitle the holders thereof to multiple votes per PV Share held, it will technically represent a class of securities to which multiple votes are attached. The multiple votes attaching to the PV Shares would, absent the Exemption Sought, have the following consequences in respect of the technical status of the Common Shares:
- (a) pursuant to NI 41-101 and NI 44-101, the Filer would be unable to use the word “common” to refer to the Common Shares in the Prospectuses and the Filer would be required to provide the specific disclosure required by NI 41-101 and NI 44-101 because the PV Shares would represent a security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are more, per security, than the voting rights attached to the Common Shares,
  - (b) the Common Shares would be considered “restricted shares” pursuant to OSC Rule 56-501 and the Filer would be subject to the dealer and advisor documentary disclosure obligations and distribution restrictions in OSC Rule 56-501 because the PV Shares would represent a security to which is attached voting rights exercisable in all circumstances, irrespective of the number or percentage of shares owned, that are more, on a per share basis, than the voting rights attaching to the Common Shares and the Filer would be unable to use the word “common” to refer to the Common Shares in a rights offering circular or offering memorandum for a stock distribution, and
  - (c) the Common Shares could be considered “restricted securities” pursuant to para. (a) of the definition of the term in NI 51-102 and the Filer would be required to provide the specific disclosure required by NI 51-102 in respect of the Common Shares because the PV Shares would represent another class of securities of the Filer that, to a reasonable person, appears to carry a greater number of votes per security relative to the Common Shares.
27. The TSX advised the Filer on June 2, 2021 that they will permit the Filer to designate the Common Shares as common shares.

**Decision**

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) in connection with the Prospectus Disclosure Exemption and the Prospectus Eligibility Exemption as they apply to Prospectuses, at the time the Filer relies on the Exemption Sought:
  - (i) the representations in paragraphs 9-15, above, continue to apply;
  - (ii) the Filer has no restricted securities (as defined in section 1.1 of NI 41-101) issued and outstanding other than the Common Shares; and
  - (iii) the Prospectuses should include disclosure consistent with the representations in paragraphs 9-15 above;

- (b) in connection with the OSC Rule 56-501 Disclosure Exemption as it applies to the OSC Rule 56-501 Documents, at the time the Filer relies on the Exemption Sought:
  - (i) the representations in paragraphs 9-15, above, continue to apply; and
  - (ii) the Filer has no restricted shares (as defined in section 1.1 of OSC Rule 56-501) issued and outstanding other than the Common Shares;
- (c) in connection with the OSC Rule 56-501 Withdrawal Exemption, at the time the Filer relies on the Exemption Sought:
  - (i) the representations in paragraphs 9-15, above, continue to apply; and
  - (ii) the Filer has no restricted shares (as defined in section 1.1 of OSC Rule 56-501) issued and outstanding other than the Common Shares;
- (d) in connection with the CD Disclosure Exemption as it applies to the CD Documents, at the time the Filer relies on the Exemption Sought:
  - (i) the representations in paragraphs 9-15, above, continue to apply; and
  - (ii) the Filer has no restricted securities (as defined in subsection 1.1(1) of NI 51-102) issued and outstanding other than the Common Shares.

“Michael Balter”  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.4 BRP Inc.

### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer bid – Modified Dutch auction – Application for relief from the requirement to take up and pay for shares on a pro rata basis and the related disclosure requirements for the issuer bid circular (section 2.26 of National Instrument 62-104 Take-Over Bids and Issuer Bids and item 8 of Form 62-104F2) – Application for relief from the requirement to take up all securities deposited under the issuer bid and not withdrawn if all the terms and conditions of the Offer have been complied with or waived unless the issuer first takes up all shares deposited under the Offer and not withdrawn (subsection 2.32(4) of National Instrument 62-104 Take-Over Bids and Issuer Bids) – Requested relief granted, subject to conditions.

### Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, sections 2.26, 2.32(4) and 6.1 and item 8 of Form 62-104F2.

[TRANSLATION]

June 21, 2021

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
QUÉBEC AND ONTARIO  
(the "Jurisdictions")

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
BRP INC.  
(the "Filer")

DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") granting the Filer, in connection with the proposed purchase of a portion of its outstanding subordinate voting shares (the "**Shares**") pursuant to an issuer bid (the "**Offer**"), an exemption from the following requirements (the "**Exemption Sought**")

- a) the proportionate take-up requirements in Section 2.26 of *Regulation 62-104 respecting Take-over Bids and Issuer Bids*, CQLR c V-1.1, r 35 ("**Regulation 62-104**") (the "**Proportionate Take-up Requirement**");
- b) the requirements in Item 8 of Form 62-104F2 to Regulation 62-104 to provide disclosure of the proportionate take-up and payment in the issuer bid circular (the "**Circular**") (the "**Proportionate Take-Up Disclosure Requirement**"); and
- c) the requirements in Section 2.32 of Regulation 62-104 that an issuer bid not be extended if all the terms and conditions of the issuer bid have been complied with or waived unless the Filer first takes up all securities deposited under the issuer bid and not withdrawn (the "**Extension Take-Up Requirement**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- a) the *Autorité des marchés financiers* is the principal regulator for this application;
- b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR c V-1.1, r 1 ("**Regulation 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Yukon, the Northwest Territories and Nunavut;
- c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

## Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR c V-1.1, r 3, Regulation 11-102 and Regulation 62-104 have the same meaning if used in this decision, unless otherwise defined herein.

## Representations

This decision is based on the following facts represented by the Filer:

1. The head office and registered office of the Filer are located in the Province of Québec.
2. The Filer is a reporting issuer in each of the jurisdictions of Canada and the Filer's Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and on the Nasdaq Stock Market LLC (the "**Nasdaq**"). The Filer is not in default of any requirement of the securities legislation in the jurisdictions of Canada.
3. The authorized share capital of the Filer consists of unlimited number of multiple voting shares (the "**MVS**") and Shares and an unlimited number of preferred shares issuable in series. As of June 7, 2021, there were 40,098,515 Shares and 43,891,671 MVS issued and outstanding, and no preferred shares were issued and outstanding. The MVS are not listed for trading on any stock exchange. Each outstanding MVS may at any time, at the option of the holder, be converted into one Share.
4. On June 4, 2021, the closing price of the Shares on the TSX was \$96.66 and US\$79.95 on the Nasdaq.
5. As at June 7, 2021, Beaudier Inc. ("**Beaudier**") and 4338618 Canada Inc. ("**4338618**") beneficially owned 13,969,719 MVS and 9,312,509 Shares, respectively, which in the aggregate represented approximately 27.7% of the issued and outstanding Shares and MVS.
6. The Filer intends to make the Offer pursuant to which it would offer to purchase that number of Shares having an aggregate purchase price of up to \$350 million (the "**Specified Dollar Amount**").
7. Prior to making the Offer, the board of directors of the Filer will have determined that the Offer is in the best interests of the Filer.
8. Holders of MVS will be entitled to participate in the Offer by depositing their MVS to the Offer. MVS deposited under the Offer will be considered as Shares (i.e. on an as-converted basis) for purposes of all calculations under the Offer. Only those MVS taken up by the Filer will be converted into Shares immediately prior to take up.
9. The purchase price per Share will be determined by the Filer through a modified "Dutch auction" procedure in the manner described below, but will not be less than \$94.00 and not more than \$113.00 per Share (the "**Price Range**").
10. The Specified Dollar Amount has been determined and was announced by the Filer in a press release issued on June 15, 2021. Both the Specified Dollar Amount and the Price Range will be specified in the Circular.
11. The Filer expects to fund the purchase of Shares pursuant to the Offer, together with the fees and expenses of the Offer, with cash on hand. In any event, the Offer will not be conditional upon the receipt of any financing.
12. Holders of Shares and MVS (collectively, the "**Shareholders**") wishing to tender to the Offer will be able to do so in one of the following ways:
  - a. by making auction tenders in which the tendering Shareholders specify the number of Shares being tendered at a specified price per Share (the "**Auction Price**") within the Price Range (the "**Auction Tenders**");
  - b. by making purchase price tenders in which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price (as defined below) to be determined by the Auction Tenders (the "**Purchase Price Tenders**"); or
  - c. by making proportionate tenders in which the tendering Shareholders agree to sell to the Filer, at the Purchase Price to be determined by the Auction Tenders, a number of Shares that will result in them maintaining their respective proportionate equity ownership in the Filer following completion of the Offer (the "**Proportionate Tenders**").
13. Shareholders may make multiple Auction Tenders but not in respect of the same Shares (i.e. Shareholders may tender different Shares at different prices but cannot tender the same Shares at different prices). Shareholders may also make an Auction Tender in respect of certain of their Shares and a Purchase Price Tender in respect of other Shares. Shareholders who make a Proportionate Tender must tender all Shares beneficially owned by them to the Offer. Shareholders who make an Auction Tender or a Purchase Price Tender may not make a Proportionate Tender and vice versa.

14. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder's Shares pursuant to an Auction Tender at or below the Purchase Price or makes a Purchase Price Tender will be considered to have made an **"Odd-Lot Tender"**.
15. The Filer will determine the purchase price payable per Share (the **"Purchase Price"**) based on the Auction Prices and the number of Shares deposited pursuant to valid Auction Tenders and Purchase Price Tenders. The Purchase Price will be the lowest price that enables the Filer to purchase that number of Shares tendered pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed an amount (the **"Auction Tender Limit Amount"**) equal to
  - a) the Specified Dollar Amount, less
  - b) the product of
    - i. the Specified Dollar Amount, and
    - ii. a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders (including MVS to be converted into Shares on a one-for-one basis upon take up), and the denominator of which is the aggregate number of Shares and MVS outstanding at the time of expiry of the Offer.
16. If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Filer will purchase at the Purchase Price all Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.
17. If the aggregate purchase price for Shares validly tendered pursuant to (i) Auction Tenders at Auction Prices at or below the Purchase Price; and (ii) Purchase Price Tenders is greater than the Auction Tender Limit Amount, then the Filer will purchase at the Purchase Price a portion of the Shares so deposited pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders, determined as follows:
  - a) first, the Filer will purchase all such Shares tendered by Shareholders at or below the Purchase Price pursuant to Odd-Lot Tenders; and
  - b) second, the Filer will purchase on a *pro rata* basis that portion of such Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to :
    - i. the Auction Tender Limit Amount, less
    - ii. the aggregate amount paid by the Filer for Shares tendered pursuant to Odd-Lot Tenders.
18. The Filer will purchase at the Purchase Price that portion of the Shares (including MVS converted into Shares on a one-for-one basis) deposited by Shareholders making valid Proportionate Tenders that results in the tendering Shareholders maintaining their proportionate equity ownership in the Filer following completion of the Offer.
19. The number of Shares that the Filer will purchase pursuant to the Offer and the aggregate purchase price will vary depending on whether the aggregate purchase price payable in respect of Shares required to be purchased pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders (the **"Auction Tender Purchase Amount"**) is equal to or less than the Auction Tender Limit Amount. If the Auction Tender Purchase Amount is equal to the Auction Tender Limit Amount, the Filer will purchase Shares for an aggregate purchase price equal to the Specified Dollar Amount. If the Auction Tender Purchase Amount is less than the Auction Tender Limit Amount, the Filer will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate purchase price.
20. Each of Beaudier and 4338618 has advised the Filer that it intends to make a Proportionate Tender.
21. All Shares purchased by the Filer pursuant to the Offer (including Shares tendered at Auction Prices below the Purchase Price) will be purchased at the Purchase Price. Shareholders will receive the Purchase Price in cash. All Auction Tenders, Purchase Price Tenders and Proportionate Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.
22. All Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.
23. The Offer is subject to the provisions of the United States regulation entitled *Regulation 14E* adopted under the 1934 Act (**"Regulation 14E"**).

24. Until expiry of the Offer, all information about the number of Shares tendered and the prices at which the Shares are tendered will be required to be kept confidential by the depositary and the Filer until the Purchase Price has been determined.
25. Shareholders who do not accept the Offer will continue to hold the same number of Shares as before the Offer and their proportionate Share ownership will increase following completion of the Offer.
26. Under the Extension Take-Up Requirement contained in Section 2.32 of Regulation 62-104, an offeror may not extend an issuer bid if all the terms and conditions of the issuer bid have been complied with or waived unless the offeror first takes up all the securities deposited and not withdrawn under the issuer bid. Under Regulation 14E, the Filer must promptly pay for all securities deposited pursuant to the Offer at the time of expiry of the Offer. Regulation 14E does not allow the Filer to extend the Offer after having taken up and paid for securities deposited pursuant to the Offer. However, notwithstanding Section 2.32 of Regulation 62-104, the Filer may, in connection with the Offer, elect to extend the Offer without first taking up all the Shares deposited and not withdrawn under the Offer if the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders is less than the Auction Tender Limit Amount.
27. The Filer intends to rely on the exemption from the formal valuation requirements applicable to issuer bids under *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*, CQLR c V-1.1, r 33 ("**Regulation 61-101**") set out in subsection 3.4(b) of Regulation 61-101 (the "**Liquid Market Exemption**").
28. There will be a "liquid market" for the Shares, as such term is defined in Regulation 61-101, as of the date of the making of the Offer because the test in paragraph 1.2(1)(a) of Regulation 61-101 will be satisfied. In addition, an opinion will be voluntarily sought by the Filer in accordance with Section 1.2 of Regulation 61-101 confirming that a liquid market exists for the Shares as of the date of the making of the Offer and such opinion will be included in the Circular (the "**Liquidity Opinion**").
29. Based on the maximum number of Shares that may be purchased under the Offer, as of the date of the Offer, it will be reasonable to conclude (and the Liquidity Opinion will provide that it will be reasonable to conclude) that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less "liquid", as such term is defined in Regulation 61-101, than the market that existed at the time of the making of the Offer.
30. The Filer will disclose in the Circular relating to the Offer the following information:
  - a) the mechanics for the take-up of and payment for Shares as described herein;
  - b) that, by tendering Shares at the lowest price in the Price Range under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;
  - c) that the Filer has filed for an exemption from the Proportionate Take-Up Requirement, the Proportionate Take-Up Disclosure Requirement and the Extension Take-Up Requirement;
  - d) the manner in which an extension of the Offer will be communicated to Shareholders;
  - e) that Shares deposited pursuant to the Offer may be withdrawn at any time prior to the expiry of the Offer;
  - f) as applicable, the name each Shareholder that has advised the Filer that it intends to make a Proportionate Tender;
  - g) the facts supporting the Filer's reliance on the Liquid Market Exemption, including the Liquidity Opinion; and
  - h) except to the extent exemptive relief is granted further to the Exemption Sought, the disclosure prescribed by applicable securities laws for issuer bids.

## Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- a) the Filer takes up Shares deposited pursuant to the Offer and not withdrawn and pays for such Shares, in each case, in the manner described herein;
- b) the Filer is eligible to rely on the Liquid Market Exemption; and

- c) the Filer complies with the requirements of Regulation 14E.

“Benoît Gascon”

Directeur principal du financement des sociétés

## 2.1.5 Purpose Investments Inc. et al.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual fund trusts for extensions of lapse dates of their prospectuses, annual information forms, fund facts, and ETF Facts – Filer will incorporate offering of the funds under the same offering documents when they are renewed – Extensions of lapse dates will not affect the currency or accuracy of the information contained in the current prospectuses or other fund documents – Relief granted under subsection 62(5) of the Securities Act to permit the extension of 70 and 72 days.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

June 28, 2021

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**

AND

**IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF  
APPLICATIONS  
IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF  
PURPOSE INVESTMENTS INC.  
(the Filer)**

AND

**MLD CORE FUND,  
PURPOSE FLOATING RATE INCOME FUND AND  
PURPOSE GOLD BULLION FUND  
(the Extended Funds)**

**DECISION**

### Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Extended Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the respective time limits for the renewal of the simplified prospectus of Purpose Gold Bullion Fund dated July 16, 2020 (the **Gold Prospectus**), and the combined simplified prospectus of Purpose Floating Rate Income Fund and MLD Core Fund dated July 13, 2020 (the **Floating Rate and MLD Prospectus** and together with the Gold Prospectus, the **Prospectuses**) be extended to those time limits that would apply if the lapse date of each Prospectus were September 25, 2021 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Quebec, Prince Edward Island, Northwest Territories, Nunavut, and Yukon (together with Ontario, the **Canadian Jurisdictions**).

### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation amalgamated under the laws of Ontario. The Filer's head office is located in Toronto, Ontario.
2. The Filer currently is registered under the securities legislation in:
  - (a) Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan in the categories of investment fund manager and exempt market dealer;
  - (b) British Columbia, Ontario and Québec in the category of portfolio manager; and
  - (c) Ontario as a commodity trading manager.
3. The Filer is the investment fund manager of the Funds.
4. Each Fund is an open-ended mutual fund trust established under the laws of Ontario. The Funds are each reporting issuers as defined in the securities legislation of each of the Canadian Jurisdictions.
5. Neither the Filer nor the Extended Funds are in default of securities legislation in any of the Canadian Jurisdictions.
6. Purpose Floating Rate Income Fund and MLD Core Fund currently distribute their securities in the Canadian Jurisdictions under the Floating Rate and MLD Prospectus.
7. Purpose Gold Bullion Fund currently distributes securities in the Canadian Jurisdictions under the Gold Prospectus.
8. PK Core Fund (and collectively with Purpose Floating Rate Income Fund, MLD Core Fund and

- Purpose Gold Bullion Fund, the **Funds**) currently distributes securities in the Canadian Jurisdictions under a simplified prospectus dated September 25, 2020 (the **PK Prospectus** and collectively with the Prospectuses, the **Current Prospectuses**).
9. Pursuant to subsection 62(1) of the Securities Act (the **Act**), the lapse date of the Floating Rate and MLD Prospectus is July 13, 2021 (the **Floating Rate and MLD Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of Purpose Floating Rate Income Fund and MLD Core Fund would have to cease on the Floating Rate and MLD Lapse Date unless: (i) Purpose Floating Rate Income Fund and MLD Core Fund each file a pro forma simplified prospectus at least 30 days prior to the Floating Rate and MLD Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after the Floating Rate and MLD Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days of the Floating Rate and MLD Lapse Date.
  10. Without the Exemption Sought, the renewal prospectus relating to Purpose Floating Rate Income Fund and MLD Core Fund is therefore required to be filed by June 14, 2021 (the **Floating Rate and MLD Pro Forma Deadline**) in order for securities of each of Purpose Floating Rate Income Fund and MLD Core Fund to continue to be distributed after the Floating Rate and MLD Lapse Date.
  11. Pursuant to subsection 62(1) of the Act, the lapse date of the Gold Prospectus is July 16, 2021 (the **Gold Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of Purpose Gold Bullion Fund would have to cease on the Gold Lapse Date unless: (i) Purpose Gold Bullion Fund files a pro forma simplified prospectus at least 30 days prior to the Gold Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after the Gold Lapse Date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days of the Gold Lapse Date.
  12. Without the Exemption Sought, the renewal prospectus relating Purpose Gold Bullion Fund is therefore required to be filed by June 16, 2021 (the **Gold Pro Forma Deadline**) in order for securities of Purpose Gold Bullion Fund to continue to be distributed after the Gold Lapse Date.
  13. Pursuant to subsection 62(1) of the Act, the lapse date of the PK Prospectus is September 25, 2021 (the **PK Lapse Date**).
  14. The Filer wishes to combine the Current Prospectuses into a single prospectus in order to reduce renewal, printing and related costs. In addition, the Filer is considering adding additional, new, funds to such single prospectus (the **New Funds**). The terms of such New Funds have not been finalized. In order to create a single prospectus, renewal documentation and disclosure relating to the Funds and the New Funds will need to be finalized, combined and translated.
  15. Offering the Funds and the New Funds under one prospectus would facilitate the distribution of the Funds and the New Funds in the Canadian Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds are managed by the Filer, are established under the same declaration of trust, and share a number of common features, offering them under the same prospectus will allow investors to more easily compare their features. The New Funds will also be established under the same declaration of trust and will share a number of common features as the Funds.
  16. The process being undertaken by the Filer to combine the Current Prospectuses (and to include disclosure relating to the New Funds) into one prospectus requires additional time in order to properly update and streamline and translate the disclosure of the Funds. Given the time required to perform these tasks accurately, the Filer does not have sufficient time to finalize and file the preliminary and pro forma prospectus combining the Funds and the New Funds by the Floating Rate and MLD Pro Forma Deadline or the Gold Pro Forma Deadline.
  17. In addition, the Filer submits that it is impractical to alter and modify all the dedicated systems, procedures and resources required to prepare the renewal simplified prospectuses, annual information forms, fund facts and ETF Facts documents of all the Funds, and unreasonable to incur the costs and expenses associated therewith, so that the pro forma renewal documentation of the Funds could be filed on by the earliest date required, being the Floating Rate and MLD Pro Forma Deadline. In addition, the terms of the New Funds have not been finalized and therefore including in a combined pro forma and preliminary prospectus would not be possible if such combined pro forma and preliminary prospectus was required to be filed by the Floating Rate and MLD Pro Forma Deadline.
  18. Providing an extension for the Floating Rate and MLD Lapse Date and the Gold Lapse Date will permit the Funds to be combined into one prospectus, translation requirements to be completed and the New Funds to be included. The Exemption Sought seeks an extension of the Floating Rate and MLD Lapse Date and the Gold Lapse Date such that the lapse dates of the Extended Funds correspond to the PK Lapse Date.
  19. There have been no material changes in the affairs in any of the Extended Funds since the dates of the Current Prospectuses. Accordingly, the Current Prospectuses, annual information forms, current fund facts and ETF Facts documents of the Extended Funds represent current information regarding the Extended Funds.

20. Given the disclosure obligations of the Funds, should a material change in the affairs of the Extended Funds occur, the Current Prospectuses, annual information forms and current fund facts/ETF Facts documents of the Extended Funds will be amended as required under applicable legislation.
21. New investors in the Extended Funds will receive delivery of the most recently filed fund facts or ETF Facts documents of the Extended Funds, as applicable. The Current Prospectuses will still be available upon request.
22. The Exemption Sought will not affect the accuracy of the information contained in the Current Prospectuses, annual information forms or the respectively filed fund facts or ETF Facts documents of the Extended Funds, and therefore will not be prejudicial to the public interest.

#### Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

“Darren McKall”  
Manager, Investment Funds and Structured Products  
Branch  
Ontario Securities Commission

Application File #:2021/0340

#### 2.1.6 Mackenzie Financial Corporation and Mackenzie Global Sustainable Bond ETF

##### Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from section 2.1 of National Instrument 81-102 – Investment Funds to permit a global fixed income ETF to invest more than 10 percent of net assets in debt securities issued, or guaranteed fully as to principal and interest, by foreign supranational agencies or governments, subject to conditions.

##### Applicable Legislative Provisions

National Instrument 81-102 – Investment Funds, ss. 2.1 and 19.1.

June 29, 2021

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF  
APPLICATIONS  
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
MACKENZIE FINANCIAL CORPORATION  
(the Filer)

AND

IN THE MATTER OF  
MACKENZIE GLOBAL SUSTAINABLE BOND ETF  
(the ETF)

#### DECISION

##### Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the ETF for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”), for an exemption pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), from section 2.1 of NI 81-102 (the **Concentration Restriction**), to permit the ETF to

- a) invest up to 20% of its net assets, taken at market value at the time of purchase in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of

- America, and are rated “AA” by Standard & Poor’s (“**S&P**”) or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates (as defined in NI 81-102);
- b) invest up to 35% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America, and are rated “AAA” by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates (such evidences of indebtedness are collectively referred to as “**Foreign Government Securities**”),
- (together, the “**Requested Relief**”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in each of the other provinces and territories of Canada (the “**Other Jurisdictions**”).

## Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

## Representations

This decision is based on the following facts represented by the Filer:

## Background Facts

1. The Filer is a corporation amalgamated under the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in all other Canadian provinces and territories and as an investment fund manager in Newfoundland and Labrador and Québec.

3. The Filer is the manager, trustee and portfolio manager of the ETF.
4. The ETF will be an open-ended mutual fund trust established under the laws of Ontario.
5. Securities of the ETF will be offered by long-form prospectus (a “**Prospectus**”) filed in all the provinces and territories in Canada and, accordingly, the ETF will be a reporting issuer in each province and territory of Canada. A preliminary Prospectus was filed for the ETF via SEDAR in all the provinces and territories on May 27, 2021.
6. The Filer is not in default of securities legislation in any jurisdiction of Canada.
7. The ETF’s investment objective is: “Mackenzie Global Sustainable Bond ETF seeks to provide a steady flow of income with an emphasis on capital preservation by investing primarily in fixed-income securities of issuers anywhere in the world. The ETF follows an approach to investing that focuses on sustainable and responsible issuers.”
8. To achieve its investment objectives, the ETF is expected to invest in all types of fixed-income securities from around the world. Although the ETF aims to invest primarily in a diversified portfolio of fixed-income securities, depending on market conditions, the ETF’s portfolio managers seek the discretion to gain exposure to any one issuer of Foreign Government Securities in excess of the Concentration Restriction.
9. The portfolio managers of the ETF will invest in countries selected by integrating Environmental, Social and Governance (“**ESG**”) factors into their sovereign and fundamental credit risk analysis process such that the investment strategy maintains a focus on sustainable and responsible issuers. Applying these ESG factors in conjunction with fundamental investment analysis will serve to narrow the ETF’s pool of potential investments, which may require a more concentrated portfolio to most effectively meet the ETF’s objectives. For example there may be periods where the portfolio managers would not invest in US Treasuries due to their policies that do not support responsible investing guidelines. Instead, the portfolio managers would want the Fund to hold Foreign Government Securities that better adhere to responsible investing rules, such as the German or UK Government bonds.
10. Subsection 2.1(1) of NI 81-102 prohibits the ETF from purchasing a security of an issuer, other than a “government security” as defined in NI 81-102, if immediately after the purchase more than 10% of the net asset value of the fund, taken at market value at the time of the purchase, would be invested in securities of the issuer.
11. The Filer believes that the ability to purchase Foreign Government Securities more than the limit

in subsection 2.1(1) of NI 81-102 will better enable the ETF to achieve its fundamental investment objectives, thereby benefitting the ETF's investors.

12. The Foreign Government Securities are not within the meaning of "government securities" as such term is defined in NI 81-102.
13. The ETF will only purchase Foreign Government Securities if the purchase is consistent with the ETF's fundamental investment objectives.
14. The Prospectus for the ETF will disclose the risks associated with concentration of net assets of the ETF in securities of a limited number of issuers.
15. The ETF seeks the Requested Relief to enhance its ability to pursue and achieve its investment objectives.

#### Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

1. paragraphs a) and b) of the Requested Relief cannot be combined for any one issuer;
2. any security that may be purchased under the Requested Relief is traded on a mature and liquid market;
3. the acquisition of the securities purchased pursuant to this decision is consistent with the fundamental investment objectives of the ETF;
4. the Prospectus of the ETF discloses the additional risk associated with the concentration of the net asset value of the ETF in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the ETF has so invested and the risks, including foreign exchange risks, of investing in the country in which the issuer is located; and
5. the Prospectus of the ETF discloses, a summary of the nature and terms of the Requested Relief, along with the conditions imposed and the type of securities covered by this decision.

"Darren McKall"  
Manager  
Investment Funds and Structured Products Branch  
Ontario Securities Commission

Application File #: 2021/0320

## 2.2 Orders

### 2.2.1 betterU Education Corp.

#### Headnote

NP 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of a cease trade order issued by the Commission – Cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law within the prescribed timeframe – Defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Cease trade order revoked.

#### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.  
National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

June 17, 2021

#### BETTERU EDUCATION CORP.

#### REVOCATION ORDER Under the securities legislation of Ontario (the Legislation)

#### Background

1. betterU Education Corp. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator**) on September 18, 2020.
2. The Issuer has applied to the Principal Regulator under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTO.

#### Interpretation

3. Terms defined in National Instrument 14-101 Definitions or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

#### Representations

4. This decision is based on the following facts represented by the Issuer:
  - (a) The Issuer was formed by an amalgamation pursuant to the Business Corporations Act (British Columbia) under the name Range Capital Corp. on August 1, 2009 (subsequently renamed Open Gold Corp. on November 5, 2010 and betterU Education Corp. on March 3, 2017) and continued under the Canada Business Corporations Act pursuant to articles of continuance dated October 13, 2017.

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| <p>(b) The Issuer's head office is located at 213 Lucinda Cres, Ottawa, Ontario, K1W0A1.</p> <p>(c) The Issuer's core competency is education technology (Edtech) operating in Canada, USA, India, Europe, Thailand and Africa providing a Skills Development Platform.</p> <p>(d) The Issuer's authorized share capital consists of an unlimited number of common shares;</p> <p>(e) The Issuer currently has 78,271,751 common shares issued and outstanding. Free float is 63.2 million shares.</p> <p>(f) The Issuer is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia, and Alberta (the <b>Reporting Jurisdictions</b>). The Issuer is not a reporting issuer in any other jurisdiction in Canada.</p> <p>(g) The Issuer's common shares are listed for trading on the TSXV under the symbol "BTRU", and listed on the Frankfurt Stock Exchange under the symbol "50GA". Other than as outlined in the preceding sentence, the common shares are not listed, quoted or traded on any other exchange, marketplace or other facility for bringing together buyers and sellers in Canada or elsewhere;</p> <p>(h) The Issuer's common shares were suspended from trading on the TSXV on September 18, 2020. The Issuer intends to apply for this suspension to be lifted as soon as the FFCTO is revoked;</p> <p>(i) The Issuer was subject to prior cease-trade orders (the <b>Prior CTOs</b>) dated June 5, 2017 and revoked June 6, 2017, and dated October 3, 2019 and revoked October 23, 2019.</p> <p>(j) Other than the FFCTO and the Prior CTOs, the Issuer has not been subject to a cease trade order issued by any securities regulatory authority.</p> <p>(k) The FFCTO was issued due to the failure of the Issuer to file the following, within the required timeframe (collectively, the <b>Initial Unfiled Documents</b>):</p> <p style="padding-left: 40px;">(i) audited annual financial statements for the year ended March 31, 2020, as required under National Instrument 51-102 <i>Continuous Disclosure Obligations</i> (<b>NI 51-102</b>);</p> <p style="padding-left: 40px;">(ii) management's discussion and analysis (<b>MD&amp;A</b>) relating to the audited annual financial statements</p> | <p>for the year ended March 31, 2020; and</p> <p>(iii) certification of the foregoing filings as required by National Instrument 52-109 <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i> (<b>NI 52-109</b>).</p> <p>(l) Since the issuance of the FFCTO, the Issuer also failed to file the following documents (the <b>Subsequent Unfiled Documents</b>) within the required timeframe:</p> <p style="padding-left: 40px;">(i) interim financial report for the interim period ending June 30, 2020;</p> <p style="padding-left: 40px;">(ii) MD&amp;A relating to the interim financial report for the interim period ending June 30, 2020;</p> <p style="padding-left: 40px;">(iii) interim financial report for the interim period ending September 30, 2020;</p> <p style="padding-left: 40px;">(iv) MD&amp;A relating to the interim financial report for the interim period ending September 30, 2020;</p> <p style="padding-left: 40px;">(v) interim financial report for the interim period ending December 31, 2020;</p> <p style="padding-left: 40px;">(vi) MD&amp;A relating to the interim financial report for the interim period ending December 31, 2020;</p> <p style="padding-left: 40px;">(vii) certification of the foregoing filings as required by NI 52-109; and</p> <p style="padding-left: 40px;">(viii) executive compensation disclosure required under section 11.6 of NI 51-102 for its most recently completed financial year ended March 31, 2020.</p> <p>(m) The Issuer has now filed the Initial Unfiled Documents and the Subsequent Unfiled Documents in the Reporting Jurisdictions on the System for Electronic Document Analysis and Retrieval (SEDAR) in accordance with NI 51-102 and NI 52-109.</p> <p>(n) The Issuer is: (i) up-to-date with all of its continuous disclosure obligations; (ii) not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for the existence of the FFCTO; and (iii) not in default of any of its obligations under the FFCTO;</p> <p>(o) Since the issuance of the FFCTO, there have been no material changes in the business, operations or affairs of the Issuer which have not been disclosed by</p> |
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the Issuer by news release and material change report and filed on SEDAR.

- (p) The Issuer is not considering nor is it involved in any discussions related to, a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
- (q) The Issuer has paid all outstanding activity, participation and late filing fees that are required to be paid in the Reporting Jurisdictions and has filed all forms associated with such payments.
- (r) The Issuer's SEDAR and System for Electronic Disclosure by Insiders profiles are up-to-date.
- (s) The Issuer has provided the Principal Regulator with a written undertaking to hold an annual meeting of shareholders within 90 days of the revocation of the FFCTO and to prepare a management information circular in accordance with Form 51-102F5 *Information Circular*, which will be sent to shareholders and filed on SEDAR in accordance with NI 51-102.
- (t) Upon the issuance of this revocation order the Issuer will issue a news release announcing the revocation of the FFCTO, and concurrently file the news release and a material change report on SEDAR.

#### Order

- 5. The Principal Regulator is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
- 6. The decision of the Principal Regulator under the Legislation is that the FFCTO is revoked

"Winnie Sanjoto"  
Manager, Corporate Finance  
Ontario Securities Commission

#### 2.2.2 ESI Energy Services Inc.

##### Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

##### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

**Citation:** *Re ESI Energy Services Inc.*, 2021 ABASC 99

June 24, 2021

#### IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA AND ONTARIO (the Jurisdictions)

AND

#### IN THE MATTER OF THE PROCESS FOR CEASE TO BE A REPORTING ISSUER APPLICATIONS

AND

#### IN THE MATTER OF ESI ENERGY SERVICES INC. (the Filer)

#### ORDER

##### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia and Manitoba; and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

##### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined herein.

## Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

## Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Timothy Robson"  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission

## 2.2.3 Colossus Minerals Inc. – s. 144(1)

### Headnote

Section 144(1) – application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

**IN THE MATTER OF  
THE SECURITIES ACT  
R.S.O. 1990, C. S.5, AS AMENDED  
(the "Act")**

**AND**

**IN THE MATTER OF  
COLOSSUS MINERALS INC.  
(the "Issuer")**

**ORDER  
(Section 144(1) of the Act)**

**WHEREAS** the securities of the Issuer are subject to a temporary cease trade order issued by the Director on April 29, 2014, under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on May 12, 2014 pursuant to subsection 127(1) of the Act directing that trading in the securities of the Issuer, whether direct or indirect, cease until further order by the Director (the "**Cease Trade Order**");

**AND WHEREAS** a cease trade order with respect to the Issuer's securities was also issued by the British Columbia Securities Commission on April 29, 2014, the Alberta Securities Commission on August 11, 2014 and the Manitoba Securities Commission on May 14, 2014.

**AND WHEREAS** the Issuer's securities are not listed on and do not trade on any exchange in Canada;

**AND WHEREAS** a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

**AND UPON** the Director being satisfied that:

- a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market; and
- b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

**IT IS ORDERED** that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Colossus Minerals Inc. who is not, and was not as at April 29, 2014, an insider or control person of Colossus Minerals Inc., may sell securities of Colossus Minerals Inc. acquired before April 29, 2014, if:

1. the sale is made through a market outside of Canada; and
2. the sale is made through an investment dealer registered in Ontario.

**DATED** this 25th day of June, 2021

“Lina Creta”  
Manager, Corporate Finance Branch  
Ontario Securities Commission

## **2.2.4 Pennine Petroleum Corporation**

### **Headnote**

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and Alberta Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by Alberta Securities Commission, as principal regulator.

### **Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.  
National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

**Citation:** *Re Pennine Petroleum Corporation*, 2021 ABASC 83

## **ALBERTA SECURITIES COMMISSION**

### **REVOCATION ORDER Under the Securities Legislation of Alberta and Ontario (the Legislation)**

## **PENNINE PETROLEUM CORPORATION**

**May 27, 2021**

### **Background**

1. Pennine Petroleum Corporation (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of Alberta (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on 22 June 2020.
2. The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTO.
3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

### **Interpretation**

4. Terms defined in National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

### **Representations**

5. This decision is based on the following facts represented by the Issuer:
  - a) The Issuer is a reporting issuer in the provinces of Alberta, British Columbia and Ontario.

- b) There are no other applications for a revocation of a cease trade order in progress in other jurisdictions.
- c) The Issuer has confirmed to the Principal Regulator that all continuous disclosure documents required to be filed under applicable securities law have been filed on SEDAR.
- d) The Issuer has an up-to-date SEDAR profile and SEDI issuer profile supplement.

**Order**

- 6. Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- 7. The decision of the Decision Makers under the Legislation is that the FFCTO is revoked, as it applies to the Issuer.

27 May 2021

“Anthony Potter”  
Manager, Corporate Disclosure & Financial Analysis  
Corporate Finance  
Alberta Securities Commission

**2.2.5 Battle North Gold Corporation**

**Headnote**

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

**June 25, 2021**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR CEASE TO BE  
A REPORTING ISSUER APPLICATIONS**

**AND**

**IN THE MATTER OF  
BATTLE NORTH GOLD CORPORATION  
(the Filer)**

**ORDER**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut.

**Interpretation**

Terms defined in *National Instrument 14-101 Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

## Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

## Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Lina Creta"  
Manager, Corporate Finance  
Ontario Securities Commission

OSC File #: 2021/0323

## 2.2.6 Bloomberg Trading Facility Limited – s. 147

### Headnote

Section 147 of the Securities Act (Ontario) – Application for an order that a multilateral trading facility regulated by the U.K. Financial Conduct Authority is exempt from the requirement to be recognized as an exchange in Ontario – requested order granted.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990 c. S.5 as am., ss. 21, 147.

**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O. 1990, CHAPTER S. 5, AS AMENDED  
(THE ACT)**

**AND**

**IN THE MATTER OF  
BLOOMBERG TRADING FACILITY LIMITED**

**ORDER  
(Section 147 of the Act)**

**WHEREAS** Bloomberg Trading Facility Limited (**Applicant**) has filed an application dated May 7, 2021 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order for the following relief (collectively, the **Requested Relief**):

- (a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and
- (b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1(1) of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

**AND WHEREAS** on December 22, 2017, the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange (**Interim Order**), terminating on the earlier of (i) January 3, 2019 and (ii) the effective date of a subsequent order exempting the Applicant from the requirement to be recognized as an exchange (**Subsequent Order**);

**AND WHEREAS** on December 14, 2018, the Commission issued an order (**First Variation Order**) under section 144 of the Act varying the Interim Order so that it terminated on the earlier of (i) July 3, 2019 and (ii) the effective date of a Subsequent Order;

**AND WHEREAS** on June 27, 2019, the Commission issued a further order (**Second Variation Order**) under section 144 of the Act varying the Interim Order so that it terminated on the earlier of (i) December 31, 2019 and (ii) the effective date of a Subsequent Order;

**AND WHEREAS** on December 13, 2019, the Commission issued a further order (**Third Variation Order**) under section 144 of the Act varying the Interim Order so that it terminates on the earlier of (i) December 31, 2020 and (ii) the effective date of a Subsequent Order;

**AND WHEREAS** pursuant to the terms of a settlement agreement approved by the Commission on December 18, 2020 (the **Settlement Agreement**):

- (a) (i) the Applicant admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading in fixed income securities by Ontario participants in contravention of the terms of the Interim Order and subsequent variations of the Interim Order, and (ii) the Applicant's affiliate, Bloomberg Trading Facility B.V. (**BTF BV**), admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading by Ontario participants without being recognized as an exchange by the Commission or obtaining an exemption from the requirement to be recognized;
- (b) each of the Applicant and BTF BV was required to file a full application for subsequent decisions to allow for the trading of swaps and fixed income securities by January 31, 2021 (the **Subsequent Decisions**);

**AND WHEREAS** on December 18, 2020, the Commission issued a further order (**Restated Interim Order**) under sections 144 and 147 of the Act revoking and restating the Interim Order as follows:

- (a) to include BTF BV in the scope of the Restated Interim Order to exempt the Applicant and BTF BV on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange;
- (b) to allow for the trading of swaps as defined in section 1a(47) of the United States Commodity Exchange Act as amended (but without regard to any exclusions from the definition) and fixed income securities;
- (c) to extend the termination date of the Restated Interim Order so that it terminates on the earlier of (i) June 30, 2021 and (ii) the effective date of the Subsequent Decisions in respect of the Applicant or BTF BV, as the case may be;

**AND WHEREAS** the Restated Interim Order will therefore terminate upon the issuance of this order;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant is a limited company organized under the laws of England and Wales, and is a wholly owned direct and indirect subsidiary of Bloomberg L.P., a Delaware limited partnership;
2. On July 23, 2015, the U.K. Financial Conduct Authority (the **FCA** or **Foreign Regulator**), a financial regulatory body in the United Kingdom (**U.K.**), authorized the Applicant to act as the operator of a multilateral trading facility (**MTF**) for interest rate swaps and credit default swaps under Part 4A of the U.K. *Financial Services and Markets Act 2000*. On June 10, 2016, the FCA granted the Applicant a Variation of Permission that expanded the Applicant's authorization to additional financial instruments;
3. The Applicant operates a marketplace for trading over-the-counter (**OTC**) derivative instruments and certain securities (the **MTF Instruments**). The Applicant's MTF supports request-for-quote and request-for-trade functionality for interest rate swaps, credit default swaps, government and corporate bonds and similar fixed-income instruments, foreign exchange derivatives (e.g., foreign exchange forwards, non-deliverable forwards and options), securities financing transactions (including repurchase transactions, buy-sell and sell-buy back transactions), exchange-traded funds, equity swaps and OTC equity options. The Applicant may add other types of financial instruments in the future, subject to obtaining required regulatory approvals;
4. Pursuant to a marketplace conduit arrangement with the Applicant's Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), the Applicant also provides transaction execution services for debt securities issued by (i) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (ii) the Government of Canada or the government of a jurisdiction of Canada, including:
  - (a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);
  - (b) debt securities issued or guaranteed by a municipal corporation in Canada;
  - (c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and
  - (d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar;
5. The Applicant is subject to regulatory supervision by the FCA and is required to comply with the FCA's Handbook, which includes, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an MTF), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The FCA requires the Applicant to comply at all times with a set of threshold conditions for authorization, including requirements that the Applicant is "fit and proper" to be authorized and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function, which is headed by the Applicant's Chief Compliance Officer, an FCA-approved person. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant (and all of its employees) comply with their obligations under the FCA rules;
6. An MTF is obliged under FCA rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and report to the FCA (a) significant breaches of MTF rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant may also notify the FCA when a participant's access is terminated, and may notify the FCA when a participant is temporarily suspended or subject to condition(s). As required by FCA rules, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant's Compliance Department conducts real-time market monitoring of trading activity on the Applicant's MTF to identify

disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for the Applicant's MTF participants;

7. The Applicant's MTF is available to participants via an approved service provider (Bloomberg Terminal access is provided this way), via application programming interface (**API**), a non-Bloomberg API or venue Direct Portal. The Applicant currently charges trading and access fees to participants which are publicly disclosed;
8. An MTF must submit all trades that are required to be cleared to a clearing house for clearing. The Applicant provides direct connectivity to the following clearing houses for clearing interest rate swaps: LCH Limited (formerly known as LCH.Clearnet Ltd.) and Eurex Clearing AG, each of which is recognized or has obtained an exemption from recognition as a clearing agency in Ontario. The Applicant provides direct connectivity to the following clearing houses for credit default swaps: ICE Clear Credit LLC, ICE Clear Europe Limited and LCH SA. ICE Clear Credit LLC and LCH SA have each obtained an exemption from recognition as a clearing agency in Ontario. ICE Clear Europe Limited is not recognized and has not obtained an exemption from recognition as a clearing agency in Ontario. Accordingly, ICE Clear Europe Limited is not authorized to provide clearing services for credit default swaps directly to Ontario Users (as defined below);
9. The Applicant requires that its participants be "professional clients," as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client categorisation" (**Professional Clients**) and as set forth in Appendix II of this Application and be either (i) authorised as a credit institution with a license in an EEA country or as an EEA investment firm, or (ii) an entity that has satisfied and will continue to satisfy the Applicant that it is fit and proper to become a participant, with adequate organizational arrangements in place and a sufficient level of trading ability and competence. Each prospective participant must: comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the Applicant's MTF Rulebook and applicable law; have the legal capacity to trade in the MTF Instruments it selects to trade on the Applicant's MTF; have appropriate systems and arrangements for the orderly clearance and/or settlement, as applicable, of transactions in all MTF Instruments it selects to trade on the Applicant's MTF; have all registrations, authorizations, approvals and/or consents required by applicable law in connection with trading in MTF Instruments on the Applicant's MTF; have adequate experience, knowledge and competence to transact in the MTF Instruments; and not be a natural person, independent software provider, trading venue or unregulated organized trading platform or system;
10. All participants that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**) are required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment requires an Ontario User to make an ongoing representation each time it uses the Applicant's MTF that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User is required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;
11. Because the Applicant's MTF sets requirements for the conduct of its participants and surveils the trading activity of its participants, it is considered by the Commission to be an exchange;
12. Because the Applicant has participants that are Ontario Users, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;
13. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and permitted by the Restated Interim Order; and
14. The Applicant satisfies the exemption criteria as described in Appendix I to Schedule "A";

**AND WHEREAS** the products traded on the Applicant's MTF are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

**AND WHEREAS** the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

**AND WHEREAS** based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the Applicant satisfies the criteria set out in Appendix I to Schedule "A" and that the granting of the Requested Relief would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** by the Commission that, (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and by the regulator that (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103,

**PROVIDED THAT** the Applicant complies with the terms and conditions contained in Schedule "A".

**DATED** this 28th day of June, 2021

"Mary Anne De Monte-Whelan"

"Craig Hayman"

**SCHEDULE "A"**

**TERMS AND CONDITIONS**

**Meeting Criteria for Exemption**

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

**Regulation and Oversight of the Applicant**

2. The Applicant will maintain its registration as a multilateral trading facility (**MTF**) with the U.K. Financial Conduct Authority (**FCA**) and will continue to be subject to the regulatory oversight of the FCA.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as an MTF registered with the FCA.
4. The Applicant will promptly notify the Commission if its registration as an MTF has been revoked, suspended, or amended by the FCA, or the basis on which its registration as an MTF has been granted has significantly changed.
5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

**Access**

6. The Applicant will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as a "professional client", as defined by the FCA in the FCA's Conduct of Business Sourcebook, Chapter 3 "Client Categorisation."
7. For each Ontario User provided direct access to its MTF, the Applicant will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant's MTF.
9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant's MTF if the Ontario User is no longer appropriately registered or exempt from those requirements.

**Trading by Ontario Users**

10. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States *Commodity Exchange Act* as amended (but without regard to any exclusions from the definition) or debt securities, as defined in subsection 1(1) of the Act, without prior Commission approval.
11. With respect to debt securities:
  - (a) the Applicant will only permit Ontario Users to trade a debt security that is a foreign security or a debt security that is denominated in a currency other than the Canadian dollar as such terms are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including:
    - (i) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);
    - (ii) debt securities issued by a foreign government;
    - (iii) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and
    - (iv) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies; and

- (b) the Applicant will only provide transaction execution services in accordance with the terms and conditions of Bloomberg Tradebook Canada Company's registration as an alternative trading system in Ontario with respect to a debt security that is a Canadian security or a debt security of a Canadian issuer that is denominated in the Canadian dollar, including:
  - (i) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);
  - (ii) debt securities issued or guaranteed by a municipal corporation in Canada;
  - (iii) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and
  - (iv) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.
- 12. The Applicant will only permit Ontario Users to trade those securities which are permitted to be traded in the U.K. under applicable securities laws and regulations.

#### Submission to Jurisdiction and Agent for Service

- 13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
- 14. The Applicant will maintain with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

#### Prompt Reporting

- 15. The Applicant will notify staff of the Commission promptly of:
  - (a) any authorization to carry on business granted by the FCA is revoked or suspended or made subject to terms or conditions on the Applicant's operations;
  - (b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;
  - (c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;
  - (d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the FCA where it is required to report such non-compliance to the FCA;
  - (e) any known investigations of, or disciplinary action against, the Applicant by the FCA or any other regulatory authority to which it is subject; and
  - (f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

#### Semi-Annual Reporting

- 16. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the follow year for the second half), and at any time promptly upon the request of staff of the Commission:
  - (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's MTF as customers of participants (**Other Ontario Participants**);
  - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
  - (c) a list of all Ontario Users whom the Applicant has referred to the FCA, or, to the best of the Applicant's knowledge, whom have been disciplined by the FCA with respect to such Ontario Users' activities on the Applicant's MTF and the aggregate number of all participants referred to the FCA since the previous report by the Applicant;

- (d) a list of all active investigations since the last report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by the Applicant;
- (e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the last report, together with the reasons for each such denial; and
- (f) for each product,
  - (i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
  - (ii) the proportion of worldwide trading volume and value on the Applicant's MTF conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

**Information Sharing**

17. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

## APPENDIX I

### CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

#### PART 1 REGULATION OF THE EXCHANGE

##### 1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

##### 1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

#### PART 2 GOVERNANCE

##### 2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:
  - (i) appropriate representation of independent directors, and
  - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

##### 2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

#### PART 3 REGULATION OF PRODUCTS

##### 3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

##### 3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

##### 3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

## **PART 4 ACCESS**

### **4.1 Fair Access**

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
  - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,
  - (ii) the competence, integrity and authority of systems users, and
  - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
  - (i) permit unreasonable discrimination among participants, or
  - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

## **PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE**

### **5.1 Regulation**

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

## **PART 6 RULEMAKING**

### **6.1 Purpose of Rules**

- (a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.
- (b) The Rules are not contrary to the public interest and are designed to
  - (i) ensure compliance with applicable legislation,
  - (ii) prevent fraudulent and manipulative acts and practices,
  - (iii) promote just and equitable principles of trade,
  - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
  - (v) provide a framework for disciplinary and enforcement actions, and
  - (vi) ensure a fair and orderly market.

## **PART 7 DUE PROCESS**

### **7.1 Due Process**

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and

- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

## **PART 8 CLEARING AND SETTLEMENT**

### **8.1 Clearing Arrangements**

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

### **8.2 Risk Management of Clearing House**

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

## **PART 9 SYSTEMS AND TECHNOLOGY**

### **9.1 Systems and Technology**

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

### **9.2 System Capability/Scalability**

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;
- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

### **9.3 Information Technology Risk Management Procedures**

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

## **PART 10 FINANCIAL VIABILITY**

### **10.1 Financial Viability**

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

## **PART 11 TRADING PRACTICES**

### **11.1 Trading Practices**

Trading practices are fair, properly supervised and not contrary to the public interest.

### **11.2 Orders**

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

### **11.3 Transparency**

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

## **PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT**

### **12.1 Jurisdiction**

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

### **12.2 Member and Market Regulation**

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

### **12.3 Availability of Information to Regulators**

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

## **PART 13 RECORD KEEPING**

### **13.1 Record Keeping**

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

## **PART 14 OUTSOURCING**

### **14.1 Outsourcing**

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

## **PART 15 FEES**

### **15.1 Fees**

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

## **PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS**

### **16.1 Information Sharing and Regulatory Cooperation**

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

### **16.2 Oversight Arrangements**

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

## **PART 17 IOSCO PRINCIPLES**

### **17.1 IOSCO Principles**

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).

## APPENDIX II

### DEFINITION OF PROFESSIONAL CLIENTS

This Appendix II provides the definition of a “Professional Client,” as defined by the FCA in the FCA’s Conduct of Business Sourcebook, Chapter 3 “Client categorisation.”

#### 3.5 Professional clients

3.5.1 A *professional client* is a *client* that is either a *per se professional client* or an *elective professional client*.

[Note: article 4(1)(11) of *MiFID*]

#### Per se professional clients

3.5.2 Each of the following is a *per se professional client* unless and to the extent it is an *eligible counterparty* or is given a different categorisation under this chapter:

- (1) an entity required to be authorised or regulated to operate in the financial markets. The following list includes all authorised entities carrying out the characteristic activities of the entities mentioned, whether authorised by an *EEA State* or a third country and whether or not authorised by reference to a directive:
  - (a) a *credit institution*;
  - (b) an *investment firm*;
  - (c) any other authorised or regulated financial institution;
  - (d) an insurance company;
  - (e) a collective investment scheme or the management company of such a scheme;
  - (f) a pension fund or the management company of a pension fund;
  - (g) a commodity or commodity derivatives dealer;
  - (h) a local;
  - (i) any other institutional investor;
- (2) in relation to *MiFID* or *equivalent third country business* a large undertaking meeting two of the following size requirements on a company basis:
  - (a) balance sheet total of EUR 20,000,000;
  - (b) net turnover of EUR 40,000,000;
  - (c) own funds of EUR 2,000,000;
- (3) in relation to business that is not *MiFID* or *equivalent third country business* a large undertaking meeting any of the following conditions:
  - (a) a *body corporate* (including a *limited liability partnership*) which has (or any of whose *holding companies* or *subsidiaries* has) (or has had at any time during the previous two years) called up share capital or net assets of at least £5 million (or its equivalent in any other currency at the relevant time);
  - (b) an undertaking that meets (or any of whose *holding companies* or *subsidiaries* meets) two of the following tests:
    - (i) a balance sheet total of EUR 12,500,000;
    - (ii) a net turnover of EUR 25,000,000;
    - (iii) an average number of employees during the year of 250;

- (c) a *partnership* or unincorporated association which has (or has had at any time during the previous two years) net assets of at least £5 million (or its equivalent in any other currency at the relevant time) and calculated in the case of a limited *partnership* without deducting loans owing to any of the *partners*;
- (d) a trustee of a trust (other than an *occupational pension scheme*, *SSAS*, *personal pension scheme* or *stakeholder pension scheme*) which has (or has had at any time during the previous two years) assets of at least £10 million (or its equivalent in any other currency at the relevant time) calculated by aggregating the value of the cash and *designated investments* forming part of the trust's assets, but before deducting its liabilities;
- (e) a trustee of an *occupational pension scheme* or *SSAS*, or a trustee or operator of a *personal pension scheme* or *stakeholder pension scheme* where the scheme has (or has had at any time during the previous two years):
  - (i) at least 50 members; and
  - (ii) assets under management of at least £10 million (or its equivalent in any other currency at the relevant time);
- (f) a local authority or public authority.
- (4) a national or regional government, a public body that manages public debt, a central bank, an international or supranational institution (such as the World Bank, the IMF, the ECP, the EIB) or another similar international organisation;
- (5) another institutional investor whose main activity is to invest in *financial instruments* (in relation to the *firm's MiFID or equivalent third country business*) or *designated investments* (in relation to the *firm's* other business). This includes entities dedicated to the securitisation of assets or other financing transactions.

[Note: first paragraph of section I of annex II to MiFID]

3.5.2A In relation to MiFID or *equivalent third country business* a local authority or a public authority is not likely to be a regional government for the purposes of ■ COBS 3.5.2 R (4). In the FCA's opinion, a local authority may be a *per se professional client* for those purposes if it meets the test for large undertakings in ■ COBS 3.5.2 R (2).

### Elective professional clients

3.5.3 A *firm* may treat a client as an *elective professional client* if it complies with (1) and (3) and, where applicable, (2):

- (1) the *firm* undertakes an adequate assessment of the expertise, experience and knowledge of the *client* that gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the *client* is capable of making his own investment decisions and understanding the risks involved (the "qualitative test");
- (2) in relation to *MiFID or equivalent third country business* in the course of that assessment, at least two of the following criteria are satisfied:
  - (a) the *client* has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
  - (b) the size of the *client's financial instrument* portfolio, defined as including cash deposits and *financial instruments*, exceeds EUR 500,000;
  - (c) the *client* works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged;
 (the "quantitative test"); and
- (3) the following procedure is followed:
  - (a) the *client* must state in writing to the *firm* that it wishes to be treated as a *professional client* either generally or in respect of a particular service or transaction or type of transaction or product;
  - (b) the *firm* must give the *client* a clear written warning of the protections and investor compensation rights the *client* may lose; and

- (c) the *client* must state in writing, in a separate document from the contract, that it is aware of the consequences of losing such protections.

[Note: first, second, third and fifth paragraphs of section II.1 and first paragraph of section II.2 of annex II to *MiFID*]

- 3.5.4 If the *client* is an entity, the qualitative test should be performed in relation to the person authorised to carry out transactions on its behalf.

[Note: fourth paragraph of section II.1 of annex II to *MiFID*]

- 3.5.5 The fitness test applied to managers and directors of entities licensed under directives in the financial field is an example of the assessment of expertise and knowledge involved in the qualitative test.

[Note: fourth paragraph of section II.1 of annex II to *MiFID*]

- 3.5.6 Before deciding to accept a request for re-categorisation as an *elective professional client* a *firm* must take all reasonable steps to ensure that the *client* requesting to be treated as an *elective professional client* satisfies the qualitative test and, where applicable, the quantitative test.

[Note: second paragraph of section II.2 of annex II to *MiFID*]

- 3.5.7 An *elective professional client* should not be presumed to possess market knowledge and experience comparable to a *per se professional client*

[Note: second paragraph of section II.1 of annex II to *MiFID*]

- 3.5.8 *Professional client* are responsible for keeping the *firm* informed about any change that could affect their current categorisation.

[Note: fourth paragraph of section II.2 of annex II to *MiFID*]

- 3.5.9 (1) If a *firm* becomes aware that a *client* no longer fulfils the initial conditions that made it eligible for categorisation as an *elective professional client*, the *firm* must take the appropriate action.
- (2) Where the appropriate action involves re-categorising that client as a *retail client*, the *firm* must notify that *client* of its new categorisation.

[Note: fourth paragraph of section II.2 of annex II to *MiFID* and article 28(1) of the *MiFID implementing Directive*]

## 2.2.7 Bloomberg Trading Facility B.V. – s. 147

### Headnote

Section 147 of the *Securities Act* (Ontario) – Application for an order that a multilateral trading facility regulated by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) is exempt from the requirement to be recognized as an exchange in Ontario – requested order granted.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990 c. S.5, as am., ss. 21, 147.

**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O. 1990, CHAPTER S. 5, AS AMENDED  
(THE ACT)**

**AND**

**IN THE MATTER OF  
BLOOMBERG TRADING FACILITY B.V.**

**ORDER  
(Section 147 of the Act)**

**WHEREAS** Bloomberg Trading Facility B.V. (**Applicant**) has filed an application dated May 7, 2021 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order for the following relief (collectively, the **Requested Relief**):

- (a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and
- (b) exempting the Applicant from the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1(1) of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

**AND WHEREAS** pursuant to the terms of a settlement agreement approved by the Commission on December 18, 2020 (the **Settlement Agreement**):

- (a) (i) the Applicant admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading by Ontario participants without being recognized as an exchange by the Commission or obtaining an exemption from the requirement to be recognized, and (ii) the Applicant's affiliate, Bloomberg Trading Facility Limited (**BTFL**), admitted that it breached Ontario securities laws by, among other things failing to prevent, or otherwise permitting, trading in fixed income securities by Ontario participants in contravention of the terms of the interim order issued by the Commission on December 22, 2017 (**Interim Order**) and subsequent variations of the Interim Order;
- (b) each of the Applicant and BTFL was required to file a full application for subsequent decisions to allow for the trading of swaps and fixed income securities by January 31, 2021 (the **Subsequent Decisions**);

**AND WHEREAS** on December 18, 2020, the Commission issued a further order (**Restated Interim Order**) under sections 144 and 147 of the Act revoking and restating the Interim Order as follows:

- (a) to include the Applicant in the scope of the Restated Interim Order to exempt the Applicant and BTFL on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange;
- (b) to allow for the trading of swaps as defined in section 1a(47) of the United States Commodity Exchange Act as amended (but without regard to any exclusions from the definition) and fixed income securities;
- (c) to extend the termination date of the Restated Interim Order so that it terminates on the earlier of (i) June 30, 2021 and (ii) the effective date of the Subsequent Decisions in respect of the Applicant or BTFL, as the case may be;

**AND WHEREAS** the Restated Interim Order will therefore terminate upon the issuance of this order;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant is a private limited company incorporated under the laws of the Netherlands, and is a wholly owned direct and indirect subsidiary of Bloomberg L.P., a Delaware limited partnership;

2. The Applicant is regulated and authorized by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the **AFM** or **Foreign Regulator**) as an investment firm with permission to operate a multilateral trading facility (**MTF**);
3. On January 15, 2019, the AFM authorized the Applicant to act as the operator of its MTF (**BTFE**) in the Netherlands and has commenced supervising the Applicant on an ongoing, active basis;
4. The Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council (**MiFID II**) requires that multilateral trading by European Union (**EU**)/European Economic Area (**EEA**) participants takes place on a trading venue (i.e., a “regulated market”, a “multilateral trading facility” or an “organized trading facility”, as those terms are defined under MiFID II). The United Kingdom (**UK**) officially exited the European Union on January 31, 2020 (**Brexit**), with a transition period that ended December 31, 2020. Post-Brexit, the Applicant has experienced significant demand from clients based in the EEA to trade on BTFE as an EU-regulated trading venue. In parallel, the Applicant’s affiliate, Bloomberg Trading Facility Limited (**BTFL**), continues to operate its UK-regulated trading venue, BMTF. BTFL’s UK clients and clients based in non-EEA jurisdictions have continued to trade on BMTF post-Brexit, and many have sought to become clients of BTFE as well in order to continue accessing EEA liquidity. Without the Requested Relief, participants of BMTF in Ontario are precluded from trading with EU/EEA participants post-Brexit on BTFE;
5. The Applicant operates a marketplace for trading over-the-counter (**OTC**) derivative instruments and certain securities (the **MTF Instruments**). BTFE supports request-for-quote and request-for-trade functionality for interest rate swaps, credit default swaps, government and corporate bonds and similar fixed-income instruments, foreign exchange derivatives (e.g., foreign exchange forwards, non-deliverable forwards and options), securities financing transactions (including repurchase transactions, buy-sell and sell-buy back transactions), exchange-traded funds and OTC equity options. The Applicant may add other types of financial instruments in the future, subject to obtaining required regulatory approvals;
6. Pursuant to a marketplace conduit arrangement with the Applicant’s Canadian alternative trading system affiliate, Bloomberg Tradebook Canada Company (**Tradebook Canada**), the Applicant also provides transaction execution services for debt securities issued by (i) an issuer incorporated, formed or created under the laws of Canada or a jurisdiction of Canada, or (ii) the Government of Canada or the government of a jurisdiction of Canada, including:
  - (a) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);
  - (b) debt securities issued or guaranteed by a municipal corporation in Canada;
  - (c) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and
  - (d) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar;
7. The Applicant is subject to regulatory supervision by the AFM and is required to comply with the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*, **Wft**), MiFID II, the Markets in Financial Instruments Regulation, the rules pertaining to this legislation and the applicable guidance from the AFM and De Nederlandsche Bank (the **Applicable Rules**), which include, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating an MTF), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The AFM requires the Applicant to comply at all times with a set of threshold conditions for authorization and ongoing requirements, including requirements that the Applicant has sound business and controlled business operations and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function, which is covered by the Applicant’s Compliance Officer. The Applicant’s Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant, its officers and all its employees comply with their obligations under the Applicable Rules;
8. An MTF is obliged under AFM rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and report to the AFM (i) significant breaches of the rules in the BTFE Rulebook, (ii) disorderly trading conditions, and (iii) conduct that may involve market abuse. The Applicant will also notify the AFM when a participant’s access is terminated, and may notify the AFM when a participant is temporarily suspended or subject to condition(s). As required by the Applicable Rules, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant’s Compliance Department conducts real-time market monitoring of trading activity on BTFE to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for BTFE participants;

9. BTFE is available to participants via an approved service provider (Bloomberg Terminal access is provided this way), via application programming interface (**API**), a non-Bloomberg API or venue Direct Portal. The Applicant currently charges trading and access fees to participants which are publicly disclosed;
10. An MTF must submit all trades that are required to be cleared to a clearing house for clearing. The Applicant provides direct connectivity to the following clearing houses for clearing interest rate swaps: LCH Limited (formerly known as LCH.Clearnet Ltd.) and Eurex Clearing AG. LCH Limited is recognized as a clearing agency in Ontario and Eurex Clearing AG has obtained an exemption from recognition as a clearing agency in Ontario. The Applicant provides direct connectivity to the following clearing houses for credit default swaps: ICE Clear Credit LLC, ICE Clear Europe Limited and LCH SA. ICE Clear Credit LLC and LCH SA have each obtained an exemption from recognition as a clearing agency in Ontario. ICE Clear Europe Limited is not recognized and has not obtained an exemption from recognition as a clearing agency in Ontario. Accordingly, ICE Clear Europe Limited is not authorized to provide clearing services for credit default swaps directly to Ontario Users (as defined below);
11. The Applicant requires that its participants be “professional investors,” as defined in article 1:1 of the Wft. Each prospective participant must: comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the BTFE Rulebook and applicable law; have the legal capacity to trade in the MTF Instruments it selects to trade on BTFE; have appropriate systems and arrangements for the orderly clearance and/or settlement, as applicable, of transactions in all MTF Instruments it selects to trade on BTFE; have all registrations, authorizations, approvals and/or consents required by applicable law in connection with trading in MTF Instruments on BTFE; have adequate experience, knowledge and competence to transact in the MTF Instruments; have and shall maintain a valid LEI compliant with the ISO 17442 standard and included in the Global LEI database maintained by the Central Operating Unit appointed by the LEI Regulatory Oversight Committee; and not be a natural person, independent software provider, trading venue or unregulated organized trading platform or system;
12. All participants that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant’s Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders’ physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**), are required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment requires an Ontario User to make an ongoing representation each time it uses BTFE that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User is required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;
13. Because BTFE sets requirements for the conduct of its participants and surveils the trading activity of its participants, it is considered by the Commission to be an exchange;
14. Because the Applicant has participants that are Ontario Users, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;
15. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and permitted by the Restated Interim Order; and
16. The Applicant satisfies the exemption criteria as described in Appendix I to Schedule “A”;

**AND WHEREAS** the products traded on BTFE are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

**AND WHEREAS** the Commission will monitor developments in international and domestic capital markets and the Applicant’s activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule “A” to this order;

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule “A” to this order may change as a result of the Commission’s monitoring of developments in international and domestic capital markets or the Applicant’s activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

**AND WHEREAS** based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the Applicant satisfies the criteria set out in Appendix I to Schedule “A” and that the granting of the Requested Relief would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** by the Commission that (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and by the regulator that (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103,

**PROVIDED THAT** the Applicant complies with the terms and conditions contained in Schedule "A".

**DATED** this 28th day of June, 2021

"Mary Anne De Monte-Whelan"

"Craig Hayman"

**SCHEDULE "A"**

**TERMS AND CONDITIONS**

**Meeting Criteria for Exemption**

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

**Regulation and Oversight of the Applicant**

2. The Applicant will maintain its registration as an investment firm with permission to operate a multilateral trading facility (**MTF**) with the Netherlands Authority for the Financial Markets (*Autorite Financiële Markten*) (**AFM**) and will continue to be subject to the regulatory oversight of the AFM.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as an MTF registered with the AFM.
4. The Applicant will promptly notify the Commission if its registration as an MTF has been revoked, suspended, or amended by the AFM, or the basis on which its registration as an MTF has been granted has significantly changed.
5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

**Access**

6. The Applicant will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (LEI)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as a "professional investor", as defined by the AFM in article 1:1 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*).
7. For each Ontario User provided direct access to its MTF, the Applicant will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant's MTF.
9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant's MTF if the Ontario User is no longer appropriately registered or exempt from those requirements.

**Trading by Ontario Users**

10. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States *Commodity Exchange Act* as amended (but without regard to any exclusions from the definition) or debt securities, as defined in subsection 1(1) of the Act, without prior Commission approval.
11. With respect to debt securities:
  - (a) the Applicant will only permit Ontario Users to trade a debt security that is a foreign security or a debt security that is denominated in a currency other than the Canadian dollar as such terms are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, including:
    - (i) debt securities issued by the United States (**U.S.**) government (including agencies or instrumentalities thereof);
    - (ii) debt securities issued by a foreign government;
    - (iii) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and

- (iv) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies; and
  - (b) the Applicant will only provide transaction execution services in accordance with the terms and conditions of Bloomberg Tradebook Canada Company's registration as an alternative trading system in Ontario with respect to a debt security that is a Canadian security or a debt security of a Canadian issuer that is denominated in the Canadian dollar, including:
    - (i) debt securities issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada (including agencies or instrumentalities thereof);
    - (ii) debt securities issued or guaranteed by a municipal corporation in Canada;
    - (iii) debt securities issued or guaranteed by Canadian corporate or other non-governmental issuers; and
    - (iv) asset-backed securities (including mortgage backed securities) and collateralized mortgage obligations issued or guaranteed by a Canadian issuer, denominated in the Canadian dollar.
12. The Applicant will only permit Ontario Users to trade those securities which are permitted to be traded in the Netherlands under applicable securities laws and regulations.

#### Submission to Jurisdiction and Agent for Service

13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
14. The Applicant will maintain with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

#### Prompt Reporting

15. The Applicant will notify staff of the Commission promptly of:
- (a) any authorization to carry on business granted by the AFM is revoked or suspended or made subject to terms or conditions on the Applicant's operations;
  - (b) the Applicant institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it;
  - (c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;
  - (d) the Applicant marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the AFM where it is required to report such non-compliance to the AFM;
  - (e) any known investigations of, or disciplinary action against, the Applicant by the AFM or any other regulatory authority to which it is subject; and
  - (f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

#### Semi-Annual Reporting

16. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the follow year for the second half), and at any time promptly upon the request of staff of the Commission:
- (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's MTF as customers of participants (**Other Ontario Participants**);
  - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
  - (c) a list of all Ontario Users whom the Applicant has referred to the AFM, or, to the best of the Applicant's knowledge, whom have been disciplined by the AFM with respect to such Ontario Users' activities on the

- Applicant's MTF and the aggregate number of all participants referred to the AFM since the previous report by the Applicant;
- (d) a list of all active investigations since the last report by the Applicant relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by the Applicant;
  - (e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant since the last report, together with the reasons for each such denial;
  - (f) for each product,
    - (i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
    - (ii) the proportion of worldwide trading volume and value on the Applicant's MTF conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

provided in the required format.

**Information Sharing**

17. The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

## APPENDIX I

### CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

#### PART 1 REGULATION OF THE EXCHANGE

##### 1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

##### 1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

#### PART 2 GOVERNANCE

##### 2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (**Board**) and any committees of the Board, including:
  - (i) appropriate representation of independent directors, and
  - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

##### 2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

#### PART 3 REGULATION OF PRODUCTS

##### 3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

##### 3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

##### 3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

## **PART 4 ACCESS**

### **4.1 Fair Access**

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
  - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,
  - (ii) the competence, integrity and authority of systems users, and
  - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
  - (i) permit unreasonable discrimination among participants, or
  - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

## **PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE**

### **5.1 Regulation**

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

## **PART 6 RULEMAKING**

### **6.1 Purpose of Rules**

- (a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.
- (b) The Rules are not contrary to the public interest and are designed to
  - (i) ensure compliance with applicable legislation,
  - (ii) prevent fraudulent and manipulative acts and practices,
  - (iii) promote just and equitable principles of trade,
  - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
  - (v) provide a framework for disciplinary and enforcement actions, and
  - (vi) ensure a fair and orderly market.

## **PART 7 DUE PROCESS**

### **7.1 Due Process**

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and

- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

## **PART 8 CLEARING AND SETTLEMENT**

### **8.1 Clearing Arrangements**

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

### **8.2 Risk Management of Clearing House**

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

## **PART 9 SYSTEMS AND TECHNOLOGY**

### **9.1 Systems and Technology**

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

### **9.2 System Capability/Scalability**

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;
- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

### **9.3 Information Technology Risk Management Procedures**

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

## **PART 10 FINANCIAL VIABILITY**

### **10.1 Financial Viability**

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

## **PART 11 TRADING PRACTICES**

### **11.1 Trading Practices**

Trading practices are fair, properly supervised and not contrary to the public interest.

### **11.2 Orders**

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

### **11.3 Transparency**

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

## **PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT**

### **12.1 Jurisdiction**

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

### **12.2 Member and Market Regulation**

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

### **12.3 Availability of Information to Regulators**

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

## **PART 13 RECORD KEEPING**

### **13.1 Record Keeping**

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

## **PART 14 OUTSOURCING**

### **14.1 Outsourcing**

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

## **PART 15 FEES**

### **15.1 Fees**

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

## **PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS**

### **16.1 Information Sharing and Regulatory Cooperation**

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

### **16.2 Oversight Arrangements**

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

## **PART 17 IOSCO PRINCIPLES**

### **17.1 IOSCO Principles**

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).

**APPENDIX II**

**DEFINITION OF PROFESSIONAL INVESTORS**

This Appendix II provides the definition of a “professional investor,” as defined in article 1:1 of the Wft.

professional investor:

- a. bank;
- b. management company of a collective investment scheme;
- c. management company of a pension fund or of a comparable legal person or company;
- d. collective investment scheme;
- e. investment firm;
- f. national or regional government body, or government body administering the public debt;
- g. central bank;
- h. financial institution;
- i. international or supranational organisation governed by public law or comparable international organisation;
- j. market maker;
- k. enterprise whose main activity is investing in financial instruments, implementing securitisation programmes or other financial transactions;
- l. pension fund or comparable legal person or corporation;
- m. person or corporation trading for its own account in commodities and derivatives on commodities;
- n. local firm;
- o. legal person or company that satisfies two of the following magnitude requirements:
  - 1. a balance sheet total of € 20,000,000 or more;
  - 2. net turnover of € 40,000,000 or more;
  - 3. equity capital of € 2,000,000 or more;
- p. insurer;

**2.2.8 Trichome Financial Corp. – s. 1(6) of the OBCA**

**Headnote**

Applicant deemed to have ceased to be offering securities to the public under the Business Corporations Act (Ontario).

**Statutes Cited**

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

**IN THE MATTER OF  
THE BUSINESS CORPORATIONS ACT (ONTARIO)  
R.S.O. 1990, c. B.16, AS AMENDED  
(the OBCA)**

**AND**

**IN THE MATTER OF  
TRICHOME FINANCIAL CORP.  
(the Applicant)**

**ORDER  
(Subsection 1(6) of the OBCA)**

**UPON** the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has no intention to seek public financing by way of an offering of securities.
3. On March 30, 2021, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subsection 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the Reporting Issuer Order continue to be true.

**AND UPON** the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** by the Commission pursuant to subsection 1(6) of the OBCA, that the Applicant is deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

**DATED** at Toronto, Ontario on this 6<sup>th</sup> day of April, 2021.

“Cecilia Williams”  
Commissioner  
Ontario Securities Commission

“Craig Hayman”  
Commissioner  
Ontario Securities Commission

## 2.2.9 PPX Mining Corp.

### Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – section 144 of the Securities Act (Ontario) – application for a partial revocation of a cease trade order – issuer cease traded due to failure to file audited annual financial statements – issuer has applied for a partial revocation of the cease trade order to permit the issuer to proceed with a private placement under prospectus exemptions – issuer will use proceeds from private placement to prepare and file continuous disclosure documents and pay related fees – partial revocation granted subject to conditions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

**Citation:** 2021 BCSECCOM 250

### PPX MINING CORP.

#### **PARTIAL REVOCATION ORDER** **Under the securities legislation of** **British Columbia and Ontario** **(the Legislation)**

#### **Background**

- ¶ 1 PPX Mining Corp. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator or securities regulatory authority in each of British Columbia (the Principal Regulator) and Ontario (each a Decision Maker) on February 3, 2021.
- ¶ 2 The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

#### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

#### **Representations**

- ¶ 4 This decision is based on the following facts represented by the Issuer:
- a. The Issuer was incorporated under the *Business Corporations Act* (Alberta) on July 28, 1987.
  - b. The Issuer's head office is located in the province of British Columbia.
  - c. The Issuer is a reporting issuer in the provinces of British Columbia, Ontario, Alberta, Manitoba and Saskatchewan.
  - d. The Issuer's authorized share capital consists of an unlimited number of common shares without par value (the Common Shares). The Issuer currently has 501,415,848 Common Shares outstanding. The Issuer also has incentive stock options, share purchase warrants and convertible debentures outstanding. Other than as disclosed herein, the Issuer has no other outstanding securities (including debt securities).
  - e. The Common Shares are listed for trading on the TSX Venture Exchange (the Exchange) and the Lima Stock Exchange with the trading symbol "PPX". Pursuant to the FFCTO, the Common Shares have been suspended from trading on the Exchange. The Common Shares have also been suspended from trading on the Lima Stock Exchange.
  - f. The FFCTO was issued as a result of the Issuer's failure to file the following documents by January 28, 2021:
    - (i) annual audited financial statements for the year ended September 30, 2020;
    - (ii) annual management's discussion and analysis for the year ended September 30, 2020; and
    - (iii) certification of the annual filings for the year ended September 30, 2020(collectively, the Annual Filings).

- g. The Issuer was unable to prepare and file the Annual Filings by January 28, 2021 due in part to logistical challenges related to the COVID-19 pandemic in the 2020 calendar year.
- h. Subsequent to the failure to file the Annual Filings, the Issuer also failed to file the following continuous disclosure documents (collectively, the Interim Filings, together with the Annual Filings, the Required Filings) since the Issuer is unable to file the Interim Filings before it files the Annual Filings:
  - (i) interim financial statements for the periods ended December 31, 2020 and March 31, 2021;
  - (ii) interim management's discussion and analysis for the periods ended December 31, 2020 and March 31, 2021; and
  - (iii) certification of the interim filings for the periods ended December 31, 2020 and March 31, 2021.
- i. Other than the Issuer's failure to file the Required Filings, as set out in paragraphs (f) and (h) above, the Issuer is not in default of any requirements under the Legislation.
- j. The Issuer's SEDAR and SEDI profiles are up to date.
- k. On November 20, 2020, the Issuer announced a non-brokered private placement (the Private Placement) of up to 8,501,876 Common Shares to subscribers (the Subscribers) at a purchase price of \$0.06 per Share to raise aggregate gross proceeds to the Issuer of up to \$510,112.56. The Issuer is seeking a partial revocation of the FFCTO in order to complete \$438,452.52 (7,307,542 Common Shares) of the Private Placement. The Private Placement has been conditionally approved by the Exchange and will be completed in accordance with all applicable securities laws.
- l. The Private Placement will take place in British Columbia, Peru and Texas, USA.
- m. In connection therewith, the Issuer will pay a cash finder's fee of \$26,307.16 to certain finders, all of whom are not Non-Arm's Length Parties (as defined by the Exchange's policies). The Issuer will also pay a finder's fee of 146,151 Common Shares to a finder (the Finder) residing in Texas, USA and who is not a Non-Arm's Length Party.
- n. As the Issuer is a junior mineral exploration company, it has historically relied upon the issuance of securities to fund its expenditures. The Issuer seeks to conduct the Private Placement to enable it to raise the funds necessary to prepare and file the Annual Filings and provide it with sufficient working capital in order to continue its operations until it can apply for a full revocation of the FFCTO.
- o. For each distribution made in respect of the Private Placement, the Issuer will comply with the accredited investor exemption contained in section 2.3 of National Instrument 45-106 *Prospectus Exemptions*.
- p. The Issuer intends to prepare and file the Required Filings and pay all outstanding fees within a reasonable period of time following the completion of the Private Placement. The Issuer also intends to apply to the Decision Makers for a full revocation of the FFCTO.
- q. The Issuer intends to allocate the proceeds from the Private Placement as follows:

| Description                  | Cost                |
|------------------------------|---------------------|
| Accounting fees              | \$68,566.26         |
| Audit fees for 2019 and 2020 | \$260,031.26        |
| Legal fees                   | \$59,013.84         |
| Filing fees and penalties    | \$7,300.00          |
| Office expenses              | \$12,234.00         |
| Transfer agent fees          | \$5,000.00          |
| Finder's fees                | \$26,307.16         |
| <b>Total</b>                 | <b>\$438,452.52</b> |

- r. The Issuer reasonably believes that the proceeds from the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees and provide it with sufficient working capital to continue its business.

- s. The Private Placement would involve a trade of securities and acts in furtherance of trades and cannot be completed without a partial revocation of the FFCTO.
- t. Upon issuance of this order, the Issuer will issue a press release announcing this order and the intention to complete the Private Placement. As material events transpire, the Issuer may issue appropriate press releases and file material change reports as applicable.

**Order**

- ¶ 5 Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked as it applies to the Issuer solely to permit the Private Placement, provided that prior to completing the Private Placement, the Issuer will:
  - a. provide each Subscriber receiving Common Shares under the Private Placement and the Finder with a copy of the FFCTO;
  - b. provide each Subscriber receiving Common Shares under the Private Placement and the Finder with a copy of this partial revocation order; and
  - c. obtain a signed and dated acknowledgement from each Subscriber receiving Common Shares under the Private Placement and the Finder that clearly states that the securities of the Issuer acquired by the Subscribers and the Finder under the Private Placement will remain subject to the FFCTO until a full revocation order is granted, and that a partial revocation of the FFCTO does not guarantee the issuance of a full revocation order in the future.

"Allan Lim"  
CPA, CA  
Manager  
Corporate Finance

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

| Company Name                                            | Date of Temporary Order | Date of Hearing | Date of Permanent Order | Date of Lapse/Revoke |
|---------------------------------------------------------|-------------------------|-----------------|-------------------------|----------------------|
| Springbok Ventures Inc. (formerly Stikine Energy Corp.) | July 15, 2015           | July 27, 2015   | July 27, 2015           | June 22, 2021        |

### Failure to File Cease Trade Orders

| Company Name                          | Date of Order    | Date of Revocation |
|---------------------------------------|------------------|--------------------|
| Advantex Marketing International Inc. | November 1, 2019 | June 25, 2021      |
| Imaging Dynamics Company Ltd.         | May 6, 2021      | June 22, 2021      |

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

| Company Name            | Date of Order | Date of Lapse |
|-------------------------|---------------|---------------|
| Matica Enterprises Inc. | May 3, 2021   | June 22, 2021 |

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

| Company Name                  | Date of Order or Temporary Order | Date of Hearing | Date of Permanent Order | Date of Lapse/ Expire | Date of Issuer Temporary Order |
|-------------------------------|----------------------------------|-----------------|-------------------------|-----------------------|--------------------------------|
| Performance Sports Group Ltd. | 19 October 2016                  | 31 October 2016 | 31 October 2016         |                       |                                |

| Company Name                          | Date of Order      | Date of Lapse |
|---------------------------------------|--------------------|---------------|
| Agrios Global Holdings Ltd.           | September 17, 2020 |               |
| Bhang Inc.                            | May 3, 2021        |               |
| Flower One Holdings Inc.              | May 3, 2021        |               |
| Matica Enterprises Inc.               | May 3, 2021        | June 22, 2021 |
| Ionic Brands Corp.                    | May 3, 2021        |               |
| King Global Ventures Inc.             | May 3, 2021        |               |
| Tree of Knowledge International Corp. | May 3, 2021        |               |
| WeedMD Inc.                           | May 3, 2021        |               |
| Empower Clinics Inc.                  | May 4, 2021        |               |
| Red White & Bloom Brands Inc.         | May 4, 2021        |               |
| Reservoir Capital Corp.               | May 5, 2021        |               |
| Nass Valley Gateway Ltd.              | May 5, 2021        |               |

**Cease Trading Orders**

---

| <b>Company Name</b> | <b>Date of Order</b> | <b>Date of Lapse</b> |
|---------------------|----------------------|----------------------|
| Ionic Brands Corp.  | June 3, 2021         |                      |

## Chapter 5

# Rules and Policies

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### 5.1.1 National Instrument 81-105 Mutual Fund Sales Practices

#### LOCAL AMENDMENTS TO NATIONAL INSTRUMENT 81-105 *MUTUAL FUND SALES PRACTICES* IN ONTARIO

1. *National Instrument 81-105 Mutual Fund Sales Practices is amended by this Instrument.*
2. *Section 1.1 is amended in paragraph (d) of the definition of “member of the organization” by adding “associate or” before “affiliate”.*
3. *Section 3.1 is repealed.*
4. This Instrument comes into force in Ontario on June 1, 2022.

5.1.2 Companion Policy 81-105 Mutual Fund Sales Practices

**LOCAL CHANGES TO  
COMPANION POLICY 81-105 *MUTUAL FUND SALES PRACTICES*  
IN ONTARIO**

1. *Companion Policy 81-105 Mutual Fund Sales Practices is changed by this document.*

2. *Part 4 of the Companion Policy is changed by adding the following section:*

**4.1.1 Front-end load sales option** – The Canadian securities regulatory authorities are of the view that the Instrument does not preclude members of the organization of a mutual fund from facilitating the payment by a mutual fund investor to a participating dealer of a sales commission in connection with the purchase of mutual fund securities that is negotiated and agreed to exclusively between those two parties. For example, the participating dealer may remit to the member the gross proceeds of an investor's purchase of mutual fund securities from which the member may then deduct and remit the sales commission to the participating dealer on the investor's behalf pursuant to instructions received from the dealer..

3. This change becomes effective in Ontario on June 1, 2022.

**5.1.3 National Instrument 81-101 Mutual Fund Prospectus Disclosure**

**LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE*  
IN ONTARIO**

- 1. *National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.***
- 2. *Form 81-101F1 Contents of Simplified Prospectus is amended***
  - (a) *in Item 8.2(1) in Part A by deleting the “Redemption Charge Option” row in the table required by this Item, and by repealing the footnote,***
  - (b) *in Item 8.2(2) of Part A by replacing subsection (2) with “In preparing the table contemplated by this Item, assume, in determining the fees paid under the sales charge option, that the maximum sales charge commission disclosed in the simplified prospectus is paid by the investor.”,***
  - (c) *in subsection (2) of the Instructions under Item 9.1 of Part A by deleting the following:***

For example, if the manager of the mutual fund pays an up-front sales commission to participating dealers, so state and include the range of commissions paid. If the manager permits participating dealers to retain the sales commissions paid by investors as compensation, so state and include the range of commissions that can be retained.,
  - (d) *in subsection (2) of the Instructions under Item 9.2 of Part A by deleting “sales and”, and***
  - (e) *by repealing subsection (3) of the Instructions under Item 9.2 of Part A.***
- 3. *Form 81-101F3 Contents of Fund Facts Document is amended***
  - (a) *in subsection (1) of the Instructions under Item 1.2 of Part II by deleting “, deferred sales charge”,***
  - (b) *in subsection (2) of the Instructions under Item 1.2 of Part II by deleting “For a deferred sales charge, provide the full sales charge schedule.”,***
  - (c) *in subsection (3) of the Instructions under Item 1.2 of Part II by deleting “For a deferred sales charge, include a range for the amount that can be charged on every \$1,000 redemption.”, and***
  - (d) *in subsection (4) of the Instructions under Item 1.2 of Part II by deleting the following:***

In the case of a deferred sales charge, the disclosure must also briefly state:

    - any amount payable as an upfront sales commission;
    - who pays and who receives the amount payable as the upfront sales commission;
    - any free redemption amount and key details about how it works;
    - whether switches can be made without incurring a sales charge; and
    - how the amount paid by an investor at the time of a redemption of securities is calculated, for example, whether it is based on the net asset value of those securities at the time of redemption or another time..
- 4. This Instrument comes into force in Ontario on June 1, 2022.**

## 5.1.4 Companion Policy 81-101 Mutual Fund Prospectus Disclosure

**LOCAL CHANGES TO  
COMPANION POLICY 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE  
IN ONTARIO**

1. *Companion Policy 81-101 Mutual Fund Prospectus Disclosure is changed by this document.*
2. *The Sample Fund Facts Document in Appendix A – Sample Fund Facts Document is replaced by the following:*



## XYZ Canadian Equity Fund – Series B

## FUND FACTS

June 30, 20XX

This document contains key information you should know about XYZ Canadian Equity Fund. You can find more details in the fund's simplified prospectus. Ask your representative for a copy, contact XYZ Mutual Funds at 1-800-555-5556 or [investing@xyzfunds.com](mailto:investing@xyzfunds.com), or visit [www.xyzfunds.com](http://www.xyzfunds.com).

Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.

### Quick facts

|                                      |                |                     |                                |
|--------------------------------------|----------------|---------------------|--------------------------------|
| Fund code:                           | XYZ123         | Fund manager:       | XYZ Mutual Funds               |
| Date series started:                 | March 31, 2000 | Portfolio manager:  | Capital Asset Management Ltd.  |
| Total value of fund on June 1, 20XX: | \$1 billion    | Distributions:      | Annually, on December 15       |
| Management expense ratio (MER):      | 2.25%          | Minimum investment: | \$500 initial, \$50 additional |

### What does the fund invest in?

The fund invests in a broad range of stocks of Canadian companies. They can be of any size and from any industry. The charts below give you a snapshot of the fund's investments on June 1, 20XX. The fund's investments will change.

#### Top 10 investments (June 1, 20XX)

|                                               |              |
|-----------------------------------------------|--------------|
| 1. Royal Bank of Canada                       | 7.5%         |
| 2. Toronto-Dominion Bank                      | 7.1%         |
| 3. Canadian Natural Resources                 | 5.8%         |
| 4. The Bank of Nova Scotia                    | 4.1%         |
| 5. Cenovus Energy Inc.                        | 3.7%         |
| 6. Suncor Energy Inc.                         | 3.2%         |
| 7. Enbridge Inc.                              | 3.1%         |
| 8. Canadian Imperial Bank of Commerce         | 2.9%         |
| 9. Manulife Financial Corporation             | 2.7%         |
| 10. Canadian National Railway Company         | 1.9%         |
| <b>Total percentage of top 10 investments</b> | <b>42.0%</b> |

|                                    |           |
|------------------------------------|-----------|
| <b>Total number of investments</b> | <b>93</b> |
|------------------------------------|-----------|

#### Investment mix (June 1, 20XX)



### How risky is it?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

XYZ Mutual Funds has rated the volatility of this fund as **medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, see the Risk section of the fund's simplified prospectus.

### No guarantees

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

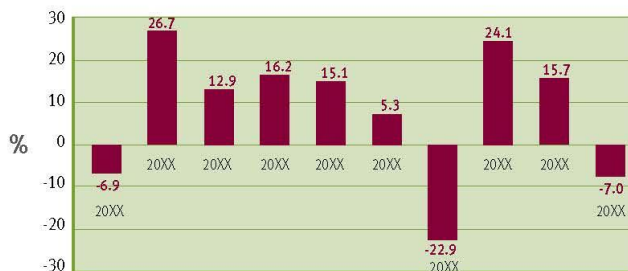


### How has the fund performed?

This section tells you how Series B units of the fund have performed over the past 10 years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

#### Year-by-year returns

This chart shows how Series B units of the fund performed in each of the past 10 years. The fund dropped in value in 3 of the 10 years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



#### Best and worst 3-month returns

This table shows the best and worst returns for Series B units of the fund in a 3-month period over the past 10 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

|              | Return | 3 months ending   | If you invested \$1,000 at the beginning of the period |
|--------------|--------|-------------------|--------------------------------------------------------|
| Best return  | 32.6%  | April 30, 2003    | Your investment would rise to \$1,326.                 |
| Worst return | -24.7% | November 30, 2008 | Your investment would drop to \$753.                   |

#### Average return

The annual compounded return of Series B units of the fund was 6.8% over the past 10 years. If you had invested \$1,000 in the fund 10 years ago, your investment would now be worth \$1,930.

### Who is this fund for?

#### Investors who:

- are looking for a long-term investment
- want to invest in a broad range of stocks of Canadian companies
- can handle the ups and downs of the stock market.

**!** Don't buy this fund if you need a steady source of income from your investment.

### A word about tax

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.



### How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series B units of the fund. The fees and expenses — including any commissions — can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

#### 1. Sales charges

You may pay a sales charge when you buy the fund.

| Sales charge option  | What you pay                   |                                      | How it works                                                                                                                                                                                                                    |
|----------------------|--------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | in per cent (%)                | in dollars (\$)                      |                                                                                                                                                                                                                                 |
| Initial sales charge | 0% to 4% of the amount you buy | \$0 to \$40 on every \$1,000 you buy | <ul style="list-style-type: none"> <li>You and your representative decide on the rate.</li> <li>The initial sales charge is deducted from the amount you buy. It goes to your representative's firm as a commission.</li> </ul> |

#### 2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of March 31, 20XX, the fund's expenses were 2.30% of its value. This equals \$23 for every \$1,000 invested.

Annual rate (as a % of the fund's value)

##### Management expense ratio (MER)

This is the total of the fund's management fee (which includes the trailing commission) and operating expenses. XYZ Mutual Funds waived some of the fund's expenses. If it had not done so, the MER would have been higher.

2.25%

##### Trading expense ratio (TER)

These are the fund's trading costs.

0.05%

##### Fund expenses

2.30%

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you.

XYZ Mutual Funds pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The rate depends on the sales charge option you choose.

| Sales charge option   | Amount of trailing commission                      |                                                 |
|-----------------------|----------------------------------------------------|-------------------------------------------------|
|                       | in per cent (%)                                    | in dollars (\$)                                 |
| Initial sales charge  | 0% to 1% of the value of your investment each year | \$0 to \$10 each year on every \$1,000 invested |
| Deferred sales charge | 0% to 0.50% of the value of your investment each   | \$0 to \$5 each year on every \$1,000 invested  |



### How much does it cost? cont'd

#### 3. Other fees

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

| Fee                    | What you pay                                                                                                       |
|------------------------|--------------------------------------------------------------------------------------------------------------------|
| Short-term trading fee | 1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.              |
| Switch fee             | Your representative's firm may charge you up to 2% of the value of units you switch to another XYZ Mutual Fund.    |
| Change fee             | Your representative's firm may charge you up to 2% of the value of units you switch to another series of the fund. |

#### What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

#### For more information

Contact XYZ Mutual Funds or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

XYZ Mutual Funds  
123 Asset Allocation St.  
Toronto, ON M1A 2B3

Phone: (416) 555-5555  
Toll-free: 1-800-555-5556  
Email: [investing@xyzfunds.com](mailto:investing@xyzfunds.com)  
[www.xyzfunds.com](http://www.xyzfunds.com)

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).

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3. This change becomes effective in Ontario on June 1, 2022.

5.1.5 National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

**LOCAL AMENDMENTS TO  
NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND  
ONGOING REGISTRANT OBLIGATIONS  
IN ONTARIO**

1. *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.*
2. *Paragraph 8.7(4)(a) is amended by deleting “deferred or contingent sales charge or”.*
3. *Paragraph 14.2.1(1)(b) is repealed.*
4. This Instrument comes into force in Ontario on June 1, 2022.

**5.1.6 Companion Policy 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations**

**LOCAL CHANGES TO  
COMPANION POLICY 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND  
ONGOING REGISTRANT OBLIGATIONS  
IN ONTARIO**

- 1. *Companion Policy 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is changed by this document.***
- 2. *Section 14.2.1 is changed:***
  - (a) *by replacing “purchase” with “redemption” in the second paragraph,***
  - (b) *by deleting “upon the redemption of the security” in the second paragraph, and***
  - (c) *by replacing the second bullet in the fourth paragraph with the following:***
    - the sales charge options available to the client and an explanation as to how such charges work. Any redemption fees or short-term trading fees that may apply should also be discussed.
- 3. These changes become effective in Ontario on June 1, 2022.**

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## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see [www.westlawnextcanada.com](http://www.westlawnextcanada.com)).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

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### INVESTMENT FUNDS

**Issuer Name:**

Mackenzie ChinaAMC Bond Fund  
Mackenzie Tax-Managed Global Equity Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Jun 18, 2021  
NP 11-202 Final Receipt dated Jun 22, 2021

**Offering Price and Description:**

Series PWX units, Series D units, Series A units, Series O units, Series AR units, Series PWR units, Series SC units, Series FB units, Series PW units, Series PWFB units and Series F units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3214249**

---

**Issuer Name:**

Next Edge Strategic Metals and Opportunities Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated Jun 22, 2021  
NP 11-202 Preliminary Receipt dated Jun 23, 2021

**Offering Price and Description:**

Class I Units, Class F Units and Class A Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3240718**

**Issuer Name:**

CIBC Asia Pacific Fund  
CIBC Asia Pacific Index Fund  
CIBC Balanced Fund  
CIBC Balanced Growth Passive Portfolio  
CIBC Balanced Index Fund  
CIBC Balanced Passive Portfolio  
CIBC Canadian Bond Fund  
CIBC Canadian Bond Index Fund  
CIBC Canadian Equity Fund  
CIBC Canadian Equity Value Fund  
CIBC Canadian Index Fund  
CIBC Canadian Real Estate Fund  
CIBC Canadian Resources Fund  
CIBC Canadian Short-Term Bond Index Fund  
CIBC Canadian Small-Cap Fund  
CIBC Canadian T-Bill Fund  
CIBC Conservative Passive Portfolio  
CIBC Dividend Growth Fund  
CIBC Dividend Income Fund  
CIBC Emerging Markets Fund  
CIBC Emerging Markets Index Fund  
CIBC Energy Fund  
CIBC European Equity Fund  
CIBC European Index Fund  
CIBC ex. Fossil Fuel Canadian Core Plus Bond Fund  
CIBC ex. Fossil Fuel Canadian Equity Fund  
CIBC ex. Fossil Fuel Global Equity Fund  
CIBC Financial Companies Fund  
CIBC Global Bond Fund  
CIBC Global Bond Index Fund  
CIBC Global Equity Fund  
CIBC Global Monthly Income Fund  
CIBC Global Technology Fund  
CIBC International Equity Fund  
CIBC International Index Fund  
CIBC International Small Companies Fund  
CIBC Managed Aggressive Growth Portfolio  
CIBC Managed Balanced Growth Portfolio  
CIBC Managed Balanced Portfolio  
CIBC Managed Growth Portfolio  
CIBC Managed Income Plus Portfolio  
CIBC Managed Income Portfolio  
CIBC Managed Monthly Income Balanced Portfolio  
CIBC Money Market Fund  
CIBC Monthly Income Fund  
CIBC Nasdaq Index Fund  
CIBC Precious Metals Fund  
CIBC Short-Term Income Fund  
CIBC Smart Balanced Growth Solution  
CIBC Smart Balanced Income Solution  
CIBC Smart Balanced Solution  
CIBC Smart Growth Solution  
CIBC Smart Income Solution  
CIBC Sustainable Balanced Growth Solution

CIBC Sustainable Balanced Solution  
CIBC Sustainable Conservative Balanced Solution  
CIBC U.S. Broad Market Index Fund  
CIBC U.S. Dollar Managed Balanced Portfolio  
CIBC U.S. Dollar Managed Growth Portfolio  
CIBC U.S. Dollar Managed Income Portfolio  
CIBC U.S. Dollar Money Market Fund  
CIBC U.S. Equity Fund  
CIBC U.S. Index Fund  
CIBC U.S. Small Companies Fund  
Principal Regulator – Ontario

**Type and Date:**

Combined Preliminary and Pro Forma Simplified  
Prospectus dated Jun 18, 2021  
NP 11-202 Final Receipt dated Jun 22, 2021

**Offering Price and Description:**

Series T5 units, Series S units, Series A units, Series O  
units, Class T8 units, Series FT5 units, Class A units, Class  
T4 units, Class T6 units, Class FT4 units, Class D units,  
Class FT6 units, Series ST5 units, Institutional Class units,  
Class FT8 units, Premium Class units, ETF Series, Class O  
units, Class F-Premium units, Class F units and Series F  
units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3206951**

---

**Issuer Name:**

AGF Global Sustainable Balanced Class  
AGF Global Sustainable Balanced Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Annual Information Form dated  
June 17, 2021  
NP 11-202 Final Receipt dated Jun 22, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3185989**

---

**Issuer Name:**

Canadian Equity Small Cap Pool  
Canadian Equity Small Cap Corporate Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated June  
21, 2021  
NP 11-202 Final Receipt dated Jun 24, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3069356**

---

**Issuer Name:**

CI American Small Companies Fund  
CI American Small Companies Corporate Class  
CI American Value Fund  
CI American Value Corporate Class  
CI Global High Dividend Advantage Fund  
CI Global High Dividend Advantage Corporate Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #6 to Final Simplified Prospectus dated June  
21, 2021  
NP 11-202 Final Receipt dated Jun 24, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3069424**

---

**Issuer Name:**

Franklin Bissett Money Market Fund  
Franklin Brandywine Global Income Optimiser Fund  
Franklin Bissett Canadian Government Bond Fund  
Franklin Mutual Global Discovery Fund  
Templeton Global Smaller Companies Fund  
Franklin ClearBridge International Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated June 24, 2021

NP 11-202 Final Receipt dated Jun 28, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3203753**

---

**Issuer Name:**

CI American Small Companies Fund  
CI American Small Companies Corporate Class  
CI American Value Fund  
CI American Value Corporate Class  
CI Global High Dividend Advantage Fund  
CI Global High Dividend Advantage Corporate Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #6 to Final Simplified Prospectus dated June 21, 2021

NP 11-202 Final Receipt dated Jun 24, 2021

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3079633**

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**Issuer Name:**

Canadian Banc Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated June 22, 2021

NP 11-202 Receipt dated June 23, 2021

**Offering Price and Description:**

\$100,000,000 Preferred Shares and Class A Shares

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #3238792**

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NON-INVESTMENT FUNDS

**Issuer Name:**

Alpha Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated June 23, 2021  
NP 11-202 Preliminary Receipt dated June 24, 2021

**Offering Price and Description:**

0.00

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3241339**

**Issuer Name:**

Boksburg Ventures Inc. (formerly GCorp Strategies Inc.)  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 22, 2021  
NP 11-202 Preliminary Receipt dated June 23, 2021

**Offering Price and Description:**

300,000 Common Shares issuable on conversion of  
Special Warrants issued at a price of \$0.02 per Special  
Warrant and 13,234,687 Common Shares issuable on  
conversion of Special Warrant Units issued at a price of  
\$0.02 per Special Warrant Unit

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Mauricio Dezen  
Ryan Peyman

**Project #3240935**

**Issuer Name:**

Converge Technology Solutions Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 28, 2021  
NP 11-202 Preliminary Receipt dated June 28, 2021

**Offering Price and Description:**

\$1,000,000,000.00 - Common Shares, Debt Securities,  
Subscription Receipts, Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3243579**

**Issuer Name:**

Dream Impact Trust (formerly Dream Hard Asset  
Alternatives Trust)

Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 22, 2021  
NP 11-202 Preliminary Receipt dated June 22, 2021

**Offering Price and Description:**

\$500,000,000.00 - Units, Subscription Receipts, Debt  
Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3240571**

**Issuer Name:**

Enbridge Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Shelf Prospectus dated June 28, 2021  
NP 11-202 Preliminary Receipt dated June 28, 2021

**Offering Price and Description:**

\$4,000,000,000.00 - MEDIUM TERM NOTES  
(UNSECURED)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3243576**

**Issuer Name:**

Environmental Waste International Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 22, 2021  
NP 11-202 Preliminary Receipt dated June 22, 2021

**Offering Price and Description:**

C\$20,000,000.00 - Common Shares Warrants Subscription  
Receipts Debt Securities Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3240539**

**Issuer Name:**

FansUnite Entertainment Inc. (formerly, HIC Horizon Investments Capital Ltd.)  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated June 22, 2021  
NP 11-202 Preliminary Receipt dated June 22, 2021

**Offering Price and Description:**

\$9,999,999.90 - 11,111,111 Units  
Price: \$0.90 per Unit

**Underwriter(s) or Distributor(s):**

STIFEL NICOLAUS CANADA INC.  
GRAVITAS SECURITIES INC.

**Promoter(s):**

-

**Project #3240610**

**Issuer Name:**

FansUnite Entertainment Inc. (formerly, HIC Horizon Investments Capital Ltd.)  
Principal Regulator - British Columbia

**Type and Date:**

Amendment dated June 23, 2021 to Preliminary Short Form Prospectus dated June 22, 2021  
NP 11-202 Preliminary Receipt dated June 23, 2021

**Offering Price and Description:**

\$21,738,600.00 -24,154,000 Units  
Price: \$0.90 per Unit

**Underwriter(s) or Distributor(s):**

STIFEL NICOLAUS CANADA INC.  
GRAVITAS SECURITIES INC.

**Promoter(s):**

-

**Project #3240610**

**Issuer Name:**

Income Financial Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated June 23, 2021  
NP 11-202 Preliminary Receipt dated June 23, 2021

**Offering Price and Description:**

Maximum Offerings: \$10,000,000 Units  
Price: \$15.91 per Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3241234**

**Issuer Name:**

Mink Ventures Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary CPC Prospectus dated June 21, 2021  
NP 11-202 Preliminary Receipt dated June 22, 2021

**Offering Price and Description:**

Minimum Offering: \$400,000.00 (4,000,000 Common Shares)  
Maximum Offering: \$600,000.00 (6,000,000 Common Shares)  
Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3240233**

**Issuer Name:**

New Pacific Metals Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Shelf Prospectus dated June 24, 2021  
NP 11-202 Preliminary Receipt dated June 24, 2021

**Offering Price and Description:**

US\$200,000,000.00 - Common Shares, Preferred Shares, Debt Securities, Warrants, Units, Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3241801**

**Issuer Name:**

Organigram Holdings Inc.  
Principal Regulator - New Brunswick

**Type and Date:**

Preliminary Shelf Prospectus dated June 23, 2021  
NP 11-202 Preliminary Receipt dated June 25, 2021

**Offering Price and Description:**

\$500,000,000.00 - Common Shares Preferred Shares Debt Securities Subscription Receipts Warrants Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3241860**

**Issuer Name:**

SureNano Science Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 23, 2021  
NP 11-202 Preliminary Receipt dated June 24, 2021

**Offering Price and Description:**

1,757,700 Shares issuable upon conversion of 1,757,700  
previously issued Special Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Charles MaLette  
**Project #3241484**

---

**Issuer Name:**

Swarmio Media Holdings Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated June 25, 2021  
NP 11-202 Preliminary Receipt dated June 28, 2021

**Offering Price and Description:**

No securities are being offered or sold pursuant to this non  
offering preliminary prospectus.

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Vijai Karthigesu  
Darren Devine  
**Project #3242877**

---

**Issuer Name:**

AnalytixInsight Inc. (formerly, OMT Inc.)  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated June 22, 2021  
NP 11-202 Receipt dated June 22, 2021

**Offering Price and Description:**

\$8,050,000.00 - 11,500,000 Units  
PRICE: \$0.70 per Unit

**Underwriter(s) or Distributor(s):**

CANACCORD GENUITY CORP.  
CANTOR FITZGERALD CANADA CORPORATION  
ROTH CANADA, ULC

**Promoter(s):**

-

**Project #3236498**

**Issuer Name:**

Antera Ventures II Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated June 24, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

Minimum Offering: \$300,000.00 - 3,000,000 Common  
Shares

Maximum Offering: \$500,000.00 - 5,000,000 Common  
Shares

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

HAYWOOD SECURITIES INC.

**Promoter(s):**

-

**Project #3193905**

---

**Issuer Name:**

Argo Living Soils Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Long Form Prospectus dated June 25, 2021  
NP 11-202 Receipt dated June 25, 2021

**Offering Price and Description:**

Minimum Offering: \$600,000.00 (6,000,000 Units)

Maximum Offering: \$700,000.00 (7,000,000 Units)

Price: \$0.10 per Unit

**Underwriter(s) or Distributor(s):**

PI FINANCIAL CORP.

**Promoter(s):**

STEPHEN GERALD DIAKOW

**Project #3200124**

---

**Issuer Name:**

Arizona Metals Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated June 28, 2021  
NP 11-202 Receipt dated June 28, 2021

**Offering Price and Description:**

10,000,000 Units Issuable upon Exercise of 10,000,000  
Special Warrants

**Underwriter(s) or Distributor(s):**

STIFEL NICOLAUS CANADA INC.

CLARUS SECURITIES INC.

CORMARK SECURITIES INC.

BEACON SECURITIES LIMITED

**Promoter(s):**

MARC PAIS

PAUL REID

**Project #3220852**

**Issuer Name:**

Canadian Banc Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated June 22, 2021  
NP 11-202 Receipt dated June 23, 2021

**Offering Price and Description:**

\$100,000,000 Preferred Shares and Class A Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3238792**

**Issuer Name:**

Canadian Pacific Railway Company  
Principal Regulator - Alberta

**Type and Date:**

Final Shelf Prospectus dated June 28, 2021  
NP 11-202 Receipt dated June 28, 2021

**Offering Price and Description:**

US\$8,500,000,000.00 - Canadian Debt Securities, U.S. Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3240048**

**Issuer Name:**

Enerplus Corporation  
Principal Regulator - Alberta

**Type and Date:**

Final Shelf Prospectus (NI 44-102) dated June 23, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

\$2,000,000,000 Common Shares Preferred Shares  
Warrants Subscription Receipts Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3238504**

**Issuer Name:**

Greenlane Renewables Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Shelf Prospectus dated June 24, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

\$500,000,000 Common Shares Warrants Subscription Receipts Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3235300**

**Issuer Name:**

GURU Organic Energy Corp. (formerly Mira X Acquisition Corp.)  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Prospectus dated June 28, 2021  
NP 11-202 Receipt dated June 28, 2021

**Offering Price and Description:**

\$52,600,000.00 - 3,287,500 Common Shares  
Price: \$16.00 per Offered Share

**Underwriter(s) or Distributor(s):**

STIFEL NICOLAUS CANADA INC.  
CIBC WORLD MARKETS INC.  
ECHELON WEALTH PARTNERS INC.  
LAURENTIAN BANK SECURITIES INC.  
SCOTIA CAPITAL INC.

**Promoter(s):**

-

**Project #3238169**

**Issuer Name:**

Michichi Capital Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final CPC Prospectus dated June 23, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

\$750,000.00 -1,500,000 COMMON SHARES)  
Price: \$0.50 per Common Share

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #3217115**

**Issuer Name:**

Nighthawk Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated June 21, 2021  
NP 11-202 Receipt dated June 22, 2021

**Offering Price and Description:**

\$23,550,150.00 - 7,000,000 Units 10,265,000 FT Units  
**Underwriter(s) or Distributor(s):**

SPROTT CAPITAL PARTNERS LP BY ITS GENERAL PARTNER, SPROTT CAPITAL PARTNERS GP INC.  
PI FINANCIAL CORP.  
BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
HAYWOOD SECURITIES INC.  
LAURENTIAN BANK SECURITIES INC.  
SCOTIA CAPITAL INC.

**Promoter(s):**

-

**Project #3236048**

**Issuer Name:**

Pet Valu Holdings Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated June 23, 2021  
NP 11-202 Receipt dated June 23, 2021

**Offering Price and Description:**

\$275,000,000 \$ Common Shares

**Underwriter(s) or Distributor(s):**

RBC DOMINION SECURITIES INC.  
BARCLAYS CAPITAL CANADA INC.  
CIBC WORLD MARKETS INC.  
NATIONAL BANK FINANCIAL INC.  
TD SECURITIES INC.  
ATB CAPITAL MARKETS INC.  
CWB MCLEAN & PARTNERS WEALTH MANAGEMENT LTD.  
LAURENTIAN BANK SECURITIES INC.  
RAYMOND JAMES LTD

**Promoter(s):**

-

**Project #3236093**

**Issuer Name:**

The Very Good Food Company Inc. (formerly The Very Good Butchers Inc.)  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 25, 2021  
NP 11-202 Receipt dated June 25, 2021

**Offering Price and Description:**

\$18,000,500.00 - 4,865,000 Units

Price: \$3.70 per Unit

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

**Promoter(s):**

Mitchell Scott  
James Davison

**Project #3238645**

**Issuer Name:**

Thesis Gold Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 24, 2021  
NP 11-202 Receipt dated June 25, 2021

**Offering Price and Description:**

Total of up to \$16,000,000.00  
3,428,571 Flow-Through Common Shares  
\$1.75 per Flow-Through Common Share  
6,666,666 Non-Flow-Through Common Shares  
\$1.50 per Non-Flow-Through Common Share

**Underwriter(s) or Distributor(s):**

CLARUS SECURITIES INC.  
CORMARK SECURITIES INC.  
P.I. FINANCIAL CORP.

**Promoter(s):**

Nicholas Stajduhar  
Roy Bonnell  
Douglas Sarkissian

**Project #3236533**

**Issuer Name:**

Troilus Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated June 24, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

\$42,522,143.00 - 7,905,200 Units  
6,211,200 Traditional Flow-Through Units  
13,513,600 National Flow-Through Units  
3,174,700 Québec Flow-Through Units

**Underwriter(s) or Distributor(s):**

CORMARK SECURITIES INC.  
STIFEL NICOLAUS CANADA INC.  
HAYWOOD SECURITIES INC.  
LAURENTIAN BANK SECURITIES INC.  
CANACCORD GENUITY CORP.  
BMO NESBITT BURNS INC.

**Promoter(s):**

-

**Project #3236674**

**Issuer Name:**

VALEO PHARMA INC.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Prospectus dated June 22, 2021  
NP 11-202 Receipt dated June 22, 2021

**Offering Price and Description:**

\$10,000,000.00 - 10,000,000 Units  
Price: \$1.00 per Unit

**Underwriter(s) or Distributor(s):**

RESEARCH CAPITAL CORP.  
PARADIGM CAPITAL INC.  
DESJARDINS SECURITIES INC.

**Promoter(s):**

-

**Project #3236286**

**Issuer Name:**

VSBLTY Groupe Technologies Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 24, 2021  
NP 11-202 Receipt dated June 24, 2021

**Offering Price and Description:**

\$8,000,000.00 - 16,000,000 Units  
Price: \$0.50 per Unit

**Underwriter(s) or Distributor(s):**

Echelon Wealth Partners Inc.

**Promoter(s):**

-

**Project #3236573**

**Issuer Name:**

Wildpack Beverage Inc.

Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated June 25, 2021

NP 11-202 Receipt dated June 25, 2021

**Offering Price and Description:**

\$17,390,000.00

17,390 8.0% Unsecured Convertible Debenture Units

PRICE: \$1,000.00 per Convertible Debenture Unit

**Underwriter(s) or Distributor(s):**

STIFEL NICOLAUS CANADA INC.

**Promoter(s):**

-

**Project #**3238476

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## Chapter 12

# Registrations

### 12.1.1 Registrants

| Type                                      | Company                                             | Category of Registration                                                                                                           | Effective Date |
|-------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Change in Registration Category           | Silver Heights Capital Management Inc.              | From: Portfolio Manager and Exempt Market Dealer<br><br>To: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer    | June 22, 2021  |
| Change in Registration Category           | Sprucegrove Investment Management Ltd.              | From: Investment Fund Manager and Portfolio Manager<br><br>To: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer | June 24, 2021  |
| New Registration                          | Designed Securities Ltd.                            | Investment Dealer                                                                                                                  | June 24, 2021  |
| Consent to Suspension (Pending Surrender) | AFINA Capital Management Inc.                       | Portfolio Manager                                                                                                                  | June 25, 2021  |
| Voluntary Surrender                       | Merrill Lynch, Pierce, Fenner, & Smith Incorporated | Portfolio Manager                                                                                                                  | June 28, 2021  |

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1 SROs

#### 13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Amendment to IIROC By-Law No. 1 regarding the Definition of “Marketplace” – Notice of Commission Approval

##### NOTICE OF COMMISSION APPROVAL

##### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

##### AMENDMENT TO IIROC BY-LAW NO. 1 REGARDING THE DEFINITION OF “MARKETPLACE”

The Ontario Securities Commission has approved IIROC’s proposed amendment to section 1.1 of its By-law No. 1 (By-law) to align the definition of “Marketplace” in the By-law with that in securities legislation and, where applicable, commodity futures legislation (Amendment). The Amendment was published for comment on December 3, 2020 and no comments were received.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Northwest Territories Office of the Superintendent of Securities, the Nova Scotia Securities Commission, the Nunavut Securities Office, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, the Office of the Yukon Superintendent of Securities, and the Prince Edward Island Office of the Superintendent of Securities have approved or not objected to the Amendment.

Pursuant to Article 17 of IIROC’s By-law, which requires Member approval for any amendments to IIROC’s by-laws, IIROC will be seeking Member approval of the Amendment at its Annual Meeting on September 21, 2021.

A copy of the IIROC Notice of Approval can be found at [www.osc.ca](http://www.osc.ca).

13.2 Marketplaces

13.2.1 Bloomberg Trading Facility Limited and Bloomberg Trading Facility B.V. – Applications for Exemptive Relief – Notice of Commission Orders

IN THE MATTER OF  
BLOOMBERG TRADING FACILITY LIMITED  
AND  
BLOOMBERG TRADING FACILITY B.V.  
APPLICATIONS FOR EXEMPTIVE RELIEF  
NOTICE OF COMMISSION ORDERS

On June 28, 2021, the Commission issued orders (the **Orders**) to Bloomberg Trading Facility Limited and Bloomberg Trading Facility B.V. (the **Applicants**) pursuant to section 147 of the *Securities Act* (Ontario) (**OSA**) exempting each Applicant from the requirement to be recognized as an exchange under section 21 of the OSA in order to operate multilateral trading facilities in the United Kingdom and the Netherlands.

The Commission published the Applicants' applications and draft exemption orders for comment on May 13, 2021 in the OSC Bulletin and provided notice of the application and order on the OSC website. No comments were received.

Copies of the Orders are published in Chapter 2 of this Bulletin. In issuing the Orders, no amendments were made to the draft exemption orders published for comment.

**13.3 Clearing Agencies**

**13.3.1 CDS Clearing and Depository Services Inc. – Proposed Amendments to CDS Fee Schedule – New York Link/DTC Direct Link Services – Notice of Commission Approval**

**CDS CLEARING AND DEPOSITORY SERVICES INC.**

**NOTICE OF COMMISSION APPROVAL**

**PROPOSED AMENDMENTS TO CDS FEE SCHEDULE – NEW YORK LINK/DTC DIRECT LINK SERVICES**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on June 23, 2021 proposed amendments to the CDS Fee Schedule related to the Depository Trust and Clearing Corporation (DTCC) Mark-up and New York Link/DTC Direct Link Liquidity Premium.

A copy of the **CDS notice** was published for comment on April 8, 2021 on the Commission's website at [www.osc.ca](http://www.osc.ca).

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**Reiss, Dani**

|                |      |
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**Stikine Energy Corp.**

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| Cease Trading Order ..... | 5643 |
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**Tree of Knowledge International Corp.**

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| Cease Trading Order ..... | 5643 |
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**Trichome Financial Corp.**

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| Order – s. 1(6) of the OBCA..... | 5638 |
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**WeedMD Inc.**

|                           |      |
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| Cease Trading Order ..... | 5643 |
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