

Chapter 5

Rules and Policies

5.1.1 Amending Instruments for OSC Rules 13-502 Fees and 13-503 (Commodity Futures Act) Fees

AMENDMENTS TO OSC RULE 13-502 FEES AND OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES

Making of Amending Instruments

On December 6, 2016, the Commission by way of quorum approved amending instruments (**Amending Instruments**) to amend OSC Rule 13-502 Fees (**OSC Rule 13-502**) and OSC Rule 13-503 (*Commodity Futures Act*) Fees (**OSC Rule 13-503**).

Delivery of Amending Instruments to Minister

The Commission delivered the Amending Instruments to the Minister of Finance on December 8, 2016. If the Minister approves the amendments within 60 days, they will come into force on March 1, 2017.

Substance and Purpose of Amending Instruments

Section 7.1 of OSC Rule 13-502 and section 4.1 of OSC Rule 13-503 each require non-Canadian dollar amounts referenced in each rule as of a particular date to be converted into Canadian dollars, using the daily noon exchange rate posted on the Bank of Canada website as of the particular date. From March 1, 2017, the Bank of Canada plans to post daily exchange rates calculated as of 4:30 p.m. rather than those calculated as of noon.

For example, participation fees for a reporting issuer under OSC Rule 13-502 are based on the issuer's capitalization in Canadian dollars. Section 7.1 of OSC Rule 13-502 specifies the exchange rate for the calculation, in the event that the initial capitalization calculation is in a foreign currency.

To take into account this change on the Bank of Canada website and to provide for administrative convenience for market participants, the Commission has made amendments to each of the Rules so that the exchange rate used for a particular date is the daily exchange rate posted on the Bank of Canada website for the last business day preceding the particular date.

The amendments do not materially change OSC Rule 13-502 or OSC Rule 13-503, so they have not been published for comment.

Authority for Amending Instruments

Paragraph 143(1)43 of the *Securities Act* provides authority for making the amendment to OSC Rule 13-502.

Paragraph 65(1)25 of the *Commodity Futures Act* provides authority for making the amendment to OSC Rule 13-503.

Annexes

Annexes A and B contain the Amending Instruments.

Questions

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ANNEX A

AMENDMENT TO OSC RULE 13-502 FEES

1. *Ontario Securities Rule 13-502 Fees is amended by this Instrument.*

2. *Section 7.1 is replaced with the following:*

7.1 **Canadian dollars** – 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.

3. This Instrument comes into force on March 1, 2017.

ANNEX B

AMENDMENT TO OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES

1. ***Ontario Securities Rule 13-503 (Commodity Futures Act) Fees is amended by this Instrument.***

2. ***Section 4.1 is replaced with the following:***

4.1 **Canadian dollars** – 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.

3. This Instrument comes into force on March 1, 2017.