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

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Chapter 1

Notices

1.1 Notices

1.1.1 Notice of General Order – Ontario Instrument 13-508 Extension of Moratorium on Outside Activities Late Filing Fees

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 13-508
EXTENSION OF MORATORIUM ON OUTSIDE ACTIVITIES LATE FILING FEES

December 16, 2021

The Ontario Securities Commission (the **Commission**) is extending temporary relief from the requirement to pay late fees under Ontario Securities Commission Rule 13-502 *Fees* (**OSC Rule 13-502**) for the late disclosure of outside activity.

Description of Order

The order provides that a registrant is temporarily exempt from the requirement to pay fees on the late submission of outside activity disclosure after the end of the OA Moratorium (defined below) and as a result, for the purposes of calculating the late fee payable under subsection 6.4(1) of OSC Rule 13-502, paragraph (a)(ii) of the definition of "specified day", as that term is defined in section 1.1 of OSC Rule 13-502, shall be replaced with the following:

(ii) after June 6, 2022, and

Reasons for the Order

The Commission made amendments to OSC Rule 13-502 in May 2019 so that registrants would not be required to pay fees for disclosing outside activities (**OAs**) past the required filing deadline during a moratorium from January 1, 2019 to December 31, 2021 (the **OA Moratorium**). The OA Moratorium is time-limited to coincide with work being carried out by the Commission, together with the other Canadian Securities Administrators (**CSA**), to clarify the regulatory requirements associated with disclosing OAs while the fee moratorium is in place.

On February 4, 2021, the Commission and the CSA published for comment proposed amendments to National Instrument 33-109 *Registration Information*. The amendments, among other things, are intended to clarify the disclosure obligations associated with OAs. The amendments were first identified by the OSC's Burden Reduction Task Force, which has a mandate to consider and act on suggestions to eliminate unnecessary rules and processes, while protecting investors and the integrity of Ontario's capital markets.

On December 16, 2021, the CSA published the final amendments. In some jurisdictions, ministerial approvals are required for the implementation of the amendments. Provided all ministerial approvals are obtained, the amendments will come into force on June 6, 2022. Until such time as the amendments to clarify the disclosure obligations associated with OAs become effective, the rationale for the OA Moratorium remains.

Day on which the Order Ceases to Have Effect

This order comes into effect on January 1, 2022 and expires on June 6, 2022.

1.1.2 Notice of General Order – Ontario Instrument 13-509 Extension of Moratorium on Outside Activities Late Filing Fees (Commodity Futures Act)

NOTICE OF GENERAL ORDER

ONTARIO INSTRUMENT 13-509
EXTENSION OF MORATORIUM ON OUTSIDE ACTIVITIES LATE FILING FEES
(COMMODITY FUTURES ACT)

December 16, 2021

The Ontario Securities Commission (the **Commission**) is extending temporary relief from the requirement to pay late fees under Ontario Securities Commission Rule 13-503 *(Commodity Futures Act) Fees* (**OSC Rule 13-503**) for the late disclosure of outside activity.

Description of Order

The order provides that a registrant is temporarily exempt from the requirement to pay fees on the late submission of outside activity disclosure after the end of the OA Moratorium (defined below) and as a result, for the purposes of calculating the late fee payable under subsection 3.3 of OSC Rule 13-503, paragraph (a)(ii) of the definition of "specified day", as that term is defined in section 1.1 of OSC Rule 13-503, shall be replaced with the following:

(ii) after June 6, 2022, and

Reasons for the Order

The Commission made amendments to OSC Rule 13-503 in May 2019 so that registrants would not be required to pay fees for disclosing outside activities (**OAs**) past the required filing deadline during a moratorium from January 1, 2019 to December 31, 2021 (the **OA Moratorium**). The OA Moratorium is time-limited to coincide with work being carried out by the Commission, together with the other Canadian Securities Administrators (**CSA**), to clarify the regulatory requirements associated with disclosing OAs while the fee moratorium is in place.

On February 4, 2021, the Commission and the CSA published for comment proposed amendments to National Instrument 33-109 *Registration Information* along with proposed amendments to OSC Rule 33-506 *Registration Information Requirements*. The amendments, among other things, are intended to clarify the disclosure obligations associated with OAs. The amendments were first identified by the OSC's Burden Reduction Task Force, which has a mandate to consider and act on suggestions to eliminate unnecessary rules and processes, while protecting investors and the integrity of Ontario's capital markets.

On December 16, 2021, the CSA published the final amendments. In some jurisdictions, ministerial approvals are required for the implementation of the amendments. Provided all ministerial approvals are obtained, the amendments will come into force on June 6, 2022. Until such time as the amendments to clarify the disclosure obligations associated with OAs become effective, the rationale for the OA Moratorium remains.

Day on which the Order Ceases to Have Effect

This order comes into effect on January 1, 2022 and expires on June 6, 2022.

1.4 Notices from the Office of the Secretary

1.4.1 Plateau Energy Metals Inc. et al.

FOR IMMEDIATE RELEASE
December 9, 2021

PLATEAU ENERGY METALS INC.,
ALEXANDER FRANCIS CUTHBERT HOLMES AND
PHILIP NEVILLE GIBBS,
File No. 2021-16

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

A copy of the Order dated December 9, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

1.4.2 Mek Global Limited and PhoenixFin Pte. Ltd.

FOR IMMEDIATE RELEASE
December 13, 2021

MEK GLOBAL LIMITED AND
PHOENIXFIN PTE. LTD.,
File No. 2021-18

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

A copy of the Order dated December 13, 2021 is available at www.osc.ca.

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inquiries@osc.gov.on.ca

1.4.3 Jiubin Feng and CIM International Group Inc.

FOR IMMEDIATE RELEASE
December 14, 2021

JIUBIN FENG AND
CIM INTERNATIONAL GROUP INC.,
File No. 2021-27

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

A copy of the Order dated December 14, 2021 is available at www.osc.ca.

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1.4.4 Polo Digital Assets, Ltd.

FOR IMMEDIATE RELEASE
December 14, 2021

POLO DIGITAL ASSETS, LTD.,
File No. 2021-17

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

A copy of the Order dated December 14, 2021 is available at www.osc.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Ovintiv Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities – filer to remain a U.S. issuer under MJDS – National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Applicable Legislative Provisions

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

Citation: *Re Ovintiv Inc.*, 2021 ABASC 163

October 20, 2021

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
OVINTIV 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, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; 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 National Instrument 14-101 *Definitions*, MI 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 meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is incorporated under the laws of the State of Delaware, with its head office in Denver, Colorado.

2. The Filer and its subsidiaries carry on the business formerly conducted business by Encana Corporation (**Encana**). The Filer migrated out of Canada and became a Delaware corporation, domiciled in the United States, following a series of reorganization transactions (the **Reorganization**) that resulted in the Filer acquiring all of the issued and outstanding common shares of Encana to become the ultimate parent company of Encana and its subsidiaries.

3. The Filer is a U.S. issuer, and as such, is eligible to use the MJDS established by NI 71-101. The Filer is also an SEC foreign issuer under NI 71-102 and relies on and complies with the exemptions from Canadian continuous disclosure requirements afforded to SEC foreign issuers under Part 4 of NI 71-102.

4. The Filer is a reporting issuer in all provinces and territories of Canada (collectively, the **Reporting Jurisdictions**) and is not in default of securities legislation in any jurisdiction of Canada.

5. The Filer's authorized capital stock consists of 750,000,000 shares of common stock of the Filer (**Common Shares**) with par value $0.01 per share, and 25,000,000 shares of preferred stock, with par value $0.01 per share (**Preferred Shares**). As of June 1, 2021, there were 261,084,425 Common Shares and no Preferred Shares outstanding.

6. The Common Shares are listed on the New York Stock Exchange (the **NYSE**) and the Toronto Stock Exchange (the **TSX**) under the symbol "OVV".

7. Based on the Filer's list of registered shareholders provided by its registrar and transfer agent, as of May 28, 2021, the Applicant had 261,084,425 Common Shares outstanding, of which 859,100 Common Shares (0.33 percent of the total outstanding Common Shares) are held by registered shareholders located in Canada.

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 of June 3, 2021 covering approximately 229,000,000 Common Shares (representing 87.7 percent of the total outstanding Common Shares), Canadian beneficial shareholder accounts hold approximately 44,125,000 Common Shares, which equates to 16.9 percent of the total outstanding Common Shares on the register and 19.3 percent of the Common Shares represented in the beneficial shareholder information.

9. The Filer has issued notes under U.S. registration statements, which remain outstanding in the following principal amounts: (a) U.S.$518 million aggregate principal amount of 3.90% unsecured notes due 2021; (b) U.S.$1 billion aggregate principal amount of 5.625% unsecured notes due 2024; (c) U.S.$688 million aggregate principal amount of 5.375% unsecured notes due 2026; (d) U.S.$300 million aggregate principal amount of 8.125% unsecured notes due 2030; (e) U.S.$350 million aggregate principal amount of 7.20% unsecured notes due 2031; (f) U.S.$500 million aggregate principal amount of 7.375% unsecured notes due 2031; (g) U.S.$750 million aggregate principal amount of 6.50% unsecured notes due 2034; (h) U.S.$462 million aggregate principal amount of 6.625% unsecured notes due 2037; (i) U.S.$488 million aggregate principal amount of 6.50% unsecured notes due 2038; and (j) U.S.$203 million aggregate principal amount of 5.15% unsecured notes due 2041 (collectively, the **Filer Notes**). The Filer has made a good faith investigation to confirm the residency of the holders of the Filer Notes. Based on this investigation, the Filer has concluded that residents of Canada do not directly or indirectly own more than 10% of the aggregate principal amount of outstanding Filer Notes.

10. The Filer Notes are not convertible into or exchangeable into other voting or equity securities of the Filer. All of the Filer Notes were initially issued primarily in the United States.

11. The Common Shares and the Filer Notes 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**).

12. 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.

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

2.1.2 Beutel, Goodman & Company Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filer granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment Fundsto permit references to FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the FundGrade A+ Awards and Lipper Awards being referenced have not been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, s.15.3(4)(c) and (f), and 19.1.

December 7, 2021

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

AND

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

AND

IN THE MATTER OF
BEUTEL, GOODMAN & COMPANY LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of existing and future mutual funds of which the Filer or an affiliate of the Filer is, or in the future will be, the investment fund manager and to which National Instrument 81-102 *Investment Funds* (**NI 81-102**) applies (each a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption under section 19.1 of NI 81-102 from the requirements set out in paragraphs 15.3(4)(c) and 15.3(4)(f) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

1. the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund; and

2. the rating or ranking is to the same calendar month end that is:

    (a) not more than 45 days before the date of the appearance or use of the advertisement in which it is included; and

    (b) not more than three months before the date of first publication of any other sales communication in which it is included;

(together, the **Exemption Sought**), to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings to be referenced in sales communications relating to the Funds.

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,* MI 11-102 and NI 81-102 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:

The Filer and the Funds

1. The Filer is a corporation continued under the laws of Canada with its head office located in Toronto, Ontario.

2. The Filer is registered as:

    (a) a portfolio manager in each of the Jurisdictions;

    (b) an investment fund manager in Ontario, Québec, and Newfoundland and Labrador;

    (c) a mutual fund dealer in Ontario;

    (d) a commodity trading manager in Ontario; and

    (e) a derivatives portfolio manager in Québec.

3. The Filer, or an affiliate of the Filer, is or will be the manager of each Fund.

4. Each Fund is, or will be, an open-ended mutual fund trust established under the laws of one of the Jurisdictions or a class of shares of a mutual fund corporation established under the laws of one of the Jurisdictions. The securities of each of the Funds are, or will be, qualified for distribution pursuant to one or more prospectuses or simplified prospectuses, as the same may be amended or renewed from time to time. Each Fund is, or will be, a reporting issuer under the laws of the Jurisdictions.

5. Each Fund is, or will be, subject to the requirements of NI 81-102, including Part 15 which governs sales communications.

6. Neither the Filer nor any of the existing Funds is in default of the securities legislation in any of the Jurisdictions.

FundGrade Ratings and FundGrade A+ Awards

7. The Filer wishes to include in sales communications of the Funds references to the FundGrade Ratings and references to the FundGrade A+ Awards where such Funds have been awarded a FundGrade A+ Award.

8. Fundata Canada Inc. (**Fundata**) is a "mutual fund rating entity" as that term is defined in NI 81-102. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

9. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.

10. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk adjusted performance, measured by three well-known and widely-used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

11. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a fund must show consistently high scores for all ratios across all time periods.

12. Fundata calculates a grade using only the retail series of each fund. Institutional series or fee-based series of any fund are not included in the calculation. A fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a fund, it is then applied to all related series of that fund.

13. At the end of each calendar year, Fundata calculates a "Fund GPA" for each fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each fund is divided by 12 to arrive at the fund's GPA for the year. Any fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.

14. When a fund is awarded a FundGrade A+ Award, Fundata will permit such fund to make reference to the award in its sales communications.

Lipper Leader Ratings and Lipper Awards

15. The Filer also wishes to include in sales communications of the Funds references to Lipper Leader Ratings (which are performance ratings or rankings for funds issued by Lipper and include the Lipper Ratings for Consistent Return, Lipper Ratings for Total Return, Lipper Ratings for Preservation and the Lipper Ratings for Expense, which are described below) and Lipper Awards (as described below) where such Funds have been awarded a Lipper Award.

16. Lipper, Inc. (**Lipper**) is a "mutual fund rating entity" as that term is defined in NI 81-102. Lipper is part of the Refinitiv group of companies, and is a global leader in supplying mutual fund information, analytical tools, and commentary. Lipper's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

17. One of Lipper's programs is the Lipper Fund Awards from Refinitiv program (the **Lipper Awards**). This program recognizes funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers and also recognizes fund families with high average scores for all funds within a particular asset class or overall. Currently, the Lipper Awards take place in approximately 17 countries.

18. In Canada, the Lipper Awards include the Lipper Fund Awards and Lipper ETF Awards (which were awarded for the first time in Canada in 2014). For the Lipper Fund Awards, Lipper designates award-winning funds in most individual fund classifications for three, five and ten year periods. For the Lipper ETF Awards, Lipper designates award-winning funds in a number of individual fund classifications for the three and five year periods, and it is expected that awards for the ten year period will be given in the future.

19. The categories for fund classification used by Lipper for the Lipper Awards in respect of Canadian funds are those maintained by CIFSC (or a successor to CIFSC), a Canadian organization that is independent of Lipper. Only those CIFSC groups of ten or more unique funds will claim a Lipper Fund Award, and only those CIFSC groups of five or more unique ETFs (each of whom have a minimum of three or five years of performance history, as applicable) will claim a Lipper ETF Award.

20. The Lipper Awards are based on a proprietary rating methodology prepared by Lipper, the Lipper Leader Rating System. The Lipper Leader Rating System is a toolkit that uses investor-centred criteria to deliver a simple, clear description of a fund's success in meeting certain goals, such as preserving capital, lowering expenses or building wealth. Lipper Ratings provide an instant measure of a fund's success against a specific set of key metrics, and can be useful to investors in identifying funds that meet particular characteristics.

21. In Canada, the Lipper Leader Rating System includes Lipper Ratings for Consistent Return (reflecting funds' historical risk-adjusted returns relative to funds in the same classification), Lipper Ratings for Total Return (reflecting funds' historical total return performance relative to funds in the same classification), Lipper Ratings for Preservation (reflecting funds' historical loss avoidance relative to other funds in the same classification) and Lipper Ratings for Expense (reflecting funds' expense minimization relative to funds with similar load structures). In each case, the categories for fund classification used by Lipper for the Lipper Leader Ratings are those maintained by CIFSC (or a successor to CIFSC). Lipper Leader Ratings are measured monthly over 36, 60 and 120 month periods, and an overall rating is also measured, which is an unweighted average of the previous three periods. The highest 20% of funds in each category are named Lipper Leaders for that particular rating and receive a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1.

22. The Lipper Awards, awarded annually in Canada, are based on the Lipper Ratings for Consistent Return measure, which, as generally described above, is a risk-adjusted mutual fund return performance measure used by Lipper that takes into account both short- and long-term risk-adjusted performance relative to fund classification, together with a measure of a fund's consistency. In respect of the Lipper Awards for Canada, the Lipper Ratings for Consistent Return are measured over the 36, 60 and 120 month periods ending at the end of July of each year. As noted above, the highest 20% of funds in each classification are named Lipper Leaders for Consistent Return, and the highest Lipper Leader for Consistent Return in each applicable fund classification over these periods (currently, in the case of the Lipper ETF Awards, over the 36 and 60 month periods only) wins a Lipper Award.

Sales communication disclosure

23. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102 as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings", given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

24. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e. for one, three, five and ten year periods, as applicable).

25. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI

81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for the Funds to use FundGrade Ratings in sales communications.

26. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4) of NI 81-102. As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) of NI 81-102 because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) of NI 81-102 unavailable. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, also required in order for the Funds to reference the FundGrade A+ Awards in sales communications.

27. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

28. Because the evaluation of funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a fund receives a FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.

29. The Lipper Leader Ratings are performance ratings or rankings under NI 81-102 and Lipper Awards may be considered to be performance ratings or rankings under NI 81-102 given that the awards are based on the Lipper Leader Ratings as described above. Therefore, references to Lipper Leader Ratings and Lipper Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

30. In Canada and elsewhere, Lipper Leader Ratings are calculated only for 36, 60 and 120 month periods and are not calculated for a one year period. This means that a sales communication referencing a Lipper Leader Rating cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102 because a rating is not available for the one year period. Relief from paragraph 15.3(4)(c) of NI 81-102 is therefore required in order for Funds to reference Lipper Leader Ratings in sales communications.

31. In addition, a sales communication referencing the overall Lipper Leader Ratings and the Lipper Awards, which are based on the Lipper Leader Ratings, must disclose the corresponding Lipper Leader Rating for each period for which standard performance data is required to be given. As noted above, because a rating for the one year period is not available for the Lipper Leader Ratings, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards also cannot comply with the matching requirement contained in paragraph 15.3(4)(c) of NI 81-102.

32. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the overall Lipper Leader Ratings or Lipper Awards in sales communications for the Funds because subsection 15.3(4.1) of NI 81-102 is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4) of NI 81-102. As noted above, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards cannot comply with the "matching" requirement in subsection 15.3(4) of NI 81-102 because the underlying Lipper Leader Ratings are not available for the one year period, rendering the exemption in subsection 15.3(4.1) of NI 81-102 unavailable. Relief from paragraph 15.3(4)(c) of NI 81-102 is therefore required in order for the Funds to reference overall Lipper Leader Ratings and the Lipper Awards in sales communications.

33. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. The paragraph provides that in order for a rating or ranking such as a Lipper Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

34. Because the evaluation of funds for the Lipper Awards will be based on data aggregated until the end of July in any given year and the results will be published in November of that year, by the time a fund receives an award in November, paragraph 15.3(4)(f) of NI 81-102 will prohibit it from publishing news of the award altogether.

35. The Exemption Sought is required in order for the FundGrade Ratings, FundGrade A+ Awards, Lipper Leader Ratings and Lipper Awards to be referenced in sales communications relating to the Funds.

36. The Filer submits that the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. These awards and ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of FundGrade or Lipper, as applicable, in fund analysis that alleviates any concern that references to them may be misleading and, therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings to be referenced in sales communications relating to a Fund provided that:

1. the sales communication that refers to the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards or Lipper Leader Ratings complies with Part 15 of NI 81-102, other than as set out herein, and contains the following disclosure in at least 10 point type:

   (a) the name of the category for which the Fund has received the award or rating;

   (b) the number of mutual funds in the category for the applicable period;

   (c) the name of the ranking entity, i.e., Fundata or Lipper;

   (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Award, FundGrade Rating, Lipper Award or Lipper Leader Rating is based;

   (e) a statement that FundGrade Ratings or Lipper Leader Ratings are subject to change every month;

   (f) in the case of a FundGrade A+ Award or Lipper Award, a brief overview of the FundGrade A+ Award or Lipper Award, as applicable;

   (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award) or a Lipper Leader Rating (other than Lipper Leader Ratings referenced in connection with a Lipper Award), a brief overview of the FundGrade Rating or Lipper Leader Rating, as applicable;

   (h) where Lipper Awards are referenced, the corresponding Lipper Leader Rating that the Lipper Award is derived from is presented for each period for which standard performance data is required other than the one year and since inception periods;

   (i) where a Lipper Leader Rating is referenced, the Lipper Leader Ratings are presented for each period for which standard performance data is required other than the one year and since inception periods;

   (j) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category) or Lipper Leader Ratings from 1 to 5 (e.g., rating of 5 indicates a fund is in the top 20% of its category), as applicable; and

   (k) reference to Fundata's website for greater detail on the FundGrade A+ Awards and the FundGrade Ratings or reference to Lipper's website for greater detail on the Lipper Awards and Lipper Leader Ratings, which includes the rating methodology prepared by Fundata or Lipper, as applicable;

2. the FundGrade A+ Awards and Lipper Awards being referenced must not have been awarded more than 365 days before the date of the sales communication; and

3. the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by CIFSC (or a successor to CIFSC).

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

Application File #: 2021/0680
SEDAR Project #: 3303800

2.1.3 Caldwell Securities Ltd.

Headnote

Multilateral Instrument 11-102 – Passport System – Relief from requirement that registrant appoint its CEO as UDP to allow filer to appoint its President as UDP – President is functional equivalent of CEO – President has ultimate authority for compliance related activity throughout the firm – President reports directly to the Board of Directors of the filer – President is also a member of the Board of Directors of the filer – Relief is granted only in respect of the named individuals for as long as they continue in their respective roles – section 11.2 of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 5.1 and 11.2.

December 9, 2021

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

AND

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

AND

IN THE MATTER OF
CALDWELL SECURITIES LTD.
(the Filer)

DECISION

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 relief from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) in order to permit the Filer to designate its current president (the **President**), instead of its current chief executive officer (**CEO**), as the ultimate designated person (**UDP**) of the Filer (the **Exemption Sought**).

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

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that Subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan (**Non-Principal Jurisdictions** and together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 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 registered as an investment dealer in the category of dealer in each of Alberta, British Columbia, Manitoba, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan. The Filer is a member of the Investment Industry Regulatory Organization of Canada.

2. The Filer is a corporation amalgamated under the laws of Ontario, with its head office located in Toronto, Ontario.

3. The Filer is not in default of applicable securities legislation in the Jurisdictions.

4. The Filer is a wholly owned subsidiary of Caldwell Financial Ltd. (**CFL**), a Canadian financial services company. CFL is not a registrant firm under the securities legislation of any Canadian jurisdiction. CFL is also the sole owner of Caldwell Investment Management Ltd. (**CIM**), a firm registered in the categories of investment fund manager in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Ontario, Quebec and Saskatchewan, and in the category of portfolio manager in Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.

5. CFL is a majority employee-owned firm that, through its subsidiaries, provides independent, personalized and innovative wealth management strategies, investment solutions and insurance products for families, corporations and trusts and foundations.

6. The Filer was founded in 1980 by Thomas S. Caldwell, who is the current CEO and UDP of the Filer. Mr. Caldwell has always led the setting of the long-term strategy at the Filer, in consultation with the Board of Directors and staff of the Filer. Clients, staff and industry colleagues view Mr. Caldwell as the highest-ranking officer and visionary at the Filer.

7. Mr. Caldwell has been dually registered as a dealing representative of the Filer and as an advising representative of CIM since before July 11, 2011 and, therefore, exempt from the prohibition in paragraph 4.1(1)(b) of NI 31-103.

8. The Board of Directors of the Filer believes it is prudent to start implementing changes to address succession issues. The Board of Directors of the Filer is transitioning the current CEO's responsibilities to the current President, Angela T. Stirpe.

9. Ms. Stirpe, the current President, is also a director of the Filer, its Chief Operating Officer and head of the Filer's Executive Committee, a committee of the Filer's Board of Directors. Ms. Stirpe is also the current Chief Compliance Officer (**CCO**) of the Filer and is responsible for overseeing the activities at the Filer that require registration under Canadian securities legislation. Ms. Stirpe is also president of CFL,

10. The Exemption Sought would permit the Filer to designate Ms. Stirpe, instead of Mr. Caldwell, as UDP of the Filer.

11. Despite their different titles, Ms. Stirpe, as President, will perform duties and have responsibilities in relation to the Filer that make her the functional equivalent of a chief executive officer.

12. If the Exemption Sought is granted:

    (a) The Filer will designate a new CCO and Ms. Stirpe, as President, will be designated as UDP.

    (b) Ms. Stirpe will devote a substantial majority of her time to the Filer's business and will acquire responsibility for the day-to-day operations of the Filer.

    (c) The CEO, Mr. Caldwell, will remain as Chairman of the Board of Directors, engaged with long term strategy and external brand management, and will have diminished involvement in the Filer's day-to-day operations, leaving such operations to the oversight of Ms. Stirpe as President.

    (d) As President, Ms. Stirpe will be responsible for key decisions at the Filer. Even though she does not hold the title of chief executive officer, Ms. Stirpe will:

        (i) be accountable for the business operations of the Filer and provide reports to the Filer's Board of Directors regarding the Filer's performance;

        (ii) provide clear leadership and promote a culture of compliance, collaboration and responsibility "at the top";

        (iii) have ultimate authority over compliance related matters for the Filer;

        (iv) supervise the Filer's business activities, and monitor and resolve all compliance related issues to ensure compliance with securities legislation;

        (v) have senior management of the Filer, including members of the Filer's Executive Committee, report directly and/or indirectly to her;

        (vi) be responsible for, along with other members of the Filer's Executive Committee and the CEO, creating and developing the strategic plan for the Filer;

        (vii) in respect of activities that require registration under securities legislation, report directly and have access to the Filer's Board of Directors.

    (collectively, the **President Responsibilities**).

(e) Any activities performed by Mr. Caldwell as a registered dealing representative of the Filer will be subject to the authority of the President and UDP of the Filer, who will be the most senior decision maker in the firm in respect of securities regulatory matters.

(f) The CEO will no longer direct the day-to-day decisions of the firm in respect of management of staff, financial operations or securities regulatory compliance matters, other than receiving the annual report of the CCO pursuant to NI 31-103 in his capacity as a member of the Board of Directors of the Filer. The CEO will not have authority over the firm as a whole or the individuals acting on its behalf in relation to matters of compliance.

(g) In case of disagreement between the CEO and the President in respect of activities that require registration under securities legislation, it is contemplated that the views of the President would prevail, subject only to the overall responsibility of the Board of Directors to manage the business and affairs of the Filer in accordance with applicable law and prudent business practices. The Filer's governance records, including by-laws, will be amended to reflect this arrangement.

13. Under section 11.2 of NI 31-103, a registered firm is required to designate an individual to be the UDP of the firm and the individual must be the chief executive officer of the registered firm or, if the firm does not have a chief executive officer, an individual acting in a capacity similar to a chief executive officer.

14. Under section 5.1 of NI 31-103, the UDP is responsible for (i) supervising the activities of the firm that are directed towards ensuring compliance with securities legislation by the firm and each individual acting on the firm's behalf; and (ii) promoting compliance by the firm, and individuals acting on its behalf, with securities legislation.

15. The President Responsibilities are substantively the responsibilities of a chief executive officer. Further, as a member of the Filer's Executive Committee and Board of Directors, Ms. Stirpe is involved in and responsible for all key business, strategic and financial decisions of the Filer.

16. If the Exemption sought is granted, Ms. Stirpe will have the responsibility to supervise the activities of the Filer's business to ensure compliance with securities legislation and promote a culture of compliance with securities legislation by the Filer and its employees.

17. For these reasons, the President of the Filer is more appropriately placed to fulfill the obligations of UDP than the CEO.

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) Ms. Stirpe,

(i) continues as President of the Filer,

(ii) is the most senior decision maker in the firm, responsible for the President Responsibilities or responsibilities in the future that are substantively similar;

(iii) has ultimate authority for all compliance related matters for the Filer and all of its employees;

(iv) has access and reports directly to the Filer's Board of Directors; and

(b) Mr. Caldwell,

(i) continues as CEO of the Filer,

(ii) is primarily engaged with long term strategy and external brand management, and

(iii) exercises no authority over the President in respect of the Filer's day-to-day operations, management of staff, financial operations or securities regulatory compliance matters.

"Felicia Tedesco"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0412

2.1.4 Merrill Lynch Professional Clearing Corp.

Headnote

U.S. registered broker-dealer exempted from the dealer registration requirement in subsection 25(1) of the Act to permit its provision of certain prime brokerage services (which do not include the execution of trades) – Exemption limited to trades in "Canadian securities" (which the decision defines as a security that is not a "foreign security" as that term is defined in subsection 8.18(1) of NI 31-103) for certain (institutional) permitted clients – Exemption is subject to a 5-year sunset clause.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 19, 19(1), 19(2), 25(1), 74(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, ss. 4.4(c), 4.7, 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant.
Obligations, ss. 1.1, 8.5, 8.18, 8.18(1), 8.18(2), 8.21, Form 31-103F1 Calculation of Excess Working Capital.
National Instrument 81-102 Investment Funds, Part 6.
Ontario Securities Commission Rule 13-502 Fees.

December 10, 2021

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

AND

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

AND

IN THE MATTER OF
MERRILL LYNCH PROFESSIONAL CLEARING CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the dealer registration requirement in respect of Prime Services (as defined below) relating to Canadian securities (as defined below) that are provided in Canada to Institutional Permitted Clients (as defined below) (the **Exemption Sought**).

The principal regulator granted similar relief to the Filer and its then parent company, Merrill Lynch, Pierce, Fenner & Smith Incorporated (**MLPFS**), in a decision dated December 16, 2016, subject to a five-year sunset clause (the **Previous Decision**). The Previous Decision will expire on December 16, 2021 (the **Termination Date**). The Exemption Sought is only in respect of the Filer.

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

(a) the Ontario Securities Commission (**OSC**) 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 of Canada in which the Filer relies on the exemption found in section 8.18 [*International dealer*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) other than the province of Alberta (namely British Columbia, Manitoba, New Brunswick and Quebec) (the **Passport Jurisdictions** and, together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

For the purposes of this decision, the following terms have the following meanings:

"**Canadian security**" means a security that is not a foreign security;

"**foreign security**" has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

"**Institutional Permitted Client**" means a "permitted client" as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition, unless that person or company qualifies as an Institutional Permitted Client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least $100 million as shown on its most recently prepared financial statements or qualifies as an Institutional Permitted Client under another paragraph of that definition;

"**OSA**" means the *Securities Act* (Ontario);

"**Prime Services**" means any of the following: (a) settlement, clearing and custody of trades, client cash and securities positions; (b) financing of long inventory; (c) lending and delivering securities on behalf of a client pursuant to a margin agreement to facilitate client short sales; (d) securities borrowing and/or lending pursuant to a securities lending agreement; (e) asset servicing, and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities;

"**Prime Services Clients**" means an Institutional Permitted Client to whom the Filer provides Prime Services in the Jurisdictions in respect of Canadian securities in addition to foreign securities.

Representations

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

1. The Filer is a corporation incorporated under the laws of the State of Delaware and its head office is in New York, New York, U.S. The Filer is a subsidiary of BofA Securities, Inc., which in turn is an indirect wholly owned subsidiary of Bank of America Corporation (**BAC**), held through BAC's wholly owned subsidiary, NB Holdings Corporation.

2. The Filer is registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**). This registration and membership permits the Filer to provide Prime Services in the U.S.

3. The Filer is a member of all U.S. Listed Options and Equity exchanges registered with the Securities and Exchange Commission. The Filer is a member of other principal U.S. commodity exchanges, and trades through affiliated or unaffiliated member firms on other exchanges, including exchanges in Canada, France, Italy, Japan, Singapore, Spain, Taiwan, Mexico, Korea and the United Kingdom.

4. The Filer provides Prime Services in accordance with the Previous Decision.

5. The Filer has applied for the Exemption Sought in order to continue to provide Prime Services to Prime Services Clients after the Termination Date.

6. The Filer does not provide trade execution services.

7. The Prime Services provided by the Filer to its Prime Services Clients principally consist of the following: (a) settlement, clearing and custody of trades; (b) financing of long inventory; (c) securities borrowing and/or lending pursuant to a securities lending agreement or delivering securities on behalf of a client pursuant to a margin agreement, in each case, to facilitate client short sales; and (d) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

8. In the case of a Prime Services Client that is an investment fund subject to Part 6 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), the custodianship requirements in Part 6 of NI 81-102 would only permit the Filer to provide the Prime Services to the investment fund as a sub-custodian of the investment fund in respect of portfolio assets held outside Canada, and the Filer would provide Prime Services to investment funds in compliance with the securities laws applicable to the investment fund, including Part 6 of NI 81-102 and the custody requirements set out in NI 31-103.

9. The Filer offers Prime Services to Institutional Permitted Clients for equities and other non- fixed income securities.

10. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and financing of the trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and financing of securities in an account with the Filer.

11. The Filer's Prime Services Clients directly select their executing brokers. The Filer does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from the dealer registration requirement that permits such executing broker to execute the trade for Prime Services Clients.

12. The Filer provides the Prime Services after the execution of the trade, but any commitment to provide financing or to lend or borrow securities in relation to a trade may be made prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer's clearing agent, as applicable. A Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.

13. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer's clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, who in turn maintains a record of the position held for the Prime Services Client on its books and records.

14. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 7.

15. The Filer enters into written agreements with each of its Prime Services Clients for the provision of Prime Services.

16. The Filer is relying on the "international dealer exemption" under section 8.18 [*international dealer*] of NI 31-103 in the Jurisdictions to provide Prime Services in respect of foreign securities.

17. The Filer is not registered under the securities legislation of any jurisdiction of Canada, is in the business of trading, and in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of Canadian securities without registration, except as permitted under section 8.5 [*trades through or to a registered dealer],* under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*international dealer*]*,* and under section 8.21 [*specified debt*] of NI 31-103.

18. The Filer is subject to regulatory capital requirements under the 1934 Act, specifically SEC Rule 15c3-l *Net Capital Requirements for Brokers or Dealers* (**SEC Rule 15c3-1**) and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers* (**SEC Rule 17a-5**).

19. SEC Rule 15c3-1 requires that the Filer account for any guarantee of debt of a third party in calculating its excess net capital. In particular, in the event that the Filer provides a guarantee of any debt of a third party, it will be required to deduct the total amount of the guarantee in calculating its net capital. The Filer does not currently guarantee the debt of any third party.

20. SEC Rule 15c3-l is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which dealer members of IIROC are subject. The Filer is in compliance with SEC Rule 15c3-l and is in compliance in all material respects with SEC Rule 17a-5. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 *Notification Provisions for Brokers and Dealers* (**SEC Rule 17a-11**). The SEC and FINRA have the responsibility to provide oversight over the Filer's compliance with SEC Rule 15c3-l and SEC Rule l7a-5.

21. The Filer is required to prepare and file a financial report, which includes Form X-17a- 5 (the **FOCUS Report**), which is the financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**) under NI 31-103. The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.

22. The Filer is subject to regulations of the Board of Governors of the Federal Reserve System (**FRB**), the SEC and FINRA regarding the lending of money, extension of credit and provision of margin to clients (the **U.S. Margin Regulations**) that provide protections that are substantially similar to the protections provided by the requirements regarding the lending of

money, extension of credit and provision of margin to clients to which dealer members of IIROC are subject. In particular, the Filer is subject to the margin requirements imposed by the FRB, including Regulation T, and under applicable SEC rules and under FINRA Rule 4210. The Filer is in compliance in all material respects with applicable U.S. Margin Regulations.

23. The Filer holds customer assets in accordance with Rule 15c3-3 of the 1934 Act (**SEC Rule 15c3-3**). SEC Rule 15c3-3 requires the Filer to segregate and keep segregated all "fully-paid securities" and "excess margin securities" (as such terms are defined in SEC Rule 15c3-3) of its customers from its proprietary assets. In addition to the segregation of customers' securities, SEC Rule 15c3-3 requires the Filer to deposit an amount of cash or qualified government securities determined in accordance with a reserve formula set forth in SEC Rule 15c3-3 in an account entitled "Special Reserve Account for the Exclusive Benefit of Customers" of the Filer at separate banks and/or custodians. The combination of segregated securities and cash reserve are designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements to which dealer members of IIROC are subject. If the Filer fails to make an appropriate deposit, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 15c3-3(i). The Filer is in material compliance with the possession and control requirements of SEC Rule 15c3-3.

24. The Filer is a member of the Securities Investors Protection Corporation (**SIPC**) and, subject to the eligibility criteria of SIPC, Prime Services Clients' assets held by the Filer are insured by SIPC against loss due to insolvency.

25. The Filer is in compliance in all material respects with U.S. securities laws. The Filer is not in default of securities legislation in any jurisdiction in Canada.

26. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:

    (a) the Filer is regulated as a broker-dealer under the securities legislation of the U.S., and is subject to the requirements referred to in paragraphs 18 to 23,

    (b) the availability of and access to Prime Services in respect of Canadian securities is important to Canadian institutional investors who are active participants in the international marketplace,

    (c) the Filer provides Prime Services in the Jurisdictions in respect of Canadian Securities only to Institutional Permitted Clients;

    (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada; and

    (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.

27. The Filer is a "market participant" as that term is defined in subsection 1(1) of the OSA. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the OSA, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs, and the transactions it executes on behalf of others and to deliver such records to the OSC if required.

28. If in the future the Filer wishes to offer Prime Services in Alberta, the Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.

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 so long as the Filer:

(a) has its head office or principal place of business in the U.S.;

(b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Prime Services in the U.S.;

(c) is a member of FINRA;

(d) is a member of SIPC;

(e) is subject to requirements over regulatory capital, lending of money, extension of credit, provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer members of IIROC are subject;

(f) limits its provision of Prime Services in the Jurisdictions in respect of Canadian securities to Institutional Permitted Clients;

(g) does not execute trades in Canadian securities with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;

(h) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;

(i) notifies the OSC of any regulatory action initiated after the date of this decision in respect of the Filer, or any predecessors or specified affiliates of the Filer, by completing and filing with the OSC Appendix "A" hereto within ten days of the commencement of any such action; provided that the Filer may also satisfy this condition by filing with the OSC within ten days of the date of this decision a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S. federal securities laws that is identified in the FINRA BrokerCheck system, and any updates to such disclosure that may be made from time to time, and by providing notification, in a manner reasonably acceptable to the Director, of any filing of a Form BD "Regulatory Action Disclosure Reporting Page";

(j) submits the financial report and compliance report as described in SEC Rule 17a- 5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;

(k) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;

(l) submits to the OSC immediately a copy of any notice it files under SEC Rule 17a- 11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;

(m) complies with the filing and fee payment requirements that would be applicable to the Filer if it were a registrant firm under OSC Rule 13-502 *Fees*;

(n) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and

(o) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

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

"Cecilia Williams"
Commissioner
Ontario Securities Commission

OSC File #: 2021/0693

APPENDIX "A"[1]

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

	Yes	**No**
(a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?		
(b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?		
(c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?		
(d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?		
(e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?		
(f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
(g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?		

If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] Terms defined for the purposes of Form 33-109F6 *Firm Registration* to National Instrument 33-109 *Registration Information Requirements* have the same meaning if used in this Appendix except that any reference to "firm" means the person or company relying on relief from the requirement to register as an adviser or dealer under the *Commodity Futures Act* (Ontario).

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal: https://www.osc.gov.on.ca/filings

2.1.5 The International Development Association

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirement – relief grants a multilateral development bank an exemption from the prospectus requirement – relief similar to exemption for "permitted supranational agency" in section 2.34 of National Instrument 45-106 Prospectus and Registration Exemptions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74(1).

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
THE INTERNATIONAL DEVELOPMENT ASSOCIATION
(the Filer)

DECISION

BACKGROUND

The principal regulator has received an application from the Filer for a decision under the securities legislation of the Jurisdiction exempting the Filer from the requirements contained in section 53 of the Act to file and obtain a receipt for a preliminary prospectus and a final prospectus (the **Prospectus Requirement**) as it relates to a debt security issued or guaranteed by the Filer in the currency of Canada or the United States of America (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 all other provinces and territories other than the Jurisdiction.

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 multilateral association with 173 member countries. It is one of the largest multilateral channels for providing concessional financing and knowledge services to the world's poorest countries. The Filer is one of the five institutions of the World Bank Group, together with the International Bank for Reconstruction and Development (**IBRD**) and the International Finance Corporation (**IFC**), each of which is recognized in Canada as a "permitted supranational agency" under NI 45-106.

2. The Filer was established in 1960 pursuant to the International Development Association Articles of Agreement (the **Agreement**), which came into effect on September 24, 1960. Canada was one of the original signatories to the Agreement in 1960 and became a member of the Filer on September 24, 1960. Canada granted the Filer privileges and immunities on May 29, 2014 pursuant to the *International Development Association, International Finance Corporation and Multilateral Investment Guarantee Agency Privileges and Immunities Order* (P.C. 2014-623 29 May, 2014), made by the Governor General under Sections 2 to 9 of Article VIII of the Articles of Agreement of the Filer, as set out in Schedule

III to the *Bretton Woods and Related Agreements Act* (R.S.C., 1985, c. B-7), in order to fulfill its international obligations to the World Bank Group.

3. The Filer's head office is in Washington, D.C. The Filer does not have any offices in Canada.

4. The Filer is not and has no intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.

5. The Filer's primary purposes are to promote economic development, increase productivity and raise the standards of living in the less-developed areas of the world included within the Filer's membership. It achieves these objectives by:

   (a) providing loans, grants and guarantees to the world's poorest countries for programs and operations that help meet their development needs;

   (b) providing technical assistance through reimbursable advisory services, policy advice and global knowledge services through economic sector work and country studies;

   (c) supporting member countries with disaster risk financing and insurance to help increase their financial resilience against natural disasters; and

   (d) providing or facilitating financing through trust fund partnerships with bilateral and multilateral donors.

6. The Filer funded its operations over the years out of its own equity, including periodic infusions from its member countries. Given the strong support of Canada and other member countries, the Filer has built up a substantial equity base. In order to make the most efficient use of this equity base and to provide greater support to the world's poorest countries, in December 2016, the Filer's member countries approved plans for the Filer to enter the capital markets in connection with its Eighteenth Replenishment of resources (**Filer 18**). This new model allowed the Filer to increase its capacity to finance its member countries over the ongoing Filer 18 three-year period by 50 percent, without requiring member countries to increase their contributions above past levels.

7. The Filer operates under an effective "Collective Governance System". Pursuant to this framework, Canada (as one of the larger shareholders of the Filer) exercises oversight over the capital market activities of the Filer, including the issuance of its bonds, the use of derivatives, and over the Filer generally. The Filer has a resident Board of Executive Directors, with all members appointed or elected by their sovereign shareholders, including Canada. The resident Board of Executive Directors (and the Audit Committee thereof) has oversight authority over the Filer's financial operations, including its bond issuances and has in-depth familiarity with, and approval authority over, the Filer's financial disclosures to the public which are incorporated by reference into the Filer's bond documentation.

8. In accordance with the Agreement, the Executive Directors are appointed or elected every two years by their member governments. The Board currently has 25 Executive Directors who represent all 173-member countries. The Executive Directors oversee all Filer operations.

9. The Filer has the same Executive Directors (including the Executive Director representing Canada), management and staff as IBRD (also known in the capital markets, as the World Bank). Thus, the treasury, accounting, risk, corporate finance, and legal teams that have been responsible for IBRD bond issuance, financial reporting, risk management, and legal offering documentation over the years, including in Canada, play the same roles for the Filer.

10. The Basel Committee on Banking Supervision has included the Filer in the list of entities receiving a 0% risk weight under the Basel II Framework and the Filer is included in the list of multilateral development banks set out in the Basel II Framework. The Filer's securities are also included as Level 1 High Quality Liquid Assets under the Basel Committee's liquidity coverage ratio framework.

11. The Filer's long-term debt has been assigned a triple-A rating or its equivalent by each of Moody's Investors Services (January 20, 2021) and Standard & Poor's (February 25, 2021).

12. Subsection 2.34 (2)(f) of NI 45-106 provides an exemption from the Prospectus Requirement for a debt security issued or guaranteed by a permitted supranational agency if the debt security is payable in the currency of Canada or the United States of America.

13. The definition of a "permitted supranational agency" under subsection 2.34 (1) of NI 45-106 includes IBRD and IFC, as well as the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank.

14. As the definition of "permitted supranational agency" of subsection 2.34(1) of NI 45-106 does not include the Filer, the Filer is not able to rely on the prospectus exemption contained in subsection 2.34 (2)(f) of NI 45-106 in respect of a debt security issued or guaranteed by the Filer in the currency of Canada or the United States.

15. The Filer has submitted that because it is substantially similar to the permitted supranational agencies listed in subsection 2.34(1) of NI 45-106, it should be exempt from the Prospectus Requirement as it relates to a debt security issued or guaranteed by the Filer in the currency of Canada or the United States of America.

16. The Filer submits that the considerations that led to the exemptions for other permitted supranational agencies, including the Filer's co-members of the World Bank Group, IBRD and IFC, also apply to the Filer. In addition, the Executive Directors, management and staff that are responsible for IBRD's bond issuances, have the same roles for the Filer.

17. The Filer has considered whether, under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and the securities legislation, it could be considered to be engaged in or holding itself out as engaging in the business of trading in securities and therefore required to register as a dealer, rely on another exemption from the dealer registration requirement or seek exemptive relief from the dealer registration requirement. In light of the particular facts and circumstances of the Filer, including the fact that the distribution of debt securities of the Filer is incidental to the Filer's principal activities, it does not receive any fees or other income from engaging in trades or acts in furtherance of distributions, and its activities do not have the attributes typical of a person or company carrying on the business of a dealer, and having considered the guidance in section 1.3 of Companion Policy 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, the Filer has concluded that it should not be considered to be engaged in registrable activities and therefore does not require relief from the registration requirement of the securities legislation.

DECISION

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

The decision of the principal regulator under the securities legislation is that the Exemption Sought from the Prospectus Requirement is granted provided that and for so long as the debt securities of the Filer are payable in the currency of Canada or the United States of America.

DATED at Toronto this 3rd of December 2021.

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

"Tim Moseley"
Commissioner
Ontario Securities Commission

OSC File#: 2020/0389

2.1.6 BMO Nesbitt Burns Inc.

Headnote

Application for relief under s. 15.1 of National Instrument 21-101 Marketplace Operation, s. 12.1 of National Instrument 23-101 Trading Rules, and s. 10 of National Instrument 23-103 Electronic Trading and Direct Access to Marketplaces – relief from the application of all provisions of the Marketplace Rules that apply to a person or company carrying on business as an alternative trading system in the Jurisdictions – relief granted subject to terms and conditions.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation.
National Instrument 23-101 Trading Rules.
National Instrument 23-103 Electronic Trading and Direct Access to Marketplaces.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA,
BRITISH COLUMBIA,
MANITOBA,
NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
NOVA SCOTIA,
NUNAVUT,
ONTARIO,
PRINCE EDWARD ISLAND,
QUEBEC,
SASKATCHEWAN, AND
YUKON
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
BMO NESBITT BURNS INC.
("BNBI" or the "Applicant")

DECISION

Relief Requested

The securities regulatory authority or regulator in each of the Jurisdictions (each a "**Decision Maker"**) has received an application **("Application")** from the Applicant for a decision under the securities legislation of the Jurisdictions (the **"Legislation")** for an exemption under section 15.1 of National Instrument 21-101 – *Marketplace Operation* ("**NI 21-101**"), section 12.1 of National Instrument 23-101 – *Trading Rules* ("**NI 23-101**") and section 10 of National Instrument 23-103 – *Electronic Trading and Direct Access to Marketplaces* ("**NI 23-103**") (together, the "**Marketplace Rules**"), exempting the Applicant from the application of all provisions of the Marketplace Rules as those provisions apply to a person or company carrying on business as an alternative trading system ("**ATS**") in the Jurisdictions (the "**Requested Relief**").

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

(a) the Ontario Securities Commission ("**OSC**") is the principal regulator for this Application (**"Principal Regulator"**); and

(b) the decision is the decision of the Principal Regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. BNBI is amalgamated under the laws of Canada and is an indirect subsidiary of the Bank of Montreal, a bank listed in Schedule 1 of the *Bank Act* (Canada). BNBI is a dealer member of the Investment Industry Regulatory Organization of Canada ("**IIROC**") and is registered as an investment dealer with the securities regulatory authority in each province and territory of Canada and is an Approved Participant of the Bourse de Montréal. BNBI's head office is in Toronto, Ontario. Accordingly, the OSC has been selected as the Principal Regulator for this Application.

2. The Applicant is not in default of securities legislation in any of the Jurisdictions.

3. A basis trade, as contemplated in this Application for exemptive relief, is comprised of two components: the simultaneous purchase or sale of a debt security and an offsetting trade in a corresponding futures contract that may also be a 'commodity futures contract' or 'exchange contract' as defined in some Jurisdictions.

4. The Requested Relief shall apply only to basis trades in Government of Canada bonds ("**GoC bonds**") and the corresponding futures contracts listed on the Bourse de Montréal ("**Bourse futures contracts**").

5. The Applicant intends to initiate an electronic transaction solution for the execution of basis trades on behalf of institutional clients for which the Applicant has developed an automated model (the "**Model**").

6. The Model is an electronic system that, in relation to securities, brings together buyers and sellers, brings together orders from multiple buyers and sellers, and utilizes established non-discretionary methods under which orders interact with each other. This means that the Model meets the definition of "marketplace," as that term is defined in the Marketplace Rules and pursuant to the securities legislation of the Jurisdictions. As a result, in the absence of the Requested Relief, the Marketplace Rules would require authorization of BNBI as an ATS.

7. Trading using the Model will be governed by and conducted in accordance with a Participation Agreement ("**PA**") between BNBI and each participating client.

8. Each participating client will be provided with training materials regarding use of the Model, including as it relates to the procedures for the entry and trading of orders on the Model.

9. The Model will establish a platform where participating clients may, in relation to a basis trade, express interest at a price set by BNBI at pre-set times on a daily basis (up to five times daily). Timing and number is to be determined and may be adjusted over time according to participating client needs and servicing requirements.

10. Efficiencies of the Model include:

    (a) pricing for the basis trade is delivered electronically at set times;

    (b) a more efficient manner in assessing participating client interests in the basis trades at set-times versus ad-hoc;

    (c) participating clients will be able to indicate their interest in a basis trade anonymously, thus allowing the participating client not to show their full size to the market, while minimizing the potential for information leakage or market dislocation;

    (d) the platform underpinning the Model automates participating client risk limits;

    (e) the platform automates acceptable trade counterparties to inhibit trades between counterparties that would be proscribed under trading rules or as a result of investment mandates; and

    (f) GoC bond trades are electronically processed (versus manual), with automated ticketing that satisfies the participating client's compliance and audit requirements.

11. The Model is designed to allow participating clients at set times, on a daily basis, to express interest in a basis trade for the simultaneous execution of GoC bonds with a minimum notional value of $25 million and at notional increasing increments of $5 million, together with and the offsetting quantity of the corresponding Bourse futures contracts.

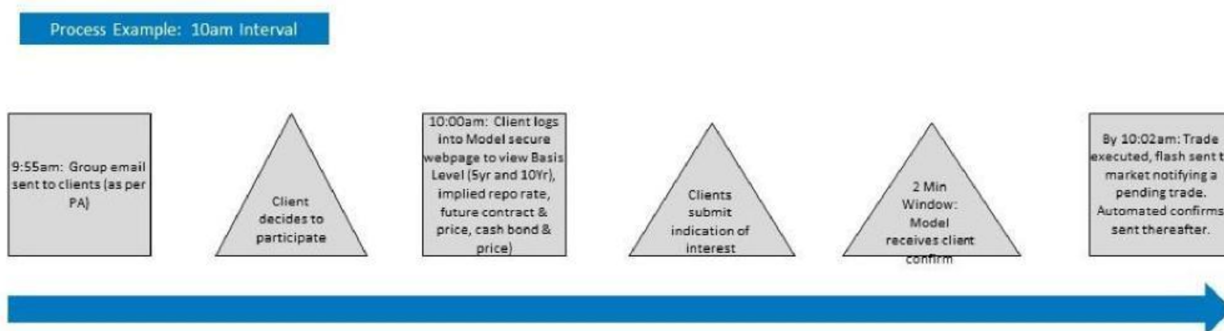
12. Each participating client will have a set time period ("**Window**") to express this interest at each set time per day. Prior to the Window, BNBI will establish the trade point based on recent market activity levels.

13. If the buy-side and the sell-side of a basis trade each has interest at the established trade point, each participating client will be required to confirm its bid or offer. Upon both parties confirming their interest, a match occurs.

14. Matching of buy-side and sell-side interest will be conducted on a time priority basis subject to the effect of the automated participating client risk limits and counterparty controls.

15. Each match will result in the Bourse futures contract component of the basis trade being posted to the Bourse de Montréal pursuant to existing Bourse regulations applicable to 'Exchange for Physical' ("**EFP**") transactions, which include requirements for the 'reasonable' pricing of the basis trade, prohibitions on reporting 'wash trades', maintenance of appropriate books and records, and the public reporting requiring of the component futures trade. No trade will officially exist until it has been accepted and posted by the Bourse de Montréal.

16. The following diagram provides an illustrative example of the process used by the Model:



17. Only institutional clients (clients defined as "Institutional Customers" pursuant to the IIROC Dealer Member Rules (the "**IIROC Rules**") are permitted to trade using the Model. The current definition of an Institutional Customer pursuant to the IIROC Rules does not include natural persons.

18. Each client permitted to trade using the Model will have been appropriately onboarded by BNBI prior to being provided access to trade using the Model. Each such participating client will also have been onboarded by BNBI as a participating client for Bourse futures contracts.

19. Access to enter orders or to trade on the platform will be limited to personnel of the participating client that have been identified by the participating client to BNBI as 'eligible traders'.

20. In accordance with the terms of the PA, BNBI may deny or revoke access to the Model for any participating client that is deemed to have engaged in any activity which, in BNBI's estimation, is detrimental to the fair and equitable use of the platform or is otherwise deemed to be detrimental to market integrity. BNBI shall provide any participating client whose access has been denied and/or revoked with an explanation for such denial and/or revocation.

21. BNBI will not regulate participating clients or their conduct, other than as it relates to conduct in respect of the trading on the platform, and will not discipline participating clients other than by exclusion from participation on the platform in accordance with the terms of the PA.

22. Stakeholders from Bank of Montreal, BNBI or related parties may participate on the platform. Each such stakeholder will participate on an arms-length basis in accordance with the terms of the PA. The terms of the PA for such stakeholders will be materially similar to the PA applicable to other participating clients.

23. BNBI will enforce strict information barriers to ensure that all participating clients, including related parties, will have no information advantages. These information barriers will apply to any related parties granted access to the Model to ensure that no informational advantages accrue.

24. The potential conflict of interest associated with related party access to the Model will be disclosed to all participating clients.

25. BNBI will ensure that all personnel responsible for the operation or administration of the Model are not permitted to participate in trading on the platform and would not be individuals responsible for voice-brokering basis trades.

26. The Model, in all material respects, simply automates trades that are currently voice-brokered trades.

27. All trades executed using the Model will be governed by the IIROC Rules which currently apply to the Applicant's current voice-brokered basis trades, including obligations to maintain client confidentiality, manage conflicts of interest and maintain appropriate books and records.

28. Information in respect of the GoC bond component of each basis trade will be reported to IIROC pursuant to IIROC Rule 2800C—Transaction Reporting for Debt Securities.

29. Notwithstanding Representation 6 set out above, the Applicant submits that the underlying policy reasons for the application of the Marketplace Rules to an ATS do not apply in the case of the Model and so the Applicant should be exempt from the Marketplace Rules.

30. In addition, the Applicant further submits that:

    (a) the operation of the Model does not disadvantage market participants and does not interfere with the functioning of the existing basis market or the markets for the component GoC bonds and Bourse futures contracts;

    (b) the operation of the Model provides a more effective means for participating clients to enter into basis trades;

    (c) access to the Model and trading will be limited to 'sophisticated' BNBI customers that meet the IIROC definition of 'Institutional Customer', that have been onboarded as eligible to trade Bourse futures contracts, and that are able to participate with minimum order sizes that will reflect notional interest of at least $25 million;

    (d) all trades executed using the Model will be governed by the IIROC Rules, which currently apply to the Applicant's current voice-brokered basis trades;

    (e) BNBI will not be regulating participating clients or their conduct, other than as it relates to conduct in respect of the trading on the platform, and will not discipline participating clients other than by exclusion from participation on the platform;

    (f) information in respect of the GoC bond component of each basis trade will be reported to IIROC pursuant to IIROC Rule 2800C—Transaction Reporting for Debt Securities;

    (g) the Bourse futures contract component of each basis trade will be routed through the facilities of the Bourse de Montréal and all requirements governing EFP transactions will continue to apply;

    (h) implementation of the Model will provide significant efficiencies for participating clients;

    (i) BNBI has developed and will apply a system of processes and controls governing electronic access and use of the Model, and such processes and controls are intended to provide for the resiliency, integrity, reliability and cybersecurity of the Model; and

    (j) the Model provides the potential for enhanced liquidity and significant efficiency enhancement for participating clients, while bolstering market integrity for the underlying basis product.

Decision

Each Decision Maker 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 Requested Relief is granted provided that:

(a) BNBI will limit the use of the Model to basis trades involving offsetting positions in GoC bonds and the related Bourse futures contracts;

(b) BNBI will continue to be registered in as an investment dealer in each jurisdiction in which the trading services under the Model are being offered and will maintain its Dealer Member status with IIROC and its Approved Participant status with the Bourse de Montréal; and

(c) BNBI will promptly notify the Principal Regulator of any material changes to:

    (i) the Model, including the conditions upon which access to trading is granted to participating clients;

    (ii) BNBI's business or operations, or the information provided in the Application, as these material changes relate to BNBI's offering of the basis trading services; and

(iii) IIROC or Bourse de Montréal requirements applicable to trades in the component GoC bonds and related Bourse futures contracts, including the Bourse de Montréal requirements applicable to EFP transactions.

Dated this 14th day of December, 2021

"Tracey Stern"
Manager, Market Regulation
Ontario Securities Commission

Application File #: 2021/0411

2.2 Orders

2.2.1 Ontario Instrument 13-508 Extension of Moratorium on Outside Activities Late Filing Fees

Ontario Securities Commission

Ontario Instrument 13-508
Extension of Moratorium on Outside Activities Late Filing Fees

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective on January 1, 2022, Ontario Instrument 13-508 entitled "Extension of Moratorium on Outside Activities Late Filing Fees" is made.

December 16, 2021

"D. Grant Vingoe"

"Timothy Moseley"

Authority under which the order is made:

Act and section: *Securities Act*, subsection 143.11(2)

Ontario Securities Commission

Ontario Instrument 13-508
Extension of Moratorium on Outside Activities Late Filing Fees

Definitions

1. Terms defined in the *Securities Act* (Ontario) (**OSA**), Ontario Securities Commission Rule 14-501 *Definitions* and Ontario Securities Commission Rule 13-502 *Fees* (**OSC Rule 13-502**) have the same meaning in this order.

Exemptive relief

2. The Ontario Securities Commission (the **OSC**) made amendments to OSC Rule 13-502 in May 2019 so that registrants would not be required to pay fees for disclosing outside activities (**OAs**) past the required filing deadline during a moratorium from January 1, 2019 to December 31, 2021 (the **OA Moratorium**). The moratorium is time-limited to coincide with work being carried out by the OSC, together with the other Canadian Securities Administrators (the **CSA**), to clarify the regulatory requirements associated with disclosing OAs while the OA Moratorium is in place.

3. On February 4, 2021, the OSC and the CSA published for comment proposed amendments to National Instrument 33-109 *Registration Information*. The amendments, among other things, are intended to clarify the disclosure obligations associated with OAs. The amendments were first identified by the OSC's Burden Reduction Task Force, which has a mandate to consider and act on suggestions to eliminate unnecessary rules and processes, while protecting investors and the integrity of Ontario's capital markets. On December 16, 2021, the CSA published the final amendments. In some jurisdictions, ministerial approvals are required for the implementation of the amendments. Provided all ministerial approvals are obtained, the amendments will come into force on June 6, 2022. Until such time as the amendments to clarify the disclosure obligations associated with OAs become effective, the rationale for the OA Moratorium remains.

4. Under subsection 143.11(2) of the OSA, if the OSC considers that it would not be prejudicial to the public interest to do so, the OSC may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force unless extended pursuant to paragraph (b) of subsection 143.11(3) of the OSA.

Order

5. A registrant is temporarily exempt from the requirement to pay fees on the late submission of outside activity disclosure after the end of the OA Moratorium and as a result, for the purposes of calculating the late fee payable under subsection 6.4(1) of OSC Rule 13-502, paragraph (a)(ii) of the definition of "specified day", as that term is defined in section 1.1 of OSC Rule 13-502, shall be replaced with the following:

   (ii) after June 6, 2022, and

Effective date and term

6. This order comes into effect on January 1, 2022 and expires on June 6, 2022.

2.2.2 Ontario Instrument 13-509 Extension of Moratorium on Outside Activities Late Filing Fees (Commodity Futures Act)

Ontario Securities Commission

Ontario Instrument 13-509
Extension of Moratorium on Outside Activities Late Filing Fees
(Commodity Futures Act)

The Ontario Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective on January 1, 2022, Ontario Instrument 13-509 entitled "Extension of Moratorium on Outside Activities Late Filing Fees (Commodity Futures Act)" is made.

December 16, 2021

"D. Grant Vingoe"

"Timothy Moseley"

Authority under which the order is made:

Act and section: *Commodity Futures Act*, subsection 75(2)

Ontario Securities Commission

Ontario Instrument 13-509
Extension of Moratorium on Outside Activities Late Filing Fees
(Commodity Futures Act)

Definitions

1. Terms defined in the *Commodity Futures Act* (Ontario) (**CFA**), Ontario Securities Commission Rule 14-501 *Definitions* and Ontario Securities Commission Rule 13-503 *(Commodity Futures Act) Fees* (**OSC Rule 13-503**) have the same meaning in this order.

Exemptive relief

2. The Ontario Securities Commission (the **OSC**) made amendments to OSC Rule 13-503 in May 2019 so that registrants would not be required to pay fees for disclosing outside activities (**OAs**) past the required filing deadline during a moratorium from January 1, 2019 to December 31, 2021 (the **OA Moratorium**). The moratorium is time-limited to coincide with work being carried out by the OSC, together with the other Canadian Securities Administrators (the **CSA**), to clarify the regulatory requirements associated with disclosing OAs while the OA Moratorium is in place.

3. On February 4, 2021, the OSC and the CSA published for comment proposed amendments to National Instrument 33-109 *Registration Information* along with proposed amendments to OSC Rule 33-506 *Registration Information Requirements*. The amendments, among other things, are intended to clarify the disclosure obligations associated with OAs. The amendments were first identified by the OSC's Burden Reduction Task Force, which has a mandate to consider and act on suggestions to eliminate unnecessary rules and processes, while protecting investors and the integrity of Ontario's capital markets. On December 16, 2021, the CSA published the final amendments. In some jurisdictions, ministerial approvals are required for the implementation of the amendments. Provided all ministerial approvals are obtained, the amendments will come into force on June 6, 2022. Until such time as the amendments to clarify the disclosure obligations associated with OAs become effective, the rationale for the OA Moratorium remains.

4. Under subsection 75(2) of the CFA, if the OSC considers that it would not be prejudicial to the public interest to do so, the OSC may, on application by an interested person or company or on its own initiative, make an order exempting a class of persons or companies, trades, intended trades, securities or derivatives from any requirement of Ontario securities law on such terms or conditions as may be set out in the order, effective for a period of no longer than 18 months after the day on which it comes into force, unless extended pursuant to paragraph (b) of subsection 75(3) of the CFA.

Order

5. A registrant is temporarily exempt from the requirement to pay fees on the late submission of outside activity disclosure after the end of the OA Moratorium and as a result, for the purposes of calculating the late fee payable under subsection 3.3 of OSC Rule 13-503, paragraph (a)(ii) of the definition of "specified day", as that term is defined in section 1.1 of OSC Rule 13-503, shall be replaced with the following:

   (ii) after June 6, 2022, and

Effective date and term

6. This order comes into effect on January 1, 2022 and expires on June 6, 2022.

2.2.3 Star Navigation Systems Group Ltd.

Headnote

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

Applicable Legislative Provisions

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

November 24, 2021

STAR NAVIGATION SYSTEMS GROUP LTD.

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

Background

1. Star Navigation Systems Group Ltd. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the Ontario Securities Commission (the **Principal Regulator)** on November 1, 2019.

2. The Issuer has applied to the Principal Regulator under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTO.

Interpretation

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

Representations

4. This decision is based on the following facts represented by the Issuer:

   (a) The Issuer was incorporated under the laws of the province of Ontario on February 9, 1993.

   (b) The Issuer's head office is located at 11 Kenview Blvd, Brampton, Ontario L6T 5G5.

   (c) The Issuer is a reporting issuer in the jurisdictions of British Columbia, Alberta, Saskatchewan and Ontario (the **Reporting Jurisdictions**).

   (d) The Issuer's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As of the date hereof, 622,975,832 common shares and 615,000 preferred shares were issued and outstanding.

   (e) The Issuer's common shares are listed for trading on the Canadian Stock Exchange (**CSE**) under the symbol "SNA" and on the over the counter market's OTC Pink Market under the symbol "SNAVF". The common shares remain suspended on the CSE as of the date hereof. The common shares are not listed, quoted or traded on any other exchange, marketplace or other facility for bringing together buyers and sellers in Canada or elsewhere.

   (f) The FFCTO was issued by the Principal Regulator as a result of the Issuer's failure to file the following, within the required timeframe (collectively, the **Annual Filings**)

      (i) annual audited financial statements for the year ended June 30, 2019, as required under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**);

      (ii) management's discussion and analysis (**MD&A**) relating to the annual audited financial statements for the year ended June 30, 2019, as required under NI 51-102; and

(iii) certifications of the annual filings for the year ended June 30, 2019 as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**).

(g) Since the issuance of the FFCTO, the Issuer also failed to file the following documents within the required timeframe (collectively, the **Additional Required Filings**):

(i) annual audited financial statements and related MD&A for the year ended June 30, 2020 as required under NI 51-102;

(ii) interim financial report and related MD&A for the interim periods ended September 30, 2019, December 31, 2019, March 31, 2020, September 30, 2020, December 31, 2020 and March 31, 2021 as required under NI 51-102; and

(iii) certifications of the Additional Required Filings as required by NI 52-109.

(h) The Issuer has now filed all outstanding continuous disclosure documents with the Principal Regulator, including the Annual Filings and Additional Required Filings.

(i) The Issuer is: (i) up-to-date with all of its continuous disclosure obligations; (ii) not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for existence of the FFCTO; and (iii) not in default of any of its obligations under the FFCTO;

(j) The Issuer's profile on System for Electronic Document Analysis and Retrieval (SEDAR) and the System for Electronic Disclosure by Insiders (SEDI) are up-to-date.

(k) The Issuer has paid all outstanding activity, participating and late filing fees that are required to be paid and has filed all forms associated with such payments;

(l) The Issuer is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

(m) Since the issuance of the FFCTO, there have not been any material changes in the business, operations or affairs of the Issuer that have not been disclosed by news release and/or material change report filed on SEDAR;

(n) Upon the issuance of this revocation order the Issuer will issue a news release announcing the revocation of the FFCTO, and concurrently file the news release and a material change report on SEDAR.

Order

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

6. The decision of the Principal Regulator under the Legislation is that the FFCTO is revoked.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.4 Plateau Energy Metals Inc. et al.

File No. 2021-16

**IN THE MATTER OF
PLATEAU ENERGY METALS INC.,
ALEXANDER FRANCIS CUTHBERT HOLMES AND
PHILIP NEVILLE GIBBS**

Wendy Berman, Vice-Chair and Chair of the Panel

December 9, 2021

ORDER

WHEREAS on November 17, 2021, the Ontario Securities Commission held a hearing by videoconference;

ON HEARING the submissions of the representatives for Staff of the Commission and for each of Plateau Energy Metals Inc., Alexander Francis Cuthbert Holmes and Philip Neville Gibbs (collectively, the **Respondents**);

IT IS ORDERED THAT:

1. Staff shall serve the Respondents with the expert's report and qualifications for any expert evidence it intends to introduce at the merits hearing by 4:30 p.m. on May 2, 2022;

2. each party shall provide to the Registrar a completed copy of the *E-hearing Checklist for Videoconference Hearings* by 4:30 p.m. on September 7, 2022;

3. each party shall serve the other party with a hearing brief containing copies of the documents, and identifying the other things, that the party intends to produce or enter as evidence at the merits hearing, by 4:30 p.m. on September 12, 2022;

4. a further attendance in this matter is scheduled for September 14, 2022 at 10:00 a.m., by videoconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary;

5. each party shall provide to the Registrar the electronic documents that the party intends to rely on or enter into evidence at the merits hearing, along with an index file containing hyperlinks to the documents in the hearing brief, in accordance with the *Protocol for E-hearings*, by 4:30 p.m. on October 4, 2022; and

6. the merits hearing in this proceeding shall take place by videoconference and commence on October 12, 2022 at 10:00 a.m., and continue on October 14, 17, 18, 19, 20, 21, 24, 26, 27, 28, and 31, 2022 and January 11 and 12, 2023 at 10:00 a.m. on each day, or on such other dates and times as may be agreed to by the parties and set by the Office of the Secretary.

"Wendy Berman"

2.2.5 Mek Global Limited and PhoenixFin Pte. Ltd.

File No. 2021-18

**IN THE MATTER OF
MEK GLOBAL LIMITED AND
PHOENIXFIN PTE. LTD.**

M. Cecilia Williams, Commissioner and Chair of the Panel

December 13, 2021

ORDER

WHEREAS on December 13, 2021, the Ontario Securities Commission held a hearing by teleconference and considered a request from Staff of the Commission (**Staff**) to hold a combined merits and sanctions and costs hearing in this proceeding in writing;

ON HEARING the submissions of the representative for Staff, no one appearing on behalf of Mek Global Limited or PhoenixFin Pte. Ltd. (the **Respondents**), although properly served;

IT IS ORDERED THAT:

1. pursuant to Rule 3 and Subrule 35(1) of the *Ontario Securities Commission Rules of Procedure and Forms*, (2019) 42 OSCB 9714 (the **Rules**), the merits and sanctions and costs hearings against the Respondents shall be combined;

2. pursuant to Subrule 23(3) of the Rules, the enforcement proceeding against the Respondents shall be conducted as a written hearing;

3. Staff shall serve and file its hearing brief and written submissions by 4:30 p.m. on February 15, 2022;

4. the Respondents shall serve and file their responding written submissions by 4:30 p.m. on March 15, 2022; and

5. Staff shall serve and file its reply written submissions, if any, by 4:30 p.m. on March 22, 2022.

"M. Cecilia Williams"

2.2.6 exactEarth Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

December 13, 2021

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE JURISDICTION)**

AND

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

AND

**IN THE MATTER OF
EXACTEARTH LTD.
(THE FILER)**

ORDER

Background

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

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

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2021/0716

2.2.7 Jiubin Feng and CIM International Group Inc.

File No. 2021-27

**IN THE MATTER OF
JIUBIN FENG AND
CIM INTERNATIONAL GROUP INC.**

Cathy Singer, Commissioner and Chair of the Panel

December 14, 2021

ORDER

WHEREAS on December 14, 2021, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representative for Staff of the Commission (**Staff**) and for Jiubin Feng and CIM International Group Inc. (the **Respondents**);

I**T IS ORDERED THAT:**

1. the Respondents shall serve and file a witness list, and serve a summary of each witness' anticipated evidence on Staff, and indicate any intention to call an expert witness, including providing the expert's name and the issues on which the expert will give evidence, by 4:30 p.m. on February 25, 2022; and

2. a further attendance in this matter is scheduled for March 4, 2022 at 10:00 a.m., by teleconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"Cathy Singer"

2.2.8 Polo Digital Assets, Ltd.

File No. 2021-17

**IN THE MATTER OF
POLO DIGITAL ASSETS, LTD.**

Wendy Berman, Vice-Chair and Chair of the Panel

December 14, 2021

ORDER

WHEREAS on December 14, 2021, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representatives for Staff of the Commission and for Polo Digital Assets, Ltd.;

IT IS ORDERED THAT:

1. Staff shall serve and file a notice of motion and motion materials, if any, related to the witness summaries filed by the respondent by 4:30 p.m. on February 25, 2022;

2. The parties shall adhere to the following timeline for delivery of materials relating to the merits hearing:

   a. each party shall serve the other party with a hearing brief containing copies of the documents, and identifying the other things, that the party intends to produce or enter as evidence at the merits hearing, by 4:30 p.m. on April 14, 2022;

   b. each party shall provide to the Registrar a completed copy of the *E-hearing Checklist for Videoconference Hearings* by 4:30 p.m. on April 18, 2022; and

   c. each party shall provide to the Registrar the electronic documents that the party intends to rely on or enter into evidence at the merits hearing, along with an index file containing hyperlinks to the documents in the hearing brief, in accordance with the *Protocol for E-hearings*, by 4:30 p.m. on May 17, 2022;

3. a further attendance in this matter is scheduled for April 25, 2022 at 10:00 a.m., by teleconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary; and

4. the merits hearing shall take place by videoconference and commence on May 19, 2022 at 10:00 a.m., and continue on May 25, 26, 27, 30, June 2 and 3, 2022 at 10:00 a.m. on each day, or on such other dates and times as may be agreed to by the parties and set by the Office of the Secretary.

"Wendy Berman"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
ESG Capital 1 Inc.	December 3, 2021	December 6, 2021
GoldHaven Resources Corp.	December 3, 2021	December 9, 2021

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Helix BioPharma Corp.	November 1, 2021	December 13, 2021

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Akumin Inc.	August 20, 2021	
Agrios Global Holdings Ltd.	September 17, 2020	
Reservoir Capital Corp.	May 5, 2021	
Helix BioPharma Corp.	November 1, 2021	December 13, 2021
KetamineOne Capital Limited	November 2, 2021	
Cronos Group Inc.	November 16, 2021	
NextPoint Financial Inc.	November 16, 2021	
GreenBank Capital Inc.	November 30, 2021	

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Chapter 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).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
NBI Sustainable Canadian Short Term Bond ETF
Principal Regulator – Quebec
Type and Date:
Preliminary Long Form Prospectus dated Dec 6, 2021
NP 11-202 Preliminary Receipt dated Dec 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315186

Issuer Name:
Evolve European Banks Enhanced Yield ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 6, 2021
NP 11-202 Preliminary Receipt dated Dec 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315185

Issuer Name:
Arrow Global Opportunities Alternative Class
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 7, 2021
NP 11-202 Preliminary Receipt dated Dec 8, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315714

Issuer Name:
Balanced Income Portfolio
Conservative Income Portfolio
Enhanced Income Portfolio
Imperial Canadian Bond Pool
Imperial Canadian Diversified Income Pool
Imperial Canadian Dividend Income Pool
Imperial Canadian Equity Pool
Imperial Emerging Economies Pool
Imperial Equity High Income Pool
Imperial Global Equity Income Pool
Imperial International Bond Pool
Imperial International Equity Pool
Imperial Money Market Pool
Imperial Overseas Equity Pool
Imperial Short-Term Bond Pool
Imperial U.S. Equity Pool
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 9, 2021
NP 11-202 Final Receipt dated Dec 10, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3292515

Issuer Name:
Waypoint Alternative Yield Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 7, 2021
NP 11-202 Preliminary Receipt dated Dec 8, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315745

Issuer Name:
Desjardins SocieTerra American Equity Fund
Desjardins Global Small Cap Equity Fund
Principal Regulator - Quebec
Type and Date:
Amendment #4 to Final Simplified Prospectus dated December 4, 2021
NP 11-202 Final Receipt dated Dec 8, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3167530

____

Issuer Name:
Renaissance Short-Term Income Fund
Renaissance Canadian Bond Fund
Renaissance Real Return Bond Fund
Renaissance Corporate Bond Fund
Renaissance U.S. Dollar Corporate Bond Fund
Renaissance High-Yield Bond Fund
Renaissance Floating Rate Income Fund
Renaissance Flexible Yield Fund
Renaissance Global Bond Fund
Renaissance Canadian Balanced Fund
Renaissance U.S. Dollar Diversified Income Fund
Renaissance Optimal Conservative Income Portfolio
Renaissance Optimal Income Portfolio
Renaissance Optimal Growth & Income Portfolio
Renaissance Canadian Dividend Fund
Renaissance Canadian Monthly Income Fund
Renaissance Diversified Income Fund
Renaissance High Income Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Growth Fund
Renaissance Canadian All-Cap Equity Fund
Renaissance Canadian Small-Cap Fund
Renaissance U.S. Equity Income Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Equity Growth Currency Neutral Fund
Renaissance U.S. Equity Fund
Renaissance International Dividend Fund
Renaissance International Equity Fund
Renaissance International Equity Currency Neutral Fund
Renaissance Optimal Global Equity Portfolio
Renaissance Optimal Global Equity Currency Neutral Portfolio
Renaissance Global Value Fund
Renaissance Global Growth Fund
Renaissance Global Growth Currency Neutral Fund
Renaissance Global Focus Fund
Renaissance Global Small-Cap Fund
Renaissance China Plus Fund
Renaissance Emerging Markets Fund
Renaissance Optimal Inflation Opportunities Portfolio
Renaissance Global Infrastructure Fund
Renaissance Global Real Estate Fund
Renaissance Global Real Estate Currency Neutral Fund
Renaissance Global Health Care Fund
Renaissance Global Science & Technology Fund
Axiom Balanced Income Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Balanced Growth Portfolio
Axiom Long-Term Growth Portfolio
Axiom Canadian Growth Portfolio
Axiom Global Growth Portfolio
Axiom Foreign Growth Portfolio
Axiom All Equity Portfolio
Renaissance Canadian Fixed Income Private Pool
Renaissance Multi-Sector Fixed Income Private Pool
Renaissance Global Bond Private Pool
Renaissance Multi-Asset Global Balanced Income Private Pool
Renaissance Multi-Asset Global Balanced Private Pool
Renaissance Equity Income Private Pool
Renaissance Canadian Equity Private Pool

Renaissance U.S. Equity Private Pool
Renaissance International Equity Private Pool
Renaissance Global Equity Private Pool
Renaissance Emerging Markets Equity Private Pool
Renaissance Real Assets Private Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 2, 2021
NP 11-202 Final Receipt dated Dec 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3247938

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Issuer Name:
CIBC Multi-Asset Absolute Return Strategy
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 2, 2021
NP 11-202 Final Receipt dated Dec 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3204369

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Issuer Name:
RBC Short Term Income Class
RBC $U.S. Short Term Income Class
BlueBay Global Convertible Bond Class (Canada)
Phillips, Hager & North Monthly Income Class
RBC Balanced Growth & Income Class
RBC Canadian Dividend Class
RBC Canadian Equity Class
RBC QUBE Low Volatility Canadian Equity Class
Phillips, Hager & North Canadian Equity Value Class
RBC Canadian Equity Income Class
RBC Canadian Mid-Cap Equity Class
RBC North American Value Class
RBC U.S. Dividend Class
RBC U.S. Equity Class
RBC QUBE Low Volatility U.S. Equity Class
RBC U.S. Equity Value Class
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class
RBC U.S. Mid-Cap Value Equity Class
RBC U.S. Small-Cap Core Equity Class
RBC International Equity Class
Phillips, Hager & North Overseas Equity Class
RBC European Equity Class
RBC Emerging Markets Equity Class
RBC Global Equity Class
RBC QUBE Low Volatility Global Equity Class
RBC Global Resources Class
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 8, 2021
NP 11-202 Final Receipt dated Dec 13, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3279968

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Issuer Name:
Dynamic Active Canadian Dividend ETF
Dynamic Active Crossover Bond ETF
Dynamic Active Global Dividend ETF
Dynamic Active Preferred Shares ETF
Dynamic Active U.S. Dividend ETF
Dynamic Active Tactical Bond ETF
Dynamic Active U.S. Mid-Cap ETF
Dynamic Active Global Financial Services ETF
Dynamic Active Investment Grade Floating Rate ETF
Principal Regulator - Ontario
Type and Date:
Amended and Restated to Final Long Form Prospectus dated December 3, 2021
NP 11-202 Final Receipt dated Dec 7, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3152760

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Issuer Name:
CI Global Balanced Yield Private Pool
CI Global Equity Momentum Private Pool
CI International Equity Value Private Pool
CI North American Small/Mid Cap Equity Private Pool
CI Canadian Small/Mid Cap Managed Fund
CI American Managers Corporate Class
CI U.S. Equity Corporate Class
CI Marret Short Duration High Yield Fund
CI U.S. Stock Selection Corporate Class
CI Investment Grade Bond Private Pool (formerly, CI Global Investment Grade Credit Private Pool)
CI Global Balanced Corporate Class (formerly CI Black Creek Global Balanced Corporate Class)
CI Global Balanced Fund (formerly CI Black Creek Global Balanced Fund)
CI Global Leaders Corporate Class (formerly, CI Black Creek Global Leaders Corporate Class)
CI Global Leaders Fund (formerly, CI Black Creek Global Leaders Fund)
CI International Equity Corporate Class (formerly, CI Black Creek International Equity Corporate Class)
CI International Equity Fund (formerly, CI Black Creek International Equity Fund)
CI Global Health Sciences Corporate Class
CI Canadian Balanced Corporate Class
CI Canadian Balanced Fund
CI Global Income & Growth Fund
CI High Yield Bond Corporate Class
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 7, 2021
NP 11-202 Final Receipt dated Dec 10, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3237602

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Issuer Name:
CMP 2022 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 13, 2021
NP 11-202 Preliminary Receipt dated December 13, 2021
Offering Price and Description:
Mamimum - $50,000,000 - 50,000 Class A Units and Class F Units
Minimum - $5,000,000 - 5,000 Class A and Class F Units
Price per Unit -: $1,000
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
IA Private Wealth Inc.
Echelon Wealth Partners Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Inc.,
Project #3317187

Issuer Name:
Dividend Select 15 Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated December 6, 2021
NP 11-202 Preliminary Receipt dated December 7, 2021
Offering Price and Description:
Maximum Offerings: $60,000,000 Equity Shares
Price: $9.87 per Equity
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315242

Issuer Name:
LifeSpeak Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated December 6, 2021
NP 11-202 Preliminary Receipt dated December 7, 2021
Offering Price and Description:
C$450,000,000.00 - Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315547

Issuer Name:
Maple Leaf Short Duration 2022 Flow-Through Limited Partnership - National Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 10, 2021
Received on December 10, 2021
Offering Price and Description:
Maximum Offering - $25,000,000 (1,000,000 National Class Units
Minimum Offering - $2,500,000 (100,000 National Class Units
Price per Unit: $25.00
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2022 Flow-Through Management Corp.
Project #3316851

Issuer Name:
Maple Leaf Short Duration 2022 Flow-Through Limited Partnership - Quebec Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 10, 2021
Received on December 10, 2021
Offering Price and Description:
Maximum Offering - $30,000,000 - 1,200,000 Québec Class Units
Minimum Offering - $2,500,000 - 100,000 Québec Class Units
$25.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
Echelon Wealth Partners Inc. \
Manulife Securities Incorporated
Raymond James Ltd.
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2022 Flow-Through Management Corp.
Project #3316854

Issuer Name:
Dividend Growth Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated December 7, 2021
NP 11-202 Receipt dated December 8, 2021
Offering Price and Description:
$300,000,000
Preferred Shares and Class A Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3313619

Issuer Name:
Dividend Select 15 Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated December 9, 2021
NP 11-202 Receipt dated December 9, 2021
Offering Price and Description:
Maximum offerings: $60,000,000 Equity Share
Price: $10.03 per Equity Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315242

NON-INVESTMENT FUNDS

Issuer Name:
Axe2 Acquisitions Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 10, 2021
NP 11-202 Preliminary Receipt dated December 10, 2021
Offering Price and Description:
$428,646.80 - 4,286,468 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
PI FINANCIAL CORP.
Promoter(s):
Graham Donahue
David Dattels
Project #3316761

Issuer Name:
Draxos Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 9, 2021
NP 11-202 Preliminary Receipt dated December 9, 2021
Offering Price and Description:
$225,000.00 - 1,500,000 Common Shares
Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Gregory Prekupec
Project #3316345

Issuer Name:
Evocati Capital Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 8, 2021
NP 11-202 Preliminary Receipt dated December 10, 2021
Offering Price and Description:
$500,000.00 - 5,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
IA PRIVATE WEALTH INC.
Promoter(s):
JAMES LILL
Project #3316855

Issuer Name:
Exro Technologies Inc.
Principal Regulator - Alberta
Type and Date:
Amendment dated December 3, 2021 to Preliminary Shelf Prospectus dated November 18, 2021
NP 11-202 Preliminary Receipt dated December 7, 2021
Offering Price and Description:
$200,000,000.00 - Common Shares, Preferred Shares, Debt Securities, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3303924

Issuer Name:
FRNT Financial Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated December 7, 2021 to Preliminary Long Form Prospectus dated September 7, 2021
NP 11-202 Preliminary Receipt dated December 8, 2021
Offering Price and Description:
Minimum: $3,000,000.00 / 2,000,000 Common Shares
Maximum: $6,000,000.00 / 4,000,000 Common Shares
$1.50 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Stéphane Ouellette
Adam Rabie
Project #3276874

Issuer Name:
Great Oak Enterprises Ltd.
Type and Date:
Amendment dated December 8, 2021 to Preliminary Long Form Prospectus dated September 9, 2021
(Preliminary) Receipted on December 9, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
Phuong Dinh
Project #3277893

Issuer Name:
Heritage Cannabis Holdings Corp. (formerly Umbral Energy Corp.)
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 8, 2021
NP 11-202 Preliminary Receipt dated December 9, 2021
Offering Price and Description:
$40,000,000.00 - COMMON SHARES, PREFERRED SHARES, DEBT SECURITIES, SUBSCRIPTION RECEIPTS, WARRANTS, UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315988

Issuer Name:
Leaf Mobile Inc. (d/b/a "East Side Games Group")
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated December 6, 2021
NP 11-202 Preliminary Receipt dated December 7, 2021
Offering Price and Description:
$200,000,000.00 - Common Shares Debt Securities Warrants Units Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315164

Issuer Name:
LifeSpeak Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 6, 2021
NP 11-202 Preliminary Receipt dated December 7, 2021
Offering Price and Description:
C$450,000,000.00 - Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315547

Issuer Name:
Monarch Mining Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated December 9, 2021
NP 11-202 Preliminary Receipt dated December 9, 2021
Offering Price and Description:
$100,000,000 Common Shares Debt Securities Subscription Receipts Warrants Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3316343

Issuer Name:
Pender Street Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated December 6, 2021
NP 11-202 Preliminary Receipt dated December 8, 2021
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315647

Issuer Name:
Plantable Health Inc.
Principal Regulator - British Columbia
Type and Date:
Amendment dated December 7, 2021 to Preliminary Long Form Prospectus dated November 10, 2021
NP 11-202 Preliminary Receipt dated December 8, 2021
Offering Price and Description:
Minimum $6,400,000.00 - 16,000,000 Units
Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Promoter(s):
Nadja Pinnavaia
Nicholas Findler
Kevan Matheson
Project #3299280

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Amendment dated December 8, 2021 to Final Shelf Prospectus dated March 11, 2020
NP 11-202 Receipt dated December 8, 2021
Offering Price and Description:
$10,000,000,000.00 - Senior Notes (Principal at Risk Notes)
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
DESJARDINS SECURITIES INC.
IA PRIVATE WEALTH INC.
LAURENTIAN BANK SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
Promoter(s):
-
Project #3008755

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Issuer Name:
Canadian Utilities Limited
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 6, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
$175,000,000.00 - (7,000,000 shares) Cumulative Redeemable Second Preferred Shares Series HH
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
IA PRIVATE WEALTH INC.
Promoter(s):
-
Project #3305861

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Issuer Name:
Dividend Growth Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 7, 2021
NP 11-202 Receipt dated December 8, 2021
Offering Price and Description:
$300,000,000 - Preferred Shares and Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3313619

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Issuer Name:
Dividend Select 15 Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 9, 2021
NP 11-202 Receipt dated December 9, 2021
Offering Price and Description:
Maximum offerings: $60,000,000 Equity Share
Price: $10.03 per Equity Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315242

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Issuer Name:
Electrovaya Inc.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 7, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
Common Shares Debt Securities Subscription Receipts Warrants Units USD $100,000,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3237009

____

Issuer Name:
EPCOR Utilities Inc.
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus dated December 7, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
$2,000,000,000.00 - Medium Term Note Debentures (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
MUFG Securities (Canada), Ltd.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Wells Fargo Securities Canada, Ltd.
Promoter(s):
-
Project #3313506

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Issuer Name:
Gensource Potash Corporation
Principal Regulator - Saskatchewan
Type and Date:
Final Shelf Prospectus dated December 10, 2021
NP 11-202 Receipt dated December 10, 2021
Offering Price and Description:
$200,000,000.00 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3308852

Issuer Name:
NowVertical Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectu dated December 7, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
Minimum Offering: C$5,000,000.00 (5,263,157 Units)
Maximum Offering: C$9,000,015.00 (9,473,700 Units)
Price: C$0.95 per Unit
Underwriter(s) or Distributor(s):
ECHELON WEALTH PARTNERS INC.
Promoter(s):
-
Project #3299252

Issuer Name:
Open Text Corporation
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 6, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
U.S. $2,000,000,000 Common Shares Preference Shares Debt Securities Depositary Shares Warrants Purchase Contracts Subscription Receipts Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3305777

Issuer Name:
PrairieSky Royalty Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 10, 2021
NP 11-202 Receipt dated December 10, 2021
Offering Price and Description:
$200,062,000.00 - 14,930,000 Common Shares
Price: $13.40 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3312289

Issuer Name:
SureNano Science Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated December 7, 2021
NP 11-202 Receipt dated December 8, 2021
Offering Price and Description:
1,757,700 Shares issuable upon conversion of 1,757,700 previously issued Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
Charles MaLette
Project #3241484

Issuer Name:
Talon Metals Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 7, 2021
NP 11-202 Receipt dated December 7, 2021
Offering Price and Description:
$90,000,000.00 - Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3310565

Issuer Name:
Trail Blazing Ventures Ltd.
Principal Regulator - Alberta
Type and Date:
Final CPC Prospectus dated December 6, 2021
NP 11-202 Receipt dated December 8, 2021
Offering Price and Description:
Minimum Offering: $1,000,000.00 (10,000,000 Common Shares)
Maximum Offering: $2,000,000.00 (20,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corp.
Promoter(s):
-
Project #3291447

Issuer Name:
Trojan Gold Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 10, 2021
NP 11-202 Receipt dated December 10, 2021
Offering Price and Description:
No securities are being offered pursuant to this Prospectus
Underwriter(s) or Distributor(s):
-
Promoter(s):
Charles Elbourne
Project #3280346

Issuer Name:
Way of Will Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 13, 2021
NP 11-202 Receipt dated December 13, 2021
Offering Price and Description:
$1,260,000.00 - 4,788,681 Common Shares of the Company 12,600,000 Units Issuable Upon the Deemed Exercise of 12,600,000 Special Warrants
Price: per Special Warrant - $0.10
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3278564

Issuer Name:
Talon Metals Corp.
Principal Jurisdiction - Ontario
Type and Date:
Final Shelf Prospectus dated March 26, 2020
Withdrawn on December 7, 2021
Offering Price and Description:
$40,000,000.00 - Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3005789

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Cinaport Capital Inc.	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer	December 6, 2021
Voluntary Surrender	Price Street, Inc.	Portfolio Manager, Exempt Market Dealer	December 6, 2021
New Registration	Bastion Asset Management Inc.	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer	December 9, 2021
Voluntary Surrender	Westwood International Advisors Inc.	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer	December 6, 2021
Name Change	From: Neuberger Berman Breton Hill ULC To: Neuberger Berman Canada ULC	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer, Commodity Trading Manager	October 27. 2021
New Registration	Clear Skies Investment Management Inc.	Portfolio Manager, Exempt Market Dealer	December 14, 2021

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Housekeeping Amendments to the Universal Market Integrity Rules (UMIR) to Update Reference to IIROC Rules – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL

**HOUSEKEEPING AMENDMENTS TO
THE UNIVERSAL MARKET INTEGRITY RULES (UMIR) TO UPDATE REFERENCE TO
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC) RULES**

December 16, 2021

The Ontario Securities Commission did not object to IIROC's proposed housekeeping amendments to section 6.2 of UMIR (Amendments). As a result, the Amendments were deemed approved and made editorial changes by replacing a rule reference to the Dealer Member Rules with the corresponding provision of the IIROC Rules. The Amendments will become effective on December 31, 2021.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Northwest Territories Office of the Superintendent of Securities, the Nova Scotia Securities Commission, the Nunavut Securities Office, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, the Office of the Yukon Superintendent of Securities, and the Prince Edward Island Office of the Superintendent of Securities did not object to the Amendments.

A copy of the IIROC Notice of Approval/Implementation, including text of the approved Amendments, can be found at www.osc.ca.

13.2 Marketplaces

13.2.1 TriAct Canada Marketplace LP – Proposed Change to the MATCHNow Trading System – Notice of Approval

TRIACT CANADA MARKETPLACE LP

**NOTICE OF APPROVAL
OF PROPOSED CHANGE TO THE MATCHNOW TRADING SYSTEM**

On December 13, 2021, the Ontario Securities Commission (the **OSC**) approved an amendment proposed by TriAct Canada Marketplace LP (operating as **MATCHNow**) to its Form 21-101F2.

MATCHNow had proposed a change to the MATCHNow trading system to replace the existing technology underlying the entering and processing of MATCHNow's existing conditional orders (**Conditionals**) with a new "large-in-scale" (**LIS**) trading technology, developed by MATCHNow's corporate affiliate, BIDS Trading L.P., and to introduce several related changes to how Conditionals will be entered and processed on the MATCHNow ATS (collectively, **Cboe LIS Powered by BIDS**).

In accordance with the OSC's *Process for the Review and Approval of the Information Contained in Form 21-101F2 and Exhibits Thereto*, a notice outlining and requesting feedback on the proposed change was published on the OSC website and in the OSC Bulletin on July 22, 2021 at (2021), 44 OSCB 6510 (the **Notice of Proposed Change**).

Comments Received

Six comment letters were received regarding the Notice of Proposed Change, and the summary of the comments set out in those six letters and MATCHNow's responses to those comments is published in Appendix A to this notice.

In response to the public comments, MATCHNow has made one limited modification to the proposed change: it has shifted the trigger of the Conditionals Compliance Mechanism down from 20 to 10 invitations to firm up, as further explained in the attached responses to public comments. All other aspects of the proposed change are as published in the Notice of Proposed Change.

Implementation Date

MATCHNow intends to implement Cboe LIS Powered by BIDS on February 1, 2022.

APPENDIX A

TRIACT CANADA MARKETPLACE LP

SUMMARY OF COMMENTS AND RESPONSES

The following is a summary of comments received in response to the Notice of Proposed Change filed by MATCHNow and published on July 22, 2021 by the OSC, along with MATCHNow's responses to those comments.

Commenters

In response to the Notice of Proposed Change, MATCHNow received a total of six comment letters (including one addendum letter, as noted below) from the following parties (in alphabetical order):

- Canadian Securities Traders Association, Inc. (**CSTA**);
- Nasdaq CXC Limited (**NC**);
- National Bank Financial Inc. (**NBF**);
- Scotiabank (**SCO**); and
- TMX Group Limited (**TMX**) (which submitted one letter and one addendum letter).

In the comments and responses below, capitalized terms used and not defined in this Schedule A or in the Notice of Approval to which it is attached shall have the meaning given in the Notice of Proposed Change.

Summary of Comment Received	MATCHNow's Response
General Comments	
Support is expressed for conditional order types in general, including Cboe LIS Powered by BIDS. By allowing large, non-displayed buy and sell orders to match across multiple order books and marketplaces, conditional order types encourage more block-sized interactions among institutional investors, helping to decrease the need for short-term intermediation and to reduce information leakage. Conditional order types help to efficiently match buyers and sellers at a fair price. (CSTA) Institutional block crossing networks have been a valued tool for buyside traders to access latent block liquidity on blotters across the country and around the world for years now. (NBF) The proposal provides buy-side clients with flexibility and choice in how they seek block liquidity in Canadian equities. (SCO) Block trading and size discovery benefit from dark trading models, yet over the years, Canada has seen limited innovation in this field. (SCO) The proposal carries the advantage of allowing institutional investors to preserve their existing dealer relationships, while helping to address the challenges of commission allocation and bundled service payments. It is an innovation for Canadian marketplaces, presenting a welcome middle road between direct access and dealer oversight. (SCO) Competitive forces drive innovation and lower costs – ultimately benefiting market participants. The proposal introduces new trading tools to the Canadian equity market targeting use by the institutional investor community by assisting them to better source natural orders, which has	We agree with and appreciate the commenters' supportive comments regarding the important function served by Conditionals generally, and the significant benefits that will flow from Cboe LIS Powered by BIDS specifically, for Canadian equities markets and their participants.

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become more difficult in a multiple marketplace electronic trading environment where liquidity is fragmented across venues. (NC) There is a collective interest in protecting and preserving a Canadian equity market that is fair and efficient for everyone. There is no single path toward this goal. Given that different stakeholders will have different views, it is better to create a regime that allows for individual marketplaces to innovate, compete for order flow, and if necessary, even fail. Within reason, the invisible hand ought to dictate what business models succeed and what business models fail. Cboe LIS Powered by BIDS poses a low probability of unintended consequences or systematic risks for other marketplaces. The proposal is supported overall. (CSTA) Innovative marketplace models that provide further liquidity, depth, larger sized executions, and price discovery should be encouraged. (TMX)	
To foster robust long-term competitive forces, it is essential that marketplaces are treated consistently and that new marketplace features receive the same level of regulatory scrutiny. Where regulatory concerns are raised about a new feature proposed by one marketplace, equivalent concerns should be raised, and consistent decisions should be made for similar features proposed by other marketplaces. (NC)	We naturally agree that regulators should apply regulations equally and fairly across all regulated marketplaces. Basic principles of Canadian administrative law impose on regulators a duty to act fairly in the exercise of their delegated regulatory authority.[1] We would expect this to include a duty to treat like cases alike in the interpretation and application of regulations, but also conversely, to issue different regulatory decisions to different regulated persons when the inherent characteristics and circumstances of those regulated persons are fundamentally distinct.
While the importance of competition has been recognized as a contributing factor to market efficiency in the past, on April 27, 2021 legislative amendments were made to the *Securities Act (Ontario)* expanding the mandate of the OSC to explicitly include a responsibility to foster markets that are competitive, as well as fair and efficient. Permitting competition between traditional exchanges and other marketplaces was the underlying purpose for introducing the ATS rules, whose objective was to enhance market efficiency by providing investors increased choice of marketplace and trading tools. We believe that in order for this purpose to be fulfilled it is essential that marketplaces are treated fairly and that rules are applied consistently. (NC)	We agree with the general assertions made in this comment.
Sponsored Access Model	
Until now, in Canada, block trading networks have only been available from the dealers who own the marketplaces on which the trades are matched. Cboe LIS Powered by BIDS will be the first truly broker-neutral block crossing network in Canada. (NBF)	We agree that the Cboe LIS Powered by BIDS offering represents an important innovation in the context of Candian equities trading, and that its broker-neutral nature makes it stand apart from other similar offerings.
In the Cboe LIS Powered by BIDS model, brokers (Subscribers) will act as gatekeepers, sponsoring access to Conditionals for global affiliates and buy-side clients; this is consistent with the existing DEA framework for buy-side	We agree that Cboe LIS Powered by BIDS is consistent with the DEA arrangements that MATCHNow's Subscribers have had in place with their clients and foreign affiliates for years.

[1] See e.g., *Dunsmuir v. New Brunswick*, [2008] 1 S.C.R. 190, 2008 SCC 9, para. 90 ("[A]dministrative decision makers, in the exercise of public powers, should act fairly in coming to decisions that affect the interests of [regulated persons].").

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traders. Support is expressed for the proposal, which will cut down on documentation, compliance burden, and operational risk otherwise incurred if buy-side firms were to join a marketplace directly. (CSTA)	
The proposal may introduce changes to equity market structure and trading models, and concerns are raised regarding the impact these changes may have on marketplaces, dealers, and institutional investors. This may be a significant change from the status quo. The proposal appears to obscure and disrupt the roles and responsibilities between a marketplace and a broker-dealer, as dictated by UMIR. Since the current MATCHNow Conditionals system has minimum size requirements, the proposed system is targeted at institutional buy-side order flow and, therefore, has the potential to replace the existing dealer model of managing client order flow and duty-of-care through regulated IIROC member firms. The proposal may inadvertently bypass broker-dealer roles as dictated by IIROC and, consequently, unintentionally circumvent the requirements of UMIR Part 7, such as trading supervision, proficiency, and dealer compliance obligations. These obligations and requirements include Know-Your-Client (**KYC**) due diligence and Anti-Money Laundering (**AML**) reporting. OSC staff are asked whether Conditionals that flow through the Cboe LIS Powered by BIDS Sponsored Access Model will be subject to appropriate customary oversight by dealers. An ATS like MATCHNow should not be allowed to take on a dealer type role, but with greatly diminished responsibilities, competencies, and accountability. (TMX) Cboe LIS Powered by BIDS is structured in a manner that conflates a marketplace function (potential matching of Conditionals) with a function that is the responsibility of a dealer (the contemplated risk controls discussed in the proposal). (SCO)	MATCHNow strongly disagrees with the commenters' characterization of Cboe LIS Powered by BIDS and its impact. Nothing in the proposal changes the fundamental roles played, respectively, by MATCHNow, as a marketplace, and IIROC dealers, as marketplace participants. Every MATCHNow Subscriber is (and will remain) an IIROC dealer, and as such, is (and will be) bound by UMIR and, among other provincial securities regulations, applicable provisions of NI 23-103. Furthermore, as explained in detail in the Notice of Proposed Change, the new Sponsored Access Addendum that each Subscriber will be required to sign before offering sponsored access reasonably ensures that the Subscriber is complying with all its supervisory obligations, including applicable KYC and AML due diligence, gatekeeping, and reporting, as well as appropriate pre-trade and post-trade risk controls for DEA Clients. While Cboe LIS Powered by BIDS will offer Subscribers certain technological tools that will assist them in carrying out their regulatory obligations under the DEA rules—and notably, with respect to pre-and post-trade risk controls—as is made clear in the Notice of Proposed Change (and the Sponsored Access Addendum), the responsibility to set pre-trade risk control tools at appropriate levels and to monitor all trading, including DEA trading, will remain with the Subscriber (IIROC dealer).[2]
While the proposal appears to support compliance with requirements for dealers to maintain control over their DEA clients' activities, it introduces a risk management framework used only for Cboe LIS Powered by BIDS, making it more difficult for dealers to run a single and unified risk management system for all DEA client activities. Existing systems, which permit a unified pre-trade risk layer, would be bypassed until after execution (when a drop copy becomes available). While this may be acceptable for some dealers, there will be others whose policies and procedures require a unified view. Marketplace models should fit the practices of dealers (who bear responsibility for risk controls), rather than asking dealers to adapt their policies and procedures to fit the marketplace's preferred risk management suite. A marketplace should not dictate how their subscribers manage the risk of their clients' activities when accessing the marketplace. Marketplaces do not take liability for system failures, which could extend to failures within the risk management platform offered by Cboe LIS	We sympathize with the concerns expressed by this commenter, and we understand that some Subscribers will ultimately decide not to offer Sponsored Access for Conditionals via Cboe LIS Powered by BIDS, either because the turnkey automated risk controls that it offers do not fit neatly within the strictly in-house, "unified" approach to trade supervision that some dealers have chosen to adopt, or because the cumulative credit, capital, and other risks of Sponsored Access, just like any DEA trading, may outweigh the expected benefits for the dealer and its clients. Be that as it may, the offering is based on a technology that has served numerous US and European regulated dealers and their clients well in their respective jurisdictions for a number of years; and at this time, it is neither feasible nor desirable for MATCHNow to attempt to fundamentally alter that technology, especially in light of input we have received from many dealers and institutional investors, almost all of which have expressed enthusiasm about the new service offering. So, while we understand that it may not suit every dealer, it

[2] We note incidentally that TMX's Toronto Stock Exchange ("TSX"), at one time, also offered pre-trade risk controls to its TSX exchange members, as part of that marketplace's service offerings. See TSX, *Order Types and Functionality Guide* (Nov. 2015) (s. 3.2) (describing TSX's then "Pre-Trade Risk Management" tool as "a robust suite of pre-trade risk controls to help broker dealers achieve compliance with the complex Canadian regulatory environment"); see also TMX Group Ltd., "TMX Group Chooses ULLINK for TMX Pre-Trade Risk Management Solution" (Feb. 11, 2014).

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Powered by BIDS. The risk will be borne entirely by the dealer, but without the ability for the dealer to introduce their own preferred approach. (SCO)	is not accurate to say that, as a marketplace, MATCHNow is dictating how any Subscriber should manage the risks of their clients' trading merely because MATCHNow is offering a new way to submit Conditionals that incorporates DEA-like elements for buy-side firms. In fact, MATCHNow Subscribers, just as is the case today, will continue to have the option of using their standard Conditionals connectivity to MATCHNow to send agency-based (buy-side client) Conditional order flow, in reliance on their existing in-house risk-control systems, or even access Conditional liquidity on behalf of their buy-side clients by using the "Willing to Trade" feature now available through MATCHNow's regular matching engine. As for liability risk, once again, we sympathize with the commenter, but this is not a new issue, as dealers already bear certain risks posed by system-wide failures today; if anything, the new technology provided by Cboe LIS Powered by BIDS lowers the risk of system failures. For example, if the Cboe LIS Powered by BIDS risk system is not available for any reason, from that moment forward, orders will not be accepted. Moreover, in practice, if there were to be a systems failure, MATCHNow, as always, could shut down all trading (or all trading for specific sponsoring Subscribers), including in the event that the failure is brought to the attention of MATCHNow by a Subscriber.
The technology that underlies the proposal should be changed so that, upon submission of a firm-up by a Sponsored User and selection of a Sponsoring Subscriber, the Cboe LIS Powered by BIDS engine would forward the firm-up order to the Sponsoring Subscriber's systems for validation; upon validation by the Sponsoring Subscriber, and provided the order is in compliance with the Sponsoring Subscriber's existing DEA policies and procedures, the firmed-up order would be forwarded back to the Cboe LIS Powered by BIDS engine, thus re-entering the flow as shown in the proposal. This alternative workflow would preserve the essential elements of the model (pre-trade information on clients' indications of interest remains invisible to the broader market, and buy-side clients' anonymity is preserved). The sponsoring dealer's DEA infrastructure would be aware of the firmed-up order only at the time of execution, just like in the existing proposal, where it is being provided via drop copy at the time of firm-up. This reduction of the dealer's barrier-to-entry (by obviating the need to onboard a separate and distinct risk management platform, and preserving the dealer's existing risk management processes) could significantly ease adoption hurdles and lead to faster and more effective ramp-up of this marketplace innovation, to the benefit of clients. Meanwhile, dealers wishing to adopt the model as proposed could also do so. (SCO)	We completely understand why this commenter prefers the alternative workflow it has proposed, but as noted above (and despite further internal review since the time of the publication of the Notice of Proposed Change), this is simply not a feasible or desirable option for MATCHNow at this time. We also have strong reasons to believe that not all dealers and other stakeholders would prefer the alternative workflow being proposed, or that it would have any significant impact on adoption rates. While we endeavour to accommodate all of our clients' reasonable requests, changing the BIDS technology as proposed by this commenter would be an extremely difficult, time-consuming, and costly undertaking for MATCHNow and its corporate affiliates, and we do not believe that that the potential benefits optimistically predicted by this commenter would outweigh the certain costs. As stated above, we understand that this unique service offering may not suit every Subscriber, and we respect and accept that some Subscribers may simply choose not to offer Sponsored Access for Conditionals to their clients. Indeed, as noted above, Subscribers are still more than welcome to continue to use their standard Conditionals connectivity to MATCHNow to send agency-based Conditional order flow, in reliance on their existing in-house risk-control systems, or even access Conditional liquidity on behalf of their buy-side clients by using the "Willing to Trade" feature already available through MATCHNow's regular matching engine.
For many dealers, onboarding a de-facto risk technology vendor (in this case MATCHNow) is a rigorous process of vendor oversight, audit requirements, controls over private information, etc. This additional step of vetting, integrations, and possible policy changes will be burdensome. These additional steps will hinder adoption of the BIDS Canada Model in the Canadian marketplace, and increase costs for	As noted above, we understand that some dealers will ultimately decide that the benefits of setting up Cboe LIS Powered by BIDS for their clients are not worth the costs. But we do not agree that those dealers represent a majority of the Canadian industry, nor do we agree that the due diligence that dealers must conduct before adopting the Cboe LIS Powered by BIDS tools is, *a priori*, unduly

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both dealers and MATCHNow (which would become routinely involved in dealers' periodic vendor audits and related activities). (SCO)	burdensome. That being said, we are fully committed to assisting dealers in their due diligence process, and we are equally committed to providing any and all reasonable support on an on-going basis, which would include furnishing information to assist dealers in responding to reasonable requests from internal or external auditors with regard to the new risk tools themselves, or any other aspect of the MATCHNow ATS.[3]
Cboe LIS Powered by BIDS would leave MATCHNow responsible for certain dealer functions that marketplaces do not currently perform, and which are dealer responsibilities, including: managing the encryption and tagging of client LEIs on firm orders; ensuring correct order marking, including insider and significant shareholder tags (currently handled through dealer risk management systems); and compliance with dealer restricted lists or Cease Trade Orders. While MATCHNow may offer tools to mitigate these issues, in practice Subscribers would remain responsible for these aspects and reliant on MATCHNow's risk tools or on the correct order marking practices of access persons for compliance. As such, Canadian regulators would have to confirm that certain UMIR provisions would no longer apply to dealers insofar as the responsibilities governed by such provisions would no longer be within the control of dealers. (SCO)	We do not agree that Cboe LIS Powered by BIDS "leaves MATCHNow responsible" for supervision that is the responsibility of dealers under UMIR, nor is there any need to change the application of UMIR. As stated in the Notice of Proposed Change and reiterated in these responses to public comments, the automated risk controls offered by Cboe LIS Powered by BIDS are technological tools that must be set by Subscribers before they allow a client to become a Sponsored User, and those tools must then be monitored by the Subscribers at all times. It is true that, as a practical matter, MATCHNow will need to provide an LEI for most orders that originate as a Conditional submitted by an institutional investor, as there is no one else to do so at that pre-order stage; however, we have already discussed the logistics with IIROC and built the infrastructure to ensure that this information is accurately provided in an automated manner. We anticipate no issues on that front. With respect to dealer restricted lists and Cease Trade Orders, those can be handled in advance by the dealer using the Cboe LIS Powered by BIDS interface tools. As for insider and significant shareholder order tags, the Cboe LIS Powered by BIDS system will support the ability for Sponsored Users to add the relevant markers to their firm-ups, and MATCHNow will pass along that order information to IIROC as required by UMIR and MATCHNow's regulation services agreement; Subscribers will have the ability to verify this information post-trade, as is the case today for DEA trades generally.
In its proposal, MATCHNow states that it will "take reasonable measures to verify that all DEA clients and its Subscribers are properly set up before granting access". The suggestion appears to be that user training would be sufficient to replace the roles and requirements of registered IIROC investment dealers. A concern is raised that this training may be insufficient and that the diminished role that the dealer would play in the described workflow may not be beneficial to the Canadian investment community. (TMX)	We disagree with this commenter's characterization of the proposal. MATCHNow is not suggesting that user training is sufficient to replace IIROC dealer supervision. On the contrary, the Notice of Proposed Change expresses in great detail how the automated pre-trade risk control tools that Cboe LIS Powered by BIDS will offer Subscribers will assist them in carrying out their supervisory responsibilities under NI 23-103 and UMIR. The Sponsored Access Addendum spells out the regulatory obligations that remain a dealer's responsibility. Thus, the role of the IIROC dealer in the trading process is not diminished in any way, but rather, is most definitely preserved.
Preserving a dealer's ability to cancel and amend trades is not sufficiently addressed in the proposal, leading to potential concerns about the ability of the model to respond to changes in client instructions as swiftly as a dealer under similar circumstances. (TMX)	This commenter seems to be confusing traditional agency trading by dealers with DEA trading. Trades that originate as Conditionals via Cboe LIS Powered by BIDS present the same risks to dealers as any DEA-based trading. That is why appropriate automated pre-trade risk controls are mandated under applicable regulations, and as noted above (and in the Notice of Proposed Change), such controls are

[3] We also note that MATCHNow, as a regulated ATS, will be subject to its own annual independent systems reviews (under subsection 12.2(1) of NI 21-101), as it has been for many years; after launch, those reviews will include scrutiny of Cboe LIS Powered by BIDS, which will further promote and protect the integrity of the new risk-control systems.

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	made available to dealers as an integral part of the new service offering. Just like with the "standard" (non-conditional) DEA order flow that already exists today on MATCHNow, Subscribers that facilitate such order flow will need to set and monitor sufficient automated pre-trade risk controls to prevent orders that create undue credit or capital risk from ever reaching the order matching/execution stage, and the new offering will assist them in that task. In addition, however, dealers (Subscribers) are also required to conduct appropriate post-trade compliance supervision of the DEA trading that they facilitate for their clients, and that applies equally to executed trades that originate as Conditionals through Cboe LIS Powered by BIDS.
IIROC dealers are required to demonstrate adherence to various supervisory policies and procedures during regular trading and business conduct audits. Marketplaces, including ATSs, are not required to undergo these types of audits. (TMX)	ATSs are required to register as IIROC dealers, and as such, are subject to various recurring compliance examinations by IIROC staff—most notably, trading compliance examinations.
MATCHNow should be subject to the same regulatory, compliance, and audit requirements as a dealer that is executing trades that originate as Conditionals through Cboe LIS Powered by BIDS. This is the current standard and moving away from that standard would represent a significant change to Canadian capital markets. Competing block trading venues such as Liquidnet Canada and POSIT Alert are subject to these requirements, including mandatory licensing of sales staff. Additionally, BIDS Trading operates in a broker-dealer capacity in the U.S. where it is a member of the Financial Industry Regulatory Authority. MATCHNow, as an IIROC Dealer Member, should be required to comply with the obligations and requirements of a Participant Dealer Member of IIROC when it allows sponsored access to an automated system such as BIDS, and specifically when handling large block-sized trades as outlined in the proposal. The approval of the proposal without the concurrent imposition of IIROC dealer regulatory requirements would fundamentally alter the landscape of Canadian trading and would require TMX Group to review its client offerings to ensure it stays competitive in this new regulatory landscape. (TMX)	We strongly disagree with this comment, which we believe is based on a faulty premise: as noted above, Cboe LIS Powered by BIDS does not transform MATCHNow from a marketplace into a dealer. IIROC dealers (i.e., MATCHNow Subscribers) will continue to play the gatekeeper role they have always played in the trading process, and MATCHNow will continue in its role as a marketplace, operating a "dark" venue for the matching of trades, as it always has. The difference is that Cboe LIS Powered by BIDS will provide new tools (namely, an interface that will enable Subscribers to set and manage appropriate automated risk controls) to assist them in carrying out their supervisory responsibilities. While we recognize that competitors such as Liquidnet and POSIT Alert have chosen different business models than MATCHNow's, it is not accurate to say that Canadian regulations mandate their business model. [4] In fact, the rules and applicable guidance expressly recognize that the risk controls employed by a dealer may be provided by a third-party vendor, including a marketplace, so long as the setting and monitoring of the risk controls are done directly and exclusively by dealers.[5] In short, the applicable trading rules assign responsibility for managing the risks of electronic/DEA trading to dealers (ATS subscribers), and

[4] As regards the commenter's assertion that BIDS Trading L.P. "operates in a broker-dealer capacity in the U.S.," that it is not quite accurate. Under applicable U.S. securities legislation and regulations, BIDS Trading L.P. is registered as a broker-dealer, and it operates an ATS; this is in fact almost identical to the way in which MATCHNow, under applicable Canadian securities legislation and regulations, is registered (as an IIROC dealer) and approved to operate an ATS (pursuant to NI 21-101).

[5] See NI 23-103 s.3(5) ("A marketplace participant must directly and exclusively set and adjust the risk management and supervisory controls, policies and procedures required under this section, ***including those provided by third parties***.") (***emphasis added***); Companion Policy 23-103CP *Electronic Trading and Direct Electronic Access to Marketplaces*, s. 3(8) ("Subsection 3(5) [of NI 23-103] specifies that a marketplace participant must directly and exclusively set and adjust its risk management and supervisory controls, policies and procedures. With respect to exclusive control, we expect that no person or company, other than the marketplace participant, will be able to set and adjust the controls, policies and procedures. With respect to direct control, a marketplace participant must not rely on a third party in order to perform the actual setting and adjusting of its controls, policies and procedures. ***A marketplace participant can use technology of third parties, including that of marketplaces, as long as the marketplace participant, whether a registered dealer or institutional investor, is able to directly and exclusively set and adjust its supervisory and risk management controls, policies and procedures.***") (***emphasis added***). See also CSA Staff Notice 23-314, *Frequently Asked Questions about National Instrument 23-103 Electronic Trading* (Dec. 20, 2012) at B-11 ("Third parties, including marketplaces, may provide the automated pre-trade risk controls required under section 3(2) [of NI 23-103]; however, as set out in section 3(5) of NI 23-103, a marketplace participant must directly and exclusively set and adjust the risk management and supervisory controls, policies and procedures, including those provided by third parties."). Cf. IIROC Rules Notice 13-0185, *Guidance Respecting Third-Party Electronic Access to Marketplaces* (July 4, 2013), s. 2(3) ([U]nder Rule 7.13(4)(b), orders transmitted […] using direct electronic access cannot 'bypass' a Participant's risk management and supervisory controls, policies and procedures. However, this does not impact the ability of a [DEA] client […] to transmit orders containing the identifier of the Participant directly to a marketplace without being electronically transmitted through the 'systems' of the Participant and instead be transmitted through the technology systems of a service provider retained by the Participant for facilitating access to a marketplace."). We believe the same logic should apply when the marketplace is itself the "service provider" of such "technology systems" for purposes of the Participant's pre-trade risk control obligations for DEA clients under UMIR 7.13(4)(b).

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	Cboe LIS Powered by BIDS will support dealers in carrying out that responsibility, in full compliance with the applicable regulations. We have no comment on what our competitors may or may not do under applicable rules.
The DEA rules may not be sufficient, as they were not intended for large institutional order flow and the associated compliance requirements. The current DEA rules were intended for smaller automated order flow and may not be suitable for the large institutional order flow contemplated in the proposal. Large institutional order flow requires risk, credit, and compliance checks as well as trading expertise that all go beyond the simple fat-finger and limit checks that are outlined in the proposal. (TMX)	The comment is based on an incorrect interpretation of the DEA rules. In fact, the July 4, 2013 approval notice for the amendments to NI 23-103 that established what is commonly referred to as the "DEA rules" expressly acknowledged that DEA clients could be large institutional investors, and that the rules were intentionally designed to ensure that marketplace participants established different DEA standards to address the different risks created by different kinds of clients to whom DEA was being granted, which could include large institutional investor firms.[6] Nothing in the proposal changes this basic regulatory framework. Cboe LIS Powered by BIDS offers Subscribers certain technological tools that assist them in carrying out their regulatory obligations under the DEA rules; but as is made clear in the Notice of Proposed Change (and the Sponsored Access Addendum), the responsibility to set the risk control tools at appropriate levels and to monitor all trading, including DEA trading, remains with the Subscriber (IIROC dealer).
Fair Access	
As proposed, Cboe LIS Powered by BIDS allows the matching system to assign trades and represent dealers for execution of client orders, including sponsored-user with sponsored-user (i.e., buy-side with buy-side). (TMX)	This comment is factually incorrect. The MATCHNow marketplace will never represent a trade or any dealer. As has always been the case, all trades on MATCHNow will continue to execute using the Participating Organization numbers of the Subscribers on both sides of every trade. This will still be the case when the trade originates as a Conditional submitted by a buy-side firm, because (as explained in the Notice of Proposed Change), the system will require the buy-side firm to be properly set up as a DEA Client of at least one MATCHNow Subscriber, and the buy-side firm will need to select a Subscriber to represent the trade at the firm-up stage, thus ensuring that the trade, if executed (because both sides firm up) will execute using the Participating Organization number of the selected Subscriber (on both sides of the trade). Cboe LIS Powered by BIDS does not "assign" any trades, except in the limited sense that each DEA Client must select a sponsoring broker at the firm-up stage.
It is unclear from the proposal, as written, whether some degree of order segmentation is permitted; specifically, it is unclear whether Sponsored Users (buy-side traders) will have the option to filter out potential transactions with Subscribers (sell-side traders or algos) and effectively only interact with other Sponsored Users (buy-side traders). There is some precedence for similar segmentation in large, block-sized interactions in existing institutional crossing	We appreciate the opportunity to provide clarity on this topic, as the Notice of Proposed of Change seems to have created some confusion regarding whether Cboe LIS Powered by BIDS will permit Sponsored Users to select which counterparties they interact with; in fact, the proposal does not do so. While other marketplaces (such as the BIDS ATS in the United States) do effectively allow the type of filtering contemplated in these comments (namely, through the

[6] As the Canadian Securities Administrators observed in the approval notice: "DEA clients may be large, institutional investors with regulatory obligations while others may be retail clients that have particular sophistication and resources to be able to manage DEA trading. […] [T]he Amendments require that before granting DEA to a client, a participant dealer must first establish, maintain and apply appropriate standards for providing DEA and assess and document whether each potential DEA client meets these standards. […] Standards that apply to an institutional client, for example, may differ from those that apply to an individual." *CSA Notice of Approval – Amendments to National Instrument 23-103 Electronic Trading*, (2013) 36 OSCB 6771 (July 4) at 6773. See also IIROC Notice 13-0185, s. 2(5) ("In the case of a Retail Customer considered for direct electronic access, IIROC expects such would only be provided in exceptional circumstances upon application of more stringent standards than to an Institutional Customer.").

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networks, but it is probably not necessary given the size-priority structure of the proposed offering. Clarity is requested on this topic. (CSTA) Nasdaq Canada's April 2020 proposal to permit certain contra-side orders to trade despite not meeting applicable minimum size parameters was not approved because of concerns about the ability for a particular class of participant to be excluded from the opportunity to interact with available liquidity by being able to selectively choose a class of trading counterparty. MATCHNow's Proposal includes an option for Sponsored Users (buy-side accounts) to choose to exclusively interact with other Sponsored Users. This will contribute to increasing segmentation of institutional order flow. (NC)	application of "scorecards" that may result in some participants interacting only with certain other participants that meet designated firm-up standards), as proposed, Cboe LIS Powered by BIDS has deliberately chosen not to offer any scorecards, filtering, or any other form of potential segmentation.[7] MATCHNow has opted for a simpler approach, precisely because (among other advantages) it promotes "fair access". All contra-side Conditional liquidity will be anonymous, both for Subscribers and Sponsored Users, until such time as there is a match and both sides have firmed up, and all matching will be based on the same fundamental allocation priorities (Price/Broker/Size/Time) for all users.
For dealers, MATCHNow's proposal is a de-facto risk technology vendor solution tied to a marketplace offering. To access the marketplace offering, dealers would be required to onboard the risk management offering provided by the same marketplace. This tie-in is unprecedented in Canada, as all past and present marketplace-sponsored risk tools have been strictly optional, and not a condition of access to a marketplace feature. Cboe LIS Powered by BIDS unreasonably conditions and restricts access to its beneficial trading features by imposing a significant compliance burden on sponsoring dealers, which cannot be addressed through dealers' existing workflows, since those workflows are being bypassed. Additionally, it sets a precedent for a sponsored access model in Canada which does not currently exist, without the rigorous and holistic policy development process which resulted in the establishment of NI 23-103 and related UMIR provisions. (SCO)	We agree that Cboe LIS Powered by BIDS can be understood as a type of risk technology vendor solution, but we disagree with the overall implication of this comment—namely, that it may impede fair access because it constitutes a "condition of access" to the marketplace or because it "unreasonably conditions and restricts access" to the marketplace. No dealer is required to offer Sponsored Access; all dealers, without signing the Sponsored Access Addendum, will still have the option to continue submitting Conditionals that represent agency-based client order flow and/or to access Conditional liquidity on behalf of clients through the "Willing to Trade" feature on orders sent to the regular matching engine, just as is the case today. In that sense, there is nothing "mandatory" about Cboe LIS Powered by BIDS or the automated risk controls that it offers. Moreover, MATCHNow will not be the first marketplace to offer risk-control tools that assist Subscribers in carrying out their regulatory obligations; in that sense, the proposal is not "unprecedented".[8] Rather, it is in full compliance with existing regulations and industry practice, and we believe that any suggestion that a whole new, years-long policy development process is needed to address it is unwarranted.
The importance of a market's fairness has been endorsed by the OSC in the context of market structure policy reform and the fostering of a healthy competitive environment. Staff has made reference to fairness as an attribute of an efficient market when consulting on market structure developments such as the development of dark liquidity, internalization practices, and the impact of the order protection rule. When proposing new policies, Canadian regulators have highlighted the importance of fairness in the market – defined as the perception, and reality, that all participants are subject to the same rules and conditions and that no one participant or group of participants has an unfair advantage or disadvantage. Nasdaq Canada recently published two proposals that did not receive regulatory approval because of staff concern that certain features were inconsistent with fair and efficient markets and fair access principles. We	We agree that "fair access" is a long-established principle of Canadian marketplace regulation. But "fair access" must be understood in the context of its underlying regulatory purpose. The guidance on National Instrument 21-101 *Marketplace Operation* ("NI 21-101") is instructive in this regard; as noted in section 7.1(1) of Companion Policy 21-101CP *Marketplace Operation*: "The Canadian securities regulatory authorities note that the requirements regarding access for marketplace participants do not restrict the marketplace from maintaining reasonable standards for access. The purpose of these access requirements is to ensure that rules, policies, procedures, and fees, as applicable, of the marketplace do not unreasonably create barriers to access to the services provided by the marketplace." Merely offering a specialized service that may not appeal to, or serve the purposes of, every single

7 In the interests of avoiding unnecessary complexity in the Notice of Proposed Change, we made the choice not to expressly address features that we were *not* proposing to adopt—including, for example, the "scorecard" approach used by BIDS Trading L.P. (the U.S. regulated ATS, which is a corporate affiliate of MATCHNow). But we understand why some commenters assumed that this particular feature would be part of the offering.

8 See, for example, the discussion of the TSX's "Pre-Trade Risk Management" tool, *supra* note 2. Nasdaq Canada also offers a form of pre-trade risk control tools to its subscribers; see, for example, this page on the Nasdaq Canada website.

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raise awareness about these proposals and related concerns because several features of these proposals are included in the MATCHNow Proposal. (NC)	marketplace participant—or, as the guidance puts it, establishing "reasonable standards for access"—does not, in and of itself, create an unreasonable barrier to access. Cboe LIS Powered by BIDS is, by design, a large-in-scale service offering which, necessarily, will only appeal to marketplace participants looking to source block-sized liquidity; it is thus logical to establish standards for the service offering that favour large-sized orders, including a size-based allocation priority.
Size Priority	
Enthusiastic support is expressed for the proposed size priority enhancement and its (positive) effect on institutional traders and liquidity providers. (NBF) Support is expressed for the Price>Broker>Size>Time allocation model for matching orders in Cboe LIS Powered by BIDS. Such a priority sequence will facilitate a "one-to-one" matching process rather than a "one-to-many" process, which should help reduce Conditional fall-down rates. While smaller orders may be disadvantaged by such a priority sequence, such discrimination is not unreasonable. (CSTA)	We thank the commenters for their supportive feedback on this aspect of the proposal.
Nasdaq Canada proposed to introduce size priority for large orders meeting a minimum size threshold on the CX2 Trading Book. Regulatory concerns were raised about the impact that size priority may have on a fair and orderly capital market as this priority allocation creates a winner-takes-all approach that can impede competition. Although the proposed size priority matching model would have applied equally to all marketplace participants, an individual order could have enjoyed continuous matching priority, which could disadvantage other orders. The MATCHNow proposal includes a similar feature (where pro-rata matching priority will be replaced with a broker/size/time priority model). While we recognize there are differences in the application of size priority in the context of lit and dark markets, we believe fairness concerns are accentuated for dark markets. In particular, on a lit venue, the information about the size of the order holding execution priority is made available to all participants giving them an equal opportunity to enter an order with a larger size if they want to gain execution priority. (NC)	We believe that this comment, by glossing over the fundamental differences between "lit" and "dark" markets[9], starts from a faulty premise and, therefore, arrives at an incorrect conclusion: namely, that the opposition on regulatory grounds to Nasdaq Canada's proposed shift to size priority necessarily means that Cboe LIS Powered by BIDS—a conditional trading feature on a "dark" market—should also be opposed. This is not correct, as it is comparing apples to oranges. Nasdaq Canada's proposal concerned a change to matching priority on the CX2 Trading Book—which is a "lit," protected market (exchange)—to incentivize institutional traders to place larger orders by rewarding them with size priority; that is a completely different context than the one that applies to a "dark" market (ATS) like MATCHNow--and more specifically, only to its Conditionals book (whose very purpose is to prioritize large, block-size orders). As one of the commenters (the CSTA) stated in its letter regarding the Nasdaq Canada proposal: "Of concern to some of the CSTA TIC members are the potential unintended consequences that may result from setting a precedent of allowing lit, protected, order books to set queue priority based on size. At this time, there are other venues with aspects of size priority in their matching, but they have been limited to Dark or Hybrid venues." This important distinction stems from the fundamentally different purposes served by "lit" and "dark" markets: unlike a "lit" market, which is intended to provide price discovery, a conditional book on a "dark" market (which is what is at

[9] As noted by the Canadian Securities Administrators in a 2010 position paper (which ultimately led, in 2012, to certain "dark trading rules" adopted via amendments to NI 21-101, National Instrument 23-101 Trading Rules, and various provisions of UMIR):

> We are of the view that, in order to facilitate the price discovery process, orders entered on a marketplace should generally be transparent to the public and subject to the pre-trade information transparency requirements as detailed in NI 21-101, section 7.1. However, we recognize that there are benefits to using Dark Orders, whether on a transparent marketplace or a Dark Pool. […] Our intention is to maintain the ability to execute large orders while managing market impact costs, and for smaller orders to continue to interact in Dark Pools with liquidity that may not have otherwise been available, subject to the requirement for meaningful price improvement.

Joint CSA/IIROC Position Paper 23-405 *Dark Liquidity in the Canadian Market*, (2010) 33 OSCB 10764 (Nov. 19) at 10765-66. This encapsulates, at the most basic level, the distinctive natures and purposes of "dark" and "lit" marketplaces, and it is at the heart of why it is not appropriate to equate them or apply regulations to them identically and without context.

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	issue in MATCHNow's proposal) is not intended to serve the same universal price-discovery purposes; therefore, the same policy concerns that led to opposition to Nasdaq Canada's proposal are not relevant in the context of a conditional book on a "dark" (unprotected) market. In fact, in commenting on the Nasdaq Canada proposal, the CSTA went on to ask (rhetorically) in its letter (at page 3) the following question: "A size priority mechanism may work in Dark/Hybrid markets, but is it appropriate for lit markets?" A similar point was made in another comment letter on the Nasdaq Canada proposal (from the Canadian Securities Exchange or "CSE"), as follows: "This proposed change to the fundamental time/broker/price priority used in Canada today would be completely novel within the confines of a ***protected marketplace***. The Nasdaq CX2 book currently enjoys protected market status within the Canadian marketplace, ensuring that the CX2 quotes contribute to the Canadian Best Bid Offer (CBBO), and are trade-through protected. If Nasdaq Canada were to change the matching priority on the CX2 book to a price-broker-volume-time priority, even if only for symbols under $1, then the CSE submits that it should lose its protected market status. This approach is consistent with other marketplaces in Canada that have been held outside of the sphere of marketplace protection." (***Emphasis added***.) MATCHNow, as a "dark" ATS, has no such protected status. Furthermore, the CSE, in its letter, went on to ask "Why and how has Nasdaq Canada chosen the 30,000-share threshold required for execution priority? […] Th[at] threshold is […] not consistent with the other "large in size" definition currently in use in Canada. The current version of UMIR Section 6.6 was amended a year ago to provide that orders above 50 standard trading units and $30,000 in value may be traded on a dark venue without offering price improvement. The provision was amended to include a value element after a dramatic increase in the use of the [MATCHNow] marketplace to execute trades in low priced stocks at the prevailing best bid/offer without price improvement. The CSE received a significant number of complaints from retail investors, investment dealers and issuer firms about their inability to engage with this trading activity. Given that the former threshold to avoid price improvement for dark execution was 50,000 shares, we can expect a 30,000-share level to produce even more complaints from all segments of the trading community. 'Just move your order to another venue' may be a sufficient response to technically sophisticated proprietary trading firms but [it] is simply not an option for most retail clients trading through an investment dealer." The Subscribers and large institutional investors that will be using Cboe LIS Powered by BIDS are *precisely* the kind of "sophisticated proprietary trading firms" contemplated in that comment. It follows that the same concerns raised in the context of Nasdaq Canada's size priority proposal are not relevant to Cboe LIS Powered by BIDS, which, by definition, will only involve trades above a large-size threshold (i.e., the UMIR 6.6 threshold). Indeed, nothing in our proposal changes the trading process on MATCHNow's "regular" ("firm") order book, which will continue to accommodate smaller orders with our long-standing pro-rata allocation approach. This is

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	precisely what we stated in the Notice of Proposed Change (in section A.3): "This type of prioritization [Price/Broker/Size/Time--instead of pro-rata allocation] will enhance the efficiency of trading that originates through the Conditionals matching engine, without harming the liquidity or pricing of smaller orders on MATCHNow or other marketplaces (including lit marketplaces). Indeed, Conditionals are purposely designed to encourage large, block-sized trades, and this shift away from pro-rata allocation to prioritized matching is logically and appropriately aligned with, and fully supportive of, that purposeful design."
A participant must incur the economic risk of execution by exposing an order "out loud" on a lit marketplace in order to secure execution priority. In contrast, a large size order is not exposed to the same level of execution risk because of the lack of pre-trade transparency on a dark market. In the case where size priority is used for matching conditional orders on a dark venue, execution risk is eliminated as the use of a conditional order is indicative in nature and not firm. Subscribers are free to cancel a conditional order even when contra-side liquidity is sourced, and a firm-up invitation is received. (NC)	This comment highlights one of the inherent differences between "firm" and conditional orders (namely, with regard to "execution risk"), but this difference will always exist, regardless of matching priority. Moreover, it is not accurate to say that "Subscribers are free to cancel a conditional order even when contra-side liquidity is sourced." Both today and in the new offering, the Conditionals Compliance Mechanism imposes a meaningful consequence—a suspension of the ability to submit Conditionals for the rest of the trading day—for failing to firm up at least 70% of submitted Conditionals (once the minimum number of invitations to firm up is reached); the same will be true for Sponsored Users in the new offering. In addition, as noted above, MATCHNow will vigilantly monitor Conditionals/fall-down data in the initial months after launch of Cboe LIS Powered by BIDS, should it be approved, with an eye towards adjusting the number of firm-up invitations that triggers the calculation of the 70% threshold imposed by the Conditionals Compliance Mechanism, if warranted. Such an approach is consistent with industry practice.[10]
While we believe that differences in the ability for participants to compete with one another is a natural result of competition, size priority raises fairness concerns as to whether all participants are able to compete equally. A winner-takes-all model will provide advantages to larger buy-side participants and to the dealers that service them. Buy-side accounts managing more assets will be able to enter larger sized orders and trump the execution priority of smaller client orders entered first. Similarly, this model will advantage dealers with larger sized institutional clients that typically require a dealer to have access to more capital reserves and have made a greater investment in services in order to achieve greater scale. While this outcome is a natural result of competition, in the Canadian context it will accentuate the challenges for smaller sized dealers to compete. (NC)	We believe that this comment is based on a problem in search of a solution: it seems to be motivated by what we view as an unwarranted concern about the ability of large, sophisticated institutional investors and registered investment dealers to compete with one another with respect to conditional order flow on a "dark" marketplace. In doing so, it seems to ignore the essential purpose of Cboe LIS Powered by BIDS: to facilitate block-sized trading. The whole point is to favor larger sized orders in a manner that prevents unnecessary volatility and inappropriate information leakage. And that is precisely the purpose served by replacing pro-rata allocation with a Price/Broker/Size/Time priority standard: it incentivizes higher quantity orders and thus ensures higher average execution sizes over time. Once again, this does not in any way affect matching priority on MATCHNow's "regular" order book, which will continue to use pro-rata allocation, and which may be a better fit for smaller (non-LIS) sized orders, such as agency orders for retail clients and/or smaller institutional clients.

[10] See, e.g., *In re TSX Inc. – Notice of Proposed Amendments and Request for Comments*, (2021), 44 OSCB 4361 (May 20) at 4362 ("Commencing on the date of implementation of Conditional Orders, TSX will undertake a 90-day assessment period whereby it will [use] such time to analyze usage and patterns of Conditional Orders to better determine an appropriate Threshold, and an appropriate number of orders to use for the Score calculation. TSX may, in its sole discretion, amend the Threshold or the number of orders to use for the Score calculation, from time to time, to minimize misuse of Conditional Orders. Any change in the Threshold will be communicated to participants.").

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Changes to Conditional Compliance Mechanism	
With the shift to tracking fall-down rates on a symbol-by-symbol basis, the existing threshold of 20 trading interactions in a given trading day to trigger the compliance mechanism is too high, especially in the case of Sponsored Users, who will be human traders. (NBF) As proposed, the tracking will now be done on a per symbol basis. Reducing the applicable universe of symbols from all to one will certainly reduce the rate of non-compliance, but this may not strike the right balance between protecting users and recognizing that some Conditional fall-downs are inevitable. Twenty interactions is too large a sample set to require before applying the 70% firm-up trigger. If MATCHNow has data to support its choice of 20 interactions, such data ought to be provided to regulators before the compliance mechanism is approved. Otherwise, 5 invitations per symbol seems much more reasonable than 20. (CSTA)	In light of the various comments we received, all of which strongly favored a lowering of the existing trigger, we have decided to shift it from 20 to 10 invitations. We believe this is a meaningful adjustment, which is responsive to the valid concerns of marketplace participants, but not so significant that it fundamentally alters the proposal. That being said, MATCHNow is committed to monitoring Conditionals and fall-down activity on its platform closely in the months following launch of Cboe LIS Powered by BIDS; if circumstances warrant reducing the trigger further, we will do so promptly, through an amendment to our Form 21-101F2. The goal is to recalibrate the prevailing trigger soon after launch, if appropriate, based on actual data. As noted above, this is consistent with industry practice.[11]
It seems reasonable that firm-up rates for Subscribers (sell-side algos) and Sponsored Users (buy-side institutional investors) might be held to different standards, or at least sample sets. Intuitively, the information leakage to a dark aggregator algorithm across a series of fall-downs would be different from the nature of the leakage to a Sponsored User falling down repeatedly. (CSTA)	We agree with this comment. However, rather than rely on intuition, we prefer to postpone any further changes to the Conditionals Compliance Mechanism until after launch, so that we have actual data regarding Sponsored User fall-down rates on which to base any new compliance standards. Nevertheless, we are amenable to adopting different standards for Subscribers and Sponsored Users, as we agree with the rationale for doing so, and we look forward to having, in the near future, the necessary data for these two categories of participants to help us assess, in a more definitive way, how their activities on Cboe LIS Powered by BIDS differ specifically, which will enable us to recalibrate the prevailing Conditionals Compliance Mechanism standards, as needed, to continue to guard against the risk of abusive trading activities, while still protecting fair access for all parties sending Conditionals to MATCHNow.
Target firm-up/fall-down rates will change over time, as users with multiple available networks proliferate and overall Conditionals usage increases. We believe that monitoring firm-up and fall-down rates will be crucial to maintaining a healthy trading environment. However, we would caution against enshrining appropriate fall-down rates in policy, as it could later fetter the marketplace's ability to use a principles-based approach to adjust these levels as may be necessary. (NBF)	We do not believe that the proposed trigger of 10 invitations or the continuation of the existing 70% threshold necessarily "enshrines" these standards as policy; rather, we agree that, over time, a marketplace must continue to evaluate the appropriateness and efficacy of its policies and procedures, and make changes where warranted, and that is precisely what MATCHNow has committed to doing.
Given the reduced role that the dealer would now take in the execution of client order flow, the changes to the Conditionals Compliance Mechanism could be inadequate to deal with misuse, information leakage, and fall downs. The mechanism described in the proposal may be insufficient to manage the potential risks and should be further scrutinized for limitations. (TMX)	We believe the shift from 20 down to 10 invitations as the trigger for the Conditionals Compliance Mechanism represents an appropriate policy middle ground. Furthermore, as stated above, we are undertaking to closely observe Conditionals activity in the months following launch. We believe this is the most rational and reasonable way to assess the effectiveness of the new standards (especially given the expansion of Conditionals to buy-side institutional investors), as well as to identify any specific recalibration of those standards that may be warranted.

[11] See note 10, *supra*.

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Reporting	
MATCHNow's existing reporting on firm-up rates is strong, and similar integrity is expected with the rollout of Cboe LIS Powered by BIDS. (NBF)	We thank the commenter for its supportive feedback on this aspect of the proposal.

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