

The Ontario Securities Commission

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The Ontario Securities Commission carries out the powers, duties and functions given to it pursuant to the *Securities Commission Act, 2021* (S.O. 2021, c. 8, Sched. 9).

The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

The Ontario Securities Commission

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A. Capital Markets Tribunal

A.1 Notices of Hearing

A.1.1 Nova Tech Ltd – ss. 127(8), 127(1)

FILE NO.: 2023-6

IN THE MATTER OF
NOVA TECH LTD

NOTICE OF HEARING

Subsections 127(8) and 127(1) of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Application for Extension of Temporary Order

HEARING DATE AND TIME: March 2, 2023 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider whether the Capital Markets Tribunal should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on February 16, 2023.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Tribunal in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 21st day of February, 2023

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@osc.gov.on.ca.

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A.2 Other Notices

A.2.1 Nova Tech Ltd

FOR IMMEDIATE RELEASE
February 21, 2023

**NOVA TECH LTD,
File No. 2023-6**

TORONTO – The Tribunal issued a Notice of Hearing on February 21, 2023, setting the matter down to be heard on March 2, 2023, at 10:00 a.m. to consider whether the Capital Markets Tribunal should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on February 16, 2023.

A copy of the Notice of Hearing dated February 21, 2023, Application dated February 21, 2023, and Temporary Order dated February 16, 2023, are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 Canada Cannabis Corporation et al.

FOR IMMEDIATE RELEASE
February 21, 2023

**CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, AND
PETER STRANG,
File No. 2019-34**

TORONTO – Take notice that an attendance in the above named matter is scheduled to be heard on February 24, 2023 at 9:30 a.m.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.3 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
February 22, 2023

**BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE,
File No. 2022-9**

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated February 21, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.4 Troy Richard James Hogg et al.

FOR IMMEDIATE RELEASE
February 22, 2023

**TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC.,
ARBITRADE EXCHANGE INC.,
ARBITRADE LTD.,
T.J.L. PROPERTY MANAGEMENT INC. AND
GABLES HOLDINGS INC.,
File No. 2022-20**

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated February 22, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.5 Aaron Wolfe

FOR IMMEDIATE RELEASE
February 22, 2023

AARON WOLFE,
File No. 2023-5

TORONTO – Following a hearing held today, the Tribunal issued an Order in the above- named matter approving the Settlement Agreement reached between Staff of the Commission and Aaron Wolfe.

A copy of the Order dated February 22, 2023 and Settlement Agreement dated February 17, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.6 Go-To Developments Holdings Inc. et al.

FOR IMMEDIATE RELEASE
February 22, 2023

GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., AND
OSCAR FURTADO,
File No. 2022-8

TORONTO – Take notice that an attendance in the above named matter is scheduled to be heard on March 6, 2023 at 2:00 p.m.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.7 Michael Paul Kraft and Michael Brian Stein

FOR IMMEDIATE RELEASE
February 23, 2023

**MICHAEL PAUL KRAFT AND
MICHAEL BRIAN STEIN,
File No. 2021-32**

TORONTO – The Tribunal issued an Order in the above named matter.

A copy of the Order dated February 23, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)

inquiries@osc.gov.on.ca

A.2.8 Canada Cannabis Corporation et al.

FOR IMMEDIATE RELEASE
February 24, 2023

**CANADA CANNABIS CORPORATION,
CANADIAN CANNABIS CORPORATION,
BENJAMIN WARD,
SILVIO SERRANO, AND
PETER STRANG,
File No. 2019-34**

TORONTO – Take notice that a Motion in the above named matter is scheduled to be heard on June 14 and 15, and August 15, 2023 at 9:30 a.m. on each day.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

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For General Inquiries:

1-877-785-1555 (Toll Free)

inquiries@osc.gov.on.ca

A.3 Orders

A.3.1 Troy Richard James Hogg et al.

IN THE MATTER OF
TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC.,
ARBITRADE EXCHANGE INC.,
ARBITRADE LTD.,
T.J.L. PROPERTY MANAGEMENT INC. AND
GABLES HOLDINGS INC.

File No. 2022-20

Adjudicators: Sandra Blake (chair of the panel)
M. Cecilia Williams

February 22, 2023

ORDER

WHEREAS on February 22, 2023, the Capital Markets Tribunal held a hearing by videoconference;

ON HEARING the submissions of the representatives for Staff of the Ontario Securities Commission and for Troy Richard James Hogg, Arbitrade Exchange Inc., Gables Holdings Inc., and T.J.L. Property Management Inc., and no one appearing for Cryptobontix Inc. or Arbitrade Ltd. (collectively, the **Respondents**), although properly served;

IT IS ORDERED THAT:

1. by 4:30 p.m. on March 20, 2023, each Respondent shall:
 - a. serve and file a witness list;
 - b. serve a summary of each witness's anticipated evidence on Staff; and
 - c. indicate any intention to call an expert witness, including by providing the expert's name and the issues on which the expert will give evidence; and
2. a further attendance in this matter is scheduled for April 19, 2023 at 10:00 a.m., by videoconference, or on such other date and times as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

"Sandra Blake"

"M. Cecilia Williams"

A.3.2 Aaron Wolfe – ss. 127, 127.1

IN THE MATTER OF
AARON WOLFE

File No. 2023-5

Adjudicators: M. Cecilia Williams (chair of the panel)
Geoffrey D. Creighton

February 22, 2023

ORDER

(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on February 22, 2023, the Capital Markets Tribunal held a hearing by videoconference to consider the approval of a settlement agreement dated February 17, 2023 (**the Settlement Agreement**) between Aaron Wolfe and Staff of the Ontario Securities Commission (**Staff**);

ON READING the Joint Application for Settlement Hearing and the Settlement Agreement, on hearing the submissions of representatives of the parties, and on being advised by Staff that it has received payment from Wolfe in the amount of \$140,064;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Wolfe shall cease for a period of five (5) years from the date of this Order;
3. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Wolfe is prohibited for a period of five (5) years from the date of this Order;
4. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Wolfe for a period of five (5) years from the date of this Order;
5. notwithstanding paragraphs (2), (3) and (4), Wolfe shall be permitted to receive securities as payment for professional services rendered by him, whether in his personal capacity or through a corporate entity controlled by him, provided that, during the five-year period referred to in paragraphs (2), (3) and (4), he may not sell those securities except in accordance with sub-paragraphs (6)(a) and (6)(b) below;
6. notwithstanding paragraphs (2), (3) and (4) above, Wolfe shall be permitted to:
 - a. dispose of securities that he already holds in his personal and corporate controlled investment portfolios, if he so chooses, within a 60-day period calculated from the date of approval of this Order;
 - b. for liquidity to financially support his family and to pay taxes, dispose of securities that he holds in his personal or corporate controlled investment portfolios during the first 14 days following each anniversary of the date of this Order;
 - c. trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts, and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is the or a sponsor; and
 - d. exercise any warrants or options or rights that he already holds in his personal and corporate controlled investment portfolios or that he receives pursuant to sub-paragraph (5);
7. until the entirety of the amount set out in paragraphs (14), (15) and (16) below (**the Monetary Orders**) is paid in full, the provisions of paragraphs (2), (3) and (4) shall continue in force without any limitation as to time.
8. pursuant to paragraph 6 of subsection 127(1) of the Act, Wolfe is reprimanded;
9. pursuant to paragraph 7 of subsection 127(1) of the Act, Wolfe shall immediately resign any position that he holds as a director or officer of a reporting issuer;

A.3: Orders

10. pursuant to paragraph 8 of subsection 127(1) of the Act, Wolfe is prohibited from becoming or acting as a director or officer of any reporting issuer for a period of five (5) years commencing on the date of this Order;
11. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Wolfe shall immediately resign any position that he holds as a director or officer of a registrant;
12. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Wolfe is prohibited from becoming or acting as a director or officer of any registrant for a period of five (5) years commencing on the date of this Order;
13. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Wolfe is prohibited from becoming or acting as a registrant or a promoter for a period of five (5) years commencing on the date of this Order;
14. pursuant to paragraph 9 of subsection 127(1) of the Act, Wolfe shall pay an administrative penalty of \$200,000 to the Commission;
15. pursuant to paragraph 10 of subsection 127(1) of the Act, Wolfe shall disgorge to the Commission the profit of \$125,064;
16. pursuant to section 127.1 of the Act, Wolfe shall pay costs of the Commission's investigation in the amount of \$15,000;
17. Wolfe agrees to pay the remaining amounts of the Monetary Orders to the Commission in the following manner:
 - a. four (4) payments of \$50,000 by wire transfer by March 1, 2024, March 1, 2025, March 1, 2026, and March 1, 2027, respectively; and
18. in the event Wolfe fails to make any of the payments required by paragraph (17), the remaining unpaid balance shall become due and payable immediately and the exceptions in paragraphs (5) and (6) shall be null and void for the duration of the five-year period referred to in paragraphs (2), (3) and (4) above.

"M. Cecilia Williams"

"Geoffrey D. Creighton"

IN THE MATTER OF
AARON WOLFE

SETTLEMENT AGREEMENT
BETWEEN THE ONTARIO SECURITIES COMMISSION AND AARON WOLFE

PART I – INTRODUCTION

1. Insider trading is unfair to investors, erodes public confidence in Ontario's capital markets, and is a significant breach of Ontario securities law.
2. Aaron Wolfe ("Wolfe" or the "Respondent"), a resident of Ontario, engaged in illegal insider trading in November 2018 in the shares of Tahoe Resources Inc. ("Tahoe"), which at the time was a reporting issuer in Ontario and publicly listed on the Toronto Stock Exchange.
3. Wolfe obtained material non-public information from a third party to a proposed acquisition of Tahoe before the proposed acquisition was generally disclosed. With knowledge of this information, Wolfe purchased shares of Tahoe on November 9, 2018 and sold all of these shares five days later for a profit of \$125,064. His profitable trade was a result of illegal insider trading and a breach of Ontario securities law.
4. The parties will jointly file a request that the Ontario Capital Markets Tribunal (the "Tribunal") issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing (the "Settlement Hearing") to consider whether, pursuant to sections 127 and 127.1 of the *Ontario Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Tribunal to approve this settlement agreement (the "Settlement Agreement") and to make certain orders against Wolfe.

PART II – JOINT SETTLEMENT RECOMMENDATION

5. The Commission recommends settlement of the proceeding (the "Proceeding") against the Respondent commenced by the Notice of Hearing in accordance with the terms and conditions set out in Part VI of the Settlement Agreement. The Respondent consents to the making of an order (the "Order") substantially in the form attached as **Schedule "A"** to this Settlement Agreement based on the facts set out herein.
6. For the purposes of the Proceeding and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts in Part III and the conclusion in Part IV of the Settlement Agreement.
7. The Commission acknowledges that the Respondent was cooperative during the investigation of this matter and during the process of reaching settlement.

PART III – AGREED FACTS

Background

8. The Respondent, Aaron Wolfe, is a resident of Ontario. The Respondent has never been registered with the Commission.

Tahoe Resources Inc.

9. Tahoe was a reporting issuer in Ontario with its securities publicly traded on the Toronto Stock Exchange under the symbol THO.
10. On November 14, 2018, Tahoe and Pan American Silver Corp. made a joint announcement (the "Announcement") that the two companies had entered into a definitive agreement for Pan American to acquire Tahoe (the "Transaction"). The agreement and preceding negotiations had not been publicly disclosed prior to the Announcement.
11. The Announcement was material in respect of Tahoe. After the Announcement, the closing price of Tahoe shares rose by 49% relative to the closing price of the previous day. Tahoe filed a material change report on November 26, 2018.

Insider Trading of Tahoe Shares

12. On or prior to November 9, 2018, the Respondent received material, non-public information from a third party to the Transaction who was in a special relationship with Tahoe (the "Third Party"). The Respondent knew or reasonably ought to have known that the Third Party was in a special relationship with Tahoe.

13. On November 9, 2018, the Respondent, with knowledge of the material, non-public information received from the Third Party, purchased 100,000 of shares in Tahoe valued at approximately \$302,935, as follows:
 - a. 50,000 shares in the cash account of Asset Strategy Corp., his investment corporation; and
 - b. 50,000 shares in his spouse's margin account.
14. The Respondent had never purchased Tahoe shares prior to November 9, 2018.
15. At the time of his purchase, the Respondent did not have sufficient cash in his accounts to settle the trades. On November 13, 2018, the Respondent wired \$100,000 to his broker. Half of these funds came from a close personal friend on November 8, 2018 on a partial repayment of a loan. The other half came from Asset Strategy's line of credit. The Respondent took no further substantive steps to settle the remainder prior to the Announcement.
16. The Respondent sold his position in Tahoe on the morning of November 14, 2018. He realized profits of \$125,064 from his sale of Tahoe shares.

Mitigating Factors

17. The Respondent has been granted credit for cooperation for agreeing to the terms set out below and making every effort to resolve these matters without a contested hearing.

PART IV - NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

18. By engaging in the conduct described above, the Respondent acknowledges and admits that he contravened subsection 76(1) of the *Act* and that his conduct was contrary to the public interest.

PART V – THE RESPONDENT'S POSITION

19. The Respondent requests, and the Commission does not object, that the Settlement Hearing panel consider the following mitigating circumstances:
 - a. The Respondent is remorseful for his conduct;
 - b. The Respondent acknowledges and accepts full responsibility for his conduct and now understands that his purchase and sale of Tahoe shares breached subsection 76(1) of the *Act*;
 - c. The Respondent has never been the subject of any prior securities enforcement proceedings or orders, or those of any other regulatory bodies. In fact, the Respondent has never had any prior interactions or run-ins with the law;
 - d. Even though the Respondent had received material, non-public information from the Third Party, the Respondent, prior to purchasing the Tahoe shares, had also conducted his own research and developed an investment thesis on Tahoe, using publicly available information; and
 - e. The Respondent did not inform the Third Party of his purchase and sale of Tahoe shares.

PART V – TERMS OF SETTLEMENT

20. The Respondent agrees to the terms of settlement set forth below.
21. The Respondent consents to the Order substantially in the form attached as **Schedule "A"**, pursuant to which it is ordered that:
 - a. this Settlement Agreement is approved;
 - b. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities or derivatives by the Respondent shall cease for a period of five (5) years commencing on the date of the Order;
 - c. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by the Respondent shall be prohibited for a period of five (5) years commencing on the date of the Order;
 - d. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of five (5) years commencing on the date of the Order;
 - e. Notwithstanding sub-paragraphs (b), (c) and (d), the Respondent shall be permitted to receive securities as payment for professional services rendered by him, whether in his personal capacity or through a corporate

entity controlled by him, provided that, during the five-year period referred to in sub-paragraphs (b), (c) and (d), he may not sell those securities except in accordance with sub-paragraphs (f)(i) and (f)(ii) below;

- f. Notwithstanding sub-paragraphs (b), (c) and (d), the Respondent shall be permitted to:
 - i. dispose of securities that he already holds in his personal and corporate controlled investment portfolios, within a 60-day period commencing on the date of the Order;
 - ii. for liquidity to financially support his family and to pay taxes, dispose of securities that he holds in his personal or corporate controlled investment portfolios during the first 14 days following each anniversary of the date of the Order;
 - iii. trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts, and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is a sponsor; and
 - iv. exercise any warrants or options or rights that he already holds in his personal and corporate controlled investment portfolios or that he receives pursuant to sub-paragraph (e);
 - g. Until the entirety of the amounts set out below in sub-paragraphs (n), (o) and (p) (the "Monetary Orders") is paid in full, the provisions of sub-paragraphs (b), (c) and (d) shall continue in force without any limitation as to time;
 - h. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is reprimanded;
 - i. pursuant to paragraph 7 of subsection 127(1) of the Act, the Respondent immediately resign any position that he holds as a director or officer of a reporting issuer;
 - j. pursuant to paragraph 8 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of five (5) years commencing on the date of the Order;
 - k. pursuant to paragraph 8.1 of subsection 127(1) of the Act, the Respondent immediately resign any position that he holds as a director or officer of a registrant;
 - l. pursuant to paragraph 8.2 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a director or officer of any registrant for a period of five (5) years commencing on the date of the Order;
 - m. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a registrant or a promoter for a period of five (5) years commencing on the date of the Order;
 - n. pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent shall pay an administrative penalty in the amount of \$200,000 to the Commission;
 - o. pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondent shall disgorge to the Commission the sum of \$125,064 representing the profit made on the sale of the Tahoe shares;
 - p. pursuant to section 127.1 of the Act, the Respondent shall pay costs of the Commission's investigation in the amount of \$15,000;
 - q. the Respondent agrees to pay the Monetary Orders to the Commission in the following manner:
 - i. \$140,064 by wire transfer before the commencement of the Settlement Hearing on account of disgorgement and costs; and
 - ii. four (4) payments of \$50,000 each by wire transfer on March 1, 2024, March 1, 2025, March 1, 2026 and March 1, 2027;
 - r. In the event the Respondent fails to make any of the payments required by sub-paragraph (q), the remaining unpaid balance shall become due and payable immediately and sub-paragraphs (e) and (f) shall be null and void for the duration of the five-year period of the ban referred to in sub-paragraphs (b), (c) and (d).
22. The Respondent consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 21(b), (c) and (d), above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.
23. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this

matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities- or derivatives-related activities prior to undertaking such activities.

PART VI – FURTHER PROCEEDINGS

24. If the Tribunal approves this Settlement Agreement, the Commission will not commence or continue any proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement, in which case the Commission may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of the Settlement Agreement as well as the breach of the Settlement Agreement.
25. The Respondent acknowledges that, if the Tribunal approves the Settlement Agreement and the Respondent fails to comply with any term in it, the Commission is entitled to bring any proceedings necessary to, among other things, recover the amounts set out in sub-paragraphs 21(n), (o) and (p).
26. The Respondent waives any defences to a proceeding referenced in paragraph 24 based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

27. The parties will seek approval of the Settlement Agreement at the Settlement Hearing before the Tribunal, which shall be held on a date determined by the Secretary to the Tribunal in accordance with this Settlement Agreement and the Tribunal's *Rules of Procedure and Forms and Practice Guideline*.
28. The Respondent will attend the Settlement Hearing.
29. The parties confirm that the Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.
30. If the Tribunal approves the Settlement Agreement:
 - a. the Respondent irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and
 - b. the parties will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.
31. Whether or not the Tribunal approves the Settlement Agreement, the Respondent will not use, in any proceeding, the Settlement Agreement or the negotiation or process of approval of the Settlement Agreement as the basis for any attack on the Tribunal's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

32. If the Tribunal does not make the Order:
 - a. the Settlement Agreement and all discussions and negotiations between the parties before the Settlement Hearing will be without prejudice to the parties; and
 - b. the parties will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing. Any such proceedings, remedies and challenges will not be affected by the Settlement Agreement, or by any discussions or negotiations relating to the Settlement Agreement.
33. The parties will keep the terms of the Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

34. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

35. A facsimile or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this 17th day of February, 2023.

"Nadia Campion"

"Aaron Wolfe"

Witness:

Aaron Wolfe

DATED at Toronto, Ontario, this 17th day of February, 2023.

THE ONTARIO SECURITIES COMMISSION

"Johanna Superina"

Deputy Director, Enforcement Branch

Per: Jeff Kehoe

Director, Enforcement Branch

IN THE MATTER OF
AARON WOLFE

File No. [#]

Adjudicators: M. Cecilia Williams (chair of the panel)
Geoffrey D. Creighton

February xx, 2023

ORDER

(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S. 5)

WHEREAS on February xx, 2023, the Capital Markets Tribunal (the **Tribunal**) held a hearing by videoconference to consider the approval of a settlement agreement dated February xx, 2023 (the **Settlement Agreement**) between Aaron Wolfe and the Ontario Securities Commission (the **Commission**);

ON READING the Joint Application for Settlement Hearing and the Settlement Agreement, on hearing the submissions of representatives of the parties, and on being advised by the Commission that it has received payment from Wolfe in the amount of \$140,064;

IT IS ORDERED THAT:

1. The Settlement Agreement is approved;
2. Pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Wolfe shall cease for a period of five (5) years from the date of this Order;
3. Pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Wolfe is prohibited for a period of five (5) years from the date of this Order;
4. Pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Wolfe for a period of five (5) years from the date of this Order;
5. Notwithstanding paragraphs (2), (3) and (4), Wolfe shall be permitted to receive securities as payment for professional services rendered by him, whether in his personal capacity or through a corporate entity controlled by him, provided that, during the five-year period referred to in paragraphs (2), (3) and (4), he may not sell those securities except in accordance with sub-paragraphs (6)(a) and (6)(b) below;
6. Notwithstanding paragraphs (2), (3) and (4) above, Wolfe shall be permitted to:
 - a. dispose of securities that he already holds in his personal and corporate controlled investment portfolios, if he so chooses, within a 60-day period calculated from the date of approval of this Order;
 - b. for liquidity to financially support his family and to pay taxes, dispose of securities that he holds in his personal or corporate controlled investment portfolios during the first 14 days following each anniversary of the date of this Order;
 - c. trade in or acquire securities in his personal registered retirement savings plan ("RRSP") accounts, and/or tax-free savings accounts ("TFSA") and/or for any registered education savings plan ("RESP") accounts for which he is the or a sponsor; and
 - d. exercise any warrants or options or rights that he already holds in his personal and corporate controlled investment portfolios or that he receives pursuant to sub-paragraph (5);
7. Until the entirety of the amount set out in paragraphs (14), (15) and (16) below (the "Monetary Orders") is paid in full, the provisions of paragraphs (2), (3) and (4) shall continue in force without any limitation as to time.
8. Pursuant to paragraph 6 of subsection 127(1) of the *Act*, Wolfe is reprimanded;
9. Pursuant to paragraph 7 of subsection 127(1) of the *Act*, Wolfe shall immediately resign any position that he holds as a director or officer of a reporting issuer;
10. Pursuant to paragraph 8 of subsection 127(1) of the *Act*, Wolfe is prohibited from becoming or acting as a director or officer of any reporting issuer for a period of five (5) years commencing on the date of this Order;

A.3: Orders

11. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Wolfe shall immediately resign any position that he holds as a director or officer of a registrant;
12. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Wolfe is prohibited from becoming or acting as a director or officer of any registrant for a period of five (5) years commencing on the date of this Order;
13. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Wolfe is prohibited from becoming or acting as a registrant or a promoter for a period of five (5) years commencing on the date of this Order;
14. Pursuant to paragraph 9 of subsection 127(1) of the Act, Wolfe shall pay an administrative penalty of \$200,000 to the Commission;
15. Pursuant to paragraph 10 of subsection 127(1) of the Act, Wolfe shall disgorge to the Commission the profit of \$125,064;
16. Pursuant to section 127.1 of the Act, Wolfe shall pay costs of the Commission's investigation in the amount of \$15,000;
17. Wolfe agrees to pay the remaining amounts of the Monetary Orders to the Commission in the following manner:
 - a. four (4) payments of \$50,000 by wire transfer by March 1, 2024, March 1, 2025, March 1, 2026 and March 1, 2027, respectively;
18. In the event Wolfe fails to make any of the payments required by paragraph (17), the remaining unpaid balance shall become due and payable immediately and the exceptions in paragraphs (5) and (6) shall be null and void for the duration of the five-year period referred to in paragraphs (2), (3) and (4) above.

M. Cecilia Williams

Geoffrey D. Creighton

A.3.3 Michael Paul Kraft and Michael Brian Stein – s. 2(2) of the TARA, rule 22(4) of the Capital Markets Tribunal Rules of Procedure and Forms

**IN THE MATTER OF
MICHAEL PAUL KRAFT AND
MICHAEL BRIAN STEIN**

File No. 2021-32

Adjudicators: Andrea Burke (chair of the panel)
M. Cecilia Williams
Sandra Blake

February 23, 2023

ORDER

(Subsection 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60 and
Rule 22(4) of the *Capital Markets Tribunal Rules of Procedure and Forms*)

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider a request from Michael Brian Stein to redact certain portions of the December 7, 2022 transcript of the merits hearing in this proceeding;

ON READING the proposed redacted transcript, and on considering that the parties consent to the proposed redactions;

IT IS ORDERED THAT pursuant to s. 2(2) of the *Tribunal Adjudicative Records Act, 2019* and Rule 22(4) of the *Rules of Procedure and Forms*, lines 19-28 of page 184 and lines 1-19 of page 185 of the December 7, 2022 transcript shall be redacted and only the redacted version of the transcript shall be available to the public.

“Andrea Burke”

“M. Cecilia Williams”

“Sandra Blake”

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A.4

Reasons and Decisions

A.4.1 Bridging Finance Inc. et al. – rules 27, 28 of the Capital Markets Tribunal Rules of Procedure and Forms

Citation: *Bridging Finance Inc (Re)*, 2023 ONCMT 8

Date: 2023-02-21

File No. 2022-9

IN THE MATTER OF
BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE

REASONS FOR DECISION
(Rules 27 and 28 of the *Capital Markets Tribunal Rules of Procedure and Forms*)

Adjudicators: Russell Juriansz (chair of the panel)
Timothy Moseley
Sandra Blake

Hearing: By videoconference, January 30, 2023

Appearances: Naomi Lutes For David Sharpe
Melissa MacKewn
Alexandra Grishanova
Lawrence Thacker For Natasha Sharpe
Mark Bailey For Staff of the Ontario Securities Commission
Johanna Braden
Katrina Gustafson
Nicole Fung
Erin Pleet For the receiver of Bridging Finance Inc.
No one appearing for Andrew Mushore

REASONS FOR DECISION

1. OVERVIEW

- [1] These are the reasons for the dismissal of motions brought by David Sharpe and Natasha Sharpe for disclosure under rules 27 and 28 of the *Capital Markets Tribunal Rules of Procedure and Forms*.
- [2] The motions seek disclosure of various documents that possibly may exist and which the Sharpes hope will provide support for their motions for stay of proceedings currently scheduled to be heard on May 23, 2023 and for the merits hearing. The motions for a stay are premised on an abuse of process arising from the Ontario Securities Commission's filing David's and Natasha's (we use their first names to distinguish between them and we mean no disrespect in doing so) compelled testimony in a public court record to support the Commission's application for the appointment of a receiver over Bridging Finance Inc. without Commission Staff first obtaining from the Tribunal a s. 17 order permitting its disclosure.
- [3] We dismissed the motions for disclosure without reviewing the numerous categories of materials requested because the moving parties failed to establish a tenable case for their motions for a stay as required in order to obtain an order for disclosure.
- [4] The respondent Mushore did not participate in the motion. The receiver for the respondent Bridging attended but did not take a position.

2. BACKGROUND

- [5] During its investigation of Bridging, the Commission issued a summons to David, the Chief Executive Officer and Ultimate Designated Person of Bridging, and to Natasha, the Chief Investment Officer of Bridging, compelling their attendance to answer investigators' questions. Section 16 of the Act prohibits disclosure of their compelled testimony except as permitted by the section, or if the Tribunal makes an order under s. 17 authorizing its disclosure in the public interest. On April 30, 2021 the Commission issued a temporary order without notice that trading cease in the securities of certain Bridging-controlled investment vehicles (this order has since been extended and varied by the Tribunal and currently expires on March 31, 2023). The Commission applied, without notice, to the Superior Court of Justice for the appointment of a receiver of the assets, undertakings and properties of Bridging and associated entities. The Commission's application materials included the compelled testimony of several persons, including that of David and Natasha. Staff did not seek a s. 17 order from the Tribunal before filing the receivership application.¹
- [6] The Court granted the Commission's application for a receiver and the Court's order provided that the receiver would create a website on which the Court materials could be found. The receiver did so and posted materials containing compelled testimony of David and Natasha. The Commission published on its website a news release announcing the appointment of the receiver. The news release included a link to the receiver's website, which included the compelled testimony.²
- [7] David took the position the Commission's filing of his compelled testimony in a public court record was improper and sought, as a remedy, an order from the Tribunal revoking the s. 11 investigation order. In its March 30 Reasons, the Tribunal concluded OSC Staff had breached the Act by filing the moving parties' compelled testimony in the receivership application without first obtaining an order permitting that disclosure under s. 17(1).³ The Tribunal also decided that revocation of the s. 11 investigation order was not an available remedy in the circumstances.⁴ In a subsequent decision dated July 5, 2022, the Tribunal dismissed David's request for an order that his compelled testimony be kept confidential in the temporary cease trading order (**TCTO**) proceeding.⁵
- [8] On November 11, 2022, OSC Staff refused David's request made on October 28, 2022, for disclosure of various documents including: (i) any communications between OSC Staff and the receiver relating to the compelled testimony of David and other witnesses in connection with the receivership application, (ii) OSC Staff investigation notes and memoranda not yet disclosed relating to the receivership application and TCTO proceeding, (iii) the list of any records or documents over which OSC Staff claim privilege in the enforcement proceeding, (iv) any internal communications between OSC Staff and OSC executives, OSC senior management, Tribunal members, and other regulators related to the appointment of the receiver, (v) any communications between OSC Staff and witnesses, and (vi) any communications concerning the Commission's position on the Tribunal's March 30 Reasons.
- [9] On November 24, 2022, David brought his motion for disclosure, adding to his request, disclosure of all communications between OSC Staff and law enforcement in relation to any ongoing or potential criminal investigations. Natasha filed a similar motion for disclosure on December 2, 2022.
- [10] OSC Staff made some further disclosure on December 22, 2022. That further disclosure is of no consequence to this motion.

3. ISSUES

- [11] The disclosure motions raise two issues:
- a. Have the Sharpes met the threshold test and demonstrated a "tenable case" of abuse of process to support their disclosure request?
 - b. If so, which categories of materials should be disclosed, if any?

¹ *Sharpe (Re)*, 2022 ONSEC 3 (**March 30 Reasons**) at paras 20-22

² March 30 Reasons at paras 23-24

³ March 30 Reasons at para 5a

⁴ March 30 Reasons at para 5b

⁵ *Sharpe (Re)*, 2022 ONCMT 18

4. LEGAL FRAMEWORK AND ANALYSIS**4.1 Have the Sharpes met the threshold test and demonstrated a “tenable case” of abuse to support their disclosure request?****4.1.1 Threshold to be met for disclosure**

[12] Respondents have the right to disclosure of all information that might be relevant to defending the proceedings against them. Information ought not to be withheld if there is a reasonable possibility that withholding of information will impair the right of the party to make full answer and defence, unless the non-disclosure is justified by the law of privilege.⁶ Rule 27 is a codification of this principle.

[13] At the hearing, the moving parties withdrew their request for additional disclosure with respect to the Statement of Allegations after we rendered our oral decision dismissing that portion of these motions that relates only to their motions for a permanent stay of this proceeding for the alleged abuse of process arising from the improper and unlawful disclosure of their compelled testimony. The moving parties are entitled to all materials in the possession of OSC Staff that might be reasonably relevant in advancing their motions for a stay.

[14] That said, a party seeking further disclosure is required to first lay a foundation to establish the materials sought might be relevant. As observed by a Law Society Panel in *Natale*,⁷ a “request for disclosure cannot be allowed to encourage “fishing expeditions” or unduly prolix proceedings.”⁸ This means:

... more than a bare assertion or mere speculation, something that can be maintained or defended against attack. There must be some concrete evidence or proof that can be held onto, that supports the allegation that the [prosecutor] engaged in an abuse of process.⁹

[15] As the panel in *Natale* noted, the hearing panel in *Igbinosun*¹⁰ explained the reasons for the threshold test:

There are serious implications in a motion for disclosure brought in the context of an allegation of abuse of process. If any accused or respondent could make an allegation of abuse of process and thereby require the prosecuting or professional authorities to turn over its counsel’s brief and its confidential files, which would not otherwise be producible, then serious harm would be done to the prosecution of criminal or professional charges.¹¹

[16] At the hearing, counsel for the moving parties accepted that they must articulate a “tenable” case for their abuse of process motions before disclosure is ordered. Both sides referred to the discussion, in *R v Ahmad*,¹² of the threshold that must be established. The party bringing the abuse of process motion:

... must also be able to demonstrate that there is both a legal and a factual basis for the argument sought to be advanced. This demonstration must be rooted in the record, or be established by an offer of proof such as affidavit evidence, that can be dealt with expeditiously by the court.¹³

[17] The moving parties submit they have met this threshold. There is no bald allegation of wrongdoing here, they say, as the Tribunal has found that the Commission has breached its own enabling statute by filing the compelled testimony in the receivership proceeding in the Superior Court. The Commission compounded that wrongdoing, they say, by publishing a news release announcing the Receivership Order, which provided a link to the receiver’s website. They say that following the Commission’s disclosure of David’s and Natasha’s compelled testimony, there was extensive publicity that caused them to experience distress, humiliation, anguish and damage to their reputations.

[18] The moving parties submit that OSC Staff is advocating an incorrectly high standard for a “tenable case” to turn this motion into an assessment of the merits of their stay motions in order to avoid a consideration of the material they have requested.

[19] We accept OSC Staff’s contention that, notwithstanding the Commission’s breach of its own enabling statute, we must still consider whether the moving parties’ stay motions have a reasonable prospect of success, before any disclosure is ordered. Whether the moving parties have established a tenable case of abuse of process must be considered in light of what abuse of process is, and when a proceeding will be permanently stayed for an abuse of process.

⁶ *R v Stinchcombe*, [1991] 3 SCR 326

⁷ *Law Society of Upper Canada v Deanna Lynn Natale*, 2011 ONLSP 192 (*Natale*)

⁸ *Natale* at 7

⁹ *Natale* at para 8

¹⁰ *Law Society of Upper Canada v Matthew Joseal Igbinosun*, 2010 ONLSP 134 (*Igbinosun*)

¹¹ *Igbinosun* at para 52

¹² 2008 CanLII 27470 (ON SC) (*Ahmad*)

¹³ *Ahmad* at para 42

4.1.2 Abuse of Process

- [20] A stay of proceedings for an abuse of process is an extraordinary remedy that is available only in “the clearest of cases”.¹⁴ A party who seeks the drastic remedy of a permanent stay of a proceeding faces a high bar and must establish that the conduct violates the fundamental principles of justice underlying the community’s sense of fair play and decency.¹⁵ They must also establish that there is no alternative remedy available.¹⁶ Generally, it is required that the wrong upon which the applicant relies would be manifested, perpetuated or aggravated in the continuation in the proceedings.¹⁷
- [21] In this case there are several reasons each of which independently shows that the moving parties have not demonstrated a “tenable case” of abuse of process.

4.1.2.a This proceeding and the receivership proceeding are different proceedings

- [22] The principal wrong the moving parties rely upon took place in the receivership proceeding before the Superior Court. They have not identified any act done in this proceeding that can be reasonably argued to constitute an abuse of process. At the time of the disclosure of the compelled testimony in the receivership proceeding, the version of the Act then in force permitted OSC Staff to disclose the compelled testimony in this enforcement proceeding and in the TCTO proceeding. Specifically, at that time s. 17(6) of the Act stated “A person appointed to make an investigation or examination under this Act may disclose or produce anything mentioned in subsection (1) [that is information regarding an investigation order and compelled examination, among other things], but may do so only in connection with, (a) a proceeding commenced or proposed to be commenced before the Commission or the Director under this Act.” Considering this wording of the Act, generally, disclosure of compelled testimony in an enforcement proceeding cannot be said to be abusive.
- [23] We do not regard the Superior Court application and this proceeding to be “all part and parcel of the same proceeding”, as the moving parties suggest. That was OSC Staff’s position which the Tribunal rejected in its March 30 Reasons. The Tribunal concluded the Commission’s disclosure of the compelled testimony in the receivership application was not “in connection with” a proceeding “before the Commission or the Director under this Act” within the meaning of s. 17(6) of the Act, as it then read (see our comments below about a later amendment to that provision and how that amendment relates to a different point).
- [24] The moving parties acknowledge they know of no case in which a proceeding has been stayed for an abuse of process committed in a different proceeding. They offer no policy reason why parties should be allowed to seek a stay in one proceeding for an abuse committed in another proceeding. Yet, they seek a stay of this proceeding for the alleged abuse in the receivership proceeding.
- [25] To obtain disclosure for the stay motions, the moving parties must show some legal and factual basis rooted in the record that their motions for a stay have a reasonable possibility of success. They must establish there is a reasonable possibility that a continuation of the proceedings before this Tribunal would be oppressive or vexatious and violate the fundamental principles of justice underlying the community’s sense of fair play and decency, and there is no alternative remedy available. They must show a reasonable possibility that the OSC’s disclosure of the compelled testimony in the receivership proceeding would be manifested, perpetuated or aggravated in the continuation of the proceeding before this Tribunal to the extent of violating the fundamental principles of justice underlying the community’s sense of fair play and decency.
- [26] The Sharpes’ ability to show that reasonable possibility is undermined not only by the fact that the OSC’s disclosure was in a separate proceeding. It is also undermined by the April 29, 2022, amendment to s. 17(6) of the Act to provide that disclosure is now permitted in “a proceeding commenced or proposed to be commenced under this Act”. The provision no longer limits itself to proceedings before the Tribunal or a Director. By that amendment, the Legislature has chosen to bring within s. 17(6), among other proceedings, a court application by the OSC to appoint a receiver. In other words, the very act that gives rise to the Sharpes’ concern is now expressly permitted. While the amendment does not have retroactive effect, the Legislature’s expression of what is permissible undermines the Sharpes’ submission today that what the Commission did would violate the community’s sense of fair play.

4.1.2.b Adjudicative fairness of this proceeding is not affected

- [27] We do not accept that it is reasonably arguable that the wrongful act of the Commission filing the compelled testimony in the Superior Court, without first obtaining a s. 17 order, would be manifested, perpetuated or aggravated in the enforcement proceeding before this Tribunal. The moving parties suggest that witnesses who might appear in the Tribunal’s enforcement proceeding might have been tainted because they may have had knowledge of the compelled testimony of the moving parties. They point out that, during the investigation, not all witnesses were interviewed before

¹⁴ *R v Babos*, 2014 SCC 16 (**Babos**) at para 44

¹⁵ *First Global Data Ltd (Re)*, 2022 ONCMT 24 (**First Global**) at 43

¹⁶ *Babos* at para 32

¹⁷ *First Global* at para 34

the compelled testimony of the Sharpes was made public, and the witnesses, when they testify at the merits hearing, might have had access to the compelled testimony beforehand. Consequently, they submit there may have been “witness tainting” in this proceeding.

- [28] While that may be, that witnesses come to know the content of the compelled testimony does not affect the adjudicative fairness of this proceeding. The moving parties’ compelled testimony was quite properly made public in the TCTO proceeding. Moreover, s. 17(6)(b) permitted OSC Staff during the investigation to disclose the compelled testimony to other witnesses being interviewed under s. 13. The fact that witnesses know what the moving parties said in their compelled testimony may well raise issues of witnesses’ credibility in the Tribunal enforcement proceeding but cannot be reasonably argued to constitute an abuse of process.
- [29] The moving parties submit that the abuse in the receivership proceeding would be manifested, perpetuated or aggravated in this proceeding in two other ways. First, they point out that the moving parties would be cross-examined in these proceedings by the same entity that wrongfully disclosed their compelled testimony in the receivership proceeding. Second, they submit that if the Commission filed their compelled testimony in the receivership application in bad faith with the deliberate intention of breaching the Act, then the case against them would be led by counsel employed by the very agency that acted in bad faith against them.
- [30] We deal with the second submission first.

4.1.2.c There is no evidence of bad faith on the part of OSC Staff

- [31] The moving parties request disclosure of a broad array of internal and external communications because that communication might show intentional wrongdoing such as a deliberate breach of the Act, or improper communication with police agencies or the media. On the return on their motions for a stay, the moving parties could reasonably argue that intentional wrongdoing or a deliberate breach of the Act by OSC Staff amounting to bad faith would fall within the residual category of abuse of process. Such abuse need not relate to the fairness of the proceedings. In the residual category, a stay may be ordered where the continuation of the proceedings would “connote unfairness or vexatiousness of such a degree that it contravenes fundamental notions of justice and thus undermines the integrity of the judicial process.”¹⁸
- [32] The moving parties concede that on the record before us there is no evidence of bad faith on the part of OSC Staff. Counsel for David said that “We’re obviously seeking disclosure that might shed light on that.”¹⁹ Counsel for Natasha explained more fulsomely “...while there is no evidence now, the question of whether or not there’s evidence now isn’t really the right question, the question is whether or not there is any evidence of either of those things period. And that’s why we’re bringing a disclosure motion. ... There is no evidence that we have today.”²⁰ He went on to ask rhetorically that if the requested material shows there is no bad faith on the part of OSC Staff, why has the OSC Staff not provided the material to prove that is the case.
- [33] The moving parties seek to place the onus on OSC Staff to establish it did not act in bad faith. However, the onus is on them to first lay a foundation, rooted in the evidence, showing that the requested material might be relevant. Their frank concessions show they currently are unable to lay the necessary foundation and leave no doubt that their motions for further disclosure to support their stay motions must fail.
- [34] The moving parties recognize that the fact OSC Staff applied for a receivership order without first obtaining a s. 17(6) order is not evidence of a deliberate breach of the Act. We note that the record indicates OSC Staff believed s. 17(6) of the Act permitted the Commission to file the compelled testimony in the receivership proceeding. In an email dated April 30, 2021, in connection with the without notice TCTO application, Staff advised that they did not require a section 17 order in relation to the receivership application.²¹
- [35] As well, OSC Staff took the position before the Court of Appeal for Ontario that a s. 17(1) order was not required in a receivership application before the Superior Court.²² Counsel for David submits OSC Staff thumbed its nose at the Tribunal’s March 30 Reasons, by taking this position after the Tribunal’s decision. Whether OSC Staff should have disclosed the Tribunal’s decision to the Court aside, the legal position it took supports the conclusion that OSC Staff did not seek a s. 17(1) order because it considered such an order was not necessary.
- [36] We also reject the allegation that OSC Staff engaged in misconduct by serving and publishing the Statement of Allegations on March 31, 2022, the day after the Tribunal’s March 30 decision. Sharpe alleges that the timing was “an

¹⁸ *R v O’Connor*, [1995] 4 SCR 411 at para 73

¹⁹ Hearing Transcript, January 30, 2023 at p 37 lines 22-23

²⁰ Hearing Transcript, January 30, 2023 at p 46 lines 9-15

²¹ Exhibit 4, Affidavit of Wendy Kingston, sworn October 21, 2022, Tab 2K

²² *Ontario Securities Commission v Go-To Developments Holdings Inc.*, 2022 ONCA 328 at paras 13-16

obvious attempt to quell the expected media interest” in the Tribunal’s finding that OSC Staff had breached the Act. Not only is Sharpe’s allegation mere conjecture, but he identifies no prejudice he suffered as a result.

- [37] We conclude that in the absence of any evidence that supports the allegation of bad faith of the Commission or its Staff, the moving parties’ allegations are bare assertion and mere speculation that cannot reasonably be argued to warrant ordering disclosure of the materials sought.

4.1.2.d Cross-examination of moving parties by OSC Staff not abusive

- [38] In the absence of any evidence of bad faith on the part of the Commission or its Staff, there is no prospect that Staff’s cross-examination of the moving parties at the merits hearing in this proceeding could possibly be seen as oppressive or vexatious and violate the fundamental principles of justice underlying the community’s sense of fair play and decency.

4.2 Which requested categories of materials should be disclosed, if any?

- [39] Having found that the Sharpes have not demonstrated a “tenable case” with respect to the alleged abusive conduct of Staff, it is unnecessary for us to address the specific categories of disclosure requested.

5. CONCLUSION

- [40] For these reasons we issued an order²³ dismissing the Sharpes’ disclosure motions. The Sharpes have not met the threshold of a “tenable case” on the stay motions to support their disclosure request.

Dated at Toronto this 21st day of February, 2023

“Russell Juriansz”

“Timothy Moseley”

“Sandra Blake”

²³ *Bridging Finance Inc.*, (2023) 46 OSCB 886

B. Ontario Securities Commission

B.1 Notices

B.1.1 Notice of Coming into Force – Repeal and Replacement of OSC Rule 13-502 Fees, Repeal and Replacement of OSC Rule 13-503 (Commodity Futures Act) Fees, and Consequential Amendments to OSC Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission

NOTICE OF COMING INTO FORCE

REPEAL AND REPLACEMENT OF OSC RULE 13-502 FEES, REPEAL AND REPLACEMENT OF OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES, AND CONSEQUENTIAL AMENDMENTS TO OSC RULE 11-501 ELECTRONIC DELIVERY OF DOCUMENTS TO THE ONTARIO SECURITIES COMMISSION

March 2, 2023

On April 3, 2023, pursuant to section 143.4 of the *Securities Act* (Ontario) and section 69 of the *Commodity Futures Act* (Ontario), the following will come into force:

- repealed and replaced Ontario Securities Commission Rule 13-502 *Fees* (**OSC Rule 13-502**),
- repealed and replaced Ontario Securities Commission Rule 13-503 (*Commodity Futures Act*) *Fees* (**OSC Rule 13-503**), and
- consequential amendments to Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* (**Consequential Amendments**).

In connection with the OSC Rule 13-502, OSC Rule 13-503 and the Consequential Amendments, the Ontario Securities Commission also adopted changes (the **Policy Changes**) to replace Companion Policy 13-502 *Fees*, Companion Policy 13-503 (*Commodity Futures Act*) *Fees*, and make changes to Companion Policy 91-501CP *Strip Bonds*. The Policy Changes will come into effect on April 3, 2023.

OSC Rule 13-502, OSC Rule 13-503, the Policy Changes and the Consequential Amendments were published in the Bulletin on December 1, 2022. See [2022, 45 OSCB Issue 48 \(Supp-3\)](#).

The text of OSC Rule 13-502, OSC Rule 13-503, the Policy Changes and the Consequential Amendments is published in Chapter B.5 of this Bulletin.

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B.2 Orders

B.2.1 iCapital Network Canada Ltd. and the Top Funds

Headnote

National Instrument 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Mutual funds that are not reporting issuers granted 90-day extension of the annual financial statement filing and delivery deadlines and 60-day extension of the interim financial statement filing and delivery deadlines under NI 81-106 – Funds invest the majority of their assets in Underlying Funds with later financial reporting deadlines – Relief granted subject to conditions.

Statutes Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 2.4, 5.1(2)(a) and (b), and 17.1.

February 16, 2023

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

AND

IN THE MATTER OF
ICAPITAL NETWORK CANADA LTD.
(the “Filer”)

AND

THE TOP FUNDS
(as defined below)

ORDER

Background

The Ontario Securities Commission (the “**Commission**”) has received an application from the Filer, as investment fund manager of TCC Alternative Access Trust Fund (the “**Alternative Access Trust Fund**”) and iCapital KKR Private Markets Access Fund (Canada) (the “**Private Markets Access Fund**”) and together with the Alternative Access Trust Fund, the “**Initial Top Funds**”) and any other existing or future investment fund that is not and will not be a reporting issuer, that is or will be organized under the laws of the Jurisdiction, and that is, or will be, managed by the Filer and invests or will invest directly or indirectly in underlying funds (“**Underlying Funds**”) as part of its investment strategy (the “**Future Top Funds**”) and together with the Initial Top Funds, the “**Top Funds**”) for an order pursuant to section 17.1 of National Instrument 81-106 Investment Fund Continuous Disclosure (“NI 81-106”) in respect of the fund-on-fund structures (described below) exempting the Filer and the Top Funds from the following requirements of NI 81-106:

1. the requirement in section 2.2 that the Top Funds file their audited annual financial statements and auditor’s report (the “**Annual Financial Statements**”) on or before the 90th day after the Top Funds’ most recently completed financial year (“**Annual Filing Deadline**”);
2. the requirement in section 2.4 that the Top Funds file their interim financial statements (the “**Interim Financial Statements**”) and collectively with the Annual Financial Statements, the “**Financial Statements**”) on or before the 60th day after the Top Funds’ most recently completed interim period (“**Interim Filing Deadline**”);
3. the requirement in paragraph 5.1(2)(a) that the Top Funds deliver to the securityholders their Annual Financial Statements by the Annual Filing Deadline (the “**Annual Delivery Requirement**”); and
4. the requirement in paragraph 5.1(2)(b) that the Top Funds deliver to the securityholders their Interim Financial Statements by the Interim Filing Deadline (the “**Interim Delivery Requirement**”);

(collectively, the “**Requested Relief**”).

Representations

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

The Filer

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act* (“**CBCA**”) with its principal place of business in Toronto, Ontario.
2. The Filer is registered as an Exempt Market Dealer and Portfolio Manager in Alberta, British Columbia, Ontario, Quebec and Newfoundland and Labrador, and as an Investment Fund Manager in Ontario, Quebec and Newfoundland and Labrador.
3. The Filer is not a reporting issuer in any jurisdiction and is not in default of securities legislation of any jurisdiction of Canada.
4. The Filer is the investment fund manager of the Initial Top Funds, and is, or will be, the investment fund manager of each of the Top Funds.

The Top Funds

5. Each of the Initial Top Funds is a trust formed pursuant to a master declaration of trust dated January 1, 2023.
6. Each Future Top Fund is or will be organized as a trust or a limited partnership under the laws of Ontario.
7. The Top Funds have and will continue to have their principal place of business in Toronto, Ontario. The Top Funds are not and will not be reporting issuers in any jurisdiction and the Initial Top Funds and each Future Top Fund is not in default of securities legislation of any jurisdiction of Canada.
8. Each Top Fund is, or will be, an “investment fund” for the purposes of the securities legislation of the Jurisdiction (the “**Legislation**”).
9. Securities of the Top Funds are and will be offered for sale and distribution to qualified investors in all Canadian provinces and territories pursuant to exemptions from the prospectus requirements under the Legislation or National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”).
10. Securities of each Top Fund will only be distributed in Canada pursuant to exemptions from the prospectus requirement in accordance with the Legislation or NI 45-106.
11. None of the Top Funds is, or will be, a reporting issuer in any province or territory of Canada.
12. The Alternative Access Trust Fund has a financial year end of December 31 and the Private Access Markets Fund has a financial year end of March 31 and each Future Top Fund will have a financial year end of December 31 or March 31, as applicable.
13. The investment objective of each Top Fund is, or will be, to obtain appreciation or income by investing, directly or indirectly, through another fund, in securities, units or other interests of Underlying Funds which are private or other unlisted investment entities and, in the case of the Initial Top Funds, managed by an independent manager, or, in the case of the Future Top Funds, managed by an independent manager, the Filer or an affiliate of the Filer.
14. The investment strategy of the Alternative Access Trust Fund is to primarily invest the Alternative Access Trust Fund’s assets in an Underlying Fund that is a private investment entity managed by an independent manager. The Alternative Access Trust Fund seeks to provide superior risk-adjusted returns by providing exposure through the Underlying Fund to a diversified portfolio of private and/or public markets investments and a diversified array of liquid alternative strategies and alternative asset classes and by achieving broader diversification to alleviate or reduce a number of the burdens associated with these types of investments.
15. The investment strategy of the Private Access Markets Fund is to primarily invest the Private Access Markets Fund’s assets indirectly in an Underlying Fund that is a private investment entity managed by an independent manager. The Private Access Markets Fund seeks to provide long-term capital appreciation by providing exposure to the Underlying Fund’s portfolio which consists primarily of private equity investment interests of any type, sponsored or advised by an independent manager, including primary offerings and secondary acquisitions of interests in alternative investment funds that pursue private equity strategies and co-investment opportunities in operating companies.
16. The Filer believes that the formation and offering of the Top Funds that invest in the Underlying Funds provides Canadian investors access to asset classes and underlying managers that would not otherwise be available to such investors and

offers benefits not available through a direct investment in the companies, other issuers or assets held by the Underlying Funds.

17. The Filer engages in a due diligence process when selecting Underlying Funds for each Top Fund.
18. Securities of the Underlying Funds are typically redeemable at various intervals, but in some cases may not be redeemable until the termination of the Underlying Funds. Each Top Fund is able to manage its own liquidity requirements taking into consideration the frequency at which the securities of the Underlying Funds may be redeemed.
19. The net asset value of each Top Fund ("**NAV**") is or will be calculated at least on a monthly or quarterly basis, as of the last business day of each month or quarter, as applicable (the "**Valuation Date**"). Investors of each Top Fund are or will be provided with the NAV on a monthly or quarterly basis within 45 days (where the NAV is provided monthly) or 90 days (where the NAV is provided quarterly) of each Valuation Date.
20. The holdings of each Top Fund in securities of the Underlying Funds will be disclosed in the Financial Statements.

Financial Statements

21. Section 2.2 and subsection 5.1(2)(a) of NI 81-106 require the Top Funds to file and deliver their Annual Financial Statements to the securityholders by the Annual Filing Deadline. As the financial year-end for the Top Funds is or will be December 31 or March 31, the filing and delivery deadline for the Annual Financial Statements would be March 31 or June 29, as applicable.
22. Section 2.4 and subsection 5.1(2)(b) of NI 81-106 require the Top Funds to file and deliver their Interim Financial Statements to the securityholders by the Interim Filing Deadline. As the financial year-end for the Top Funds is or will be December 31 or March 31, the filing and delivery deadline for the Interim Financial Statements would be August 29 or November 29, as applicable.
23. Section 2.11 of NI 81-106 provides an exemption (the "**Filing Exemption**") from the obligation to file the Annual Financial Statements within the Annual Filing Deadline and the Interim Financial Statements within the Interim Filing Deadline if, among other things, an investment fund delivers its Annual Financial Statements and Interim Financial Statements in accordance with part 5 of NI 81-106.
24. In order to formulate an opinion on the financial statements of each Top Fund, the Top Fund's auditor requires audited financial statements of the respective Underlying Funds in order to audit the information contained in the Top Fund's Financial Statements. The auditors of the Top Funds have advised the Filer that they will be unable to complete the audit of the Top Funds' annual financial statements until the audited financial statement of the Underlying Fund are completed and available to the Top Fund.
25. The Underlying Funds may have varying financial year-ends and may be subject to a variety of financial reporting deadlines. Therefore, in most cases, the Top Funds will not be able to obtain the financial statements of the Underlying Funds prior to the Annual Filing Deadline or the Interim Filing Deadline for filing the Financial Statements and, in all cases, no sooner than other investors in the Underlying Funds receive the financial statements of the Underlying Funds.
26. With respect Underlying Funds managed by an affiliate of the Filer, the added costs associated with having the Underlying Funds change their financial reporting deadlines in order to provide their financial statements at an earlier date outweigh the expected benefit to the unitholders of the Top Funds.
27. The offering memorandum of each Top Fund that will be provided to investors will disclose that: (i) the annual audited financial statements for the Top Fund will be filed and delivered within 180 days of the Top Fund's financial year-end, and (ii) the unaudited interim financial statements for the Top Fund will be delivered within 120 days following the end of each interim period of the Top Fund.
28. The Top Funds will notify their securityholders that they have received and intend to rely on the Requested Relief.
29. The Top Funds do not anticipate they will be able to meet the conditions in subsection 2.11(b) of the Filing Exemption given that they do not expect to be able to deliver their Annual Financial Statements by the Annual Filing Deadline and their Interim Financial Statements by the Interim Filing Deadline. The Top Funds expect this timing delay in the completion of their Financial Statements to occur every year for the foreseeable future.
30. Each Top Fund therefore seeks an extension of the Annual Filing Deadline and Annual Delivery Requirement to permit delivery within 180 days of the Top Fund's most recently completed financial year, to enable the Top Fund's auditors to first receive the audited financial statements of the Underlying Funds so as to be able to prepare the Top Fund's Annual Financial Statements.

31. Each Top Fund seeks an extension of the Interim Filing Deadline and Interim Delivery Requirement to permit delivery within 120 days of the Top Fund's most recently completed interim period, to enable the Top Fund to first receive the financial statements of the Underlying Funds so as to be able to determine the NAV and prepare the Top Fund's Interim Financial Statements.

Order

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

The order of the Commission under section 17.1 of NI 81-106 is that the Requested Relief is granted to a Top Fund for so long as:

1. Each Top Fund has, or will have, a financial year end of December 31 or March 31, as applicable.
2. The Top Fund's investment strategy is to primarily invest its assets directly or indirectly in the Underlying Funds that are private or other unlisted investment entities managed by independent managers, the Filer or an affiliate of the Filer;
3. The Top Fund invests the majority of its assets in Underlying Funds;
4. No less than 25% of the total assets of the Top Fund as at its financial year end of December 31 or March 31, as applicable, are invested in Underlying Fund(s) that have financial year ends corresponding to such Top Fund and are subject to laws of their jurisdictions that require annual financial statements of the Underlying Fund(s) to be delivered within 120 days of their financial year ends and interim financial statements to be delivered between 60 and 90 days of their most recent interim period.
5. The offering memorandum provided to securityholders regarding the Top Fund discloses that:
 - a. the Annual Financial Statements of the Top Fund will be filed and delivered on or before the 180th day after the Fund's most recently completed financial year; and
 - b. the Interim Financial Statements of the Fund will be filed and delivered on or before the 120th day after the Fund's most recently completed interim period.
6. The Top Fund notifies its securityholders that it has received and intends to rely on relief from the filing and delivery requirements under section 2.2, 2.4 and subsections 5.1(2)(a) and 5.1(2)(b) of NI 81-106.
7. The Top Fund is not a reporting issuer and the Filer has the necessary registrations to carry out its operations in each jurisdiction of Canada in which it operates.
8. The audited annual financial statements of the Top Fund are filed on or before the 180th day after the Top Fund's most recently completed financial year and the interim financial statements of the Top Fund are filed on or before the 120th day after the Top Fund's most recently completed interim period; or
 - a. The conditions in section 2.11 of NI 81-106 are met, except for paragraph 2.11(b), and the annual audited financial statements are delivered to securityholders of the Top Fund in accordance with Part 5 of NI 81-106 on or before the 180th day after the Top Fund's most recently completed financial year and the interim financial statements are delivered to securityholders of the Top Fund in accordance with Part 5 of NI 81-106 on or before the 120th day after the Top Fund's most recently completed interim period.
 - b. The Requested Relief terminates within one year of the coming into force of any amendment to NI 81-106 or other rule that modifies how the Annual Filing Deadline, Annual Delivery Requirement, Interim Filing Deadline, or Interim Delivery Deadline Requirement applies in connection with mutual funds under the Legislation.

"Neeti Varma"

Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Application File #: 2022/0527

B.3 Reasons and Decisions

B.3.1 VAALCO Energy, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities – issuer has less than 10% of its securityholders resident in Canada – filer to remain a U.S. issuer and a SEC foreign issuer – issuer exempt from requirements of NI 51-101 provided that the issuer complies with the oil and gas disclosure requirements of the SEC and NYSE.

Applicable Legislative Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, s. 8.1.

Citation: *Re VAALCO Energy, Inc.*, 2023 ABASC 19.

February 21, 2023

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

AND

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

AND

IN THE MATTER OF
VAALCO ENERGY, INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) that, subject to the conditions set forth herein, the Filer be exempted from the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (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 each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador; and
- (c) this 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 National Instrument 14-101 *Definitions*, NI 11-102, National Instrument 71-101 *The Multijurisdictional Disclosure System* (**NI 71-101**) and National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) have the same meanings 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 governed by the laws of the State of Delaware, with its head office in Houston, Texas.
2. The Filer is an energy company with production, development and exploration assets in West and North Africa and western Canada.
3. The Filer is a reporting issuer in each of the provinces of Canada (collectively, the **Reporting Jurisdictions**), and is not in default of securities legislation in any jurisdiction of Canada. The Filer became a reporting issuer in the Reporting Jurisdictions upon completion of a plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) pursuant to which the Filer acquired all of the issued and outstanding shares of TransGlobe Energy Corporation.
4. The Filer's authorized capital stock consists of 160,000,000 shares of common stock (**Common Shares**), par value \$0.10 per share, and 500,000 shares of preferred stock (**Preferred Shares**), par value \$25.00 per share. As of November 30, 2022, there were 108,803,886 Common Shares issued and outstanding (excluding any treasury stock held by the Filer), and no Preferred Shares were outstanding.
5. The Common Shares are listed on the New York Stock Exchange and the London Stock Exchange under the symbol "EGY".
6. The Filer has no outstanding notes or other debt instruments.
7. Based on the Filer's list of registered shareholders provided by its registrar and transfer agent, as of November 30, 2022, registered holders of Common Shares located in Canada held an aggregate of 51,861 Common Shares, which equates to 0.05 percent of the Filer's issued and outstanding Common Shares.
8. Based on information obtained by the Filer from Broadridge Financial Solutions Inc., which conducted geographical surveys of beneficial holders of the Common Shares as at November 23, 2022 covering approximately 99,000,000 Common Shares (representing 90.7% of the issued and outstanding Common Shares), Canadian beneficial shareholder accounts hold approximately 6,800,000 Common Shares, which equates to 6.3 percent of the total outstanding Common Shares and 6.7 percent of the Common Shares represented in the beneficial shareholder information.
9. The Common Shares are registered under the 1934 Act. The Filer is subject to and is in compliance with all requirements applicable to it imposed by the SEC, the 1933 Act, the 1934 Act, the United States *Sarbanes-Oxley Act of 2002* and the rules of the NYSE (collectively, the **U.S. Rules**).
10. The Filer prepares disclosure with respect to its oil and natural gas activities (the **Oil and Gas Disclosure**) in accordance with the U.S. Rules.
11. The Filer is a "U.S. issuer" under NI 71-101 and qualifies as an "SEC foreign issuer" under NI 71-102 and, as such, relies on and complies with the exemptions from Canadian continuous disclosure requirements afforded to SEC foreign issuers under Part 4 of NI 71-102.
12. The Common Shares are not listed for trading on any "marketplace" in Canada (as such term is defined in National Instrument 21-101 *Marketplace Operation*), and the Filer has no current intention to list the Common Shares on any marketplace in Canada.

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 remains a U.S. issuer and an SEC foreign issuer;
- (b) the Filer continues to prepare the Oil and Gas Disclosure in compliance with the U.S. Rules;
- (c) the Filer issues in Canada, and files on SEDAR, a news release stating that it will provide the Oil and Gas Disclosure in accordance with the U.S. Rules rather than in accordance with NI 51-101; and
- (d) the Filer files the Oil and Gas Disclosure with the securities regulatory authority or regulator in the Reporting Jurisdictions as soon as practicable after the Oil and Gas Disclosure is filed pursuant to the U.S. Rules.

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

OSC File #: 2022/0565

B.3.2 Blackrock Asset Management Canada Limited and the Exchange-Traded Mutual Funds Set Out in Schedule “A”

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted under subsection 62(5) of the Securities Act to permit extension of lapse date of funds’ prospectus to facilitate its combination with the prospectus of other funds under common management.

Applicable Legislative Provisions

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

February 23, 2023

**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
BLACKROCK ASSET MANAGEMENT CANADA LIMITED
(the Filer)**

AND

**THE EXCHANGE-TRADED MUTUAL FUNDS
SET OUT IN SCHEDULE “A”
(collectively, the ETFs)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the ETFs for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the prospectus of the ETFs dated April 13, 2022 be extended to those time limits that would apply if the lapse date of the prospectus of the ETFs was June 29, 2023 (the **Requested 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 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 (together 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:

1. The Filer is a corporation amalgamated under the laws of Ontario, with its head office located in Toronto, Ontario.
2. The Filer is registered as: (i) an investment fund manager in each of the Jurisdictions; (ii) a commodity trading manager in Ontario; (iii) an adviser in Manitoba; (iv) a portfolio manager in each of the Jurisdictions; and (v) an exempt market dealer in each of the Jurisdictions.

3. The Filer is the investment fund manager and trustee of the ETFs.
4. Neither the Filer nor any of the ETFs are in default of securities legislation in any of the Jurisdictions.
5. Each ETF is an exchange-traded mutual fund established as a trust under the laws of Ontario and a reporting issuer in each of the Jurisdictions.
6. Securities of each ETF are currently qualified for distribution in each of the Jurisdictions under the long form prospectus dated April 13, 2022 (the **Current Prospectus**).
7. Each ETF is in continuous distribution and the securities of each ETF are listed on the Toronto Stock Exchange or another marketplace in Canada.
8. The lapse date for the Current Prospectus under the Legislation is April 13, 2023 (the **Current Lapse Date**).
9. In addition to the ETFs, the Filer is the investment fund manager of certain other exchange-traded mutual funds (the **iShares Funds**, and together with the ETFs, the **Funds**) offered under a separate long form prospectus dated June 29, 2022, as amended (the **iShares Funds Main Prospectus**).
10. The lapse date for the iShares Funds Main Prospectus is June 29, 2023 (the **iShares Funds Lapse Date**).
11. Accordingly, under the Legislation, the distribution of securities of the ETFs would have to cease on the Current Lapse Date unless: (i) the ETFs file a pro forma prospectus at least 30 days prior to the Current Lapse Date; (ii) the final prospectus is filed no later than 10 days after the Current Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days after the Current Lapse Date.
12. The Filer wishes to combine the Current Prospectus with the iShares Funds Main Prospectus in order to reduce renewal, printing, and related costs of the Funds. Offering both the ETFs and the iShares Funds under the same renewal prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and will ensure that the Filer can make the operational and administrative features of the Funds consistent with each other, if necessary.
13. The Filer desires to extend the Current Lapse Date of the Current Prospectus in order to move the renewal timeframe of the ETFs to a more administratively beneficial date. Establishing a uniform disclosure timeframe for the Funds will permit the Filer to streamline operations and disclosure across the Filer's ETF platform.
14. If the Requested Relief is not granted, it will be necessary to renew two sets of prospectus documents for the ETFs twice within a short period of time in order to consolidate the Current Prospectus with the iShares Funds Main Prospectus and establish a uniform filing timeline for the Funds, and it would be unreasonable for the Filer to incur the costs and expenses associated therewith, given investors would not be prejudiced by the Requested Relief.
15. There have been no material changes in the affairs of the ETFs since the date of the Current Prospectus. Accordingly, the Current Prospectus and ETF Facts represent the accurate information regarding the ETFs.
16. Given the disclosure obligations of the Filer and the ETFs, should any material change occur, the Current Prospectus and current ETF Facts will be amended as required under the Legislation.
17. New investors of the ETFs will receive delivery of the most recently filed ETF Facts. The Current Prospectus of the ETFs will remain available to investors upon request.
18. The Requested Relief will not affect the accuracy of the information contained in the Current Prospectus or the respective ETF Facts and will therefore 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 Requested Relief is granted.

"Darren McKall"

Manager, Investment Funds and Structured Products
Ontario Securities Commission

Application File #: 2023/0076

SCHEDULE A

The ETFs

iShares Exponential Technologies Index ETF ("XEXP")
iShares Global Clean Energy Index ETF ("XCLN")
iShares Genomics Immunology and Healthcare Index ETF ("XDNA")
iShares Cybersecurity and Tech Index ETF ("XHAK")

SCHEDULE B

The iShares Funds

iShares Core Canadian Corporate Bond Index ETF ("XCB")
iShares Core Canadian Government Bond Index ETF ("XGB")
iShares Core Canadian Long Term Bond Index ETF ("XLB")
iShares Core Canadian Short Term Bond Index ETF ("XSB")
iShares Core Canadian Short Term Corporate Bond Index ETF ("XSH")
iShares Core Canadian Universe Bond Index ETF ("XBB")
iShares Core MSCI All Country World ex Canada Index ETF ("XAW" / "XAW.U")¹
iShares Core MSCI Canadian Quality Dividend Index ETF ("XDIV")
iShares Core MSCI EAFE IMI Index ETF ("XEF" / "XEF.U")¹
iShares Core MSCI EAFE IMI Index ETF (CAD-Hedged) ("XFH")
iShares Core MSCI Emerging Markets IMI Index ETF ("XEC" / "XEC.U")¹
iShares Core MSCI Global Quality Dividend Index ETF ("XDG" / "XDG.U")¹
iShares Core MSCI Global Quality Dividend Index ETF (CAD-Hedged) ("XDGH")
iShares Core MSCI US Quality Dividend Index ETF ("XDU" / "XDU.U")¹
iShares Core MSCI US Quality Dividend Index ETF (CAD-Hedged) ("XDUH")
iShares Core S&P 500 Index ETF ("XUS" / "XUS.U")¹
iShares Core S&P 500 Index ETF (CAD-Hedged) ("XSP")
iShares Core S&P/TSX Capped Composite Index ETF ("XIC")
iShares Core S&P U.S. Total Market Index ETF ("XUU" / "XUU.U")¹
iShares Core S&P U.S. Total Market Index ETF (CAD-Hedged) ("XUH")
iShares 0-5 Year TIPS Bond Index ETF ("XSTP" / "XSTP.U")¹
iShares 0-5 Year TIPS Bond Index ETF (CAD-Hedged) ("XSTH")
iShares 1-5 Year Laddered Corporate Bond Index ETF ("CBO")
iShares 1-5 Year Laddered Government Bond Index ETF ("CLF")
iShares 1-5 Year U.S. IG Corporate Bond Index ETF ("XSHU" / "XSHU.U")¹
iShares 1-5 Year U.S. IG Corporate Bond Index ETF (CAD-Hedged) ("XIGS")
iShares 1-10 Year Laddered Corporate Bond Index ETF ("CBH")
iShares 1-10 Year Laddered Government Bond Index ETF ("CLG")
iShares Canadian Fundamental Index ETF ("CRQ")
iShares Canadian Growth Index ETF ("XCG")
iShares Canadian HYBRID Corporate Bond Index ETF ("XHB")
iShares Canadian Real Return Bond Index ETF ("XRB")
iShares Canadian Select Dividend Index ETF ("XDV")
iShares Canadian Value Index ETF ("XCV")
iShares China Index ETF ("XCH")
iShares Convertible Bond Index ETF ("CVD")
iShares Emerging Markets Fundamental Index ETF ("CWO")
iShares ESG Advanced 1-5 Year Canadian Corporate Bond Index ETF ("XSHG")
iShares ESG Advanced Canadian Corporate Bond Index ETF ("XCBG")
iShares ESG Advanced MSCI Canada Index ETF ("XCSR")
iShares ESG Advanced MSCI EAFE Index ETF ("XDSR")
iShares ESG Advanced MSCI USA Index ETF ("XUSR")
iShares ESG Aware Canadian Aggregate Bond Index ETF ("XSAB")
iShares ESG Aware Canadian Short Term Bond Index ETF ("XSTB")
iShares ESG Aware MSCI Canada Index ETF ("XESG")
iShares ESG Aware MSCI EAFE Index ETF ("XSEA")
iShares ESG Aware MSCI Emerging Markets Index ETF ("XSEM")
iShares ESG Aware MSCI USA Index ETF ("XSUS")
iShares ESG MSCI Canada Leaders Index ETF ("XCLR")

¹ This iShares Fund offers USD Units.

iShares ESG MSCI EAFE Leaders Index ETF ("XDLR")
iShares ESG MSCI USA Leaders Index ETF ("XULR")
iShares Floating Rate Index ETF ("XFR")
iShares Global Agriculture Index ETF ("COW")
iShares Global Government Bond Index ETF (CAD-Hedged) ("XGGB")
iShares Global Healthcare Index ETF (CAD-Hedged) ("XHC")
iShares Global Infrastructure Index ETF ("CIF")
iShares Global Monthly Dividend Index ETF (CAD-Hedged) ("CYH")
iShares Global Real Estate Index ETF ("CGR")
iShares Global Water Index ETF ("CWW")
iShares High Quality Canadian Bond Index ETF ("XQB")²
iShares India Index ETF ("XID")
iShares International Fundamental Index ETF ("CIE")
iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged) ("XEB")
iShares Jantzi Social Index ETF ("XEN")
iShares Japan Fundamental Index ETF (CAD-Hedged) ("CJP")
iShares MSCI EAFE Index ETF (CAD-Hedged) ("XIN")
iShares MSCI Emerging Markets Index ETF ("XEM")
iShares MSCI Europe IMI Index ETF ("XEU")
iShares MSCI Europe IMI Index ETF (CAD-Hedged) ("XEH")
iShares MSCI Min Vol Canada Index ETF ("XMV")
iShares MSCI Min Vol EAFE Index ETF ("XMI")
iShares MSCI Min Vol EAFE Index ETF (CAD-Hedged) ("XML")
iShares MSCI Min Vol Emerging Markets Index ETF ("XMM")
iShares MSCI Min Vol Global Index ETF ("XMW")
iShares MSCI Min Vol Global Index ETF (CAD-Hedged) ("XMY")
iShares MSCI Min Vol USA Index ETF ("XMU" / "XMU.U")¹
iShares MSCI Min Vol USA Index ETF (CAD-Hedged) ("XMS")
iShares MSCI Multifactor Canada Index ETF ("XFC")
iShares MSCI Multifactor EAFE Index ETF ("XFI")
iShares MSCI Multifactor EAFE Index ETF (CAD-Hedged) ("XFF")
iShares MSCI Multifactor USA Index ETF ("XFS" / "XFS.U")¹
iShares MSCI Multifactor USA Index ETF (CAD-Hedged) ("XFA")
iShares MSCI USA Momentum Factor Index ETF ("XMTM")
iShares MSCI USA Quality Factor Index ETF ("XQLT")
iShares MSCI USA Value Factor Index ETF ("XVLU")
iShares MSCI World Index ETF ("XWD")
iShares NASDAQ 100 Index ETF (CAD-Hedged) ("XQQ")
iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged) ("XCD")
iShares S&P Global Industrials Index ETF (CAD-Hedged) ("XGI")
iShares S&P/TSX 60 Index ETF ("XIU")
iShares S&P/TSX Canadian Dividend Aristocrats Index ETF ("CDZ")
iShares S&P/TSX Canadian Preferred Share Index ETF ("CPD")
iShares S&P/TSX Capped Consumer Staples Index ETF ("XST")
iShares S&P/TSX Capped Energy Index ETF ("XEG")
iShares S&P/TSX Capped Financials Index ETF ("XFN")
iShares S&P/TSX Capped Information Technology Index ETF ("XIT")
iShares S&P/TSX Capped Materials Index ETF ("XMA")
iShares S&P/TSX Capped REIT Index ETF ("XRE")
iShares S&P/TSX Capped Utilities Index ETF ("XUT")
iShares S&P/TSX Completion Index ETF ("XMD")
iShares S&P/TSX Composite High Dividend Index ETF ("XEI")
iShares S&P/TSX Global Base Metals Index ETF ("XBM")
iShares S&P/TSX Global Gold Index ETF ("XGD")
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged) ("XPF")
iShares S&P/TSX SmallCap Index ETF ("XCS")
iShares S&P U.S. Mid-Cap Index ETF ("XMC" / "XMC.U")¹
iShares S&P U.S. Mid-Cap Index ETF (CAD-Hedged) ("XMH")
iShares S&P U.S. Small-Cap Index ETF ("XSMC")
iShares S&P U.S. Small-Cap Index ETF (CAD-Hedged) ("XSMH")

² The Filer has proposed to merge this iShares Fund into iShares Core Canadian Universe Bond Index ETF ("XBB") on or about March 24, 2023, subject to applicable stock exchange and unitholder approvals.

iShares Short Term High Quality Canadian Bond Index ETF ("XSQ")³
iShares US Dividend Growers Index ETF (CAD-Hedged) ("CUD")
iShares US Fundamental Index ETF ("CLU" / "CLU.C")⁴
iShares U.S. Aggregate Bond Index ETF ("XAGG" / "XAGG.U")¹
iShares U.S. Aggregate Bond Index ETF (CAD-Hedged) ("XAGH")
iShares U.S. High Dividend Equity Index ETF ("XHU")
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged) ("XHD")
iShares U.S. High Yield Bond Index ETF (CAD-Hedged) ("XHY")
iShares U.S. High Yield Fixed Income Index ETF (CAD-Hedged) ("CHB")⁵
iShares U.S. IG Corporate Bond Index ETF ("XCBU" / "XCBU.U")¹
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged) ("XIG")
iShares U.S. Small Cap Index ETF (CAD-Hedged) ("XSU")
iShares Core Balanced ETF Portfolio ("XBAL")
iShares Core Conservative Balanced ETF Portfolio ("XCNS")
iShares Core Equity ETF Portfolio ("XEQT")
iShares Core Growth ETF Portfolio ("XGRO")
iShares Core Income Balanced ETF Portfolio ("XINC")
iShares ESG Balanced ETF Portfolio ("GBAL")
iShares ESG Conservative Balanced ETF Portfolio ("GCNS")
iShares ESG Equity ETF Portfolio ("GEQT")
iShares ESG Growth ETF Portfolio ("GGRO")
iShares Short Term Strategic Fixed Income ETF ("XSI")
iShares Conservative Short Term Strategic Fixed Income ETF ("XSC")
iShares Conservative Strategic Fixed Income ETF ("XSE")
iShares Canadian Financial Monthly Income ETF ("FIE")
iShares Diversified Monthly Income ETF ("XTR")
iShares Equal Weight Banc & Lifeco ETF ("CEW")
iShares Premium Money Market ETF ("CMR")

³ The Filer has proposed to merge this iShares Fund into iShares Core Canadian Short Term Bond Index ETF ("XSB") on or about March 24, 2023, subject to applicable stock exchange and unitholder approvals.

⁴ This iShares Fund offers Hedged Units and Non-Hedged Units.

⁵ The Filer has proposed to merge this iShares Fund into iShares U.S. High Yield Bond Index ETF (CAD Hedged) ("XHY") on or about March 24, 2023, subject to applicable stock exchange and unitholder approvals.

B.3.3 Brandes Investment Partners & Co.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraphs 2.5(2)(a) and (c) of National Instrument 81-102 Investment Funds to allow the mutual fund to invest in an underlying mutual fund in the United States – the underlying mutual fund is subject to the United States Investment Company Act of 1940 – Investment in the underlying mutual fund is limited to 10% of the fund's net asset value – Relief subject to terms and conditions based on investment restrictions of NI 81-102 such that the fund cannot do indirectly via investment in the underlying mutual fund what it cannot do directly under NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a) and (c), and 19.1.

February 23, 2023

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
BRANDES INVESTMENT PARTNERS & CO.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Fund (as defined below), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Fund from the following provisions of National Instrument 81-102 *Investment Funds* (**NI 81-102**), in order to permit the Fund to invest in securities of the Underlying Fund (as defined below), which is not an investment fund subject to NI 81-102, whose securities are not or have not been offered under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and which is not a reporting issuer in a local jurisdiction:

- (a) paragraph 2.5(2)(a) to permit the Fund to invest in securities of the Underlying Fund even though the Underlying Fund is not subject to NI 81-102; and
- (b) paragraph 2.5(2)(c) to permit the Fund to invest in securities of the Underlying Fund even though the Underlying Fund is not a reporting issuer in any Canadian Jurisdiction (as defined below)

(collectively, 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 section 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 (together with Ontario, the **Canadian Jurisdictions**).

Interpretation

Terms defined in MI 11-102, NI 81-102, National Instrument 14-101 *Definitions* and National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meaning if used in this decision, unless otherwise defined.

Fund means T. Rowe Price Global Allocation Fund;

Investment Company Act means the United States *Investment Companies Act of 1940*.

T. Rowe Price means T. Rowe Price (Canada), Inc.

Underlying Fund means T. Rowe Price Dynamic Global Bond Fund.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of Nova Scotia with its registered head office in Toronto, Ontario. The Filer operates under the retail trade name Bridgehouse Asset Managers.
2. The Filer is registered as: (a) an investment fund manager in Ontario, Quebec, and Newfoundland and Labrador; (b) as a portfolio manager in each of the Canadian Jurisdictions; and (c) as an exempt market dealer in each of the Canadian Jurisdictions.
3. The Filer or an affiliate of the Filer acts or will act as the manager of the Fund.
4. The Filer is not in default of securities legislation in any of the Canadian Jurisdictions.

The Fund

5. The Fund is an investment fund organized and governed by the laws of Ontario.
6. The Fund is governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.
7. The Fund is a reporting issuer in all of the Canadian Jurisdictions.
8. The Fund is subject to NI 81-107.
9. The fundamental investment objective of the Fund is to achieve a combination of long-term capital appreciation and income by investing in a broadly diversified global portfolio that includes global stocks, bonds and short-term securities, and alternative investments.
10. T. Rowe Price became the sub-advisor of the Fund on January 30, 2023. T. Rowe Price is currently registered as a portfolio manager and exempt market dealer in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador (where it is also registered as an investment fund manager), Nova Scotia, Ontario (where it is also registered as an investment fund manager), Prince Edward Island, Québec (where it is also registered as an investment fund manager) and Saskatchewan.
11. The Fund will be based on an existing T. Rowe Price strategy called the "T. Rowe Price Global Allocation" strategy which T. Rowe Price manages in a mutual fund format in the United States and a SICAV format in Europe. In either format (the U.S. mutual fund or the SICAV) T. Rowe Price will invest up to 10% of a fund's assets in the Underlying Fund (or in the case of the SICAV, the underlying SICAV equivalent to the Underlying Fund) in order to gain exposure to a global fixed income mandate that requires a large amount of capital to manage effectively. T. Rowe Price would like to implement the same approach for the Fund by investing up to a maximum of 10% of the Fund's total assets in the Underlying Fund.
12. The Fund is not in default of applicable securities legislation in any of the Canadian Jurisdictions.

The Underlying Fund

13. The Underlying Fund is, in the United States, a registered investment company under the Investment Company Act and a publicly offered mutual fund under the Investment Company Act.
14. The Underlying Fund will not be managed by, or advised by, the Filer or an affiliate of the Filer.
15. The requirements/industry standards relating to reporting, fund governance and investment restrictions in the U.S. applicable to the Underlying Fund are comparable to those in the Canadian regulations.

16. The Underlying Fund will not hold more than 10% of its net asset value (**NAV**) in securities of another investment fund unless: (i) the Underlying Fund is a clone fund, as defined in NI 81-102, (ii) the other investment fund is a money market fund, as defined in NI 81-102, or (iii) securities of the other investment fund are index participation units (**IPUs**).
17. The Fund will not pay sales fees or redemption fees in relation to its purchase or redemption of the securities of the Underlying Fund which to a reasonable person would duplicate a fee payable by an investor in the Fund.
18. The Fund will not pay management or incentive fees which to a reasonable person would duplicate a fee payable by the Underlying Fund for the same service.
19. Absent the Exemption Sought, an investment by the Fund in the Underlying Fund would:
 - a. be prohibited by paragraph 2.5(2)(a)(i) of NI 81-102 because the Underlying Fund is not subject to NI 81-102;
 - b. be prohibited by paragraph 2.5(2)(c) of NI 81-102 because the Underlying Fund is not a reporting issuer in any Canadian Jurisdiction; and
 - c. not qualify for the exception in paragraph 2.5(3)(a) of NI 81-102 because the securities of the Underlying Fund are not IPUs.

The Benefits of the Fund Investing in the Underlying Fund

20. An investment by the Fund in securities of the Underlying Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund and will be made in accordance with the investment objective of the Fund.
21. In the Filer's view, there does not exist other investment options for the Fund that would provide the same or comparable benefits that investing in Underlying Fund provides while fulfilling the Fund's objective.
22. The key benefits of the Fund investing in the Underlying Fund are greater choice, improved portfolio diversification and potentially enhanced returns. For example:
 - a. an investment in the Underlying Fund will provide the Fund with access to specialized knowledge expertise and/or analytical resources of the investment adviser to the Underlying Fund;
 - b. the Underlying Fund provides a potentially better risk profile, diversification and improved liquidity/tradability than direct holdings of asset classes to which the Underlying Fund provides exposure; and
 - c. the investment strategies of the Underlying Fund offer broader exposure to asset classes, sectors and markets than those available in the existing Canadian investment fund market.
23. The Filer submits that having the option to allocate a limited portion of the Fund's assets to Underlying Fund will increase diversification opportunities and may improve the Fund's overall risk profile.
24. An investment in the Underlying Fund by the Fund is an efficient and cost effective alternative to obtaining exposure to securities held by the Underlying Fund rather than purchasing those securities directly in the Fund.
25. An investment in the Underlying Fund by the Fund should pose limited investment risk to the Fund because the Underlying Fund will be subject to the Investment Company Act, subject to any exemption therefrom that may in the future be granted by the applicable securities regulatory authority.

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) the investment by the Fund in securities of the Underlying Fund is in accordance with the investment objectives of the Fund;
- (b) the Fund does not purchase securities of the Underlying Fund if, immediately after the purchase, more than 10% of the net assets value of the Fund, in aggregate, taken at market value at the time of the purchase, would consist of securities of the Underlying Fund or any other underlying fund that is not subject to NI 81-102 and not a reporting issuer in any Canadian Jurisdiction;

B.3: Reasons and Decisions

- (c) the Fund does not short sell securities of the Underlying Fund;
- (d) the Underlying Fund is, immediately before the purchase by the Fund of securities of the Underlying Fund, an investment company subject to the Investment Company Act in good standing with the United States Securities and Exchange Commission; and
- (e) the prospectus of the Fund discloses, or will disclose in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Fund has obtained the Exemption Sought to permit investments in the Underlying Fund on the terms described in this decision.

"Darren McKall"

Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

Application File #: 2023/0018
SEDAR File #: 3480321

B.3.4 Fédération des caisses Desjardins du Québec

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – The filer, a federation of financial services cooperatives, applied for relief from the basic eligibility criteria to file a short form prospectus in paragraph 2.2(e) of National Instrument 44-101 Short Form Prospectus Distributions and the basic eligibility criteria to file a base shelf prospectus in subsections 2.2(1) and (2) and subparagraph 2.2(3)(b)(iii) of National Instrument 44-102 Shelf Distributions. Relief required so filer could file a base shelf prospectus that would qualify offerings of market-linked notes that have no principal protection. Relief granted on terms and conditions set out in decision document.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, s. 2.2(e) and Part 8.
National Instrument 44-102 Shelf Distributions, ss. 2.2(1) and (2), 2.2(3)(b)(iii), and Part 11.

February 17, 2023

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

AND

THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC
(the “Filer”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the qualification criteria in section 2.2(e) of *Regulation 44-101 respecting Short Form Prospectus Distributions*, CQLR, c. V 1.1, r. 16 (**Regulation 44-101**) and subsections 2.2(1) and 2.2(2) and subparagraph 2.2(3)(b)(iii) of *Regulation 44-102 respecting Shelf Distributions*, CQLR, V 1.1, r. 17 (**Regulation 44-102**), under which the equity securities of the Filer be listed and posted for trading on an eligible exchange, not apply to the Filer (the **Exemption Sought**), the whole pursuant to part 8 of Regulation 44-101 and part 11 of Regulation 44-102, respectively.

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 (the **Principal Regulator**);
- (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, Prince Edward Island and Newfoundland and Labrador; and
- (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, Regulation 44-101 and Regulation 44-102 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 federation of financial services cooperatives amalgamated under the *Act respecting financial services cooperatives* (Québec), CQLR, c. C 67.3 (**Cooperatives Act**).
2. The Filer's head office is located in Québec.
3. The cooperative group to which the Filer belongs is called the Groupe coopératif Desjardins, and the financial group to which the Filer belongs is called the Mouvement Desjardins. The Mouvement Desjardins is comprised of the Filer, the Filer's subsidiaries, the Desjardins caisses in Québec (the **Desjardins Caisses**), Caisse Desjardins Credit Union Inc. in Ontario and the *Fonds de sécurité Desjardins*. The Groupe coopératif Desjardins is comprised of the Filer, the Desjardins Caisses and the *Fonds de sécurité Desjardins*.
4. Each of the Desjardins Caisses is a financial services cooperative governed by the Cooperatives Act and is a member of the Filer, a federation of financial services cooperatives governed by the Cooperatives Act. The Filer is also a financial services cooperative governed by the Cooperatives Act.
5. The Filer is a reporting issuer in all of the provinces of Canada and is not in default of securities legislation in any of those jurisdictions.
6. Founded in 1900, the Mouvement Desjardins is the largest financial cooperative group in North America, with assets of \$408.1 billion as at September 30, 2022. The Mouvement Desjardins employs more than 58,300 employees as at September 30, 2022. On June 19, 2013, the Principal Regulator designated the Mouvement Desjardins as a domestic systemically important financial institution (a **D-SIFI**).
7. The mission of the Filer is to look after the capital and risk management of the Mouvement Desjardins and to see to the financial health of the Groupe coopératif Desjardins and its sustainability. The Filer is a seasoned issuer in the Canadian and global markets, and the Mouvement Desjardins' funding totaled more than \$51 billion as of September 30, 2022, on a combined basis, and included, among others, multiple series of notes and covered bonds as well as commercial paper.
8. In addition, the Filer acts as the control and supervisory body over the Desjardins Caisses. The Desjardins Caisses are required to finance the Filer by way of contributions fixed by the latter. The Filer also provides the Desjardins Caisses and Caisse Desjardins Credit Union Inc. with a variety of services, including certain technical, financial and administrative services. As at December 31, 2022, there were 212 Desjardins Caisses in Québec.
9. The Filer is also the treasurer and official representative of the Mouvement Desjardins with the Bank of Canada and within the Canadian banking system.
10. The Filer's share capital is composed of various classes of capital shares, all of which are owned or controlled by members and auxiliary members of the Filer or members and auxiliary members of the Desjardins Caisses.
11. Because of the cooperative nature of the Filer and the Groupe coopératif Desjardins, the Filer's constating documents do not allow for the issuance of capital shares of the Filer to the public (i.e., outside of members and auxiliary members of the Filer or of the Desjardins Caisses), except in remote, extraordinary circumstances.
12. As a result thereof, the currently issued and outstanding capital shares of the Filer cannot be listed and posted for trading on a short-form eligible exchange.
13. All domestic systemically important banks have filed base shelf prospectuses that are currently effective, and which qualify the issuance of, *inter alia*, debt securities with terms substantially similar to those of the Securities (as defined below).
14. The Filer obtained credit ratings for its medium and long term senior notes, medium and long term senior notes subject to Bail-in Powers, short term senior debt and subordinated notes that are non-viability contingent capital. The Filer is not aware of any pending downgrades of such ratings. The ratings are assigned generally and not to any specific issuances of Securities. In May 2010, Fitch Ratings, Inc. (Fitch) announced that it will no longer rate market-linked notes which have variable principal protection. Moody's Canada Inc. (Moody's) and S&P Global Ratings Canada (S&P) had each previously announced in June and December 2009, respectively, that it would no longer rate market-linked notes which have variable principal protection. Similarly, DBRS Limited (DBRS) no longer rates market-linked notes which have variable principal protection.
15. The Filer expects to file a base shelf prospectus for the issuance of the Securities up to \$2,000,000,000 (together with the applicable shelf prospectus supplements, the **Prospectus**).

16. Except (i) for the requirement that its equity securities be listed on a short-form eligible exchange, the Filer meets all requirements in order to qualify under the “Basic Qualification Criteria” to file a prospectus in the form of a short form prospectus, as set forth under section 2.2 of Regulation 44-101 (and in the form of a base shelf prospectus, as set forth under section 2.2 of Regulation 44-102) and (ii) for the requirement that the Securities have received a designated rating, the Filer meets all requirements in order to qualify under the “Alternative Qualification Criteria for Issuers of Designated Rating Non-Convertible Securities” to file a prospectus in the form of a short form prospectus (and in the form of a base shelf prospectus, as set forth under section 2.3 of Regulation 44-102), as:
- (a) the Securities are non-convertible securities;
 - (b) the Filer is an electronic filer under *Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval* (SEDAR), CQLR, c. V-1.1, r. 2;
 - (c) the Filer is a reporting issuer in each of the provinces of Canada;
 - (d) the Filer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction (i) under applicable securities legislation, (ii) pursuant to any order issued by the securities regulatory authorities in such jurisdiction, and (iii) pursuant to any undertaking to the securities regulatory authorities in such jurisdiction, namely in compliance with decision no. 2021-FS-0091 of the Principal Regulator (the **FS Decision**);
 - (e) the Filer has, in all provinces of Canada, filed current annual financial statements and a current AIF, namely as required by the FS Decision; and
 - (f) the Filer is not an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or its exchange listing.
17. The Filer does not plan to seek ratings for any specific issuance of Securities under the Prospectus.
18. The securities to be offered by the Filer under the Prospectus will be unsubordinated debt securities that are not convertible in accordance with their terms, that are not non-viability contingent capital, that are not eligible for internal recapitalization and that are market-linked notes with no principal protection (principal at risk notes) (collectively, the **Securities**).

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 complies with the applicable requirements, procedures and qualification criteria of Regulation 44-101, other than the requirement of Section 2.2(e) of Regulation 44-101 that the Filer's equity securities be listed and posted for trading on a short-form eligible exchange;
- (b) the Filer is not an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or an exchange listing;
- (c) the Mouvement Desjardins continues to be recognized by the Principal Regulator as a D-SIFI under applicable financial institutions legislation in the province of Québec;
- (d) each base shelf prospectus supplement qualifying Securities distributed under the Final Prospectus includes cover page disclosure that:
 - (i) the Securities qualified under such shelf prospectus supplement are not rated;
 - (ii) any non issue specific credit rating applicable to Securities issued under such shelf prospectus supplement only applies to credit-related factors such as the Filer's ability to make any payments it would be obligated to make under the Securities;
 - (iii) any non issue specific credit rating applicable to Securities issued under such shelf prospectus supplement does not apply to non-principal protected indexed Notes and, for so long as Fitch, Moody's, S&P and DBRS continue not to rate non-principal protected indexed Securities, an explanation to that effect; and

- (iv) an investor's principal is at risk as a result of non credit-related factors such as the performance of the underlying reference asset;
- (e) the Filer complies with its undertaking filed concurrently with the Final Prospectus that it will not distribute in any local jurisdiction under the Final Prospectus specified derivatives, that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives, in accordance with subsection 4.1(2) of Regulation 44-102; and
- (f) the Exemption Sought will cease to have effect upon expiry of the receipt issued for the first Prospectus filed after the date hereof.

"Benoît Gascon"

Directeur principal du financement des sociétés
Autorité des marchés financiers

OSC File #: 2023/0048

B.3.5 Teck Resources Limited**Headnote**

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the requirement in section 8.1 of MI 61-101 to obtain minority approval for arrangement from holders of every class of affected securities, voting separately as a class – arrangement will introduce a sunset provision to issuer's multiple voting shares that would result in the collapse of dual class share structure in consideration for a fraction of a subordinate voting share per multiple voting share – arrangement is a business combination under MI 61-101 as each multiple voting share will be acquired and exchanged for a new multiple voting share containing the sunset provision (potentially without the consent of the holder) and related parties of the issuer are entitled to receive, as a consequence of the arrangement, consideration for their multiple voting shares that is greater than the entitlement of subordinate voting shareholders (who are not entitled to any consideration as their interests are not being terminated) – minority approval under MI 61-101 would be determined by a majority of votes cast by multiple voting shareholders, excluding the related parties – there is no conflict between the related parties and the other multiple voting shareholders, who will be treated identically and receive consideration per multiple voting share that is identical in amount and form to the entitlement of the related party multiple voting shareholders – no related party multiple voting shareholder has received, or will receive, any preference, payment, beneficial enhancement, collateral benefit or inducement of any kind in connection with the arrangement – instead of seeking minority approval from the holders of multiple voting shares, the issuer determined to seek approval for the arrangement from a majority of the votes cast by subordinate voting shareholders, excluding the votes attached to the subordinate voting shares held by the related party multiple voting shareholders, in addition to the applicable corporate law approvals – relief requested granted, subject to conditions, including that the issuer seek and obtain the modified approvals for the arrangement.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 4.5, 8.1, and 9.1(2).

February 28, 2023

**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
TECK RESOURCES LIMITED
(the “Filer”)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) from the requirement in section 8.1 of MI 61-101 to obtain minority approval for the Proposed Dual Class Shares Amendment (as defined below) from the holders of every class of affected securities of the Filer, in each case voting separately as a class (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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in Alberta, Manitoba, Saskatchewan, Québec and New Brunswick.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and MI 61-101 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 validly existing under the *Canada Business Corporations Act* (the “**CBCA**”) and is in good standing.
2. The registered and principal offices of the Filer are located at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, V6C 0B3.
3. The Filer is a reporting issuer in each province and territory of Canada and is not in default of any applicable requirements of the securities legislation of such jurisdictions.
4. The Filer is a diversified resource company with major business units focused on copper, zinc and steelmaking coal. The Filer has interests in mining and processing operations in Canada, the United States, Peru and Chile, including four operating steelmaking coal mines, all of which are located in British Columbia.
5. The authorized share capital of the Filer consists of an unlimited number of Class A common shares (the “**Class A Shares**”) and Class B subordinate voting shares (the “**Subordinate Voting Shares**”, and together with the Class A Shares, the “**Voting Shares**” and the holders of Voting Shares collectively, the “**Shareholders**”), and an unlimited number of preference shares, issuable in series.
6. The Class A Shares carry the right to 100 votes per share. The Subordinate Voting Shares carry the right to one (1) vote per share. Each Class A Share is convertible, at the option of the holder, into one Subordinate Voting Share. In all other respects, including dividend rights and the distribution of property upon dissolution or winding-up of the Filer, the Class A Shares and the Subordinate Voting Shares rank equally.
7. The Subordinate Voting Shares contain take-over protective (or coattail) provisions, which provide that, in the event that an offer (an “**Exclusionary Offer**”) to purchase Class A Shares, which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Subordinate Voting Shares on identical terms, then subject to certain restrictions, each Subordinate Voting Share will be convertible into one Class A Share at the option of the holder during a certain period, provided that any Class A Shares received upon such conversion are deposited to the Exclusionary Offer. The Proposed Dual Class Shares Amendment is not an Exclusionary Offer under the terms of the take-over protective (or coattail) provisions of the Subordinate Voting Shares.
8. The Filer’s articles of amalgamation provide that in the event the Class A Shares or the Subordinate Voting Shares, or both, are at any time subdivided or consolidated or reclassified or otherwise changed, appropriate adjustment shall be made (and if not made, shall be deemed to have been made) to the rights, privileges, restrictions and conditions, respectively, attaching to the Class A Shares and to the Subordinate Voting Shares so as to maintain and preserve the relative rights of the holders of each such class of shares.
9. As at December 31, 2022, the Filer had issued and outstanding: (i) 7,765,503 Class A Shares (representing 60.55% of the aggregate voting rights attached to the Voting Shares); (ii) 505,953,600 Subordinate Voting Shares (representing approximately 39.45% of the aggregate voting rights attached to the Voting Shares); and (iii) no preference shares.
10. The Class A Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the ticker symbol “TECK.A”. The Subordinate Voting Shares are listed on the TSX under the ticker symbol “TECK.B” and on the New York Stock Exchange under the symbol “TECK”.
11. To the knowledge of the Filer, Temagami Mining Company Limited (“**Temagami**”) owns, controls or directs 4,300,000 Class A Shares (representing approximately 55.37% of the votes attached to the Class A Shares and 33.53% of the Voting Shares) and 525,000 Subordinate Voting Shares (representing approximately 0.10% of the votes attached to the Subordinate Voting Shares and 0.04% of the Voting Shares). Keevil Holding Corporation beneficially owns 51.2% of the outstanding shares of Temagami, with the other 48.8% of the outstanding shares of Temagami beneficially owned by SMM Resources Incorporated (“**SMM**”). SMM is a wholly-owned subsidiary of Sumitomo Metal Mining Co., Ltd.
12. To the knowledge of the Filer, SMM also owns, controls or directs 1,469,000 Class A Shares (representing approximately 18.92% of the votes attached to the Class A Shares and 11.45% of the Voting Shares) and 397,474 Subordinate Voting Shares (representing approximately 0.08% of the votes attached to the Subordinate Voting Shares and 0.03% of the Voting Shares).

13. To the knowledge of the Filer, Dr. Norman Bell Keevil (“**Dr. Keevil**”, and together with Temagami and SMM, the “**Principal Class A Shareholders**”) owns, controls or directs 418,880 Class A Shares (representing approximately 5.39% of the votes attached to the Class A Shares and 3.27% of the Voting Shares) and 135,338 Subordinate Voting Shares (representing approximately 0.03% of the votes attached to the Subordinate Voting Shares and 0.01% of the Voting Shares).
14. To the knowledge of the Filer, Fullbloom Investment Corporation owns, controls or directs 52,294,674 Subordinate Voting Shares (representing approximately 10.34% of the votes attached to Subordinate Voting Shares and 4.08% of the Voting Shares). Fullbloom Investment Corporation is a wholly-owned subsidiary of China Investment Corporation.
15. To the knowledge of the Filer, no other party owns or exercises control or direction over more than 10% of either class of Voting Shares.
16. The board of directors of the Filer (the “**Board**”) formed an independent special committee (the “**Special Committee**”) in April 2022 to review and consider various potential transactions involving its steelmaking coal assets (collectively, the “**Steelmaking Coal Assets**”). The Steelmaking Coal Assets consist of interests in the Elkview, Fording River, Greenhills and Line Creek mines in British Columbia, along with certain related assets.
17. On February 21, 2023, the Filer issued and filed a press release announcing that it entered into an arrangement transaction (the “**Proposed Spin-Off Transaction**”) to be carried out by way of a plan of arrangement in accordance with section 192 of the CBCA. Pursuant to the Proposed Spin-Off Transaction: (i) the per share stated capital of the Class A Shares and the Subordinate Voting Shares will be equalized through the shifting of stated capital from the Subordinate Voting Shares to the Class A Shares; (ii) the Steelmaking Coal Assets will be transferred to Elk Valley Resources Ltd. (“**Elk Valley**”), a newly incorporated, wholly-owned subsidiary of the Filer, in exchange for a royalty, preferred shares and common shares of Elk Valley (the “**Elk Valley Common Shares**”); and (iii) all of the Elk Valley Common Shares directly received by the Filer will be distributed to the Shareholders as a reduction of the stated capital of the Voting Shares. An 87.5% interest in the royalty and preferred shares of Elk Valley will be retained by the Filer.
18. Pursuant to the Proposed Spin-Off Transaction, Shareholders will be entitled to receive 0.1 of an Elk Valley Common Share and approximately \$0.39 in cash, per Voting Share (subject to elections and proration, the “**Proposed Per Share Spin-Off Transaction Consideration**”). Each Shareholder is entitled to elect to receive, in respect of all the Voting Shares held by it, subject to proration: (i) the maximum amount of cash (the “**Maximum Cash Consideration**”); or (ii) the maximum number of Elk Valley Common Shares. Shareholders who do not make an election will be deemed to have elected to receive the maximum number of Elk Valley Common Shares.
19. Each Shareholder electing to receive the Maximum Cash Consideration is required to specify the lowest amount in cash per Elk Valley Common Share that it would be willing to accept in lieu of each Elk Valley Common Share it would otherwise be entitled to receive pursuant to the Proposed Spin-Off Transaction, subject to a minimum and maximum price range (the “**Elected Price**”). The Filer will then determine a single price per Elk Valley Common Share (the “**Clearing Price**”) for the purposes of determining distributions, which will be the price at which Shareholders who have elected to receive the Maximum Cash Consideration would, subject to proration, receive the lowest number of Elk Valley Common Shares pursuant to the distribution (in the aggregate). A shareholder whose Elected Price is less than or equal to the Clearing Price would receive, subject to proration, an amount of cash equal to the Clearing Price in lieu of an Elk Valley Common Share, in addition to the base cash distribution.
20. The Proposed Spin-Off Transaction is a “related party transaction” for the purposes of MI 61-101, but is exempt from the requirements of Part 5 of MI 61-101 pursuant to section 5.1(k) thereof, because the general body of holders in Canada of affected securities of the same class will be treated identically on a per security basis and the Proposed Spin-Off Transaction has no “interested party” for purposes of paragraph (d) of the definition of such term in MI 61-101.
21. Holders of Class A Shares (including the Principal Class A Shareholders) and holders of Subordinate Voting Shares will be treated identically under the Proposed Spin-Off Transaction, on a per share basis. Each of the holders of Voting Shares have an identical opportunity to elect to receive, subject to proration, the Maximum Cash Consideration, or the maximum number of Elk Valley Common Shares and will be subject to the same deeming provisions if they fail to make an election (i.e., they will be deemed to have elected to receive the maximum number of Elk Valley Common Shares).
22. Other than the Proposed Per Share Spin-Off Transaction Consideration, no Principal Class A Shareholder has received, or will receive, directly or indirectly, any preference, payment, beneficial enhancement, collateral benefit, or inducement of any kind in connection with the Proposed Spin-Off Transaction. There are, and will be, no collateral benefits in connection with the Proposed Spin-Off Transaction.
23. Each Principal Class A Shareholder has agreed to elect to receive the maximum number of Elk Valley Common Shares.

24. The Proposed Spin-Off Transaction will be subject to receipt of: (i) two-thirds approval from holders of the Class A Shares, voting separately as a class; and (ii) two-thirds approval from holders of the Subordinate Voting Shares, voting separately as a class.
25. On completion of the Proposed Spin-Off Transaction, Elk Valley will become a reporting issuer in each of the provinces and territories of Canada, and the Elk Valley Common Shares are expected to be listed on the TSX.
26. On February 21, 2023, the Filer also announced a proposal (the “**Proposed Dual Class Shares Amendment**”) to be carried out by way of a plan of arrangement in accordance with section 192 of the CBCA. The effect of the Proposed Dual Class Shares Amendment is to introduce a “sunset provision” to its Class A Shares that would result in the collapse of the Filer’s dual class share structure six (6) years from the effective date of the Proposed Dual Class Shares Amendment in consideration for 0.67 of a Subordinate Voting Share per Class A Share.
27. Pursuant to the Proposed Dual Class Shares Amendment:
 - (a) the Filer’s articles will be amended to: (i) redesignate the Class A Shares as “Old Class A common shares” (the “**Old Class A Shares**”); and (ii) create a new class of shares, designated as “Class A common shares” (the “**New Class A Shares**”) the terms of which will provide that the New Class A Shares will be automatically exchanged on a one-for-one basis for Subordinate Voting Shares on the date which is six (6) years from the effective date of the Proposed Dual Class Shares Amendment and which will otherwise have the same terms as the Old Class A Shares;
 - (b) each Old Class A Share, other than Old Class A Shares that are held by a dissenting holder in respect of which dissent rights have been validly exercised, will be acquired by the Filer in exchange for one (1) New Class A Share and 0.67 of a Subordinate Voting Share (together, the “**Exchange Shares**”);
 - (c) all the Old Class A Shares acquired in exchange for Exchange Shares will be cancelled; and
 - (d) the Filer’s articles will be amended to delete the authorized Old Class A Shares (none of which will be outstanding) and the rights, privileges, restrictions, and conditions attaching to such Old Class A Shares.
28. Both the fair market value of the subject matter of, and the fair market value of the consideration for, the Proposed Dual Class Shares Amendment, insofar as it involves the Principal Class A Shareholders, is less than 25% of the Filer’s market capitalization (calculated in accordance with MI 61-101 and on the basis of the Filer’s market capitalization as of February 17, 2023 (being the last trading day prior to announcement of the Proposed Dual Class Shares Amendment)).
29. Since early 2019, collapsing the Filer’s dual class share structure has been a regular agenda item for meetings of the Filer’s Corporate Governance & Nominating Committee (the “**Governance Committee**”) and the Governance Committee has also received regular updates from the Filer’s counsel regarding developments, regulatory and otherwise, and investor sentiment towards dual class share structure companies since that time. Through the course of its consideration of alternatives related to the Steelmaking Coal Assets, the Special Committee determined that there may be significant benefits to the Filer if it implemented the Proposed Dual Class Shares Amendment substantially concurrently with completion of the Proposed Spin-Off Transaction.
30. The Special Committee and the Board determined that the Proposed Dual Class Shares Amendment is in the best interest of the Filer and fair to Shareholders.
31. Each of the Principal Class A Shareholders have entered into voting support agreements pursuant to which, *inter alia*, each Principal Class A Shareholder has agreed to: (i) vote any Class A Shares and Subordinate Voting Shares held by them eligible to vote at the meeting of Shareholders called to consider the Proposed Spin-Off Transaction and the Proposed Dual Class Shares Amendment in favour of the resolutions to approve each of them; and (ii) in the case of SMM and Dr. Keevil, certain transfer restrictions with respect to the Elk Valley Common Shares to be received by them pursuant to the Proposed Spin-Off Transaction (including Elk Valley Common Shares received by Temagami pursuant to the Proposed Spin-Off Transaction that may be distributed, directly or indirectly, to each of them as direct or indirect shareholders of Temagami).
32. Completion of the Proposed Dual Class Shares Amendment and completion of the Proposed Spin-Off Transaction are not conditional on one another. In the event that both arrangements are approved, the Proposed Dual Class Shares Amendment will occur prior to the Proposed Spin-Off Transaction, and the Subordinate Voting Shares received by holders of Class A Shares will be entitled to distributions pursuant to the Proposed Spin-Off Transaction.
33. The Proposed Dual Class Shares Amendment is a “business combination” for the purposes of MI 61-101 and subject to the requirements of Part 4 of MI 61-101 as: (i) each Class A Share will be exchanged for a New Class A Share, potentially without the consent of the holder of the Class A Share; and (ii) the Principal Class A Shareholders are “related parties” of the Filer and they are entitled to receive, as a consequence of the Proposed Dual Class Shares Amendment,

consideration for their Class A Shares that is greater than the entitlement of the holders of Subordinate Voting Shares (i.e., the Filer's other class of equity securities) in relation to the voting and financial participating interests in the Filer represented by the respective securities. Pursuant to the Proposed Dual Class Shares Amendment, the Principal Class A Shareholders, in their capacity as holders of Class A Shares, will receive 0.67 of a Subordinate Voting Share per Class A Share, whereas the holders of Subordinate Voting Shares will not be entitled to receive consideration as their interests are not being terminated.

34. A formal valuation is not required for the Proposed Dual Class Shares Amendment as no interested party: (i) would, as a consequence of the Proposed Dual Class Shares Amendment, directly or indirectly acquire the Filer or the Filer's business, or combine with the Filer, whether alone or with joint actors; or (ii) is party to any connected transaction to the Proposed Dual Class Shares Amendment that is a related party transaction for which the Filer is required to obtain a formal valuation under section 5.4 of MI 61-101. While the Proposed Spin-Off Transaction is a connected transaction to the Proposed Dual Class Shares Amendment, the Proposed Spin-Off Transaction is exempt from the requirements of Part 5 of MI 61-101, including section 5.4.
35. Section 8.1 of MI 61-101 requires that minority approval for the Proposed Dual Class Shares Amendment be obtained from the holders of every class of affected securities of the Filer, in each case voting separately as a class. An affected security for a business combination is defined to mean an equity security of the issuer in which the interest of a security holder would be terminated as a consequence of the transaction. Under the Proposed Dual Class Shares Amendment, only holders of Class A Shares will have their interests terminated; the interests of the holders of Subordinate Voting Shares will be untouched. Accordingly, under MI 61-101, minority approval for the Proposed Dual Class Shares Amendment would be approval by a majority of the votes cast by holders of the Class A Shares excluding the votes attached to Class A Shares beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the "**Interested Shareholders**" and all other holders of Class A Shares, the "**Disinterested Shareholders**") at the shareholder meeting to be held by the Filer in respect of the Proposed Dual Class Shares Amendment. The only Interested Shareholders in respect of the Proposed Dual Class Shares Amendment are the Principal Class A Shareholders.
36. To the knowledge of the Filer, as at December 31, 2022:
 - (a) the Principal Class A Shareholders beneficially own or have control or direction over an aggregate of 6,187,880 Class A Shares (representing approximately 79.68% of the total votes attached to the Class A Shares), and an aggregate of 1,057,812 Subordinate Voting Shares (representing approximately 0.21% of the total votes attached to the Subordinate Voting Shares);
 - (b) Disinterested Shareholders beneficially own or have control or direction over an aggregate of 1,577,623 Class A Shares (representing approximately 20.32% of the total votes attached to the Class A Shares); and
 - (c) after excluding the Subordinate Voting Shares held by the Principal Class A Shareholders, the remaining holders of Subordinate Voting Shares hold an aggregate of 504,895,788 Subordinate Voting Shares (representing approximately 99.79% of the total votes attached to the Subordinate Voting Shares).
37. The Proposed Dual Class Shares Amendment does not require that minority approval be obtained under the provisions of either Ontario Securities Commission Rule 56-501 *Restricted Shares* or National Instrument 41-101 *General Prospectus Requirements*.
38. Pursuant to applicable corporate law, the Proposed Dual Class Shares Amendment will be subject to receipt of (i) two-thirds approval from holders of the Class A Shares, voting separately as a class; and (ii) two-thirds approval from holders of the Subordinate Voting Shares, voting separately as a class. The Filer has also determined to have the Proposed Dual Class Shares Amendment be approved by a majority of the votes cast by holders of Subordinate Voting Shares, excluding the votes attached to Subordinate Voting Shares held by the Principal Class A Shareholders (such approvals, collectively the "**Dual Class Shares Amendment Approvals**").
39. The terms of the Proposed Dual Class Shares Amendment were negotiated on behalf of the Filer by the Special Committee, which is comprised solely of directors of the Filer who are independent of both the Filer and the Principal Class A Shareholders. In connection with its consideration of the Proposed Dual Class Shares Amendment, the Special Committee retained independent legal and financial advisors.
40. The terms of the Proposed Dual Class Shares Amendment were negotiated on behalf of all holders of Class A Shares by the Principal Class A Shareholders, each of whom is a sophisticated party.
41. There is no conflict vis-à-vis the Principal Class A Shareholders and the Disinterested Shareholders. The Disinterested Shareholders will be treated identically and will receive consideration per Class A Share that is identical in amount and form to the entitlement of Principal Class A Shareholders, being the Exchange Shares.

42. Other than the Exchange Shares per Class A Share, none of the Principal Class A Shareholders, has received, or will receive, directly or indirectly, any preference, payment, beneficial enhancement, collateral benefit or inducement of any kind in connection with the Proposed Dual Class Shares Amendment.
43. The Filer will be calling a meeting of Shareholders at which the Dual Class Shares Amendment Approvals will be sought (the “**Meeting**”) and will be sending an information circular to Shareholders (the “**Information Circular**”).
44. The Information Circular will satisfy and comply with the disclosure requirements set out in subsection 4.2(3) of MI 61-101 and the provisions of CSA Multilateral Staff Notice 61-302 *Staff Review and Commentary on Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* (“**CSA Staff Notice 61-302**”).
45. The Special Committee has received fairness opinions in respect of the Proposed Dual Class Shares Amendment from Origin Merchant Partners (the “**Origin Fairness Opinion**”) and BMO Nesbitt Burns Inc. (the “**BMO Fairness Opinion**”) and together with the Origin Fairness Opinion, the “**Fairness Opinions**”). Origin Merchant Partners is an independent valuator whose fee is fixed regardless of the conclusion reached in its opinion or whether the Proposed Dual Class Shares Amendment is completed. Copies of the Fairness Opinions will be included in the Information Circular and the Origin Fairness Opinion and the associated disclosure will comply with the provisions of CSA Staff Notice 61-302.
46. The Proposed Dual Class Shares Amendment is required to be approved by the Supreme Court of British Columbia, which will consider, among other things, the fairness and reasonableness of the Proposed Dual Class Shares Amendment.
47. Shareholders will have a right of dissent in respect of the Proposed Dual Class Shares Amendment.

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) the Filer seeks and obtains the Dual Class Shares Amendment Approvals at the Meeting;
- (b) the Disinterested Shareholders are treated identically and receive consideration per Class A Share that is identical in amount and form to the entitlement of the Principal Class A Shareholders under the Proposed Dual Class Shares Amendment;
- (c) other than the Exchange Shares per Class A Share, no Principal Class A Shareholder has received, or will receive, directly or indirectly, any preference, payment, beneficial enhancement, collateral benefit or inducement of any kind in connection with the Proposed Dual Class Shares Amendment;
- (d) the holders of Class A Shares (including the Principal Class A Shareholders) and the holders of Subordinate Voting Shares are treated identically under the Proposed Spin-Off Transaction, on a per share basis;
- (e) other than the Proposed Per Share Spin-Off Transaction Consideration, no Principal Class A Shareholder has received, or will receive, directly or indirectly, any preference, payment, beneficial enhancement, collateral benefit or inducement of any kind in connection with the Proposed Spin-Off Transaction;
- (f) there are, and will be, no collateral benefits in connection with the Proposed Spin-Off Transaction or the Proposed Dual Class Shares Amendment;
- (g) the Information Circular containing the disclosure required by MI 61-101 and CSA Staff Notice 61-302 is sent to Shareholders and filed on the System for Electronic Document Analysis and Retrieval (SEDAR); and
- (h) the Fairness Opinions are included in the Information Circular.

“Jason Koskela”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Neptune Wellness Solutions Inc.	February 21, 2023	
Rex Resources Corp.	February 3, 2023	February 27, 2023

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 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	
Gatos Silver, Inc.	April 1, 2022	
Gatos Silver, Inc.	April 12, 2022	
Sproutly Canada, Inc.	June 30, 2022	
Gatos Silver, Inc.	July 7, 2022	
iMining Technologies Inc.	September 30, 2022	
Luxxfolio Holdings Inc.	January 5, 2023	
Wellbeing Digital Sciences Inc.	February 1, 2023	

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B.5

Rules and Policies

B.5.1 Ontario Securities Commission Rule 13-502 Fees

ONTARIO SECURITIES COMMISSION RULE 13-502 FEES

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Form 13-502F7 Specified Regulated Entities – Participation Fee
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Form 13-502F9 Form Accompanying Payment of Derivatives Participation Fee

PART 1
DEFINITIONS AND INTERPRETATION

Definitions**1.** In this Rule,

“Canadian trading share”, in relation to a specified regulated entity for a specified period, means the average in the specified period of the following:

- (a) the share of the entity of the total dollar values of trades of exchange-traded securities in Canada,
- (b) the share of the entity of the total trading volume of exchange-traded securities in Canada, and
- (c) the share of the entity of the total number of trades of exchange-traded securities in Canada;

“capitalization”, in relation to a reporting issuer, means the capitalization of the reporting issuer determined in accordance with section 9, 10 or 11, as the case may be;

“capital markets activities” means activities for which registration is required, or activities for which an exemption from registration is required under the Act or under the *Commodity Futures Act*, or would be so required if those activities were carried on in Ontario;

“Class 1 reporting issuer” means a reporting issuer, other than a Class 3A reporting issuer or a Class 3B reporting issuer, that at the end of its previous financial year, had securities listed or quoted on a marketplace;

“Class 2 reporting issuer” means a reporting issuer other than a Class 1 reporting issuer, a Class 3A reporting issuer or a Class 3B reporting issuer;

“Class 3A reporting issuer” means a reporting issuer that is not incorporated under the laws of Canada or a province or territory and that

- (a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or
- (b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:
 - (i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer’s outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;
 - (ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;
 - (iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;
 - (iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than
 - (A) to its employees or to employees of one or more of its subsidiaries, or
 - (B) to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

“Class 3B reporting issuer” means a reporting issuer that

- (a) is not a Class 3A reporting issuer, and
- (b) is a designated foreign issuer or an SEC foreign issuer as those terms are defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“derivatives fee year” means a one-year period commencing on July 1 of the then previous year and ending on June 30 of the then current year;

“derivatives fee quarter-end” means the last business day in each of September, December, March and June of a derivatives fee year;

“designated financial year” in connection with the filing at any time of a completed Form 13-502F4 means,

- (a) if the filing is by a registrant firm, the most recently completed financial year of the registrant firm, determined at the time of the filing, for which audited financial statements are available, and
- (b) if the filing is by an unregistered capital market participant, the most recent completed financial year of the unregistered capital market participant, determined at the time of the filing, for which
 - (i) audited annual financial statements are available; or
 - (ii) unaudited annual financial statements are available, if the unregistered capital market participant does not ordinarily have its annual financial statements audited;

“Form 13-502F4” means Form 13-502F4 *Capital Markets Participation Fee Calculation*;

“Form 45-106F1” means Form 45-106F1 *Report of Exempt Distribution*;

“generally accepted accounting principles”, in relation to a person or company, means the generally accepted accounting principles used to prepare the financial statements of the person or company in accordance with Ontario securities law;

“highest trading marketplace” means

- (a) the marketplace on which the highest volume in Canada of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded,
- (b) if the class or series was not traded in the previous financial year on a marketplace in Canada, the marketplace on which the highest volume in the United States of America of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded, or
- (c) if the class or series was not traded in the previous financial year on a marketplace in Canada or the United States of America, the marketplace on which the highest volume of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“MFDA” means the Mutual Fund Dealers Association of Canada;

“net assets”, in relation to a person or company, means the total assets minus the total liabilities of the person or company, determined in accordance with the generally accepted accounting principles applying to the person or company;

“NI 31-103” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

“NI 33-109” means National Instrument 33-109 *Registration Information*;

“NI 45-106” means National Instrument 45-106 *Prospectus Exemptions*;

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“NI 52-107” means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“Ontario percentage” means, in relation to a person or company for a designated financial year,

- (a) in the case of a person or company that had a permanent establishment in Ontario in the designated financial year and no permanent establishment elsewhere, 100%,
- (b) in the case of a person or company that had a permanent establishment in Ontario and elsewhere in the designated financial year and had taxable income in the designated financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and

- (c) in any other case, the percentage of the total revenues of the person or company for the designated financial year attributable to capital markets activities in Ontario;

“OSC Rule 91-507” means Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*;

“parent” means a person or company of which another person or company is a subsidiary;

“permanent establishment” means a permanent establishment as defined in subsection 400(2) of the *Income Tax Regulations* (Canada);

“permitted individual” has the same meaning as in NI 33-109;

“previous financial year” means the most recently completed financial year of the person or company;

“principal regulator” has the same meaning as in NI 33-109;

“quarterly period” means, in respect of a financial year of a reporting issuer,

- (a) in the case of a 12 month financial year, the period ending on the last day of the financial year and the periods ending nine, six and three months before the end of the financial year, or
- (b) in any other case, each of four consecutive equal length periods during the financial year, in which the first period commences on the first day of the financial year of the reporting issuer and the fourth period ends on the last day of the financial year of the reporting issuer;

“registrant firm” means a registered dealer, registered adviser or registered investment fund manager;

“specified Ontario revenues”, in relation to a person or company for a designated financial year, means the revenues of the person or company calculated for the designated financial year under section 16 or 17, as the case may be;

“specified period” means the period beginning on April 1 of the previous year and ending on March 31 of the year;

“specified regulated entity” means a person or company described in Column A of Appendix D of the rule;

“subsidiary” means, subject to subsection 1(4) of the Act, a subsidiary of a person or company as determined in accordance with the generally accepted accounting principles applying to the person or company;

“taxable income” means taxable income as determined under the *Income Tax Act* (Canada);

“taxable income earned in the year in Ontario”, in relation to a person or company for a financial year, means the taxable income of the person or company earned in the financial year in Ontario as determined under Part IV of the *Income Tax Regulations* (Canada);

“unregistered capital markets participant” means

- (a) an unregistered investment fund manager;
- (b) an unregistered exempt international firm; or
- (c) a funding portal relying on the exemption in section 3 of National Instrument 45-110 *Start-up Crowdfunding Registration and Prospectus Exemptions*.

“unregistered exempt international firm” means a dealer or adviser that is not registered under the Act if one or both of the following apply:

- (a) the dealer or adviser is exempt from the dealer registration requirement and the underwriter registration requirement only because of section 8.18 [*International dealer*] of NI 31-103;
- (b) the dealer or adviser is exempt from the adviser registration requirement only because of section 8.26 [*International adviser*] of NI 31-103;

“unregistered investment fund manager” means an investment fund manager that is exempt from the investment fund manager registration requirement only because of section 4 [*Permitted clients*] of Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers*.

Interpretation of “listed or quoted”

2. In this Rule, a reporting issuer is deemed not to have securities listed or quoted on a marketplace that lists or quotes the reporting issuer's securities unless the reporting issuer or an affiliate of the reporting issuer applied for, or consented to, the listing or quotation.

**PART 2
CORPORATE FINANCE PARTICIPATION FEES**

DIVISION 1 – GENERAL

Application

3. This Part does not apply to an investment fund that has an investment fund manager.

Participation fee

4. (1) A reporting issuer that is a Class 1 reporting issuer or a Class 2 reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix A opposite the capitalization of the reporting issuer for the previous financial year.
- (2) A reporting issuer that is a Class 3A reporting issuer must, after each of its financial years, pay a participation fee of \$1,000.
- (3) A reporting issuer that is a Class 3B reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix B opposite the capitalization of the reporting issuer for the previous financial year.
- (4) Despite subsections (1) to (3), a participation fee is not payable by a participant under this section if the participant became a reporting issuer in the period that begins immediately after the time that would otherwise be the end of the previous financial year in respect of the participation fee and ends at the time the participation fee would otherwise be required to be paid under section 5.

Time of payment

5. (1) A reporting issuer must pay the participation fee required under section 4 by the earlier of
- (a) the date on which its annual financial statements for its previous financial year are required to be filed under Ontario securities law, and
 - (b) the date on which its annual financial statements for its previous financial year are filed.

Participation fee exemptions for subsidiaries

6. (1) Section 4 does not apply to a reporting issuer that is a subsidiary if all of the following apply:
- (a) at the end of the subsidiary's previous financial year, an issuer that was a Class 1 or Class 2 reporting issuer was the parent of the subsidiary;
 - (b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;
 - (c) to the extent required by section 9 or 10, the capitalization of the parent for its previous financial year included the capitalization of the subsidiary;
 - (d) the parent paid its participation fee for its previous financial year, with reference to section 9 or 10;
 - (e) in the subsidiary's previous financial year, the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1), 5.1(1) or section 5.2 and section 6.1 of NI 51-102.
- (2) A reporting issuer referred to in subsection (1) must file a completed Form 13-502F6 *Subsidiary Exemption Notice* that contains a certification signed by an officer of the reporting issuer, by the date on which its annual financial statements for its previous financial year would have been required to be filed under Ontario securities law absent an exemption or waiver described in paragraph (1)(e).

Filing report and certification

- 7. (1)** At the time that it pays the participation fee required by this Part,
- (a) a Class 1 and a Class 3B reporting issuer must file a completed Form 13-502F1 *Class 1 and Class 3B Reporting Issuers – Participation Fee*,
 - (b) a Class 2 reporting issuer must file a completed Form 13-502F2 *Class 2 Reporting Issuers – Participation Fee*, and
 - (c) a Class 3A reporting issuer must file a completed Form 13-502F3A *Class 3A Reporting Issuers – Participation Fee*.
- (2)** A form required to be filed under subsection (1) must contain a certification signed by an officer of the reporting issuer.

Late fee

- 8. (1)** A reporting issuer that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2)** If a late fee calculated under subsection (1) is less than \$100, it is deemed to be nil.

DIVISION 2 – CALCULATING CAPITALIZATION**Class 1 reporting issuers**

- 9. (1)** The capitalization of a Class 1 reporting issuer for the previous financial year is the total of all of the following:
- (a) for each class or series of the reporting issuer's equity securities listed or quoted on a marketplace, the sum of the market value of the securities listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the reporting issuer divided by four;
 - (b) if section 6 applies to a subsidiary of the reporting issuer, for each class or series of equity securities of the subsidiary, the sum of the market value of the subsidiary's securities listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the subsidiary divided by four, to the extent that this sum has not otherwise been included in the capitalization of the reporting issuer for the previous financial year;
 - (c) the fair value of the outstanding debt securities of the reporting issuer at the end of the previous financial year that are,
 - (i) listed or quoted on a marketplace,
 - (ii) traded over the counter, or
 - (iii) available for purchase or sale without regard to a statutory hold period;
 - (d) the fair value of the outstanding debt securities of the reporting issuer's subsidiaries at the end of the previous financial year for subsidiaries that are not reporting issuers, to the extent that those outstanding debt securities are consolidated in the reporting issuer's financial statements and are
 - (i) listed or quoted on a marketplace,
 - (ii) traded over the counter, or
 - (iii) available for purchase or sale without regard to a statutory hold period;
 - (e) the fair value of the outstanding debt securities of the reporting issuer's subsidiaries at the end of the previous financial year for subsidiaries that are reporting issuers to which section 6 applies, to the extent that those outstanding debt securities are
 - (i) listed or quoted on a market place,
 - (ii) traded over the counter, or
 - (iii) available for purchase or sale without regard to a statutory hold period.

- (2) For the purpose of paragraphs (1)(a) and (b), the market value of each class or series of a reporting issuer's equity securities listed or quoted on a market place is calculated for each quarterly period as follows:

$$A \times B$$

in which,

"A" is equal to the closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading market place, and

"B" is equal to the number of securities in the class or series of such security outstanding at the end of the quarterly period.

Class 2 reporting issuers

10. (1) The capitalization of a Class 2 reporting issuer for the previous financial year is the total of all of the following items, as shown in its audited statement of financial position as at the end of the previous financial year:

- (a) retained earnings or deficit;
- (b) contributed surplus;
- (c) share capital or owners' equity, options, warrants and preferred shares;
- (d) non-current borrowings, including the current portion;
- (e) finance leases, including the current portion;
- (f) non-controlling interest;
- (g) items classified on the statement of financial position as non-current liabilities, and not otherwise referred to in this subsection;
- (h) any other item forming part of equity not otherwise referred to in this subsection.

- (2) Despite subsection (1), a reporting issuer may calculate its capitalization using unaudited annual financial statements if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.
- (3) Despite subsection (1), a reporting issuer that is a trust that issues only asset-backed securities through pass-through certificates may calculate its capitalization using the monthly filed distribution report for the last month of the previous financial year if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

Class 3B reporting issuers

11. The capitalization of a Class 3B reporting issuer must be determined under section 9, as if it were a Class 1 reporting issuer.

Reliance on published information

12. (1) Subject to subsection (2), in determining its capitalization, a reporting issuer may rely on information made available by a marketplace on which its securities trade.
- (2) If a reporting issuer reasonably believes that the information made available by a marketplace is incorrect, the issuer must make a good faith estimate of the information required.

PART 3 CAPITAL MARKETS PARTICIPATION FEES

DIVISION 1 – GENERAL

Participation fee – Registrant firms and unregistered capital markets participants

13. (1) A registrant firm or an unregistered capital markets participant must, after August 31 and before November 2 in each year, file a completed Form 13-502F4 showing the information required to determine the applicable participation fee referred to in sections 16 or 17.

- (2) A registrant firm or an unregistered capital markets participant must, by December 31 in each year, pay the participation fee shown in Appendix C opposite the specified Ontario revenues for the designated financial year of the firm or participant.
- (3) Despite subsections (1) and (2), if a person or company that was neither a registrant firm nor an unregistered capital market participant becomes, between November 1 and December 31, a registrant firm or an unregistered capital markets participant, it must, within 60 days of the date of it becoming a registrant firm or unregistered capital markets participant
- (a) file a completed Form 13-502F4; and
 - (b) pay the participation fee determined in the completed Form 13-502F4.

Certification

14. (1) A Form 13-502F4 required to be filed under section 13 must contain a certification signed by any one of the following:
- (a) the chief compliance officer of the registrant firm or the unregistered capital markets participant;
 - (b) in the case of an unregistered capital markets participant without a chief compliance officer, an individual acting in a similar capacity;
 - (c) a specified officer of the registrant firm or the unregistered capital markets participant, or an individual acting in a similar capacity;
 - (d) a director of the registrant firm or the unregistered capital markets participant.
- (2) For the purposes of paragraph (1)(c), “specified officer” of a registrant firm or an unregistered capital markets participant, means an individual with any one or more of the following positions in relation to the registrant firm or the unregistered capital market participant:
- (a) chief executive officer;
 - (b) chief financial officer;
 - (c) chief operating officer.

Late fee

15. (1) A person or company that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2) A late fee calculated under subsection (1) is deemed to be nil if it is less than \$100.

DIVISION 2 – CALCULATING SPECIFIED ONTARIO REVENUES**Calculating specified Ontario revenues for IIROC and MFDA members**

16. (1) The specified Ontario revenues for a designated financial year of a registrant firm that was an IIROC or MFDA member at the end of the designated financial year is calculated by multiplying
- (a) the registrant firm’s total revenues for the designated financial year, less the portion of the total revenue not attributable to capital markets activities,
 - by
 - (b) the registrant firm’s Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), “total revenues” for a designated financial year means,
- (a) for a registrant firm that was an IIROC member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement E of the *IIROC Form 1* filed with IIROC by the registrant firm, and
 - (b) for a registrant firm that was an MFDA member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement D of the *MFDA Form 1 (IFRS)* filed with the MFDA by the registrant firm.

Calculating specified Ontario revenues for others

- 17. (1)** The specified Ontario revenues for a designated financial year of either an unregistered capital markets participant or a registrant firm that was not a member of IIROC or the MFDA at the end of the designated financial year is calculated by multiplying
- (a) the total gross revenues, of the unregistered capital markets participants or the registrant firm, for the designated financial year, less deductions permitted under subsection (2),
by
 - (b) the Ontario percentage of the unregistered capital markets participant or the registrant firm for the designated financial year.
- (2)** For the purpose of paragraph (1)(a), an unregistered capital markets participant or a registrant firm may deduct the following items, if earned in the designated financial year, from its total gross revenues:
- (a) revenues not attributable to capital markets activities;
 - (b) redemption fees earned on the redemption of investment fund securities that were sold on a deferred sales charge basis;
 - (c) administration fees earned relating to the recovery of costs from investment funds managed by it for operating expenses that it paid on behalf of the investment funds;
 - (d) advisory or sub-advisory fees paid during the designated financial year by it to
 - (i) a registrant firm, as “registrant firm” is defined in this Rule or in Rule 13-503 (*Commodity Futures Act*) Fees, or
 - (ii) an unregistered exempt international firm;
 - (e) trailing commissions paid during the designated financial year by it to a registrant firm described in subparagraph (d)(i).
- (3)** Despite subsection (1), an unregistered capital markets participant may calculate its gross revenues using unaudited financial statements if it does not ordinarily prepare audited financial statements.

**PART 4
PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES**

Recognized exchange

- 18. (1)** A recognized exchange must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix D opposite the corresponding Canadian trading share of the exchange for the specified period in Rows A1 to A6 of Column A.
- (2)** If there are two or more recognized exchanges, each of which is related to each other,
- (a) the obligation under subsection (1) and Appendix D must be calculated as if the recognized exchanges are a single entity, and
 - (b) each recognized exchange is jointly and severally liable in respect of the obligation.

Recognized quotation and trade reporting system

- 19.** A recognized quotation and trade reporting system must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix D opposite the corresponding Canadian trading share of the quotation and trade reporting system for the specified period in Rows A1 to A6 of Column A.

Alternative trading system

- 20. (1)** An alternative trading system described in Row C1 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
- (a) the participation fee set for the alternative trading system in Column B of Appendix D as if it were a recognized exchange, opposite the corresponding Canadian trading share of the alternative trading system for the specified

period in Rows A1 to A6 of Column A, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and

- (b) \$17,000.
- (2) An alternative trading system described in Row C2 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
 - (a) \$30,000, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and
 - (b) \$8,750.
- (3) An alternative trading system described in Row C3 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
 - (a) \$30,000, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and
 - (b) \$17,000.
- (4) If the amount determined under paragraph (1)(a), (2)(a) or (3)(a) is negative, the amount must be refunded to the person or company not later than June 1 in the year.
- (5) If there are two or more alternative trading systems that trade the same asset class, each of which is related to each other,
 - (a) the obligation under subsection (1), (2) or (3) and Appendix D must be calculated as if the alternative trading systems are a single entity, and
 - (b) each alternative trading system is jointly and severally liable in respect of the obligation.
- (6) If there are two or more alternative trading systems, each of which is related to each other and each of which trades different asset classes, then each alternative trading system must pay a participation fee as determined under subsection (1), (2) or (3).

Recognized clearing agencies

- 21. A recognized clearing agency must, no later than April 30 in each year, pay the aggregate of the participation fees shown in Column B of Appendix D opposite the services described in Rows D1 to D6 of Column A that are provided by the clearing agency in the specified period.

Other specified regulated entities

- 22. A person or company described in Row B1, E1, E2 or F1 in Column A of Appendix D must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix D opposite the corresponding description in Row B1, E1, E2 or F1, as the case may be.

Participation fee on recognition, designation, etc.

- 23. (1) A person or company must, on the date it first becomes a specified regulated entity, pay a participation fee calculated as follows:

$$A \times B \div 12$$

in which,

“A” is

- (a) in the case of a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, \$30,000,
- (b) in the case of an exchange exempt from recognition under the Act, \$10,000,
- (c) in the case of a recognized clearing agency, the aggregate of the participation fees shown in Column B of Appendix D opposite the services described in Rows D1 to D6 of Column A that are to be provided by the clearing agency in the specified period,

(d) in the case of a clearing agency exempt from recognition under the Act, \$10,000,

(e) in the case of a designated trade repository, \$30,000, and

“B” is the number of complete months remaining from the month in which the person or company first became a specified regulated entity until March 31.

- (2) If a person or company first becomes a specified regulated entity between January 1 and March 31 of a year, the fee required to be paid under subsection (1) is in addition to the fee required to be paid by the person or company in the same year under section 18 to section 22.

Form

24. A payment made under section 18 to section 23 must be accompanied by a completed Form 13-502F7 *Specified Regulated Entities – Participation Fee*.

Late fee

25. (1) A person or company that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2) If the late fee calculated under subsection (1) is less than \$100, it is deemed to be nil.

PART 5 PARTICIPATION FEES FOR DESIGNATED CREDIT RATING ORGANIZATIONS

Payment of participation fee

26. (1) A designated credit rating organization must, after each financial year,
- (a) pay a participation fee of \$15,000, and
 - (b) file a completed Form 13-502F8 *Designated Credit Rating Organizations – Participation Fee* containing a certification signed by an officer of the designated credit rating organization.
- (2) A designated credit rating organization must comply with subsection (1) by the earlier of
- (a) the date on which it is required to file a completed Form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year under National Instrument 25-101 *Designated Rating Organizations*, and
 - (b) the date on which it files a completed Form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year.

Late fee

27. (1) A designated credit rating organization that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2) If a late fee calculated under subsection (1) is less than \$100, it is deemed to be nil.

PART 6 DERIVATIVES PARTICIPATION FEES

Definitions

28. In this Part, “transaction” has the meaning ascribed to it in OSC Rule 91-507.

Fee payer

29. (1) A person or company is a fee payer for the purposes of this Part in respect of a derivatives fee year where both of the following conditions are satisfied:
- (a) with respect to any transaction in the derivatives fee year, the person or company was a reporting counterparty (as defined in OSC Rule 91-507);

- (b) the person or company was neither a recognized clearing agency nor exempt by the Commission from the requirement to be recognized as a clearing agency.

Participation fee

- 30. (1)** Beginning with the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, a fee payer must pay a participation fee, shown in Appendix E, for each derivatives fee year in respect of which it is a fee payer.
- (2)** The participation fee required of a fee payer by subsection (1) is determined with reference to the fee payer's average quarterly notional amount outstanding during the derivatives fee year. A fee payer's average quarterly notional amount outstanding during the derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for which the fee payer is a counterparty and notwithstanding Part 8 of this Rule is calculated as follows:
- (a) as of each derivatives fee quarter-end, determine the notional amount of the fee payer's outstanding positions as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,
 - (b) aggregate the notional amounts referred to in paragraph (a) for each currency for all four derivatives fee quarter-ends,
 - (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website,
 - (d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c), and
 - (e) divide the total determined under paragraph (d) by four to obtain the fee payer's average quarterly notional amount outstanding during the derivatives fee year.
- (3)** Despite subsection (2), a fee payer may, at its option, only in respect of the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, determine the participation fee required by subsection (1) with reference to the fee payer's notional amount outstanding as of the last business day of the derivatives fee year, instead of with reference to the fee payer's average quarterly notional amount outstanding during the derivatives fee year. A fee payer's notional amount outstanding as of the last business day of the derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for which the fee payer is a counterparty and notwithstanding Part 8 of this Rule is calculated as follows:
- (a) as of the last business day of the derivatives fee year, determine the notional amount of the fee payer's outstanding positions, as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,
 - (b) aggregate the notional amounts referred to in paragraph (a) for each currency,
 - (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website, and
 - (d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c) to obtain the fee payer's notional amount outstanding as of the last business day of the derivatives fee year.
- (4)** The payment required of a fee payer by subsection (1) in respect of a derivatives fee year must be made by the fee payer not more than 60 days after the end of the derivatives fee year and be accompanied by Form 13-502F9 *Form Accompanying Payment of Derivatives Participation Fee*.
- (5)** Despite paragraphs (2)(c) and (3)(c), if the notional amount of an outstanding position is denominated in a currency for which the Bank of Canada does not post a daily exchange rate, the fee payer may calculate the Canadian dollar equivalent required under these paragraphs using the exchange rate posted by another central bank.

Late fee

- 31. (1)** A fee payer that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

- (2) If a late fee calculated under subsection (1) is less than \$100, it is deemed to be nil.

**PART 7
ACTIVITY FEES**

Activity fees – General

32. A person or company must, when filing a document or taking an action described in any of Rows A1 to L4 of Column A of Appendix F, pay the fee shown opposite the description of the document or action in Column B.

Information request

33. A person or company that makes a request described in Row M1 or M2 of Column A of Appendix F must pay the fee shown opposite the description of the request in Column B of Appendix F before receiving the document or information requested.

Affiliated entities

34. (1) Despite section 32, only one fee must be paid under this Part for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.
- (2) Without limiting the generality of subsection (1), only one fee must be paid under this Part where an application for exemptive relief is made jointly by applicants affiliated with each other.

Investment fund families

35. Despite section 32, only one activity fee must be paid for an application made by or on behalf of two or more investment funds that have
- (a) the same investment fund manager, or
 - (b) investment fund managers that are affiliates of each other.

**PART 8
CURRENCY CONVERSION**

Canadian dollars

36. If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date, and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily exchange rate for the last business day preceding the particular date as posted on the Bank of Canada website.

**PART 9
FEES FOR LATE FILING OR DELIVERY**

Definitions

37. For the purposes of this Part,
- “applicable limit” of a person or company for a year means
- (a) if the person or company is required to pay a participation fee in the year under Part 3 and the specified Ontario revenues for the designated financial year on which the participation fee is based are greater than or equal to \$500 million, \$10,000 for that year, and
 - (b) in any other case, \$5,000 for that year;
- “covered document” means a form or document listed in Row A of Column A of Appendix G;
- “specified late day” means a day occurring after April 2, 2023.

Late fee for covered documents

38. A person or company that files or delivers a covered document after it was required to be filed or delivered, must, when filing or delivering it, pay the fee determined under section 39 in respect of the covered document.

Amount of fee

39. (1) Subject to subsection (2), the fee for a covered document is equal to \$100 multiplied by the number of specified late days following the date the covered document was required to be filed or delivered until the date the covered document is filed or delivered.
- (2) Despite subsection (1), the maximum late fee payable by a person or company under section 38 and attributable to a year for all covered documents is equal to the applicable limit.
- (3) If an investment fund and one more other investment funds have the same investment fund manager or investment fund managers that are affiliates of each other and each of those investment funds has failed to file the same type of covered document due by the same date, a fee paid under section 38 by the first-mentioned investment fund in respect of that covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other investment funds and be attributable to that year.
- (4) If a registrant firm and one or more registrant firms are affiliates of each other and each of those registrant firms has failed to file the same type of a covered document due by the same date, a fee paid under section 38 by the first-mentioned registrant firm in respect of the covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other registrant firms and be attributable to that year.

Fee for late filing of a Form 45-106F1

40. (1) A person or company that files a Form 45-106F1 after it was required to be filed must pay the fee shown in Row B of Column B of Appendix G when filing the form.
- (2) Despite subsection (1), if an investment fund and one more other investment funds have the same investment fund manager or investment fund managers that are affiliates of each other and each of those investment funds has failed to file a Form 45-106F1 due by the same date, a fee paid under subsection (1) by the first-mentioned investment fund and attributable to a year is deemed for the purposes of this section to have been paid by each of the other investment funds and be attributable to that year.

Fee for late filing of a Form 13-502F9

41. A person or company that files a Form 13-502F9 after it was required to be filed must pay the fee shown in Row C of Column B of Appendix G when filing the form.

Fee for late filing of insider reports

42. (1) A person or company that files a Form 55-102F2 *Insider Report* after it was required to be filed must pay the fee shown in Row D of Column B of Appendix G on receiving an invoice from the Commission.
- (2) Subsection (1) does not apply to the late filing of a Form 55-102F2 *Insider Report* by an insider of a reporting issuer if
- (a) the head office of the reporting issuer is located outside Ontario; and
 - (b) the insider is required to pay a fee for the late filing in another province or territory.

Transition - Late fees accrued before April 3, 2023

43. A person or company that files or delivers a form or document listed in Row A or B of Column A of Appendix D of this Rule as it read on April 2, 2023 that was required to be filed or delivered before April 3, 2023, must, when filing or delivering it, pay the late fee determined under this Rule as it read on April 2, 2023 for the period from the date the form or document is required to be filed or delivered until April 2, 2023.

**PART 10
EXEMPTION**

Exemption

44. The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 11
REPEAL AND EFFECTIVE DATE

Repeal

45. Rule 13-502 *Fees*, as amended to September 21, 2021, is repealed.

Effective date

46. This Rule comes into force on April 3, 2023.

**APPENDIX A
CORPORATE FINANCE PARTICIPATION FEES
(Subsection 4(1))**

Capitalization for the Previous Financial Year	Participation Fee
Under \$10 million	\$750
\$10 million to under \$25 million	\$1,000
\$25 million to under \$50 million	\$2,400
\$50 million to under \$100 million	\$6,100
\$100 million to under \$250 million	\$12,700
\$250 million to under \$500 million	\$27,900
\$500 million to under \$1 billion	\$38,900
\$1 billion to under \$5 billion	\$59,350
\$5 billion to under \$10 billion	\$76,425
\$10 billion to under \$25 billion	\$89,270
\$25 billion and over	\$100,500

APPENDIX B
CORPORATE FINANCE PARTICIPATION FEES FOR CLASS 3B ISSUERS
(Subsection 4(3))

Capitalization for the Previous Financial Year	Participation Fee
under \$10 million	\$750
\$10 million to under \$25 million	\$1,000
\$25 million to under \$50 million	\$1,110
\$50 million to under \$100 million	\$2,030
\$100 million to under \$250 million	\$4,225
\$250 million to under \$500 million	\$9,300
\$500 million to under \$1 billion	\$13,000
\$1 billion to under \$5 billion	\$19,785
\$5 billion to under \$10 billion	\$25,460
\$10 billion to under \$25 billion	\$29,755
\$25 billion and over	\$33,495

**APPENDIX C
CAPITAL MARKETS PARTICIPATION FEES
(Section 13)**

Specified Ontario Revenues for the Designated Financial Year	Participation Fee
under \$250,000	\$700
\$250,000 to under \$500,000	\$975
\$500,000 to under \$1 million	\$3,200
\$1 million to under \$3 million	\$7,150
\$3 million to under \$5 million	\$16,100
\$5 million to under \$10 million	\$34,300
\$10 million to under \$25 million	\$70,000
\$25 million to under \$50 million	\$105,200
\$50 million to under \$100 million	\$217,000
\$100 million to under \$200 million	\$367,700
\$200 million to under \$500 million	\$745,300
\$500 million to under \$1 billion	\$962,500
\$1 billion to under \$2 billion	\$1,213,800
\$2 billion and over	\$2,037,000

APPENDIX D
PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES
(Part 4)

Row	Specified Regulated Entity (Column A)	Participation Fee (Column B)
A. Recognized exchange and recognized quotation and trade reporting system		
A1	A person or company with a Canadian trading share for the specified period of up to 5%.	\$30,000
A2	A person or company with a Canadian trading share for the specified period of 5% to up to 15%.	\$50,000
A3	A person or company with a Canadian trading share for the specified period of 15% to up to 25%.	\$135,000
A4	A person or company with a Canadian trading share for the specified period of 25% to up to 50%.	\$275,000
A5	A person or company with a Canadian trading share for the specified period of 50% to up to 75%.	\$400,000
A6	A person or company with a Canadian trading share for the specified period of 75% or more.	\$500,000
B. Exchanges Exempt from Recognition under the Act		
B1	A person or company that is exempted by the Commission from the application of subsection 21(1) of the Act.	\$10,000
C. Alternative Trading Systems		
C1	Each alternative trading system for exchange-traded securities only.	Lesser of (a) The amount in A1 to A6 determined based on Canadian trading share of alternative trading system less capital markets participation fee paid in respect of previous year, and (b) \$17,000
C2	Each alternative trading system only for unlisted debt or securities lending.	Lesser of (a) \$30,000 less capital markets participation fee paid in respect of the previous year, and (b) \$8,750

Row	Specified Regulated Entity (Column A)	Participation Fee (Column B)
C3	Each alternative trading system not described in Row C1 or C2.	Lesser of (a) \$30,000 less capital markets participation fee paid in respect of the previous year, and (b) \$17,000
	D. Recognized Clearing Agencies – Services	
D1	Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction.	\$10,000
D2	Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money.	\$20,000
D3	Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or <i>vice versa</i> .	\$20,000
D4	Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight.	\$150,000
D5	Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight.	\$70,000
D6	Depository services, being the provision of centralized facilities as a depository for securities.	\$20,000
	E. Clearing Agencies Exempt from Recognition under the Act	
E1	Each clearing agency that (a) is exempted by the Commission from the application of subsection 21.2(1) of the Act, (b) does not have a clearing member resident in Ontario, and (c) has at least one customer, as defined in National Instrument 94-102 <i>Derivatives: Customer Clearing and Protection of Customer Collateral and Positions</i> , resident in Ontario.	\$7,500
E2	Each clearing agency that (a) is exempted by the Commission from the application of subsection 21.2(1) of the Act, and (b) has at least one clearing member resident in Ontario.	\$10,000
	F. Designated Trade Repositories	
F1	Each designated trade repository designated under subsection 21.2.2(1) of the Act.	\$30,000

APPENDIX E
DERIVATIVES PARTICIPATION FEE
(Section 30)

Average Quarterly Notional Amount Outstanding during Derivatives Fee Year Or Notional Amount Outstanding on the Last Business Day of the Derivatives Fee Year Commencing July 1, 2022 and Ending June 30, 2023	Participation Fee
under \$3 billion	\$0
\$3 billion to under \$7.5 billion	\$3,000
\$7.5 billion to under \$15 billion	\$7,500
\$15 billion to under \$50 billion	\$15,000
\$50 billion to under \$100 billion	\$50,000
\$100 billion to under \$300 billion	\$100,000
\$300 billion to under \$500 billion	\$200,000
\$500 billion to under \$1 trillion	\$450,000
\$1 trillion to under \$4 trillion	\$750,000
\$4 trillion to under \$10 trillion	\$1,350,000
\$10 trillion and over	\$1,900,000

**APPENDIX F
ACTIVITY FEES
(Sections 32 and 33)**

Row	Document or Activity (Column A)	Fee (Column B)
A. Prospectus Filings		
A1	Preliminary or Pro Forma Prospectus in Form 41-101F1 <i>Information Required in a Prospectus</i> (including if PREP procedures are used)	\$3,800
A2	Additional fee for each technical report that supports scientific and technical information relating to a mineral project that is included in a Preliminary or Pro Forma Prospectus.	\$2,500 for each technical report for which a fee under this Appendix has not previously been paid
A3	Preliminary Short Form Prospectus in Form 44-101F1 <i>Short Form Prospectus</i> (including if shelf or PREP procedures are used) or a Registration Statement on Form F-9 or F-10 filed by an issuer that is incorporated or that is organized under the laws of Canada or a jurisdiction in Canada province or territory in connection with a distribution solely in the United States under MJDS as described in the companion policy to National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i> .	\$3,800
A4	Prospectus Filing by or on behalf of certain investment Funds	
	(a) Preliminary or Pro Forma Simplified Prospectus and Annual Information Form in Form 81-101F1 <i>Contents of Simplified Prospectus</i> and Form 81-101F2 <i>Contents of Annual Information Form</i>	The greater of (i) \$3,800 for a prospectus, and (ii) \$400 for each mutual fund in a prospectus.
	(b) Preliminary or Pro Forma Prospectus in Form 41-101F2 <i>Information Required in an Investment Fund Prospectus</i> or Scholarship Plan Prospectus in Form 41-101F3 <i>Information Required in a Scholarship Plan Prospectus</i>	The greater of (i) \$3,800 for a prospectus, and (ii) \$650 for each investment fund in a prospectus.
A5	Review of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 <i>Shelf Distributions</i>).	\$3,800
A6	Filing of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 <i>Shelf Distributions</i>) for which the amount payable is determined with reference to the price, value or level of an underlying interest that is unrelated to the operations or securities of the issuer.	\$500
B. Fees relating to exempt distributions under OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i> and NI 45-106		
B1	Application for recognition, or renewal of recognition, as an accredited investor	\$350
B2	Filing of a Form 45-106F1 for a distribution of securities of an issuer under an exemption from the prospectus requirement	\$350
C. Applications for specifically enumerated relief, approval, recognition, designation, etc.		
C1	An application for relief from this rule	\$1,800
C2	An application for relief from any of the following: (a) National Instrument 31-102 <i>National Registration Database</i> ; (b) NI 33-109; (c) section 3.11 [<i>Portfolio manager – advising representative</i>] of NI 31-103;	\$1,800

Row	Document or Activity (Column A)	Fee (Column B)
C3	(d) section 3.12 [<i>Portfolio manager – associate advising representative</i>] of NI 31-103; (e) section 3.13 [<i>Portfolio manager – chief compliance officer</i>] of NI 31-103; (f) section 3.14 [<i>Investment fund manager – chief compliance officer</i>] of NI 31-103; (g) section 9.1 [<i>IIROC membership for investment dealers</i>] of NI 31-103; (h) section 9.2 [<i>MFDA membership for mutual fund dealers</i>] of NI 31-103. An application for relief from any of the following: (a) section 3.3 [Time limits on examination requirements] of NI 31-103; (b) section 3.5 [Mutual fund dealer – dealing representative] of NI 31-103; (c) section 3.6 [Mutual fund dealer – chief compliance officer] of NI 31-103; (d) section 3.7 [Scholarship plan dealer – dealing representative] of NI 31-103; (e) section 3.8 [Scholarship plan dealer – chief compliance officer] of NI 31-103; (f) section 3.9 [Exempt market dealer – dealing representative] of NI 31-103; (g) section 3.10 [Exempt market dealer – chief compliance officer] of NI 31-103.	\$500
C4	An application under subparagraph 1(10)(a)(ii) of the Act	\$1,000
C5	An application (a) under section 30 or subsection 38(3) of the Act or subsection 1(6) of the <i>Business Corporations Act</i>, (b) under subsection 144(1) of the Act for an order to partially revoke a cease-trade order to permit trades solely for the purpose of establishing a tax loss, as contemplated under Division 2 of National Policy 12-202 <i>Revocation of Certain Cease Trade Orders</i>, and (c) under subsections 144(1) and 127(4.3) of the Act to revoke a cease trade order made under subsection 127(4.1) of the Act that has been in effect for 90 days or less.	Nil
C6	An application other than a pre-filing, where the discretionary relief or regulatory approval is evidenced by the issuance of a receipt for the applicants' final prospectus (such as certain applications under National Instrument 41-101 <i>General Prospectus Requirements</i> or National Instrument 81-101 <i>Mutual Fund Prospectus Disclosure</i>).	(a) \$4,800 for an application for relief, or approval under, one section of the Act, a regulation or a rule (b) \$7,000 for an application for relief from, or approval under, two or more sections of the Act, regulation or a rule
C7	An application (a) made under subsection 46(4) of the <i>Business Corporations Act</i> for relief from the requirements under Part V of that Act (b) for consent to continue in another jurisdiction under paragraph 21(b) of Ont. Reg. 389/21 made under the <i>Business Corporations Act</i> <i>Note: These fees are in addition to the fee payable to the Minister of Finance as set out in the Schedule attached to the Minister's Fee Orders relating to applications for exemption orders made under the Business Corporations Act to the Commission.</i>	\$400
	D. Recognitions and Exemptions for Specified Regulated Entities	
D1	An application for recognition of an exchange under section 21 of the Act	\$110,000
D2	An application for exemption from the requirement to be recognized as an exchange under section 21 of the Act	\$83,000

B.5: Rules and Policies

Row	Document or Activity (Column A)	Fee (Column B)
D3	An application by a marketplace that trades OTC derivatives, including swap execution facilities, for exemption from the requirement to be recognized under section 21 of the Act	\$20,000
D4	An application by clearing agencies for recognition under section 21.2 of the Act	\$110,000
D5	An application for exemption from the requirement to be recognized as a clearing agency under section 21.2 of the Act by a clearing agency not planning to have any clearing member resident in Ontario, if the clearing agency has at least one customer, as defined in National Instrument 94-102 <i>Derivatives: Customer Clearing and Protection of Customer Collateral and Positions</i> , resident in Ontario.	\$15,000
D6	An application for exemption from the requirement to be recognized as a clearing agency under section 21.2 of the Act by a clearing agency planning to have at least one clearing member resident in Ontario.	\$83,000 (plus an additional fee of \$100,000 in connection with an application described in any of Rows D1 to D5 that (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
E. Initial Filing for ATS		
E1	Review of the initial Form 21-101F2 <i>Information Statement Alternative Trading System</i> of a new alternative trading system	\$55,000
F. Trade Repository		
F1	Application for designation as a trade repository under section 21.2.2 of the Act	\$83,000
G. Pre-Filings		
G1	Each pre-filing relating to the items described in Rows D1 to D5, E1 and F1	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
G2	Any other pre-filing <i>Note: The fee for a pre-filing under this section will be credited against the applicable fee payable if and when the corresponding formal filing (e.g., an application or a preliminary prospectus) is actually proceeded with; otherwise, the fee is nonrefundable.</i>	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.

Row	Document or Activity (Column A)	Fee (Column B)
H. Take-Over Bid and Issuer Bid Documents		
H1	Filing of a take-over bid or issuer bid circular under subsection 2.10(2),(3) or (4) of NI 62-104 or the filing of an information circular in connection with a special meeting to be held to consider the approval of a going private transaction, reorganization, amalgamation, merger, arrangement, consolidation or similar business combination (other than a second step business combination in compliance with MI 61-101).	\$4,500 (plus \$2,000 if neither the offeror nor an issuer of which the offeror is a wholly-owned subsidiary is subject to, or reasonably expected to become subject to, a participation fee under this Rule)
H2	Filing of a notice of change or variation under section 2.13 of NI 62-104	Nil
I. Registration-Related Activity		
I1	New registration of a firm in one or more categories of registration	\$1,300
I2	Addition of one or more categories of registration	\$700
I3	Registration of a new representative as a dealer and/or adviser on behalf of a registrant firm	\$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.
I4	Review of permitted individual	\$100 per individual, unless the individual is already registered as a dealer and/or adviser on behalf of a registrant firm
I5	Change in status from not being a representative on behalf of a registrant firm to being a representative on behalf of the registrant firm	\$200 per individual
I6	Registration as a chief compliance officer or ultimate designated person of a registrant firm, if the individual is not registered as a representative on behalf of the registrant firm	\$200 per individual
I7	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	\$1,000
I8	Application for amending terms and conditions of registration	\$800
J. Registrant Acquisitions		
J1	Notice given under section 11.9 [<i>Registrant acquiring a registered firm's securities or assets</i>] or 11.10 [<i>Registered firm whose securities are acquired</i>] of NI 31-103	\$3,600
K. Designated Rating Organizations		
K1	An application for designation of a credit rating organization under section 22 of the Act	\$15,000
K2	An application for a variation of a designation of a credit rating organization under subsection 144(1) of the Act if the application (a) reflects a merger of a credit rating organization, (b) reflects an acquisition of a major part of the assets of a credit rating organization,	\$15,000

B.5: Rules and Policies

Row	Document or Activity (Column A)	Fee (Column B)
K3	(c) involves the introduction of a new business that would significantly change the risk profile of a credit rating organization, or (d) reflects a major reorganization or restructuring of a credit rating organization Any other application for a variation of a designation of a credit rating organization under subsection 144(1) of the Act	\$4,800
L1	L. Any Application not otherwise Listed in this Rule An application, other than one described in Rows A1 to K3, for (a) relief from one section of the Act, a regulation or a rule, or (b) recognition or designation under one section of the Act, a regulation or a rule.	\$4,800
L2	An application, other than one described in Rows A1 to K3, for (a) relief from two or more sections of the Act, a regulation or a rule made at the same time, or (b) recognition or designation under two or more sections of the Act, a regulation or a rule made at the same time.	\$7,000
L3	An application referred to in Row L1 or L2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-503 (<i>Commodity Futures Act</i>) Fees: (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary; (iii) the investment fund manager of the applicant.	The amount in Row L1 or L2 is increased by \$2,000
L4	An application under subsection 144(1) of the Act if the application (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or (d) reflects a major reorganization or restructuring of an exchange or clearing agency.	The amount in Row L1 or L2 is increased by \$100,000
M1	M. Requests to the Commission Request for a search of Commission public records	\$10 initial search fee, plus \$7.50 per person searching for each 15 minutes spent by the person searching or preparing records for disclosure to the extent consistent with the request.
M2	Request for copies of Commission public records	Applicable search fees under Row M1. Additional charge of \$0.25 per page for photocopied or printed records. No additional charge for digital copies, where available.

APPENDIX G
ADDITIONAL FEES FOR LATE DOCUMENT FILINGS
(Part 9)

Document (Column A)	Late Fee (Column B)
A. Fee for late filing or delivery of any of the following forms or documents: (a) Annual financial statements and interim financial information; (b) Annual information form filed under NI 51-102 or National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>; (c) Form 33-109F1 <i>Notice of Termination of Registered Individuals and Permitted Individuals (section 4.2)</i>. (d) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to (i) terms and conditions imposed on the registrant firm or individual, or (ii) an order of the Commission; (e) Form 13-502F4.	Late fee amount to be calculated in accordance with Part 9 of the Rule.
B. Fee for late filing a Form 45-106F1	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for all Form 45-106F1s required to be filed by the person or company in the year.
C. Fee for late filing of Form 13-502F9	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for the Form 13-509F9 that is required to be filed by the person or company
D. Fee for late filing of Form 55-102F2 <i>Insider Report</i>	Subject to section 42 of the Rule, \$50 per day per insider per issuer (subject to a maximum of \$1,000 per issuer within any one year beginning on April 1st and ending on March 31st).

FORM 13-502F1
CLASS 1 AND CLASS 3B REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F1 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____
 Name: _____ Date: _____
 Title: _____

Reporting Issuer Name: _____

End date of previous financial year: _____

Type of Reporting Issuer: ☐ Class 1 reporting issuer ☐ Class 3B reporting issuer

Highest Trading Marketplace: _____
 (refer to the definition of "highest trading marketplace" under OSC Rule 13-502 Fees)

Market value of listed or quoted equity securities:
 (in Canadian Dollars - refer to section 36 of OSC Rule 13-502 Fees)

Equity Symbol

1st Quarterly Period (dd/mm/yy)
 (refer to the definition of "quarterly period" under OSC Rule 13-502 Fees)

_____ to _____

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace

\$ _____ (i)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period

_____ (ii)

Market value of class or series

(i) x (ii) \$ _____ (A)

2nd Quarterly Period (dd/mm/yy)
 (refer to the definition of "quarterly period" under OSC Rule 13-502 Fees)

_____ to _____

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace

\$ _____ (iii)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period

_____ (iv)

Market value of class or series

(iii) x (iv) \$ _____ (B)

3rd Quarterly Period (dd/mm/yy)
 (refer to the definition of "quarterly period" under OSC Rule 13-502 Fees)

_____ to _____

B.5: Rules and Policies

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace

\$ _____ (v)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period

_____ (vi)

Market value of class or series

(v) x (vi) \$ _____ (C)

4th Quarterly Period (dd/mm/yy)

(refer to the definition of “quarterly period” under OSC Rule 13-502 *Fees*)

_____ to _____

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace

_____ (vii)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period

_____ (viii)

Market value of class or series

(vii) x (viii) \$ _____ (D)

Average Market Value of Class or Series

(Calculate the simple average of the market value of the class or series of security for each applicable quarterly period (i.e. A through D above))

\$ _____ (1)

(Repeat the above calculation for each other class or series of equity securities of the reporting issuer (and a subsidiary pursuant to paragraph 9(1)(b) of OSC Rule 13-502 *Fees*, if applicable) that was listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the reporting issuer.)

Fair value of outstanding debt securities:

(See paragraph 9(1)(c), and if applicable, paragraphs 9(1)(d) and (e) of OSC Rule 13-502 *Fees*)

\$ _____ (2)

(Provide details of how value was determined)

Capitalization for the previous financial year

(1) + (2)

\$ _____

Participation Fee

(For Class 1 reporting issuers, from Appendix A of OSC Rule 13-502 *Fees*, select the participation fee)

\$ _____

(For Class 3B reporting issuers, from Appendix B of OSC Rule 13-502 *Fees*, select the participation fee)

Late Fee, if applicable

(As determined under section 8 of OSC Rule 13-502 *Fees*)

\$ _____

Total Fee Payable

(Participation Fee plus Late Fee)

\$ _____

FORM 13-502F2
CLASS 2 REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F2 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____
 Name: _____ Date: _____
 Title: _____

Reporting Issuer Name: _____

End date of previous financial year: _____

Financial Statement Values:

(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)

Retained earnings or deficit \$ _____ (A)

Contributed surplus \$ _____ (B)

Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes) \$ _____ (C)

Non-current borrowings (including the current portion) \$ _____ (D)

Finance leases (including the current portion) \$ _____ (E)

Non-controlling interest \$ _____ (F)

Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above) \$ _____ (G)

Any other item forming part of equity and not set out specifically above \$ _____ (H)

Capitalization for the previous financial year

(Add items (A) through (H)) \$ _____

Participation Fee

(From Appendix A of OSC Rule 13-502 *Fees*, select the participation fee beside the capitalization calculated above) \$ _____

Late Fee, if applicable

(As determined under section 8 of OSC Rule 13-502 *Fees*) \$ _____

Total Fee Payable

(Participation Fee plus Late Fee) \$ _____

FORM 13-502F3A
CLASS 3A REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F3A (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____
 Name: _____
 Title: _____

_____ Date: _____

Reporting Issuer Name: _____

(Class 3A reporting issuer cannot be incorporated or organized under the laws of Canada or a province or territory of Canada)

Financial year end date: _____

Indicate, by checking the appropriate box, which of the following criteria the issuer meets:

- ☐ (a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or
- ☐ (b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:
- ☒ (i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer's outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;
 - (ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;
 - (iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;
 - (iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than
 - (A) to its employees or to employees of one or more of its subsidiaries, or
 - (B)** to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

Participation Fee

(From subsection 4(2) of OSC Rule 13-502 Fees)

\$1,070

Late Fee, if applicable

(As determined under section 8 of OSC Rule 13-502 Fees)

\$ _____

Total Fee Payable

(Participation Fee plus Late Fee)

\$ _____

FORM 13-502F4
CAPITAL MARKETS PARTICIPATION FEE CALCULATION

General Instructions

1. This form must be completed and returned to the Ontario Securities Commission by November 1 each year, as required by section 13 of OSC Rule 13-502 *Fees* (the Rule), except in the case where firms register after November 1 in a year or provide notification after November 1 in a year of their status as an unregistered capital markets participant. In these exceptional cases, this form must be filed within 60 days of registration or notification after November 1.
2. This form is to be completed by firms registered under the *Securities Act* or by firms that are registered under both the *Securities Act* and the *Commodity Futures Act*. This form is also completed by unregistered capital markets participants.
3. For firms registered under the *Commodity Futures Act*, the completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
4. IIROC members must complete Part 5(a) of this form and MFDA members must complete Part 5(b). Unregistered capital markets participants and registrant firms that are not IIROC or MFDA members must complete Part 5(c).
5. IIROC Members may refer to Statement E IIROC Form 1 for guidance.
6. MFDA members may refer to Statement D of the MFDA Form 1 (IFRS).
7. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the designated financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a designated financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from capital markets activities in Ontario.
8. All figures must be expressed in Canadian dollars.
9. Information reported on this form must be certified by an individual specified in section 14 of the Rule to attest to its completeness and accuracy.
10. If the firm has no "designated financial year" as defined in section 1 of the Rule, do not complete Part 5 of this form.

Certification

I, _____, of the registrant firm / unregistered capital markets participant noted below have examined this Form 13-502F4 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____
Name:
Title:

_____ Date:

PART 1: Firm Information

Firm NRD number: _____

Firm legal name: _____

PART 2: Contact Information for Chief Compliance Officer

Please provide the name, e-mail address, phone number and fax number for your Chief Compliance Officer.

Name: _____

E-mail address: _____

Phone: _____ Fax: _____

PART 3: Membership Status (one selection)

- ☐ The firm is a member of the Mutual Fund Dealers Association (MFDA).
☐ The firm is a member of the Investment Industry Regulatory Organization of Canada (IIROC).

For a firm that does not hold membership with the MFDA or IIROC:

- ☐ The firm is an unregistered investment fund manager only
☐ All other firms

PART 4: Financial Information

Does the firm have a designated financial year? ☐ Yes ☐ No (one selection)

If yes, end date of designated financial year: ____/____/____
yyyy mm dd

PART 5: Participation Fee Calculation**Part 5(a):IIROC Members**

- | | | |
|----|---|----------|
| 1. | Total revenue for designated financial year from Statement E of the IIROC Form 1 | \$ _____ |
| 2. | Less revenue not attributable to capital markets activities | \$ _____ |
| 3. | Revenue subject to participation fee (line 1 less line 2) | \$ _____ |
| 4. | Ontario percentage for designated financial year
(See definition of "Ontario percentage" in the Rule) | _____ % |
| 5. | Specified Ontario revenues (line 3 multiplied by line 4) | \$ _____ |
| 6. | Participation fee (From Appendix C of the Rule, select the participation fee opposite the specified Ontario revenues from line 5) | \$ _____ |

Part 5(b):MFDA Members

- | | | |
|----|--|----------|
| 1. | Total revenue for designated financial year from Statement D of Form 1 | \$ _____ |
| 2. | Less revenue not attributable to capital markets activities | \$ _____ |
| 3. | Revenue subject to participation fee (line 1 less line 2) | \$ _____ |
| 4. | Ontario percentage for designated financial year
(See definition of "Ontario percentage" in the Rule) | _____ % |

B.5: Rules and Policies

5.	Specified Ontario revenues (line 3 multiplied by line 4)	\$
6.	Participation fee (From Appendix C of the Rule, select the participation fee opposite the specified Ontario revenues from line 5)	\$

Part 5(c) Advisers, Other Dealers, and Unregistered Capital Markets Participants**Notes:**

1. Total gross revenues are the sum of all gross revenues reported on the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection 17(3) of the Rule. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.
2. Redemption fees earned upon the redemption of investment fund units sold on a deferred sales charge basis are permitted as a deduction from total revenue on this line.
3. Administration fees permitted as a deduction are limited solely to those that are otherwise included in total revenues and represent the reasonable recovery of costs from the investment funds for operating expenses paid on their behalf by the registrant firm or unregistered capital markets participant.
4. Where the advisory services of a registrant firm, within the meaning of this Rule or OSC Rule 13-503 (*Commodity Futures Act*) Fees, or of an unregistered exempt international firm, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in gross revenues.
5. Trailer fees paid to registrant firms or unregistered exempt international firms described in note 4 are permitted as a deduction on this line to the extent they are otherwise included in gross revenues.

1.	Total gross revenue for designated financial year (note 1)	\$
----	--	----

Less the following items for the designated financial year:

2.	Gross revenue not attributable to capital markets activities	\$
3.	Redemption fee revenue (note 2)	\$
4.	Administration fee revenue (note 3)	\$
5.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 4)	\$
6.	Trailer fees paid to registrant firms or unregistered exempt international firms (note 5)	\$
7.	Total deductions (sum of lines 2 to 6)	\$

Calculation:

8.	Revenue subject to participation fee (line 1 less line 7)	\$
9.	Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)	%
10.	Specified Ontario revenues (line 8 multiplied by line 9)	\$

B.5: Rules and Policies

11. Participation fee
(From Appendix C of the Rule, select the participation fee beside the specified Ontario
revenues from line 10)

\$

**FORM 13-502F6
SUBSIDIARY EXEMPTION NOTICE**

MANAGEMENT CERTIFICATION

I, _____, an officer of the subsidiary noted below have examined this Form 13-502F6 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____
Name: _____ Date: _____
Title: _____

Name of Subsidiary: _____

Name of Parent: _____

End Date of Subsidiary's Previous Financial Year: _____

The reporting issuer (subsidiary) meets the following criteria set out under subsection 6(1) of OSC Rule 13-502 *Fees*:

- (a) at the end of the subsidiary's previous financial year, an issuer that was a Class 1 or Class 2 reporting issuer was the parent of the subsidiary;
- (b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;
- (c) to the extent required by section 9 or 10, the capitalization of the parent for its previous financial year included the capitalization of the subsidiary;
- (d) the parent paid its participation fee for its previous financial year, with reference to section 9 or 10;
- (e) in the subsidiary's previous financial year, the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1), 5.1(1) or section 5.2 and section 6.1 of NI 51-102.

FORM 13-502F7
SPECIFIED REGULATED ENTITIES – PARTICIPATION FEE

Name of Specified Regulated Entity: _____

Applicable Year: _____ (2023 or later)

Type of Specified Regulated Entity: (check one)

- ☐ Recognized exchange or recognized quotation and trade reporting system (complete (1) below)
- ☐ Alternative trading system (complete (2), or (3) below, as applicable)
- ☐ Recognized clearing agency (complete (4) below)
- ☐ Exempt exchange, Exempt clearing agency or Designated Trade Repository (complete (5) below, as applicable)

(1) Participation Fee for applicable year -- Recognized exchange or recognized quotation and trade reporting system

Filer should enter their Canadian trading share for the specified period below:

Canadian Trading Share Description	% (To be Entered by Filer)
Line 1: the share in the specified period of the total dollar values of trades of exchange-traded securities	
Line 2: the share in the specified period of the total trading volume of exchange-traded securities	
Line 3: the share in the specified period of the total number of trades of exchange-traded securities	
Line 4: Average of Lines 1, 2 & 3 above	
Line 5: Filer is required to Pay the Amount from the corresponding column in the table below based on the average calculated on Line 4 above:	\$
Canadian trading share for the specified period of up to 5%	\$30,000
Canadian trading share for the specified period of 5% to up to 15%	\$50,000
Canadian trading share for the specified period of 15% to up to 25%	\$135,000
Canadian trading share for the specified period of 25% to up to 50%	\$275,000
Canadian trading share for the specified period of 50% to up to 75%.	\$400,000
Canadian trading share for the specified period of 75% or more	\$500,000

(2) Participation Fee for applicable year -- Alternative trading system for exchange-traded securities, if not exempted by the Commission from the application of section 6.1 of NI 21-101.

Line 6: If operating an alternative trading system for exchange-traded securities, enter participation fee based on your Canadian trading share (Line 5)	\$
Line 7: Enter amount of capital markets participation fee paid in the prior year	\$
Line 8: Subtract Line 7 from Line 6. If positive, enter the lesser of this amount and \$17,000. If zero or negative, there is no Part 4 fee payable and there is a refund due to you of the amount determined	\$

(2.1) Participation fee for alternative trading system that is exempted by the Commission from the application of section 6.1 of NI 21-102

Line 8.1: Enter \$2,500	\$
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(3) Participation fee for applicable year – other alternative trading system

Line 9: If operating as an alternative trading system that is not for exchange-traded securities, enter \$30,000	\$
Line 10: Enter amount of capital markets participation fee paid in the prior year	\$
Line 11: Subtract Line 10 from Line 9. If positive, enter (a) The lesser of this amount and \$8,750 if trading in debt or securities trading (b) The lesser of this amount and \$17,000 if you are a trading system other than that described in Line 6 or (a) above. If zero or negative, there is no Part 4 participation fee payable and there is a refund due to you.	\$

(4) Participation Fee for applicable year -- Recognized clearing agency

For services offered in Ontario Market the filer should enter the corresponding amount in the Fees Payable Column:

Services:	Fee Payable
Line 12: Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction. Enter \$10,000	\$
Line 13: Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money. Enter \$20,000	\$
Line 14: Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or vice versa. Enter \$20,000.	\$
Line 15: Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight. Enter \$150,000	\$

B.5: Rules and Policies

Services:	Fee Payable
Line 16: Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight. Enter \$70,000.	\$
Line 17: Depositary services, being the provision of centralized facilities as a depositary for securities. Enter \$20,000.	\$
Line 18: Total Participation Fee Payable (Sum of Lines 12-17):	\$

(5) Participation Fee for applicable year for other types of specified regulated entities:

Line 19: Filer is required to pay the amount below, as applicable. (a) If operating as an Exempt Clearing Agency that has at least one clearing member resident in Ontario or as Exempt Exchange, enter \$10,000 (a.1) If operating as Exempt Clearing Agency with at least one customer (as defined in NI 94-102) resident in Ontario that does not have a clearing member resident in Ontario, enter \$7,500. (b) If operating as a Designated Trade Repository, enter \$30,000	\$
--	----

(6) Prorated Participation Fee:

Line 20: If this is the first time paying a participation fee as a specified regulated entity, prorate the amount under subsection 23(1) of the Rule.	\$
---	----

(7) Late Fee

Line 21: Unpaid portion of Participation Fee from Sections (1), (2), (3), (4), (5), (6)	\$
Line 22: Number of Business Days Late before April 6, 2023 plus the Number of Days Late after April 5, 2023	
Line 23: Fee Payable is as follows: Amount from Line 21*[Amount from Line 22*0.1%]	\$

(8) Total Fee Payable

Line 24: Aggregate Participant Fee from Sections (1), (2), (2.1), (3), (4), (5), (6)	\$
Line 25: Late Fee from Line 23	\$
Line 26: Fee Payable is amount from Line 24 plus amount from Line 25	\$

FORM 13-502F8
DESIGNATED CREDIT RATING ORGANIZATIONS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the designated credit rating organization noted below have examined this Form 13-502F8 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

Signature: _____

Date: _____

Title: _____

Name of Designated Credit Rating Organization:

Financial year end date:

Participation Fee in respect of the financial year
(From subsection 26(1) of OSC Rule 13-502 *Fees*)

\$15,000

Late Fee, if applicable

(From section 27 of OSC Rule 13-502 *Fees*)

\$ _____

Total Fee Payable

(Participation Fee plus Late Fee)

\$ _____

FORM 13-502F9
FORM ACCOMPANYING PAYMENT OF DERIVATIVES PARTICIPATION FEE

1.	Derivatives Fee Year to which fee relates	July 1, ____ to June 30,
2.	Name of Fee Payer	_____
3.	Legal Entity Identifier of Fee Payer for the purposes of OSC Rule 91-507	_____
4.	<i>Complete only for the derivatives fee year ending June 30, 2023:</i> Option A: Check the box beside "Option A" if the fee payer determined its participation fee with reference to its average quarterly notional amount outstanding during the derivatives fee year, and provide the payer's average quarterly notional amount outstanding during the derivatives fee year (determined in accordance with subsection 30(2) of OSC Rule 13-502 Fees) OR Option B: Check the box beside "Option B" if the fee payer determined its participation fee with reference to its notional amount outstanding on the last business day of the derivatives fee year, and provide the payer's notional amount outstanding on the last business day of the derivatives fee year (determined in accordance with subsection 30(3) of OSC Rule 13-502 Fees)	Option A ☐ \$ _____ Option B ☐ \$ _____
5.	<i>Complete for the derivatives fee year ending June 30, 2024 and subsequent derivatives fee years:</i> Average Quarterly Notional Amount Outstanding during the Derivatives Fee Year (determined in accordance with subsection 29(3) of OSC Rule 13-502 Fees)	\$ _____
6.	Participation Fee	\$ _____
7.	Late Fee, if applicable (determined under section 30 of OSC Rule 13-502 Fees)	\$ _____
8.	Total Fee Payable (Participation Fee plus Late Fee)	\$ _____

B.5.2 Ontario Securities Commission Companion Policy 13-502CP Fees

**COMPANION POLICY 13-502CP
FEES**

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PART 1
PURPOSE OF COMPANION POLICY

Purpose of Companion Policy

1. The purpose of this Companion Policy is to state the views of the Commission on various matters relating to OSC Rule 13-502 *Fees* (the “Rule”), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2
PURPOSE AND GENERAL APPROACH OF THE RULE

Purpose and general approach of the Rule

2. (1) The purpose of the Rule is to establish a fee regime that creates a clear and streamlined fee structure.
- (2) The fee regime of the Rule is based on the concepts of “participation fees” and “activity fees”.

Participation fees

3. (1) Reporting issuers, registrant firms and unregistered capital markets participants, as well as specified regulated entities and designated rating organizations, are generally required to pay participation fees annually. Participation fees must also be paid on an annual basis by certain participants in the derivatives market.
- (2) Participation fees are designed to cover the Commission’s costs not easily attributable to specific regulatory activities. The participation fee required of a person or company under Parts 2 and 3 of the Rule is based on a measure of the person’s or company’s size, which is used as a proxy for its proportionate participation in the Ontario capital markets. In the case of a reporting issuer, the participation fee is based on the issuer’s capitalization, which is used to approximate its proportionate participation in the Ontario capital markets. In the case of a registrant firm or unregistered capital markets participant, the participation fee is generally based on the firm’s revenues attributable to its capital markets activity in Ontario.
- (3) Participation fees under Part 4 of the Rule are generally fixed annual amounts payable each year. In the case of specified regulated entities to which Part 4 of the Rule applies, participation fees are generally specified for a particular organization or type of organization in Appendix D. The level of participation fees for recognized clearing agencies is determined by reference to the services they provide.
- (4) Participation fees for designated rating organizations under Part 5 of the Rule are \$15,000 per financial year.
- (5) Participation fees in respect of derivative transactions are based on the fee payer’s notional amounts reported under Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.
- (6) A person or company may be subject to participation fees under more than one part of the Rule. There is no cap on multiple participation fees except as described in subsection 8(1) (below).

Application of participation fees

4. Although participation fees are generally determined with reference to information from a financial year of the payor generally ending before the time of their payment, they are applied to the costs of the Commission of regulating the ongoing participation in Ontario’s capital markets of the payor and other market participants.

Registered individuals

5. The participation fee is paid at the firm level under the Rule. For example, a “registrant firm” is required to pay a participation fee, not an individual who is registered as a representative of the firm.

Activity fees

6. Activity fees are generally charged where a document of a designated class is filed. Estimates of the direct cost of Commission resources expended in undertaking the activities listed in Appendix F of the Rule are considered in determining these fees (e.g., reviewing prospectuses, registration applications, and applications for discretionary relief). Generally, the activity fee charged for filing a document of a particular class is based on the average cost to the Commission of reviewing documents of the class.

Registrants under the *Securities Act* and the *Commodity Futures Act*

7. (1) The Rule imposes an obligation to pay a participation fee on registrant firms, defined in the Rule as a person or company registered under the Act as a dealer, adviser or investment fund manager. An entity so registered may also be registered as a dealer or adviser under the *Commodity Futures Act*. Given the definition of "capital markets activities" under the Rule, the revenue of such an entity from its *Commodity Futures Act* activities must be included in its calculation of revenues when determining its fee under the Rule. Section 2 of OSC Rule 13-503 (*Commodity Futures Act*) Fees exempts such an entity from paying a participation fee under that rule if it has paid its participation fees under the *Securities Act* Rule.
- (2) Dealers and advisers registered under the *Commodity Futures Act* may be subject to activity fees under OSC Rule 13-503 (*Commodity Futures Act*) Fees even if they are not required to pay participation fees under that rule.

Refunds

8. (1) A refund mechanism is provided under subsection 20(4) of the Rule. This subsection deals with a refund mechanism used to effect a cap of Part 3 and Part 4 participation fees for alternative trading systems, in an attempt to align the participation fees to those charged to other specified regulated entities.
- (2) Generally, a person or company that pays a fee under the Rule is not entitled to a refund of that fee unless they meet the conditions discussed in subsection (1) above. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a reporting issuer, registrant firm or unregistered capital markets participant that loses that status later in the financial year in respect of which the fee was paid.
- (3) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid. Filers should contact OSC staff with regard to the mechanics of how to deliver such a request.
- (4) Filers are expected to file correct information in a form. Correct information is important not only to reflect the filer's particular circumstances but also for more general data collection and analysis by the Commission. If a filer becomes aware that information in a previously filed form is incorrect, the filer should contact OSC staff about addressing the incorrect information on a timely basis (whether or not the correction would result in the determination of a different fee amount).

Indirect avoidance of Rule

9. The Commission may examine arrangements or structures implemented by a person or company and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will review circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm to assess whether the firm has artificially reduced the firm's specified Ontario revenues and, consequently, its participation fee. Similarly, registrant firms or unregistered capital markets participants that operate under a cost recovery model in which there are no recorded revenues on their financial statements would be expected to report a reasonable proxy of the firm's capital markets activities in Ontario, subject to the conditions of any exemptive relief granted under section 44 of the Rule. In all cases, the Commission expects registrant firms and unregistered capital markets participants to pay participation fees based on all revenues attributable to capital markets activities in Ontario, irrespective of how these revenues are recorded or structured.

**PART 3
CORPORATE FINANCE PARTICIPATION FEES**

Application to investment funds

10. Part 2 of the Rule does not apply to an investment fund if the investment fund has an investment fund manager. The reason for this is that under Part 3 of the Rule an investment fund's manager must pay a capital markets participation fee in respect of revenues generated from managing the investment fund.

Late fees

11. Section 8 of the Rule requires a reporting issuer to pay an additional fee when it is late in paying its participation fee. Reporting issuers should be aware that the late payment of participation fees may lead to the reporting issuer being noted in default and included on the list of defaulting reporting issuers available on the Commission's website.

Exemption for subsidiary entities

12. Under section 6 of the Rule, an exemption from participation fees is available to a reporting issuer that is a subsidiary entity if, among other requirements, the parent of the subsidiary entity has paid a participation fee applicable to the parent under subsection 4(1) of the Rule determined with reference to the parent's capitalization for the parent's financial year. This condition to the exemption is only available if the parent was a Class 1 or Class 2 reporting issuer.

Determination of market value

13. (1) Paragraph 9(1)(a) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total market value of all of its equity securities listed or quoted on a marketplace. This includes, but is not limited to, any listed shares, warrants, subscription receipts and rights.
- (2) Paragraph 9(1)(b) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total fair value of its debt securities that are listed or quoted on a marketplace, trade over the counter or otherwise generally available for sale even if there is a statutory hold period. This paragraph is intended to include all capital market debt issued by the reporting issuer, whether distributed under a prospectus or prospectus exemption, and includes, but is not limited to, bonds, debentures (including the equity portion of convertible debentures), commercial paper, notes and any debt securities to which a credit rating is attached, but is not intended to include bank debt (such as term loans and revolving credit facilities) and mortgages.
- (3) Paragraph 9(1)(c) of the Rule requires the calculation of the capital of a reporting issuer to include the fair value of the outstanding debt securities at the end of the previous financial year for subsidiaries that are not reporting issuers, subject to the limit imposed in that paragraph. There is a similar rule in paragraph 9(1)(d) for specified subsidiaries that are reporting issuers.
- (4) If the closing price of a security on a particular date is not ascertainable because there is no trade on that date or the marketplace does not generally provide closing prices, a reasonable alternative, such as the most recent closing price before that date, the average of the high and low trading prices for that date, or the average of the bid and ask prices on that date is acceptable.

Owners' equity and non-current borrowings

14. A Class 2 reporting issuer calculates its capitalization on the basis of certain items reflected in its audited statement of financial position. Two such items are "share capital or owners' equity" and "non-current borrowings, including the current portion". The Commission notes that "owners' equity" is designed to describe the equivalent of share capital for non-corporate issuers, such as partnerships or trusts. "Non-current borrowings" is designed to describe the equivalent of long term debt or any other borrowing of funds beyond a period of twelve months.

Identification of non-current liabilities

15. If a Class 2 reporting issuer does not present current and non-current liabilities as separate classifications on its statement of financial position, the reporting issuer will still need to classify these liabilities for purposes of its capitalization calculation. In these circumstances non-current liabilities means total liabilities minus current liabilities, using the meanings ascribed to those terms under the accounting standards pursuant to which the entity's financial statements are prepared under Ontario securities law.

PART 4 CAPITAL MARKETS PARTICIPATION FEES

Liability for capital markets participation fees

16. (1) Capital markets participation fees are payable annually by registrant firms and unregistered capital markets participants, as defined in section 1 of the Rule.
- (2) For registrants filing Form 13-502F4s for a year, the capital participation fee is based on their audited financial statements for the "designated financial year", as defined in section 1 of the Rule.
- (3) For unregistered capital market participants filing their 13-502F4s, the fees are based on their most recent available financial statements for the "designated financial year". These financial statements may be audited. If an unregistered capital market participant's financial statements are not ordinarily audited, unaudited financial statements may be used.

Late fees

17. Section 15 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm. The Commission may also consider measures in the case of late payment of fees by an unregistered capital markets participant, such as: in the case of an unregistered investment fund manager, prohibiting the manager from continuing to manage any investment fund or cease trading the investment funds managed by the manager; or, in the case of an unregistered exempt international firm, making an order pursuant to section 127 of the Act, that the corresponding exemptions from registration requirements under which the firm acts do not apply to the firm (either permanently or for such other period as specified in the order).

Form of payment of fees

18. Registrant firms pay through the National Registration Database. The filings and payments for unregistered capital markets participants should be sent via wire transfer to the Ontario Securities Commission.

“Capital markets activities”

19. (1) A person or company must consider its capital markets activities when calculating its participation fee. The Commission is of the view that these activities include, without limitation, carrying on the business of trading in securities, carrying on the business of an investment fund manager, providing securities-related advice or portfolio management services. The Commission notes that corporate advisory services may not require registration or an exemption from registration and would therefore, in those contexts, not be capital markets activities.
- (2) The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, carrying on the business of providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

Permitted deductions

20. Subsection 17(2) of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for unregistered capital markets participants and registrant firms. The purpose of these deductions is to prevent the “double counting” of revenues that would otherwise occur.

Confidentiality of forms

21. The material filed under Part 3 of the Rule will be kept confidential. The Commission is of the view that the material contains intimate financial, commercial and technical information and that the interests of the filers in non-disclosure outweigh the desirability of the principle that the material be available for public inspection.

**PART 5
PARTICIPATION FEES PAYABLE BY
SPECIFIED REGULATED ENTITIES AND DESIGNATED RATING ORGANIZATIONS**

General

22. Participation fees are also payable annually by specified regulated entities and designated credit rating organizations under Parts 4 and 5 of the Rule.

Specified regulated entities

23. The calculation of participation fees under Part 4 of the Rule is generally determined with reference to described classes of entities. The classes, and their level of participation fees, are set out in Appendix D of the Rule.

- (a) To provide more equitable treatment among exchanges and alternative trading systems (ATS) for exchange-traded securities and to take into account Part 3 participation fees payable by an alternative trading system entity for exchange-traded securities, its participation fee is adjusted under section 20.

For example, assume that participation fees under Part 3 for an eligible ATS payable on December 31, 2021 is \$74,000 and the ATS's Canadian trading share is under 5%. The ATS pays its participation fee of \$74,000 on December 31. Before April 30, 2022 when filing Form 13-502F7, the fee payable will be shown as \$17,000 (the lesser of (a) \$30,000 from Row A1 of Appendix D and (b) \$17,000). In this case, the ATS will be entitled to a refund of \$57,000 (\$74,000 paid on December 31 less \$17,000 required to be paid under Part 4). A mechanism that is similar in principle applies to other ATS entities under subsections 20(2) and (3).

An ATS described in subsection 20(6) will pay an aggregate participation fee calculated based on the type of securities traded on each of its platforms. For example, an ATS that has a platform for trading equities and another one for trading fixed income securities would pay a participation fee for its equity platform calculated as described above and a participation fee for its fixed income platform as described in Appendix D Row C2.

- (b) If a specified regulated entity is recognized during the specified period, it must pay to the Commission, immediately upon recognition, designation etc., a participation fee for the remaining specified period. The participation fee owed to the Commission will be pro-rated based on the number of remaining complete months to March 31 subsequent to it being recognized, designated, etc. For example, if an exchange was recognized on January 15, 2022, it will owe to the Commission a pro-rated participation fee in the amount of \$5,000 for the two complete months remaining until March 31 (calculated as $\$30,000 \times 2/12$). A Form 13-502F7 must be filed with the pro-rated payment.

Continuing with the example above, the recognized exchange will also need to calculate the participation fee due before April 30, 2022 and file a second Form 13-502F7 with this payment. For the purpose of calculating its Canadian trading share, the exchange should use the actual Canadian trading share for the months of February and March 2022 and zero for the months before it received recognition (i.e. April 2021 to January 2022).

PART 6 DERIVATIVES PARTICIPATION FEES

General

24. The term “business day” is defined in OSC Rule 14-501 *Definitions* as “any day other than a Saturday, a Sunday or a statutory holiday” which we interpret as referring to a statutory holiday in Ontario, a list of which is provided in section 88 of the *Legislation Act, 2006* (Ontario).

A participation fee may be payable for each derivatives fee year by a person or company who is, with respect to any transaction in the derivatives fee year, a reporting counterparty. The term “reporting counterparty” is defined in OSC Rule 91-507 as determined under the reporting hierarchy set out in section 25 of OSC Rule 91-507. Where a person or company is a reporting counterparty under that hierarchy in respect of a transaction in the derivatives fee year, the person or company is a fee payer regardless of whether the person or company has delegated its reporting obligation. However, if the person or company is a recognized clearing agency or is exempt from such recognition, the person or company is exempt from the payment of the fee.

Average quarterly notional amount

25. The required amount of the participation fee for a derivatives fee year is determined with reference to a fee payer’s average quarterly notional amount outstanding during the derivatives fee year, in respect of transactions that are reportable under OSC Rule 91-507. This is calculated by aggregating the notional amount of the fee payer’s outstanding positions as at the end of the last business day in each of September, December, March and June and dividing the total by four. Subsection 30(2) of the Rule sets out a detailed methodology for this calculation.

In the following example, which uses the simplified assumption that all of the fee payer’s notional amounts are reported in Canadian dollars, the fee payer’s average quarterly notional amount for the derivatives fee year would be \$110 billion and, with reference to Appendix E, the participation fee for the derivatives fee year would be \$100,000.

Quarter-End	Aggregate notional amount of outstanding positions as at end of day
September	\$100 billion
December	\$90 billion
March	\$120 billion
June	\$130 billion
Average notional:	$\$110 \text{ billion} = (100+90+120+130)/4$

In this example, the fee payer had an aggregate notional amount outstanding of \$90 billion at the December quarter-end. During the following quarter, some of the fee payer’s transactions may have expired (e.g. \$10 billion), others may remain outstanding (e.g. \$80 billion), and the fee payer may have executed new transactions (e.g. \$40 billion). As a result, the fee payer had an aggregate notional amount outstanding of \$120 billion at the March quarter-end.

First derivatives fee year

26. The first derivatives participation fee is payable by August 29, 2023 in respect of the derivatives fee year commencing July 1, 2022 and ending June 30, 2023. As provided in subsection 30(3) of the Rule, in lieu of determining an average quarterly notional amount outstanding in respect of this first derivatives fee year (i.e. as of the last business day in each of September 2022, December 2022, March 2023 and June 2023), a fee payer may instead calculate its derivatives participation fee in respect of its notional amount of outstanding positions as at the end of the last business day of the derivatives fee year (i.e. June 30, 2023), in respect of transactions that are reportable under OSC Rule 91-507. Choosing this option avoids the need for the fee payer to backdate its calculations before publication of the amendments to the Rule. However, a fee payer's participation fee in respect of subsequent derivatives fee years must be determined using the fee payer's average quarterly notional amount outstanding.

Scope of transactions

27. The determination of a fee payer's notional amount outstanding under subsections 30(2) and 30(3) of the Rule only includes transactions that are reportable under OSC Rule 91-507. For example, if a fee payer is not a "local counterparty", as defined in OSC Rule 91-507 (such as a U.S. bank), only its notional amount outstanding under transactions with Ontario local counterparties are required to be reported under OSC Rule 91-507, and therefore only these transactions are reflected in the calculation of the fee payer's average quarterly notional amount outstanding under subsection 30(2) of the Rule or notional amount outstanding under subsection 30(3) of the Rule. In contrast, if the fee payer is an Ontario local counterparty, all of the fee payer's global transactions are reportable under OSC Rule 91-507 (subject to any applicable exclusions, for example, under OSC Rule 91-506), and all such transactions are reflected in the calculation of the fee payer's average quarterly notional amount outstanding.

The determination of a fee payer's notional amount outstanding under subsections 30(2) and 30(3) of the Rule includes all transactions, both cleared and uncleared, to which the fee payer is a counterparty, regardless of which counterparty was a reporting counterparty or reported a transaction. For example, notional amounts under cleared transactions for which a recognized or exempt clearing agency is the reporting counterparty under OSC Rule 91-507 are included in determining the fee payer's participation fee.

Foreign currency

28. The participation fee is only payable in connection with notional amounts reported in a currency. With regard to non-Canadian dollar reporting, the Canadian dollar equivalent is calculated using the applicable daily exchange rate on the last business day of the derivatives fee year, as posted on the Bank of Canada website. If a notional amount is denominated in a currency for which the Bank of Canada does not post an exchange rate, the exchange rate posted by another central bank may be used.

Time of payment and late fee

29. Payments of derivatives participation fees must be made to the Ontario Securities Commission not more than 60 days after the end of the derivatives fee year and be accompanied by Form 13-502F9. For example, the fee in respect of the derivatives fee year beginning on July 1, 2022 and ending on June 30, 2023 would be payable by August 29, 2023. If the fee payer is late in paying the fee, an additional fee of 0.1% of the outstanding amount is charged for each business day.

**PART 7
ACTIVITY FEES**

Technical reports

30. Row A2 of Appendix F requires fee payment of \$2,500 for the filing of each technical report for which an activity fee has not previously been paid. This includes where a technical report is incorporated by reference into a prospectus. Staff consider that a technical report is incorporated by reference into a prospectus even if the incorporation is indirect; for example, the technical report is referenced in an annual information form that itself is incorporated in the prospectus.

Concurrent application by permitted individual

31. Row I4 of Appendix F imposes a fee of \$100 for an individual seeking approval as a permitted individual. Row I5 imposes a fee of \$200 for an individual changing his or her status to a representative of a registrant firm. If an individual makes a concurrent application for approval as a permitted individual and as a representative of a registrant firm, staff would expect a fee of \$200 in the aggregate.

Affiliates

30. Subsection 34(1) of the Rule provides for only one activity fee to be paid for an application, in respect of a joint activity, made jointly by applicants affiliated with each other. Subsection 34(2) ensures that this measure applies to affiliates jointly applying for exemptive relief.

Investment fund families

31. Section 35 of the Rule provides for only one activity fee to be paid for an application made by or on behalf of two or more investments funds in the same investment fund family.

Withdrawal of application or refiling of prospectus

32. Generally, where an activity fee has been paid by a person who then abandons the matter or withdraws the application, a new activity fee would be payable if the person resurrects the application or updates the application for material changes that have occurred. Likewise, if a prospectus is withdrawn and then refiled, there is no waiver of the prospectus fee.

**PART 8
FEES FOR LATE FILING OR DELIVERY**

Late fees under Part 9 of the Rule for registrant firms

33. Appendix G to the Rule outlines additional fees payable by registrant firms for the late filing or delivery of certain forms or documents required under the Act. The Commission may consider the late filing or delivery of forms or documents when assessing the ongoing suitability for registration of a registrant firm.

Late fees for covered documents – after April 2, 2023

34. Late fees for covered documents, as defined in section 37 of the Rule, that are incurred after April 2, 2023 are calculated in accordance with sections 38 and 39. The late fee is \$100 per day, subject to an annual cap for all covered documents submitted in a year of \$5,000. The annual cap is increased to \$10,000 for a person or company that has specified Ontario revenues greater than or equal to \$500 million.

Affiliated investment funds and registrants

35. Subsections 39(3) and (4) apply when multiple affiliated investment funds or registrants fail to file the same type of covered documents due by the same date. In this case, payments attributable to a year made by anyone in the group count as payments made by everyone in the group. This means that the group will be liable to a maximum liability per year equal to the \$5,000 or \$10,000 annual cap.

Subsection 40(2) applies when multiple affiliated investment funds fail to file Form 45-106F1 due by the same date. In this case, payments attributable to a year made by anyone in the group count as payments made by everyone in the group. This means that the group will be liable to a maximum liability per year equal to the \$5,000 annual cap.

Transition – Certain forms and documents required to be filed or delivered before April 3, 2023

36. Late fees for forms and documents listed in Row A or B of Appendix D as the Rule read on April 2, 2023 were calculated based on the number of business days that the form or document was late. Section 43 provides that late fees incurred prior to April 3, 2023 will continue to be charged on this basis. Late fees incurred after that date are charged based on calendar days in accordance with sections 38 and 39.

B.5.3 Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees

**ONTARIO SECURITIES COMMISSION
RULE 13-503
(COMMODITY FUTURES ACT) FEES**

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Form 13-503F1 (Commodity Futures Act) Participation Fee Calculation

PART 1 DEFINITIONS

Definitions

1. In this Rule,

“CFA” means the *Commodity Futures Act*;

“CFA activities” means activities for which registration under the CFA is required, or activities for which an exemption from registration is required under the CFA, or would be so required if those activities were carried out in Ontario;

“designated financial year” in connection with the filing at any time by a registrant firm of a completed Form 13-503F1 means, the most recent completed financial year of the registrant firm, determined at the time of the filing, for which audited financial statements are available;

“Form 13-503F1” means Form 13-503F1 (*Commodity Futures Act*) *Participation Fee Calculation*;

“generally accepted accounting principles”, in relation to a person or company, means the generally accepted accounting principles used to prepare the financial statements of the person or company in accordance with Ontario securities law;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“Ontario percentage” means, in relation to a person or company for a designated financial year,

- (a) in the case of a person or company that had a permanent establishment in Ontario in the designated financial year and no permanent establishment elsewhere, 100%;
- (b) in the case of a person or company that had a permanent establishment in Ontario and elsewhere in the designated financial year and had taxable income in the designated financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and
- (c) in any other case, the percentage of the total revenues of the person or company for the designated financial year attributable to CFA activities in Ontario;

“OSC Rule 33-506” means Ontario Securities Commission Rule 33-506 (*Commodity Futures Act*) *Registration Information*;

“permanent establishment” means a permanent establishment as defined in subsection 400(2) of the *Income Tax Regulations* (Canada);

“permitted individual” has the same meaning as in OSC Rule 33-506;

“principal regulator” has the same meaning as in National Instrument 33-109 *Registration Information* under the *Securities Act*;

“registrant firm” means a person or company registered as dealer or an adviser under the CFA;

“specified Ontario revenues”, in relation to a person or company for a designated financial year, means the revenues of the person or company calculated for the designated year under section 6 or 7, as the case may be;

“taxable income” means taxable income as determined under the *Income Tax Act* (Canada); and

“taxable income earned in the year in Ontario”, in relation to a person or company for a financial year, means the taxable income of the person or company earned in the financial year in Ontario as determined under Part IV of the *Income Tax Regulations* (Canada).

PART 2 PARTICIPATION FEES

Application

2. This Part does not apply to a registrant firm that is registered under the *Securities Act* and that has paid its participation fee under Rule 13-502 *Fees* under the *Securities Act*.

Participation fee

3. (1) A registrant firm must, after August 31 and before November 2 in each year, file a completed Form 13-503F1 showing the information required to determine the participation fee referred to in applicable sections 6 or 7.
- (2) A registrant firm must, by December 31 in each year, pay the participation fee shown in Appendix A opposite the specified Ontario revenues for the designated financial year of the firm.
- (3) Despite subsections (1) and (2), if a person or company that was not a registrant firm becomes, between November 1 and December 31, a registrant firm, it must, within 60 days of them becoming a registrant firm
- (a) file a completed Form 13-503F1, and
 - (b) pay the participation fee determined in the completed Form 13-503F1.

Certification

4. (1) A Form 13-503F1 required to be filed under section 3 must contain a certification signed by any one of the following:
- (a) the chief compliance officer of the registrant firm;
 - (b) a specified officer of the registrant firm, or an individual acting in a similar capacity;
 - (c) a director of the registrant firm.
- (2) For the purposes of paragraph (1)(b), "specified officer" of a registrant firm means an individual with any one or more of the following positions in relation to the registrant firm:
- (a) chief executive officer;
 - (b) chief financial officer;
 - (c) chief operating officer.

Late fee

5. (1) A registrant firm that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2) A late fee calculated under subsection (1) is deemed to be nil if it is less than \$100.

Calculating specified Ontario revenues for IIROC members

6. (1) The specified Ontario revenues for a designated financial year of a registrant firm that was an IIROC member at the end of the designated financial year is calculated by multiplying
- (a) the registrant firm's total revenues for the designated financial year, less the portion of the total revenue not attributable to CFA activities,
 - by
 - (b) the registrant firm's Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), "total revenues" for a designated financial year means the amount shown as total revenue for the designated financial year on Statement E of the IIROC Form 1 filed with IIROC by the registrant firm.

Calculating specified Ontario revenues for others

7. (1) The specified Ontario revenues for a designated financial year of a registrant firm that was not a member of IIROC at the end of the designated financial year is calculated by multiplying
- (a) the registrant firm's total gross revenues, for the designated financial year, less deductions permitted under subsection (2),
 - by
 - (b) the registrant firm's Ontario percentage for the designated financial year.

- (2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items if earned in the designated financial year from its total revenues:
- (a) revenues not attributable to CFA activities;
 - (b) advisory or sub-advisory fees paid during the designated financial year by the registrant firm to
 - (i) a registrant firm under the CFA or a registrant firm under the *Securities Act*, or
 - (ii) an unregistered exempt international firm, as defined in Rule 13-502 *Fees* under the *Securities Act*.

**PART 3
ACTIVITY FEES**

Activity fees – General

8. A person or company must, when filing a document or taking an action described in Row A1 to F4 of Column A of Appendix B, pay the fee shown opposite the description of the document or action in Column B.

Information request

9. A person or company that makes a request described in Row G1 or G2 of Column A of Appendix B must pay the fee shown opposite the description of the request in Column B of Appendix B before receiving the document or information requested.

Affiliated entities

10. (1) Despite section 8, only one fee must be paid under this Part for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.
- (2) Without limiting the generality of subsection (1), only one fee must be paid under this Part where an application for exemptive relief is made jointly by applicants affiliated with each other.

**PART 4
FEES FOR LATE FILING OR DELIVERY**

Definitions

11. For the purposes of this Part,
- “applicable limit” of a person or company for a year means
- (a) if the person or company is required to pay a participation fee in the year under Part 2 and the specified Ontario revenues for the designated financial year on which the participation fee is based are greater than or equal to \$500 million, \$10,000 for that year, and
 - (b) in any other case, \$5,000 for that year.
- “covered document” means a form or document listed in Appendix C;
- “specified late day” means a day occurring after April 2, 2023.

Late fee for covered documents

12. A person or company that files or delivers a covered document after it was required to be filed or delivered must, when filing or delivering it, pay the fee determined under section 13 in respect of the covered document.

Amount of fee

13. (1) Subject to subsection (2), the fee for a covered document is equal to \$100 multiplied by the number of specified late days following the date the covered document was required to be filed or delivered until the date of the covered document is filed or delivered.
- (2) Despite subsection (1), the maximum late fee payable by a person or company under section 12 and attributable to a year for all covered documents is equal to the applicable limit.

- (3) If a registrant firm and one or more registrant firms are affiliates of each other and each of those registrant firms has failed to file the same type of a covered document due by the same date, a fee paid under section 12 by the first-mentioned registrant firm in respect of the covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other registrant firms and be attributable to that year.

Transition – Late fees accrued before April 3, 2023

14. A person or company that files or delivers a form or document listed in Appendix C of this Rule as it read on April 2, 2023 that was required to be filed or delivered before April 3, 2023, must, when filing or delivering it, pay the late fee determined under this Rule as it read on April 2, 2023 for the period from the date the form or document is required to be filed or delivered until April 2, 2023.

**PART 5
CURRENCY CONVERSION**

Canadian dollars

15. If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date, and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily exchange rate for the last business day preceding the particular date as posted on the Bank of Canada website.

**PART 6
EXEMPTION**

Exemption

16. The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

**PART 7
REPEAL AND EFFECTIVE DATE**

Repeal

17. Rule 13-503 (*Commodity Futures Act*) Fees, as amended to October 18, 2019, is repealed.

Effective date

18. This Rule comes into force on April 3, 2023.

**APPENDIX A
PARTICIPATION FEES
(Section 3)**

Specified Ontario Revenues for the Designated Financial Year	Participation Fee
under \$250,000	\$700
\$250,000 to under \$500,000	\$975
\$500,000 to under \$1 million	\$3,200
\$1 million to under \$3 million	\$7,150
\$3 million to under \$5 million	\$16,100
\$5 million to under \$10 million	\$34,300
\$10 million to under \$25 million	\$70,000
\$25 million to under \$50 million	\$105,200
\$50 million to under \$100 million	\$217,000
\$100 million to under \$200 million	\$367,700
\$200 million to under \$500 million	\$745,300
\$500 million to under \$1 billion	\$962,500
\$1 billion to under \$2 billion	\$1,213,800
\$2 billion and over	\$2,037,000

**APPENDIX B
ACTIVITY FEES
(Sections 8 and 9)**

Row	Document or Activity (Column A)	Fee (Column B)
A. Application for specifically enumerated relief, approval and recognition		
A1	Application under: (a) Section 24 or 40 or subsection 36(1) or 46(6) of the CFA, and (b) Subsection 27(1) of the Regulation to the CFA.	Nil
A2	An application for relief from this Rule.	\$1,800
A3	An application for relief from any of the following: (a) OSC Rule 31-509 <i>National Registration Database (Commodity Futures Act)</i> ; (b) OSC Rule 33-506; (c) Subsection 37(7) of the Regulation to the CFA	\$1,800
B. Recognitions and Exemptions for Specified Regulated Entities		
B1	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is not made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$110,000
B2	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$22,000
B3	An application for exemption from registration of an exchange under section 80 of the CFA if the application is not made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$83,000
B4	An application for exemption from registration of an exchange under section 80 of the CFA if the application is made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$22,000
B5	An application for recognition of a clearing house under section 17 of the CFA if the application is not made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> ;	\$110,000
B6	An application for recognition of a clearing house under section 17 of the CFA if the application is made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> .	\$22,000 (plus an additional fee of \$100,000 in connection with an application described in any of Rows B1 to B6 that (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or (c) involves the introduction of a new business that would significantly change the risk profile of an

Row	Document or Activity (Column A)	Fee (Column B)
		exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
	C. Registration-Related Activity	
C1	New registration of a firm in one or more categories of registration	\$1,300
C2	Addition of one or more categories of registration	\$700
C3	Registration of a new individual to trade or advise on behalf of the registrant firm <i>Note: If an individual is registering as both a dealer and an adviser, the individual is required to pay only one activity fee.</i>	\$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.
C4	Review of permitted individual	\$100, unless the individual is already registered to trade or advise on behalf of the registrant firm
C5	Change in status from a non-trading or non-advising capacity to a trading or advising capacity	\$200 per individual
C6	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	\$1,000
C7	Application for amending terms and conditions of registration	\$800
	D. Director Approval	
D1	An application for approval of the Director under Section 9 of the Regulation to the CFA <i>Note: No fee for an approval under subsection 9(3) of the Regulation to the CFA is payable if a notice covering the same circumstances is required under sections 11.9 or 11.10 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.</i>	\$3,500
	E. Pre Filings	
E1	Each pre-filing relating to the items described in Rows B1 to B6 of Appendix B	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
E2	Any other pre-filing of an application <i>Note: The fee for a pre-filing of an application will be credited against the applicable fee payable if and when the corresponding formal filing is actually proceeded with; otherwise, the fee is nonrefundable.</i>	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
	F. Any Application not otherwise listed in this Rule	
F1	An application, other than one described in Rows A1 to D1 for (a) relief from one section of the CFA, a regulation or a rule, or	\$4,800

B.5: Rules and Policies

Row	Document or Activity (Column A)	Fee (Column B)
F2	(b) recognition or designation under one section of the CFA, a regulation or a rule, An application, other than one described in Rows A1 to D1 for (a) relief from two or more sections of the CFA, a regulation or a rule made at the same time, or (b) recognition or designation under two or more sections of the CFA, a regulation or a rule made at the same time.	\$7,000
F3	An application referred to in F1 or F2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-502 Fees: (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary;	The amount in F1 or F2 is increased by \$2,000
F4	An application under subsection 78(1) of the CFA, other than an application that was made under that subsection and subsection 144(1) of the <i>Securities Act</i> , if the application (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or (d) reflects a major reorganization or restructuring of an exchange or clearing agency.	The amount in F1 or F2 is increased by \$100,000
G1	G. Requests to the Commission Request for a search of Commission public records	\$10 initial search fee, plus \$7.50 per person for each 15 minutes time spent by the person searching or preparing records for disclosure to the extent consistent with the request.
G2	Request for copies of Commission public records	Applicable search fees under Row G1. Additional charge of \$0.25 per page for photocopied or printed records. No additional charge for digital copies, where available.

APPENDIX C
DOCUMENTS TO WHICH FEES FOR LATE FILING OR DELIVERY APPLY
(Part 4)

- (a) Annual financial statements and interim financial information;
- (b) Report under section 15 of the Regulation to the CFA;
- (c) Report under section 17 of the Regulation to the CFA;
- (d) Form 33-506F1 *Notice of Termination of Registered Individuals and Permitted Individuals*;
- (e) Form 13-503F1; and
- (f) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the CFA with respect to
 - (i) terms and conditions imposed on the registrant firm or individual, or
 - (ii) an order of the Commission.

FORM 13-503F1
(Commodity Futures Act) PARTICIPATION FEE CALCULATION
General Instructions

1. This form must be completed by firms registered under the *Commodity Futures Act* but not under the *Securities Act*. It must be returned to the Ontario Securities Commission by November 1 each year, as required by section 3 of OSC Rule 13-503 (the Rule), except in the case where firms register after November 1 in a year. In this exceptional case, this form must be filed within 60 days of registration.
2. The completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
3. IIROC members must complete Part 4a of this form. All other registrant firms must complete Part II.
4. IIROC members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
5. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the designated financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a designated financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.
6. All figures must be expressed in Canadian dollars.
7. Information reported on this form must be certified by an individual specified in section 4 of the Rule to attest to its completeness and accuracy.
8. If the firm has no "designated financial year", as defined in section 1 of the Rule, do not complete Part 4 of this form.

Certification

I, _____, of the registrant firm noted below have examined this Form 13-503F1 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) _____

Name: _____

Date: _____

Title: _____

PART 1: Firm Information

Firm NRD number: _____

Firm legal name: _____

PART 2: Contact Information for Chief Compliance Officer

Please provide the name, e-mail address, phone number and fax number for your Chief Compliance Officer.

Name: _____

E-mail address: _____

Phone: _____ Fax: _____

PART 3: Financial InformationDoes the firm have a designated financial year? ☐ Yes ☐ No (one selection)If yes, end date of designated financial year: ____/____/____
yyyy mm dd**PART 4: Participation Fee Calculation****Part 4(a) — IIROC Members**

1.	Total revenue for designated financial year from Statement E of the Form 1	\$	_____
2.	Less revenue not attributable to CFA activities	\$	_____
3.	Revenue subject to participation fee (line 1 less line 2)	\$	_____
4.	Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)		_____ %
5.	Specified Ontario revenues (line 3 multiplied by line 4)	\$	_____
6.	Participation fee (From Appendix A of the Rule, select the participation fee opposite the specified Ontario revenues from line 5)	\$	_____

Part 4(b) – Other Registrants:**Notes:**

1. Total gross revenues are the sum of all gross revenues reported on the audited financial statements. Audited financial statements should be prepared in accordance with generally accepted accounting principles. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.
2. Where the advisory services of a registrant firm, or of an unregistered exempt international firm under Rule 13-502 *Fees* of the *Securities Act*, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in total revenues.

1.	Total gross revenue for designated financial year (note 1)	\$ _____
----	--	-------------

Less the following items in respect of the designated financial year:

2.	Gross revenue not attributable to CFA activities	\$ _____
----	--	-------------

3.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 2)	\$ _____
----	--	-------------

4.	Revenue subject to participation fee (line 1 less lines 2 and 3)	\$ _____
----	--	-------------

5.	Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)	_____%
----	--	--------

6.	Specified Ontario revenues (line 4 multiplied by line 5)	\$ _____
----	--	-------------

7.	Participation fee (From Appendix A of the Rule, select the participation fee beside the specified Ontario revenues from line 6)	\$ _____
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B.5.4 Ontario Securities Commission Companion Policy 13-503CP (Commodity Futures Act) Fees

**COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES**

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1. Purpose of companion policy

PART 2 PURPOSE AND GENERAL APPROACH OF THE RULE

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3. Participation fees
4. Application of participation fees
5. Registered individuals
6. Activity fees
7. Registrants under the *Securities Act* and the *Commodity Futures Act*
8. Refunds
9. Indirect avoidance of rule
10. Confidentiality of forms

PART 3 PARTICIPATION FEES

11. Liability for participation fees
12. Late fees
13. "CFA activities"
14. Permitted deductions

PART 4 ACTIVITY FEES

15. Concurrent application by permitted individual
16. Affiliates
17. Withdrawal of application

PART 5 FEES FOR LATE FILING AND DELIVERY

18. Late fees under Part 4 of the Rule for registrant firms
19. Late fee for covered documents – after April 2, 2023
20. Affiliated registrants
21. Transition – Certain forms and documents required to be filed or delivered before April 3, 2023

PART 1
PURPOSE OF COMPANION POLICY

Purpose of Companion Policy

1. The purpose of this Companion Policy is to state the views of the Commission on various matters relating to OSC Rule 13-503 (*Commodity Futures Act*) Fees (the "Rule"), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2
PURPOSE AND GENERAL APPROACH OF THE RULE

Purpose and general approach of the Rule

2. (1) The general approach of the Rule is to establish a fee regime that is consistent with the approach of OSC Rule 13-502 (the "OSA Fees Rule"), which governs fees paid under the *Securities Act*. Both rules are designed to create a clear and streamlined fee structure.
- (2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

Participation fees

3. (1) Registrant firms are generally required to pay participation fees annually.
- (2) Participation fees are designed to cover the Commission's costs not easily attributable to specific regulatory activities. The participation fee required of a person or company under Part 2 of the Rule is based on a measure of the person's or company's size, which is used as a proxy for its proportionate participation in the Ontario capital markets. In the case of a registrant firm, the participation fee is based on the firm's revenues attributable to its CFA activity in Ontario.

Application of participation fees

4. Although participation fees are generally determined with reference to information from a financial year of the payor generally ending before the time of their payment, they are applied to the costs of the Commission of regulating the ongoing participation in Ontario's capital markets of the payor and other market participants.

Registered individuals

5. The participation fee is paid at the firm level under the Rule. For example, a "registrant firm" is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

Activity fees

6. Activity fees are generally charged where a document of a designated class is filed. Estimates of the direct cost of Commission resources expended in undertaking the activities listed in Appendix B of the Rule are considered in determining these fees (e.g., reviewing registration applications and applications for discretionary relief). Generally, the activity fee charged for filing a document of a particular class is based on the average cost to the Commission of reviewing documents of the class.

Registrants under the CFA and the Securities Act

7. (1) A registrant firm that is registered both under the CFA and the *Securities Act* is exempted by section 2 of the Rule from the requirement to pay a participation fee under the Rule if it is current in paying its participation fees under the OSA Fees Rule. The registrant firm will include revenues derived from CFA activities as part of its revenues for purposes of determining its participation fee under the OSA Fees Rule.
- (2) A registrant firm that is registered both under the CFA and the *Securities Act* must pay activity fees under the CFA Rule even though it pays a participation fee under the OSA Fees Rule.

Refunds

8. (1) Generally, a person or company that pays a fee under the Rule is not entitled to a refund of that fee. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a registrant firm whose registration is terminated later in the year for which the fee was paid.

- (2) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid. Filers should contact OSC staff with regard to the mechanics of how to deliver such a request.
- (3) Filers are expected to file correct information in a form. Correct information is important not only to reflect the filer's particular circumstances but also for more general data collection and analysis by the Commission. If a filer becomes aware that information in a previously filed form is incorrect, the filer should contact OSC staff about addressing the incorrect information on a timely basis (whether or not the correction would result in the determination of a different fee amount).

Indirect avoidance of rule

9. The Commission may examine arrangements or structures implemented by a person or company and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will review circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, to assess whether the firm has artificially reduced the firm's specified Ontario revenues and, consequently, its participation fee.

Confidentiality of forms

10. The material filed under the Part 2 of the Rule will be kept confidential. The Commission is of the view that the material contains intimate financial, commercial and technical information and that the interests of the filers in non-disclosure outweigh the desirability of the principle that the material be available for public inspection.

PART 3 PARTICIPATION FEES

Liability for participation fees

11. (1) Participation fees are payable annually by registrant firms as defined in section 1 of the Rule.
- (2) For registrants filing Form 13-503F1s for a year, the capital participation fee is based on their audited financial statements for the "designated financial year", as defined in section 1 of the Rule. If the registrant has no financial statement for a designated financial year available, there is no fee.

Late fees

12. Section 5 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm.

"CFA activities"

13. A person or company must consider its CFA activities when calculating its participation fee. The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, carrying on the business of providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

Permitted deductions

14. Section 7 of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for registrant firms. The purpose of these deductions is to prevent the "double counting" of revenues that would otherwise occur.

PART 4 ACTIVITY FEES

Concurrent application by permitted individual

15. Row C4 of Appendix B imposes a fee of \$100 for an individual seeking approval as a permitted individual. Row C5 imposes a fee of \$200 for an individual changing his or her status from a non-trading or non-advising capacity to a trading or advising capacity. If an individual makes a concurrent application for approval as a permitted individual and as an individual registered to trade or advise on behalf of a registrant firm, staff would expect a fee of \$200 in the aggregate.

Affiliates

16. Subsection 10(1) of the Rule provides for only one activity fee to be paid for an application, in respect of a joint activity, made jointly by applicants affiliated with each other. Subsection 10(2) ensures that this measure applies to affiliates jointly applying for exemptive relief.

Withdrawal of application

17. Generally, where an activity fee has been paid by a person who then abandons the matter or withdraws the application, a new activity fee would be payable if the person resurrects the application or updates the application for material changes that have occurred.

**PART 5
FEES FOR LATE FILING OR DELIVERY**

Late fees under Part 4 of the Rule for registrant firms

18. Appendix C of the Rule outlines additional fees payable by registrant firms for the late filing or delivery of certain forms or documents required under the CFA Act. The Commission may consider the late filing or delivery of forms or documents when assessing the ongoing suitability for registration of a registrant firm.

Late fee for covered documents – after April 2, 2023

19. Late fees for covered documents, as defined in Appendix C of the Rule, that are incurred after April 2, 2023 are calculated in accordance with sections 12 and 13. The late fee is \$100 per day, subject to an annual cap for all covered documents submitted in a year of \$5,000. The annual cap is increased to \$10,000 for a person or company that has specified Ontario revenues greater than or equal to \$500 million.

Affiliated registrants

20. Subsection 13(3) applies when multiple affiliated registrants fail to file the same type of covered documents due by the same date. In this case, payments attributable to a year made by anyone in the group count as payments made by everyone in the group. This means that the group will be liable to a maximum liability per year equal to the \$5,000 or \$10,000 annual cap.

Transition – Certain forms and documents required to be filed or delivered before April 3, 2023

21. Late fees for forms and documents listed in Appendix C as the Rule read on April 2, 2023 were calculated based on the number of business days that the form or document was late. Section 14 provides that late fees incurred prior to April 3, 2023 will continue to be charged on this basis. Late fees incurred after that date are charged based on calendar days in accordance with sections 12 and 13.

B.5.5 Ontario Securities Commission Companion Policy 91-501 Strip Bonds

**CHANGE TO
ONTARIO SECURITIES COMMISSION COMPANION POLICY 91-501
STRIP BONDS**

1. *Ontario Securities Commission Companion Policy 91-501 Strip Bonds is changed by this Document.*
2. *Section 6.1 is changed*
 - (a) *by replacing “item E1” with “item C1”, and*
 - (b) *by replacing “Appendix C” with “Appendix F”.*
3. This change becomes effective on April 3, 2023.

B.5.6 Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission

**AMENDMENT TO
ONTARIO SECURITIES COMMISSION RULE 11-501
ELECTRONIC DELIVERY OF DOCUMENTS TO THE ONTARIO SECURITIES COMMISSION**

- 1. *Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.***
- 2. *Appendix A is amended by deleting the following rows:***

13-502F5	Form 13-502F5 Adjustment of Fee for Registrant Firms and Unregistered Capital Markets Participants
13-503F2	Form 13-503F2 Adjustment of Fee Payment for Commodity Futures Act Registrant Firms

- 3. This Instrument comes into force on April 3, 2023.**

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B.7

Insider Reporting

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).

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).

B.9

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

TruX Exogenous Risk Pool
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Feb 23, 2023
NP 11-202 Final Receipt dated Feb 27, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3472312

Issuer Name:

Hamilton Canadian Bank Equal-Weight Index ETF
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Feb 24, 2023
NP 11-202 Preliminary Receipt dated Feb 27, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3495322

Issuer Name:

TD Active Global Enhanced Dividend CAD Hedged ETF
TD Active Global Enhanced Dividend ETF
TD Active Global Equity Growth ETF
TD Active Global Infrastructure Equity ETF
TD Active Preferred Share ETF
TD Active U.S. Enhanced Dividend CAD Hedged ETF
TD Active U.S. Enhanced Dividend ETF
TD Canadian Aggregate Bond Index ETF
TD Canadian Bank Dividend Index ETF
TD Canadian Equity Index ETF
TD Global Carbon Credit Index ETF
TD Global Healthcare Leaders Index ETF
TD Global Technology Leaders CAD Hedged Index ETF
TD Global Technology Leaders Index ETF
TD International Equity CAD Hedged Index ETF
TD International Equity Index ETF
TD One-Click Aggressive ETF Portfolio
TD One-Click Conservative ETF Portfolio
TD One-Click Moderate ETF Portfolio
TD Q Canadian Low Volatility ETF
TD Q International Low Volatility ETF
TD Q U.S. Low Volatility ETF
TD Select Short Term Corporate Bond Ladder ETF
TD Select U.S. Short Term Corporate Bond Ladder ETF
TD U.S. Equity CAD Hedged Index ETF
TD U.S. Equity Index ETF

Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Feb 23, 2023
NP 11-202 Final Receipt dated Feb 23, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3479869

Issuer Name:

Steadyhand Builders Fund
Steadyhand Equity Fund
Steadyhand Founders Fund
Steadyhand Global Equity Fund
Steadyhand Global Small-Cap Equity Fund
Steadyhand Income Fund
Steadyhand Savings Fund
Steadyhand Small-Cap Equity Fund
Principal Regulator – British Columbia

Type and Date:

Final Simplified Prospectus dated Feb 22, 2023
NP 11-202 Final Receipt dated Feb 23, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3478558

Issuer Name:

IG Mackenzie Canadian Money Market Class
IG Mackenzie Dividend Class
IG Beutel Goodman Canadian Equity Class
IG FI Canadian Equity Class
IG FI Canadian Equity Class II
IG Franklin Bissett Canadian Equity Class
IG Franklin Bissett Canadian Equity Class II
IG Mackenzie Betterworld SRI Class
IG Mackenzie Canadian Equity Class (formerly IG Mackenzie Quebec Enterprise Class)
IG Mackenzie Canadian Small/Mid Cap Class
IG Mackenzie Canadian Small/Mid Cap Class II
IG Mackenzie Canadian Small/Mid Cap Class III
IG Mackenzie U.S. Equity Class
IG Mackenzie U.S. Equity Class II
IG Mackenzie U.S. Equity Class III
IG Mackenzie U.S. Opportunities Class
IG Mackenzie U.S. Opportunities Class II
IG Putnam U.S. Growth Class
IG Putnam U.S. Growth Class II
IG T. Rowe Price U.S. Large Cap Equity Class
IG JPMorgan Emerging Markets Class
IG Mackenzie European Equity Class
IG Mackenzie European Mid Cap Equity Class
IG Mackenzie Global Class
IG Mackenzie Global Class II
IG Mackenzie Global Class III
IG Mackenzie Global Class IV
IG Mackenzie International Small Cap Class
IG Mackenzie Ivy European Class
IG Mackenzie Ivy European Class II
IG Mackenzie Ivy European Class III
IG Mackenzie Ivy Foreign Equity Class
IG Mackenzie North American Equity Class
IG Mackenzie North American Equity Class II
IG Mackenzie North American Equity Class III
IG Mackenzie North American Equity Class IV
IG Mackenzie North American Equity Class V
IG Mackenzie Pacific International Class
IG Mackenzie Pan Asian Equity Class
IG Mackenzie Pan Asian Equity Class II
IG Mackenzie Global Consumer Companies Class
IG Mackenzie Global Financial Services Class
IG Mackenzie Global Health Care Class
IG Mackenzie Global Infrastructure Class
IG Mackenzie Global Natural Resources Class
IG Mackenzie Global Precious Metals Class
IG Mackenzie Global Science & Technology Class
IG Core Portfolio Class – Balanced
IG Core Portfolio Class – Balanced Growth
IG Core Portfolio Class – Balanced Growth II
IG Core Portfolio Class – Growth
IG Core Portfolio Class – Growth II
IG Core Portfolio Class – Income Balanced
IG Managed Risk Portfolio Class – Balanced
IG Managed Risk Portfolio Class – Growth Focus
IG Managed Risk Portfolio Class – Income Balanced
Principal Regulator - Manitoba

Type and Date:

Amendment #2 to Final Simplified Prospectus dated February 17, 2023
NP 11-202 Final Receipt dated Feb 21, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3390258

Issuer Name:

CI Global Bond Currency Neutral Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated February 24, 2023

NP 11-202 Final Receipt dated Feb 27, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3407818

Issuer Name:

iProfile Canadian Equity Private Class

iProfile Emerging Markets Private Class

iProfile International Equity Private Class

iProfile U.S. Equity Private Class

IG Mackenzie Canadian Money Market Class

Principal Regulator - Manitoba

Type and Date:

Amendment #4 to Final Simplified Prospectus dated February 17, 2023

NP 11-202 Final Receipt dated Feb 21, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3390050

Issuer Name:

RGP Alternative Income Portfolio

Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Simplified Prospectus dated February 10, 2023

NP 11-202 Final Receipt dated Feb 23, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3429654

Issuer Name:

Invesco Balanced-Risk Allocation Pool
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
February 16, 2023

NP 11-202 Final Receipt dated Feb 22, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3438070

Issuer Name:

First Trust Choe Vest U.S. Equity Buffer ETF – February
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated
February 17, 2023

NP 11-202 Final Receipt dated Feb 22, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3409862

Issuer Name:

Evermore Retirement 2025 ETF
Evermore Retirement 2030 ETF
Evermore Retirement 2035 ETF
Evermore Retirement 2040 ETF
Evermore Retirement 2045 ETF
Evermore Retirement 2050 ETF
Evermore Retirement 2055 ETF
Evermore Retirement 2060 ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
February 22, 2023

NP 11-202 Final Receipt dated Feb 27, 2023

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #325614

Issuer Name:

JFT Strategies Fund
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus (NI 44-102) dated February 21,
2023

NP 11-202 Receipt dated February 22, 2023

Offering Price and Description:

Maximum Offerings: \$125,000,000 - Class A Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3488342

NON-INVESTMENT FUNDS

Issuer Name:

BRP Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Shelf Prospectus dated February 23, 2023
NP 11-202 Preliminary Receipt dated February 23, 2023

Offering Price and Description:

Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3494472

Issuer Name:

Discovery Silver Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated February 24, 2023
NP 11-202 Preliminary Receipt dated February 24, 2023

Offering Price and Description:

C\$300,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3495394

Issuer Name:

Electra Battery Materials Corporation (formerly "First Cobalt Corp.")
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated February 23, 2023
NP 11-202 Preliminary Receipt dated February 24, 2023

Offering Price and Description:

\$75,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units,
Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3494720

Issuer Name:

Lithium Royalty Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated February 21, 2023

NP 11-202 Preliminary Receipt dated February 21, 2023

Offering Price and Description:

C\$ - Common Shares

Price: C\$ per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Citigroup Global Markets Canada Inc.
TD Securities Inc.

Cormark Securities Inc.

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

Raymond James Ltd.

Red Cloud Securities Inc.

Promoter(s):

Waratah Capital Advisors Ltd.

Project #3493216

Issuer Name:

Lithium Royalty Corp.
Principal Regulator - Ontario

Type and Date:

Amendment dated February 23, 2023 to Preliminary Long Form Prospectus dated February 21, 2023

NP 11-202 Preliminary Receipt dated February 23, 2023

Offering Price and Description:

C\$150,000,000.00 - Common Shares

Price: C\$ per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Citigroup Global Markets Canada Inc.
TD Securities Inc.

Cormark Securities Inc.

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

Raymond James Ltd.

Red Cloud Securities Inc.

Promoter(s):

Waratah Capital Advisors Ltd.

Project #3493216

Issuer Name:

Morguard North American Residential Real Estate
Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 24,
2023
NP 11-202 Preliminary Receipt dated February 24, 2023

Offering Price and Description:

\$50,000,000.00 - 6.00% Convertible Unsecured
Subordinated Debentures due March 31, 2028
Per Debenture - \$1,000

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
SCOTIA CAPITAL INC.

CIBC WORLD MARKETS INC.

BMO NESBITT BURNS INC.

Promoter(s):

-

Project #3494170

Issuer Name:

NFI Group Inc.
Principal Regulator - Manitoba

Type and Date:

Preliminary Shelf Prospectus dated February 27, 2023
NP 11-202 Preliminary Receipt dated February 27, 2023

Offering Price and Description:

\$0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3496057

Issuer Name:

Osino Resources Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated February 23, 2023
NP 11-202 Preliminary Receipt dated February 24, 2023

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3494947

Issuer Name:

Prestwick Capital Corporation Limited
Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated February 24, 2023
NP 11-202 Preliminary Receipt dated February 24, 2023

Offering Price and Description:

\$200,000.00 - 2,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

Gordon Chmilar

Project #3495266

Issuer Name:

XORTX Therapeutics Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated February 17, 2023
NP 11-202 Preliminary Receipt dated February 21, 2023

Offering Price and Description:

\$50,000,000.00 - Common Shares, Subscription Receipts,
Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3492943

Issuer Name:

BRP Inc.
Principal Regulator - Quebec

Type and Date:

Final Shelf Prospectus dated February 23, 2023
NP 11-202 Receipt dated February 23, 2023

Offering Price and Description:

Subordinate Voting Shares, Preferred Shares, Debt
Securities, Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3494472

Issuer Name:

JFT Strategies Fund
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated February 21, 2023
NP 11-202 Receipt dated February 22, 2023

Offering Price and Description:

Maximum Offerings: \$125,000,000 - Class A Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3488342

Issuer Name:

Meridian Mining UK Societas
Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated February 24, 2023
NP 11-202 Receipt dated February 24, 2023

Offering Price and Description:

\$100,000,000.00 - Common Shares, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3490927

Issuer Name:

NFI Group Inc.
Principal Regulator - Manitoba

Type and Date:

Final Shelf Prospectus dated February 27, 2023
NP 11-202 Receipt dated February 27, 2023

Offering Price and Description:

\$0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3496057

Issuer Name:

Silver Tiger Metals Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Prospectus dated February 21, 2023
NP 11-202 Receipt dated February 22, 2023

Offering Price and Description:

\$18,011,000.00 - 58,100,000 Common Shares

Price: \$0.31 per Offered Share

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
DESJARDINS SECURITIES INC.
PI FINANCIAL CORP.
SPROTT CAPITAL PARTNERS LP by its general partner,
SPROTT CAPITAL PARTNERS GP INC.
ECHELON WEALTH PARTNERS INC.
EIGHT CAPITAL

Promoter(s):

-

Project #3489580

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B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Diversified Global Asset Management Corporation To: Carlyle Investments (Canada) Corporation	Exempt Market Dealer	December 12, 2022
New Registration	August Capital Inc.	Exempt Market Dealer	February 22, 2023
Name Change	From: IIFL CAPITAL PTE LTD. To: 360 ONE Capital Pte. Ltd.	Portfolio Manager	January 26, 2023
Voluntary Surrender	Pyrford International Limited	Portfolio Manager	February 21, 2023
Name Change	From: Virtu ITG Canada Corp. To: Virtu Canada Corp.	Investment Dealer & Futures Commission Merchant	November 23, 2022

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B.11

SRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 New SRO

B.11.1.1 New Self-Regulatory Organization of Canada (New SRO) – Housekeeping Amendments to Investment Dealer and Partially Consolidated Rules Regarding Margin Requirements for Securities Loan, Repurchase Agreements, and Reverse Repurchase Agreements with Term Risk – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL

NEW SELF-REGULATORY ORGANIZATION OF CANADA (NEW SRO)

HOUSEKEEPING AMENDMENTS TO INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES REGARDING MARGIN REQUIREMENTS FOR SECURITIES LOAN, REPURCHASE AGREEMENTS, AND REVERSE REPURCHASE AGREEMENTS WITH TERM RISK

The Ontario Securities Commission did not object to New SRO's proposed housekeeping amendments to the Investment Dealer and Partially Consolidated (**IDPC**) Rules regarding margin requirements for securities loan, repurchase agreements, and reverse repurchase agreements with term risk (**Housekeeping Amendments**). As a result, the Housekeeping Amendments were deemed approved and correct an error in the plain language drafting of the term risk margin requirements on financing transactions in IDPC Rule 5900.

The Housekeeping Amendments:

- replace language referring to the "security involved in loan agreement" with "Government of Canada debt security, and
- clarify the margin rate rule reference.

The Housekeeping Amendments will be effective immediately.

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, Digital Government and Services, Newfoundland and Labrador; the Office of the Yukon Superintendent of Securities; and the Prince Edward Island Office of the Superintendent of Securities did not object to the Housekeeping Amendments.

A copy of the New SRO Notice of Approval/Implementation, including text of the approved Housekeeping Amendments, is also published on our website at www.osc.ca.

B.11.2 Marketplaces

B.11.2.1 Canadian Securities Exchange – Proposed Amendments to CSE Form 2A Listing Statement – Notice and Request for Comments

CANADIAN SECURITIES EXCHANGE

NOTICE AND REQUEST FOR COMMENTS

PROPOSED AMENDMENTS TO CSE FORM 2A LISTING STATEMENT

CNSX Markets Inc., operating the Canadian Securities Exchange (“CSE” or “Exchange”) is filing this Notice in accordance with the process for the Review and Approval of Rules and Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to the Exchange’s recognition orders (the “Protocol”).

CSE is proposing changes (“Amendments”) to CSE Form 2A Listing Statement (“Form 2A”, “Listing Statement” or “Form”) to clarify certain disclosure requirements of Form 2A. Form 2A is a comprehensive disclosure document that must be filed with all new listing applications. The purpose of Form 2A is to provide at the time of listing full, true and plain disclosure by providing a narrative format based on the requirements set out in Form 41-101F1 *Information Required in a Prospectus (Form 41-101F1)*. CSE is seeking feedback on the disclosure requirements of Form 2A and the use of Form 2A for certain types of listing applications.

DESCRIPTION OF THE CHANGES

The effect of the Amendments will be the replacement of the existing prescriptive Form with instructions and reference to disclosure requirements set out in securities law.

Cover Page: The proposed Form will include a cover page that includes the Issuer name, date, and a designated space for additional risk disclosure if required, similar to cover page disclosure in a prospectus. Given the aligned requirements of Form 41-101F1 and CSE Form 2A, additional language has also been added to remind readers that the Listing Statement is not a prospectus.

Reference to Prospectus: The current introduction to Form 2A states that the Exchange requires “prospectus level” disclosure in the document. This will be amended to “...provide the same disclosure as that required by...” Form 41-101F1, to reinforce the disclosure requirement and purpose of Form 2A.

General Instructions: The prescriptive instructions will be replaced with a paragraph describing the Disclosure Requirements of Form 2A.

Filing and Disclosure Requirements

The instructions confirm that a Listing Statement must include the disclosure required in Form 41-101F1 and provides specific circumstances for which that requirement may be met by the incorporation of existing disclosure documents such as a prospectus or Form 51-102F5 *Information Circular*.

EXPECTED DATE OF IMPLEMENTATION DATE

The Amendments are expected to be implemented following the comment period and OSC and BCSC approval.

RATIONALE

The proposed Amendments are not intended to reduce the level of disclosure required from an Issuer, but rather clarify the intent and requirements of Form 2A. The Listing Statement has remained largely unchanged since its introduction in 2003. While it does not replicate a Form 41-101F1, it contains the headings, subheadings and subject matter to be addressed.

For RTO transactions, the amended Listing Statement will provide full, true and plain disclosure of the private company that is effectively undertaking a “going public” transaction.

National Instrument 51-102 *Continuous Disclosure Obligations* requires full, true and plain disclosure on an ongoing basis for reporting issuers. These obligations are supported and enhanced by the continued listing requirements on each exchange in Canada. Movement from one exchange to another, or a secondary listing on another exchange, should not trigger a requirement for a prospectus level disclosure document. The amended Listing Statement would permit an issuer to rely on its existing disclosure record when preparing a Listing Statement.

EXPECTED IMPACT OF THE PROPOSED PUBLIC INTEREST RULE ON THE MARKET STRUCTURE, MEMBERS AND, IF APPLICABLE, ON INVESTORS, ISSUERS AND THE CAPITAL MARKETS

There will be no material impact on market structure, members, issuers or investors as a result of the Amendments. Issuer obligations will not change in some cases, whereas the effort and cost of preparing a listing statement in certain situations will be significantly reduced or eliminated. In the case of issuers resulting from a business combination, investors will have significantly more historical information in a single document, which may not be relevant to investors seeking disclosure only about the resulting issuer post-transaction.

EXPECTED IMPACT OF THE PUBLIC INTEREST RULE ON CSE'S COMPLIANCE WITH SECURITIES LAW AND IN PARTICULAR ON REQUIREMENTS FOR FAIR ACCESS AND MAINTENANCE OF FAIR AND ORDERLY MARKETS

The proposed Amendments to Form 2A are not expected to impact the CSE's compliance with securities law, including the requirements for fair access or the maintenance of fair and orderly markets.

INTRODUCTION OF A FEE MODEL, FEATURE OR RULE THAT CURRENTLY EXISTS IN OTHER MARKETS OR JURISDICTIONS

The amended Form will be consistent with the requirements of other exchanges in Canada.

The TSX V uses an exchange-specific form, whereas TSX and NEO simply require the disclosure required by a prospectus, Form 51-102F5 Information Circular or Form 51-102F2 Annual Information Form.

COMMENTS

Applications to the Exchange may be by Initial Public Offering (IPO), Reverse Takeover or other form of business combination (RTO), and existing listed companies moving from another exchange. Unlisted reporting issuers may complete a transaction immediately prior to listing. In certain cases, a non-offering prospectus (NOP) may be required based on the history of the issuer (e.g., reporting in a jurisdiction outside Canada). Existing listed companies and issuers resulting from an RTO use the Listing Statement as the principal disclosure document for listing. It has been the Exchange's objective with Form 2A Listing Statement to provide investors with comprehensive information *that is relevant at the time of listing*, relying on the availability of an issuer's continuous disclosure record on SEDAR for historical information.

Form 2A is not reviewed by, nor is a receipt issued by a securities regulatory authority and as such it may not be relied upon for any purpose other than as a disclosure document for listing an existing reporting issuer. Specifically, a CSE Form 2A, regardless of the disclosure therein, does not:

- Serve as an Information Circular for the purpose of a meeting of shareholders,
- qualify securities for distribution,
- qualify an issuer as a reporting issuer, or
- qualify an issuer for a short-form prospectus offering.

When an issuer listed on another Canadian exchange applies to list on the CSE the issuer must meet the initial listing requirements of the CSE. It can generally be determined that a company meets those requirements through the Issuer's continuous disclosure record. CSE is seeking specific comment on the disclosure requirements for an issuer transferring from another exchange to the CSE:

If there is no distribution, transaction or change of business to be reviewed, please comment on the level of public disclosure required at the time of a transfer to a different exchange, i.e., prospectus level disclosure document vs. news release announcing the transfer.

Comments should be in writing and submitted no later than April 3, 2023 to:

Mark Faulkner
Senior Vice President, Listings and Regulation
CNSX Markets Inc.
220 Bay Street, 9th Floor
Toronto, ON, M5J 2W4
Fax: 416.572.4160
Email: Mark.Faulkner@thecse.com

A copy of the comments should be provided to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON, M5H 3S8
Fax: 416.595.8940
Email: marketregulation@osc.gov.on.ca

Larissa M. Streu
Manager, Corporate Disclosure
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC, V7Y 1L2
Email: lstreu@bcsc.bc.ca

Questions

Questions about this Notice or CSE Policy may be directed to Listings@thecse.com or:

Mark Faulkner
Senior Vice President, Listings and Regulation
CNSX Markets Inc.
100 King Street West, Suite 7210, Toronto, ON, M5X 1E1
Email: Mark.Faulkner@thecse.com

APPENDIX A – TEXT OF THE PROPOSED FORM 2A LISTING STATEMENT

FORM 2A

LISTING STATEMENT

A CSE Form 2A (Listing Statement) is required for all initial applications for listing and for applications for listing from Issuers resulting from a Fundamental Change, as defined in Policy 8 - *Fundamental Changes and Change of Business*. The Listing Statement is intended to provide the same disclosure as that required by Form 41- 101F1 *Information Required in a Prospectus* (Form 41-101F1).

General Instructions

Prepare the Listing Statement as set out below, including the Cover Page and any required Cover Page disclosure. In each case, the requirements for financial statements and MD&A apply as set out in section 2, *Filing and Disclosure Requirements*.

Subject to Exchange acceptance, the disclosure requirements of the Listing Statement may be met by incorporating by reference in the Listing Statement other documents that have been filed on the issuer's filer profile for SEDAR.

1) Cover Page

a) Title, Issuer and Date:

CSE FORM 2A LISTING STATEMENT

[Issuer Name]

[Date]

"This Listing Statement is intended to provide full, true and plain disclosure about the Issuer. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement."

b) **Cover page risk disclosure:** Disclose risk factors relating to the issuer and its business, as required.

Documents Incorporated by Reference: If applicable, list all documents incorporated by reference in the Listing Statement. Clearly identify the document being incorporated by reference, including the date of the document and the date it was filed on SEDAR. If an excerpt of a document is incorporated by reference, clearly identify the excerpt in the Listing Statement by page number and paragraph of the document.

2) Filing and Disclosure Requirements

- (a) Subject to subsections 2 (b), (c) and (d), a Listing Statement must include the disclosure required in Form 41-101F1.
- (b) Subject to section 3, an issuer may meet the requirement in subsection 2(a) by including or incorporating by reference in the Listing Statement a prospectus of the issuer for which a final receipt has been issued by a securities regulatory authority in Canada.
- (c) Subject to section 3, a reporting issuer, including an issuer recently delisted from another exchange in Canada, may meet the requirement in subsection 2(a) by including or incorporating by reference in the Listing Statement a Form 51-102F5 *Information Circular* (Form 51-102F5), provided the information circular contains prospectus-level disclosure in accordance with section 14.2 of Form 51-102F5 and was filed on SEDAR and sent to shareholders in connection with an application to list an issuer resulting from a transaction or proposed transaction that is a business combination with an issuer, including but not limited to a business acquisition, reverse takeover, merger or plan of arrangement.
- (d) Subject to section 3, where a reporting issuer is listed on another exchange in Canada immediately prior to listing on the Exchange, the issuer may meet the requirement in subsection 2(a) by incorporating by reference in the Listing Statement all documents the issuer was required to file under National Instrument 51-102 *Continuous Disclosure Obligations* since the end of the issuer's most recently completed financial year-end or the previous year-end if the issuer has not yet filed audited financial statements for its most recently completed financial year-end, provided that:
 - (i) the issuer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction; and

- (ii) if the issuer has recently completed a transaction described in subsection 2(c) or proposed a Fundamental Change or Change of Business as defined in Policy 8, the documents incorporated by reference must include a prospectus as described in 2(b) or Form 51-102F5 with the disclosure described in 2(c); and
- (iii) the existing continuous disclosure record of the issuer adequately describes the current business of the issuer and demonstrates that the issuer qualifies for listing and meets the initial listing standards.

3) Supplemental disclosure

If the documents referred to under subsections 2(b), 2(c) and 2(d) are not current as at the date of the Listing Statement, the issuer must include in the Listing Statement any supplemental disclosure necessary to ensure that the Listing Statement is current as of the date of the Listing Statement.

Examples of supplemental disclosure include financial statements for an issuer or a reverse takeover acquirer for the most recently completed period if those financial statements are not already included in the Listing Statement.

Guidance

Issuers should refer to Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements*, in particular:

- Part 4 General Content of a Long Form Prospectus
- Part 5 Content of a Long Form Prospectus (Financial Statements)

B.11.2.2 Alpha Exchange Inc. – Notice of Proposed Amendments and Request for Comments

ALPHA EXCHANGE INC.

NOTICE OF PROPOSED AMENDMENTS AND REQUEST FOR COMMENTS

Alpha Exchange Inc. (“**Alpha**” or “**we**”) is publishing this Notice of Proposed Amendments and Request for Comments in accordance with the “Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto” regarding amendments to the Alpha Trading Policy Manual (the “**Alpha Rules**”) to (i) introduce two new order books on Alpha; (ii) make changes to Alpha’s order processing delay; and (iii) make other ancillary amendments, all as described below (collectively, the “**Amendments**”).

Market participants are invited to provide comments. Comments should be in writing and delivered by April 3, 2023 to:

Joanne Sanci
Senior Counsel, Regulatory Affairs
TMX Group
100 Adelaide Street West, Suite 300
Toronto, Ontario M5H 1S3
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Email: marketregulation@osc.gov.on.ca

Comments will be made publicly available unless confidentiality is requested. Upon completion of the review by staff at the Ontario Securities Commission (“**OSC**”), and in the absence of any regulatory concerns, a notice will be published to confirm approval by the OSC.

Background and Rationale for the Amendments

(i) Alpha-X™ and Alpha DRK™ - New Order Books

Alpha intends to introduce two new order books: (i) one order book being visible (sometimes referred to as a “lit order book”) (“**Alpha-X**”); and (ii) the other order book being non-visible (sometimes referred to as a “dark order book”) (“**Alpha DRK**”, and together with **Alpha-X**, the “**New Order Books**”). Alpha proposes to launch the New Order Books in Q3 of 2023, subject to applicable approvals and client readiness. The New Order Books will leverage the well-established trading infrastructure of TMX Group Limited (“**TMX**”), as well as the existing expertise of TMX’s business, and technical groups, which will facilitate the development and implementation of the New Order Books. The New Order Books will only trade securities listed on Toronto Stock Exchange (“**TSX**”) and TSX Venture Exchange (“**TSXV**”).

The New Order Books will be available to all Alpha members (“**Members**”) at no additional membership fee.

The New Order Books will introduce: (i) on Alpha-X, in addition to the existing trading functionalities and order types currently available on Alpha, a visible limit order type, which is discretionary in nature (“**Smart Limit™**”) (the “**Smart Limit Amendments**”); (ii) on Alpha DRK, certain of the dark order types currently available on TSX and TSXV (Mid-point Peg, Primary Peg, Market Peg, Minimum Price Improvement Peg, and Dark Limit/Market); (iii) on Alpha DRK, a dark peg order type, which is discretionary in nature (“**Smart Peg™**”) (the “**Smart Peg Amendments**”); and (iv) on Alpha and the New Order Books, a static order processing delay (“**Static Order Processing Delay**”).

The introduction of the New Order Books provides platforms on which TMX can introduce innovative trading solutions, such as Smart Limit and Smart Peg orders, without incurring the risk of potential disruption that may accompany similar innovation on TSX, TSXV or Alpha. In addition, the New Order Books are not expected to have inverted fee models (where participants are charged for providing liquidity, which may make it more costly for natural participants) and as a result we expect broader adoption of the innovative new features introduced to improve execution quality. The fee model for the New Order Books will be subject to regulatory approval.

(ii) Smart Peg and Smart Limit Amendments

In the current multi-marketplace environment, certain market participants may receive market data more quickly than others, giving them the most up-to-date view of the national best bids and offers (the “**NBB**” and “**NBO**”, together comprising the “**NBBO**”) on

the Canadian market, allowing them to take favorable action. This is known as “latency arbitrage”, whereby some market participants are able to take advantage of their view of the NBBO to anticipate future price changes based on activity happening on the various marketplaces in Canada. This latency advantage exists for both active and passive orders: on the active side, by sending aggressive orders to execute against resting liquidity at soon-to-be-stale prices; and on the passive side, by canceling or moving aside their resting orders before other market participants are able to trade against them.

There have been attempts by marketplaces, including TMX, to mitigate the impact of latency arbitrage. On TSX, liquidity providers that rest their visible orders are paid a rebate, up to \$23 for every 10,000 shares executed on their resting order, to compensate them for their risk. The approach taken on Alpha is to leverage a random-duration order processing delay, whereby active orders incur a 1-3 millisecond (“ms”) delay to reach the market, which gives time for some Members to receive quote updates and determine whether or not the NBBO will change, and adjust the price on their resting orders if desired. Any market participant willing to commit liquidity to the Alpha book may bypass the order processing delay via passive-only orders greater than a security-specific minimum size.

Overall, a best execution analysis is based on a variety of factors. In our view, “markouts” are a standard way of measuring execution quality of *resting orders* on a marketplace. At a high level, “markouts” are a measure of what the market does (on average) *after* a participant gets a fill. For example, a participant buys at \$10.00 at time T, and the price goes down to \$9.99 10ms later (T+10ms). This means that the participant has paid more than they should have had they waited 10ms. This is referred to as a “negative markout”. In contrast, if the price 10ms later increases to \$10.01, this would be considered a “positive markout”, indicating that the participant has bought at a good price. Markouts are typically always negative (as the act of getting hit for liquidity by its nature will, on average, remove quotes). However, it is the relative difference from one marketplace to another that is worth comparing.

Markouts can be improved in one of two ways: (1) attracting active order flow earlier in participants’ routing tables when liquidity exists on multiple markets (i.e. the Canadian order book is “deep”), typically via inverted pricing; or (2) moving one’s orders away from a “decaying” quote (i.e. a decreasing NBB or increasing NBO) to avoid being impacted by latency arbitrage. When comparing other marketplaces’ markouts with Alpha, we found that Alpha markouts were indeed better to a greater degree due to its inverted pricing as well as the order processing delay providing some protection against latency arbitrage.

We believe there is room for further improvement. Not every participant is able to move its order away from a “decaying” quote. A study of orders within Alpha showed that faster participants tend to have better markouts than slower, more natural participants. As such, we developed a proprietary signal, known as the TMX Quote Decay Signal™ (“**TMX QDS™**”), to predict quotes likely to imminently “decay”. We also conducted a study measuring markouts of Alpha orders¹ that were executed during “decaying” quote conditions as predicted by the TMX QDS and found that these orders tended to have more negative markouts. This suggests that execution quality could be improved on such orders by providing functionality to move orders out of the way during “decaying” market conditions.

Given our analysis showing that there is opportunity for improvement in the Canadian markets, we are proposing to introduce discretionary order types on the New Order Books to give Members the ability to minimize the effects of latency arbitrage. We expect that the introduction of the discretionary order types (Smart Limit and Smart Peg) will result in improved execution quality, better markouts, and greater client satisfaction.

(iii) Static Order Processing Delay

As noted and described above, the order processing delay currently on Alpha was implemented as a means to minimize the impact of latency arbitrage. Members willing to provide liquidity to the Alpha order book are exempted from the Alpha order processing delay. In order to bypass the order processing delay, a Member’s order must be marked as post-only (i.e., orders that are not executed immediately), guaranteeing that it will not execute upon entry, and meet a minimum order size requirement. The minimum order size is security-specific and calculated based on the security’s historical traded price.

Based on consultation with TMX’s trading participant community, it has become apparent that any potential benefit associated with the order processing delay randomization (i.e., from 1 to 3ms) is countered by the complexity it adds and the difficulty it introduces to participants using algorithmic trading. There is a strong consensus that the randomization should be removed, and consequently, Alpha is currently anticipating changing the order processing delay to a static order processing delay as follows: (i) on Alpha, a 1-millisecond processing delay; and (ii) Alpha-X and Alpha DRK, a 10-millisecond processing delay. Based on our research and client consultations, we believe that removing the randomization component, and introducing the static delay period in its place, will not result in “gaming” of the order processing delay, and some Members may be able to benefit from a more predictable static delay.

The Static Order Processing Delay will be implemented on Alpha in Q2 2023, and on Alpha-X, and Alpha DRK in Q3 2023.

¹ In a study of trades on Alpha from October 1 - 28, 2021.

As set out in the Alpha Rules, the duration of the order processing delay is determined by Alpha and notice must be provided to Members of such determination. Such discretion will continue to apply on Alpha and will apply to the New Order Books.

Outline of the Amendments, and Approach

(i) Alpha-X and Alpha DRK - New Order Books

The Alpha-X order book will have all of the same order types and trading functionalities available on Alpha today. In addition, new order types and functionalities will be introduced that are only available on the New Order Books. Hence, while amendments are not required for the majority of the Alpha Rules to accommodate the New Order Books, including the Smart Peg and Smart Limit Amendments and the Static Order Processing Delay, certain changes will be made to the Alpha Rules to reflect the Amendments:

1. Table of Contents - The Table of Contents will be updated to include new sections entitled "Part V.1. Trading on Alpha-X", and Part V.2. Trading on Alpha DRK, and new subsections entitled "Order Types", "Self-Trade Prevention", and "Allocation of Trades - Establishing Price and Time Priority", as applicable, to reflect the New Order Books, including the new order types. Consequently, certain page numbers in the Table of Contents will also be updated to reflect the new additions to the Alpha Rules.
2. Definitions - The definition of "Alpha" will be amended to introduce the New Order Books, unless otherwise specified in the Alpha Rules.
3. Interpretation - A new provision will be added to clarify that all references to Alpha in Alpha Requirements (as defined in the Alpha Rules) also apply to the New Order Books, unless otherwise specified in the Alpha Rules.
4. Order Entry - Unattributed Orders - This provision will be amended to replace the reference to "Alpha order book" to "Alpha", so that it also applies to the New Order Books.
5. Trading on Alpha-X and Alpha DRK - New sections will be added to the Alpha Rules to reflect the various order types and attributes available on the New Order Books, as applicable:
 - a. Order Types - A new provision will be added to the Alpha Rules to indicate that in addition to the existing order types currently available on Alpha and set out in the Alpha Rules, the New Order Books will also include the following order types: (i) Primary Peg; (ii) Market Peg; (iii) Minimum Price Improvement Peg; (iv) Mid-point Peg; (v) Dark (Limit/Market); (vi) Smart Peg; and (vii) Smart Limit. Primary Peg, Market Peg, Minimum Price Improvement Peg, Mid-point Peg, Dark (Limit/Market), and Smart Peg are all dark order types with no pre-trade visibility and may interact with each other. Please see the section entitled "Smart Peg and Smart Limit Amendments" below for a detailed description of the proposed amendments relating to these order types, and the related rationale. Primary Peg, Market Peg, Minimum Price Improvement Peg, Mid-point Peg, and Dark (Limit/Market) are dark order types that are currently available on TSX and TSXV. Unlike currently on TSX and TSXV, none of the dark order types on Alpha DRK will interact with any lit order type.
 - b. Self-Trade Prevention - A new provision will be added to the Alpha Rules to indicate that in addition to the self-trade prevention mechanisms set out in the Alpha Rules, a new No Cancel (XM) self-trade prevention mechanism will be available for Primary Peg, Market Peg, Minimum Price Improvement Peg, Mid-point Peg, Dark (Limit/Market) and Smart Peg order types on Alpha DRK. This optional feature prevents two orders from the same broker executing against each other based on unique trading keys defined by the broker. Instead of trading against a resting order from the same broker with the same unique trading key, the active order is booked. This same self-trade prevention feature currently exists on the dark order books for TSX and TSXV.
 - c. Allocation of Trades - Establishing Price and Time Priority - The current provisions in the Alpha Rules regarding establishing price and time priority will be duplicated in the new section of the Alpha Rules relating to the New Order Books. However, these provisions will be amended to reflect the allocation priority of the new order types in the New Order Books.

Currently, execution priority on Alpha is established as follows:

1. **Price** (best price gets priority, i.e., highest bid and lowest offer)
2. **Broker** (incoming orders will match with other orders from the same dealer, providing neither order is marked as "anonymous", ahead of similarly priced orders from other dealers, before time priority is considered)
3. **Time** (orders entered first get priority over orders entered after them)

An undisclosed portion of an order does not have broker priority or time priority until it is disclosed. An order loses its time priority if its volume is increased.

This provision will be amended to reflect the New Order Books, including the new order types described herein:

Alpha-X

1. **Price**
2. **Broker** (including orders marked as anonymous)
3. **Time** (Please also see the section entitled "Alpha-X - Smart Limit" below.)

Alpha DRK

1. **Price**
2. **Broker** (including Smart Peg orders and orders marked as anonymous)
3. **Booked** (orders trading at their booked prices are prioritized over Smart Peg orders trading at discretionary prices)
4. **Time**

Trades on dark orders are subject to any minimum quantity and minimum interaction size or other conditions as optionally indicated on a Member's order.

Please see "Examples of Smart Peg Priority" and "Examples of Smart Limit Priority" below.

(ii) *Smart Peg and Smart Limit Amendments*

Alpha DRK - Smart Peg

The Smart Peg order is a new dark order type that will rest (i.e., will be "booked") at a price pegged to the same side NBBO (i.e., NBB for buy orders, NBO for sell orders), with an optional offset in ticks as specified by the Member. The Smart Peg order will be available only on Alpha DRK.

In addition to trading at its booked price, a Smart Peg order is permitted to execute more aggressively, up to the midpoint of the NBBO, as its limit price permits. In this way, a Smart Peg order is able to execute with more immediacy when there is an opportunity to do so. When a Smart Peg order executes at a more aggressive price than its booked price, the execution price is referred to as its "**Discretionary Price**". Because the Discretionary Price is not a firm price (i.e., it depends on the limit price of the order it is executing against), a Smart Peg order with a Discretionary Price executes only after all other orders have been executed at that price level. Among Smart Peg orders executing at the same price, broker-time priority applies.

When a resting Smart Peg order has the opportunity to trade against an incoming active order, it does so at the best (least aggressive) price possible. For example, if the NBBO is \$10.00 - \$10.06 (with the midpoint being \$10.03) and a Smart Peg buy order is resting at \$10.01, having been entered with an offset of 1 tick, then it may trade at the following prices against an incoming sell order:

1. Sell limit \$10.04 - Smart Peg order may not trade - Sell limit is higher than NBBO midpoint
2. Sell limit \$10.03 - Smart Peg order may trade at \$10.03 (Discretionary price)
3. Sell limit \$10.02 - Smart Peg order may trade at \$10.02 (Discretionary price)
4. Sell limit \$10.01 - Smart Peg order may trade at \$10.01 (booked price)
5. Sell limit \$10.00 or lower - Smart Peg order may trade at its booked price of \$10.01

In short, the Smart Peg order will trade at the active order's limit price, or its own booked price, whichever is less aggressive from the active order's perspective.

The examples below illustrate how Smart Peg orders are prioritized among other orders.

Examples of Smart Peg Priority

In the following scenarios, the order book is as follows:

NBBO: \$10.01 / \$10.05

NBBO Midpoint: \$10.03

Buy orders are entered in the following order:

Order #	PO	Order Type	Limit	Booked	Comments
1	A	Smart Peg (offset = 0)	\$10.03	\$10.01	Booked at the NBB + offset, but can execute up to NBBO midpoint
2	B	Smart Peg (offset = 0)	\$10.05	\$10.01	
3	C	Smart Peg (offset = 1)	\$10.04	\$10.02	
4	D	Mid-point Peg	\$10.04	\$10.03	Booked at the NBBO midpoint
5	E	Dark Limit	\$10.02	\$10.02	Booked at its entered limit price
6	B	Primary Peg (offset = 1)	\$10.03	\$10.02	Booked at 1 tick from the NBB
7	C	Dark Limit	\$10.02	\$10.02	Booked at its entered limit price

The scenarios below enumerate allocation priorities when an active sell order is received from a particular Member, with order volume large enough to interact with all resting buy orders.

The resulting allocation priority of each of the buy orders is shown below.

Sell PO = B

Sell limit price = \$10.02

Trade Price	Rank of Priority	Order #	PO	Order Type	Comments
\$10.03	1	4	D	Mid-point Peg	Price Priority over all other orders
\$10.02	2	6	B	Primary Peg	Broker Pref Priority at this price, over all other regular orders and Smart Peg orders trading at discretionary prices
\$10.02	3	2	B	Smart Peg	Broker Pref Priority at this price, behind Order 6 as it is a Smart Peg order trading at a discretionary price
\$10.02	4	3	C	Smart Peg	Time Priority over other orders as it is an trading at its booked price
\$10.02	5	5	E	Dark Limit	Time Priority over Order 7, and priority over Smart Peg orders trading at discretionary prices
\$10.02	6	7	C	Dark Limit	Priority over Smart Peg orders trading at discretionary prices
\$10.02	7	1	A	Smart Peg	Lowest priority - Smart Peg order trading at a discretionary price

Sell PO = C

Sell limit price = \$10.03

Trade Price	Rank of Priority	Order #	PO	Order Type	Comments
\$10.03	1	3	C	Smart Peg	Broker Pref Priority over all other tradeable orders
\$10.03	2	4	D	Mid-point Peg	Priority over Smart Peg orders trading at discretionary prices
\$10.03	3	1	A	Smart Peg	Time Priority over Smart Peg Order 2 trading at a discretionary price
\$10.03	4	2	B	Smart Peg	Lowest priority - Smart Peg order trading at a discretionary price

TMX Quote Decay Signal

As noted above, we are proposing to introduce the Smart Limit Amendments to help improve execution quality and provide additional protection from latency arbitrage. As part of the Amendments, the TMX QDS will be used to signal when a Smart Limit order would need to take protective action.

Utilizing real time public market data, the TMX QDS detects conditions that may indicate that a symbol's NBB or NBO is about to "decay" (i.e., that its NBB may be about to decrease or its NBO may be about to increase) to the disadvantage of resting orders at the current price levels.

When an imminent quote "decay" condition is detected, the TMX QDS sends an indicative message (the "on" signal) to Alpha. A short interval later, the TMX QDS follows this message with a second message (the "off" signal) to Alpha. Accordingly, from Alpha's perspective, the signal state for the NBB and NBO for each traded symbol is either "on" or "off". The behavior of the Smart Limit orders on Alpha-X is influenced by this signal state, as detailed below.

The TMX QDS will be in operation during continuous trading hours (9:30am - 4:00pm ET).

Alpha-X - Smart Limit

The Smart Limit order is a new visible order type, to be available only on Alpha-X, whose booked price is influenced by the TMX QDS. If the TMX QDS is "off" at time of entry, a Smart Limit order books at its limit price.

When the TMX QDS turns "on", resting Smart Limit orders are automatically repriced one tick less aggressive than the NBB/NBO (the "**Smart Limit Booked Price**"). This repricing provides immediate protection against any new incoming orders looking to execute at a price which is about to become "stale", and allows time for Members to take further action as desired, such as canceling their Smart Limit orders or amending them to more appropriate prices.

If a Smart Limit order is entered while the TMX QDS is "on", it is automatically repriced as described above.

When the TMX QDS turns "off", the following actions are taken on the repriced Smart Limit order:

- If the quote **did** become less aggressive while the TMX QDS was "on" (i.e., its quote "decay" prediction was valid), then the Smart Limit order is left at its repriced value.
 - If the quote is **subsequently** improved (after becoming less aggressive) by another order while the TMX QDS is "off", the Smart Limit order joins the more aggressive quote (respecting the original limit) while maintaining original time.
- If the quote **did not** become less aggressive while the TMX QDS was "on" (i.e. its quote "decay" prediction was invalid), then the Smart Limit order is repriced back to its previous value.

Smart Limit orders retain their time priority when they are repriced as a result of the TMX QDS turning "on" or "off".

Aside from the repricing mechanism based on the TMX QDS, a Smart Limit order may have the same features and behavior as are available to any other visible limit order, including how undisclosed portions of iceberg orders are prioritized. The TMX QDS

B.11: SRO, Marketplaces, Clearing Agencies and Trade Repositories

operates, and re-pricing only occurs, during continuous trading hours (9:30am - 4:00pm ET); outside of this time, a Smart Limit order behaves as a regular limit order.

A Smart Limit order can never be repriced to be more aggressive than its original limit price.

Examples of Smart Limit Priority

NBBO: \$10.00 / \$10.04

Buy orders are entered in the following order:

Order #	PO	Order Type	Limit Price	Comments
1	A	Iceberg Limit	\$9.99	Booked at limit price
2	B	Smart Limit	\$9.99	Booked at limit price (if TMX QDS is "off")
3	C	Smart Limit	\$10.00	Booked at limit price (if TMX QDS is "off")
4	D	Limit	\$9.98	Booked at limit price
5	A	Limit	\$9.99	Booked at limit price

An aggressive sell order is received with an order volume large enough to interact with all 5 of the buy orders above.

The resulting priority of each of the buy orders is shown below. Note that, while the TMX QDS is "off", Smart Limit orders trade at their limit price in price/broker/time priority.

Sell PO = B

TMX QDS is "off":

Trade Price	Rank of Priority	Order #	PO	Order Type	Comments
\$10.00	1	3	C	Smart Limit	Price priority at Smart Limit entered limit price.
\$9.99	2	2	B	Smart Limit	Broker Preference priority over order 1 at Smart Limit entered limit price
\$9.99	3	1	A	Iceberg Limit	Displayed portion of iceberg order; time priority over order 5 at this price level
\$9.99	4	5	A	Limit	Priority over undisplayed volume at this price level
\$9.99	5	1	A	Iceberg Limit	Undisplayed portion of iceberg order
\$9.98	6	4	D	Limit	Lowest price level

Sell PO = A

TMX QDS is "on". Smart Limit orders repriced to \$9.99, one tick less aggressive than the NBB.

Trade Price	Rank of Priority	Order #	PO	Order Type	Comments
\$9.99	1	1	A	Iceberg Limit	Displayed portion of iceberg limit order; broker pref and time priority at this price
\$9.99	2	5	A	Limit	Broker pref priority at this price
\$9.99	3	2	B	Smart Limit	Time priority over order 4 at this price
\$9.99	4	3	C	Smart Limit	Lowest priority among displayed liquidity at this price, as this Smart Limit order has been repriced from \$10.00 to \$9.99
\$9.99	5	1	A	Iceberg Limit	Undisplayed portion of iceberg order
\$9.98	6	4	D	Limit	Limit order; lowest price level

(iii) *Static Order Processing Delay*

The Static Order Processing Delay will be available on Alpha (1-millisecond processing delay), Alpha-X and Alpha DRK (10-millisecond processing delay). No amendments to the Alpha Rules are required to reflect the change from the randomized order processing delay on Alpha to the proposed Static Order Processing Delay.

As set out above, the Alpha Rules permit Alpha to determine the duration of the order processing delay, and require Alpha to provide notice to Members of such determination. We intend to implement the Static Order Processing Delay on Alpha in Q2 2023 (regardless of whether the other Amendments regarding the New Order Books as described herein are approved and/or implemented), and the required notice will be provided to Members prior to implementation of the change. The Static Order Processing Delay will be implemented on Alpha-X and Alpha DRK in Q3 2023.

Blackline of Amendments

A blackline of the Amendments against the existing rules is attached as **Appendix A** hereto for ease of reference.

Analysis of Impacts

(i) *Impact on Market*

We anticipate that the Amendments will have a positive impact on the market structure, Members, investors, issuers or the capital markets. We believe that the Amendments are fair and reasonable, and will not create barriers to access.

With respect to the New Order Books generally (their creation, and their existence as an additional venue on which trades can be executed), we do not anticipate that the New Order Books will negatively impact the market as a whole. The presence of the Static Order Processing Delay ensures that the New Order Books will not be considered protected markets and as such, Members will not be required to incorporate market data from the New Order Books into their regulatory obligations (i.e., the Order Protection Rule); this minimizes any potential burden that the New Order Books might place on the trading community. Members that wish to utilize the New Order Books will, however, need to consume market data from the New Order Books.

With respect to the Smart Peg and Smart Limit Amendments, the amendments are expected to have a positive impact on the markets. As noted above, we expect the Smart Peg and Smart Limit Amendments to offer protection from latency arbitrage, and may result in some Members receiving better pricing on their orders. Our study of Alpha orders and applying the TMX QDS, showed that the Smart Limit order type could result in better markouts, representing better pricing. It is expected that by using Smart Limit or Smart Peg orders, Members will gain confidence in their execution quality and be able to post larger sized orders. This may improve the depth of liquidity in the markets, have a positive impact on price discovery, and benefit the market as a whole.

Since Smart Peg orders are a dark order type, such orders would not have an impact on visible orders. We anticipate that Smart Peg orders will result in greater liquidity in the dark market, and have a positive impact on the markets in general.

(ii) Impact on Members and Service Vendors

The Amendments are expected to have a positive impact on Members.

With respect to the New Order Books as a whole, their addition to the Canadian equity trading ecosystem provides unique value for Members who wish to post liquidity in an environment with protections against latency arbitrage. Members who choose to obtain access to the New Order Books are required to connect via one additional FIX order entry session, which will be included in their existing session bundles.

We anticipate Members will need to undertake some development work to use the new order types in the New Order Books, and Members to adjust their trading strategies generally to account for the New Order Books and the accompanying new order types.

Market data vendors may also need to undertake development work in order to consume the new market data from the New Order Books.

(iii) Impact on Compliance with Applicable Securities Laws

The Amendments will not impact Alpha's compliance with applicable securities laws and in particular the requirements for fair access and maintenance of fair and orderly markets. Alpha is of the view that the Amendments will support the maintenance of fair and orderly markets.

Timing

Following receipt of regulatory approval, we intend to implement the Static Order Processing Delay on Alpha in Q2 2023, and the other Amendments (i.e., the New Order Books, including the new order types) in Q3 2023, subject to client readiness.

APPENDIX A

BLACKLINED VERSION OF ALPHA RULES REFLECTING THE AMENDMENTS

Change History

[...]

[V.1.10](#)[Addition of Alpha-X and Alpha DRK](#)[●, 2023](#)

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PART I. Definitions and Interpretations

1.1 Definitions

[..]

Alpha TSX Alpha Exchange marketplace, including Alpha-X and Alpha DRK unless otherwise specified herein.

[...]

1.2 INTERPRETATION

[...]

(13) All references to Alpha in Alpha Requirements also apply to Alpha-X and Alpha DRK, unless otherwise stated herein.

[...]

PART V. Governance of Trading Sessions

[...]

DIVISION 2 - ORDER ENTRY

[...]

5.15 UNATTRIBUTED ORDERS

(1) Members and Electronic Access Clients may enter orders on an attributed or unattributed basis.

Commentary: When an order is entered in ~~an Alpha-order book~~, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for unattributed (anonymous) orders.

[...]

PART V. Governance of Trading Sessions

[...]

DIVISION 4 - CONTINUOUS TRADING SESSION

5.18 ESTABLISHING PRICE AND TIME PRIORITY

(1) An order entered in the CLOB at a particular price will be executed in priority to all orders at inferior prices.

(2) Broker preference whereby incoming orders will match with other orders from the same dealer (excluding orders marked as anonymous) ahead of similarly priced orders from other dealers, before time priority is considered.

~~(2)~~(3) An order at a particular price will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').

~~(3)~~(4) An undisclosed portion of an order does not have time priority until it is disclosed.

~~(4)~~(5) An order loses its time priority if its disclosed volume is increased

PART V.1. Trading on Alpha-X

In addition to the trading policy features and characteristics detailed herein, which apply to the Alpha system as a whole, the following section applies only to Alpha-X.

DIVISION 1 — ORDER ENTRY5.1.1 ORDER TYPES

In addition to the order types enumerated above for Alpha, the following order types are also available on Alpha-X:

- Smart Limit

The order types on Alpha-X do not interact with order types on Alpha or Alpha DRK.

DIVISION 2 — CONTINUOUS TRADING SESSION5.1.2 ALLOCATION OF TRADES – ESTABLISHING PRICE AND TIME PRIORITY

- (1) An order entered in the visible CLOB at a particular price will be executed in priority to all orders at inferior prices.
- (2) Broker preference whereby incoming orders will match with other orders from the same dealer (excluding orders marked as anonymous) ahead of similarly priced orders from other dealers, before time priority is considered.
- (3) An order at a particular price will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').
Note: Smart Limit orders retain their time priority when they are repriced per the design of the Smart Limit order type.
- (4) An undisclosed portion of an order does not have broker preference priority or time priority until it is disclosed.
- (5) An order loses its time priority if its disclosed volume is increased.

Note: Crosses may be entered without interference from resting orders at the cross price.

PART V.2. Trading on Alpha DRK

In addition to the trading policy features and characteristics detailed herein, which apply to the Alpha system as a whole, the following section applies only to Alpha DRK.

DIVISION 1 — ORDER ENTRY5.2.1 ORDER TYPES

In addition to the order types enumerated above for Alpha, the following order types are also available on Alpha DRK:

- Primary Peg
- Market Peg
- Minimum Price Improvement Peg
- Mid-point Peg
- Dark (Limit/Market)
- Smart Peg

These order types have no pre-trade transparency and do not interact with orders on Alpha or Alpha-X.

5.2.2 SELF-TRADE PREVENTION

In addition to the self-trade prevention mechanisms set out herein, the following self-trade prevention mechanism is only available for order types available on Alpha DRK:

- (1) No Cancel (XM)

An optional feature that prevents two orders from the same broker from executing against each other based on unique trading keys defined by the broker. An active order is rejected instead of trading against a resting order from the same broker with the same unique trading key.

DIVISION 2 — CONTINUOUS TRADING SESSION

5.2.3 ALLOCATION OF TRADES – ESTABLISHING PRICE AND TIME PRIORITY

- (1) An order entered at a particular price will be executed in priority to all orders at inferior prices.
- (2) Broker preference (including Smart Peg orders and orders marked as anonymous) in time priority at a particular price level, subject to any minimum quantity and minimum interaction size or other conditions.
- (3) At a particular price level, an order trading at its booked price will be executed in priority over all Smart Peg orders trading at discretionary prices.
- (4) An order at a particular price will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').

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