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Chapter 1

Notices

1.1 Notices

1.1.1 CSA Notice of Publication – Amendments to National Instrument 52-108 Auditor Oversight Changes to Companion Policy 52-108 Auditor Oversight

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE OF PUBLICATION

AMENDMENTS TO NATIONAL INSTRUMENT 52-108 *AUDITOR OVERSIGHT*

CHANGES TO COMPANION POLICY 52-108 *AUDITOR OVERSIGHT*

January 13, 2022

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing the following materials:

- Amendments to National Instrument 52-108 *Auditor Oversight* (the **Amendments**);
- Changes to Companion Policy 52-108 *Auditor Oversight* (the **CP Changes**);

(collectively, the **Revisions**).

The Amendments require actions by reporting issuers and participating audit firms that will assist the Canadian Public Accountability Board (**CPAB**) in accessing audit working papers of component auditors, particularly in certain foreign jurisdictions. The CP Changes provide guidance on how we will interpret and apply the Amendments.

In connection with the Revisions, CPAB has also issued guidance on their website to provide additional insight to auditors on the processes they will employ to operationalize the Amendments.

The original proposals were published on October 3, 2019. We received 6 comment letters, which were all from audit firms. The list of commenters and a summary of comments is attached as Annex A.

The text of the Revisions is contained in Annexes B and C of this Notice. Local amendments, if any, are in Annex D of this Notice. This Notice will also be available on the websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on March 30, 2022.

Substance and purpose

The Revisions aim to respond to challenges CPAB has had in getting access to audit work performed by an audit firm in a foreign jurisdiction that forms part of the audit evidence supporting an auditor's report issued by a participating audit firm (a **PAF**). An audit firm performing such audit work is commonly referred to as a 'component auditor'.

The Amendments require a reporting issuer to give notice in writing to a component auditor that meets the significance thresholds (a **significant component auditor**) that the reporting issuer permits the significant component auditor to provide CPAB with access to its audit work relating to the audit of the reporting issuer's financial statements if that access is requested by CPAB.

The Amendments also require a reporting issuer to give notice in writing to a significant component auditor that the reporting issuer permits the significant component auditor to enter into an agreement with CPAB governing access to the audit work the significant component auditor has performed in relation to a component of the reporting issuer (a **CPAB access agreement**) if the component auditor does not voluntarily provide access to CPAB upon request. If, despite a reporting issuer's permission and CPAB's request, the component auditor does not enter into a CPAB access agreement, a PAF is, after a prescribed period of time for transition, not permitted to use the audit firm as a significant component auditor.

Background

A reporting issuer may have operations in a foreign jurisdiction that differs from its head office jurisdiction. This may present challenges for the reporting issuer's auditor due to different languages, laws and business practices in a foreign jurisdiction. In responding to those challenges, a PAF may ask a component auditor to perform work that forms part of the audit evidence supporting the PAF's auditor's report. A component auditor could be a member of the PAF's international network, or an unrelated foreign or domestic audit firm.

If a PAF decides to use the work of a component auditor, the PAF must comply with Canadian Auditing Standard 600 *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* (**CAS 600**), which specifies that the PAF is responsible for the direction, supervision and performance of the overall audit. Although CAS 600 requires the PAF to document the type of work performed by a component auditor and the PAF's review of such work, there is no requirement for the PAF to retain in its files a copy of the work performed by the component auditor.

In order to assess whether sufficient audit evidence has been obtained to support the PAF's audit opinion, CPAB has determined that it needs access to a substantial portion of the audit work performed. However, CPAB has encountered some instances where a substantial portion of the audit work has been performed by a component auditor in a foreign jurisdiction, and CPAB was not allowed access to such audit work.

Summary of the Revisions

The Revisions:

- introduce the definition of a significant component auditor, namely a component auditor that
    - performs audit work involving financial information related to a component, whose activities the reporting issuer has the power to direct on its own or jointly with another person or company, and
    - meets one of the quantitative metrics relating to hours of work, fees paid, or relative size of the component's assets or revenue;
- require a reporting issuer to give notice in writing to a significant component auditor that the reporting issuer permits the significant component auditor to provide CPAB with access to records relating to the component auditor's audit work performed for a reporting issuer audit;
- require a reporting issuer to give notice in writing to a significant component auditor involved in the audit of its financial statements that the reporting issuer permits the significant component auditor to enter into a CPAB access agreement if the reporting issuer receives a copy of a notice from its PAF stating that a significant component auditor has failed to provide CPAB access to the significant component auditor's records related to audit work performed. A CPAB access agreement is a written agreement between CPAB and a significant component auditor governing access by CPAB to the significant component auditor's records related to audit work it has performed in relation to a component of a reporting issuer. The terms and conditions set out in a CPAB access agreement, including the manner and conditions for when access is to be provided, must be agreed to by CPAB and the significant component auditor;
- require a PAF to no longer use a public accounting firm as a significant component auditor after a prescribed period of time, if the PAF receives notice that the public accounting firm has failed to enter into a CPAB access agreement after being requested to do so. A PAF may use another significant component auditor that undertakes in writing to provide CPAB access to its audit work or has entered into a CPAB Access Agreement in respect of the reporting issuer.

Summary of changes compared to the original proposals

The Revisions are substantially similar to the original proposals, except for the following:

- The quantitative metrics for the significant component auditor definition have been revised. The numerator in some calculations now refers to the total audit hours or fees pertaining to the audit of the financial statements instead of the total audit hours or fees pertaining to the PAF.
- The Amendments require a reporting issuer to permit the significant component auditor to provide CPAB access to their work, and if requested by CPAB, to enter into a CPAB access agreement. These changes are intended to prevent the reporting issuer from delaying or impeding CPAB's access to the audit work, and replace the previously proposed requirement for the reporting issuer to take reasonable steps to direct the significant component auditor to provide access or enter into a CPAB access agreement.

Questions

Please refer your questions to any of the following:

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ANNEX A

SUMMARY OF COMMENTS AND CSA RESPONSES

This annex summarizes the comment letters and our responses to these comments.

This annex contains the following sections:

1. Introduction
2. List of Commenters
3. Responses to comments received on the original proposals published on October 3, 2019

1. Introduction

In this annex, we consolidated and summarized the comments and our responses by the general themes of the comments. We have included section references to the Revised Materials for convenience.

In connection with the Revisions, CPAB has issued guidance on their website to provide additional insight to auditors on the processes CPAB will employ to operationalize the Amendments (the **CPAB Guidance**). If a comment pertains to the manner in which CPAB plans to operationalize the Amendments, the response will direct the reader to refer to the CPAB Guidance.

2. List of Commenters

We received comment letters on the original proposals from the following:

- Deloitte LLP
- Ernst & Young LLP
- Grant Thornton LLP
- KPMG LLP
- MNP LLP
- PricewaterhouseCoopers LLP

3. Responses to Comments Received on the Revised Materials

Proposed amendments to NI 52-108		
Issue	**Comment**	**Response**
General Comments		
General support of CPAB access of component auditor work for inspection purposes	Four commenters stated support for CPAB obtaining enhanced access to significant component auditor files that they seek as part of their inspection process.	We thank commenters for their noted support.
General concern with CPAB access of component auditor work for inspection purposes	One commenter believes the responsibility for ensuring the standards under which component auditors are involved in an audit of reporting issuers rests with the group auditor [and not CPAB]. The commenter believes the proposed amendments would result in the following: • challenges in finding significant component auditors, • potential for higher audit fees charged to reporting issuers, and	The purpose of CPAB is to promote publicly and proactively, high quality external audits of reporting issuers. CPAB achieves this purpose, in part, by conducting inspections of participating audit firms to assess whether reporting issuer audits are being performed in compliance with professional standards. CPAB has determined that the inspection of component auditor information is necessary in some cases to assess compliance with professional standards. We have amended

	• the possibility that the capital markets in Canada will become less competitive • the group audit could lose valuable knowledge as local firms have expertise in the foreign jurisdiction in areas such as tax, cultural, governmental, business practices, etc. The commenter also points out that: • the number of Canadian reporting issuers captured is a small piece of the market, • there will likely be restrictions in place in certain higher-risk countries (e.g., China), which does not resolve CPAB's concerns, • requiring a PAF to replace a significant component auditor would be unfair and lack consistency across all reporting issuers since it is driven by CPAB's inspection process, which is based on a sample of files selected each year, and • CPAB file reviews often take place several months after the issuer have released their financial statements. Requiring the replacement of significant component auditors in situations where CPAB has been prevented from inspecting the work as described above will not be timely.	securities requirements to assist CPAB in obtaining access to inspect that information. We recognize that challenges may remain on access to component auditor files that are needed for an inspection. However, the Revisions are intended to assist in responding to the significant challenges that CPAB has had in getting access to inspect audit work performed by an audit firm in a foreign jurisdiction.
International approach to audit oversight	One commenter stated their view that an international cooperation among national audit oversight authorities on questions such as access to firms' working papers within their respective jurisdictions is the optimal solution. This promotes efficient use of audit oversight authority resources and avoids inefficient or duplicative regulatory burden on reporting issuers and audit firms. Any new model adopted in Canada should be deployed no more widely than necessary to fill the gaps left by the current state of international cooperation among at the audit oversight authority level. CPAB should continue to prioritize enhancement of international cooperation amongst national oversight regulators on areas such as access to work papers. One commenter asked for clarification on whether CPAB will work with their auditor oversight counterparts, where available, in the component auditor's jurisdiction to conduct the inspection?	We agree that CPAB should continue to enhance their cooperation with other national oversight regulators, which may lead to fewer circumstances where a CPAB access agreement is needed to facilitate access. Please refer to CPAB Guidance for more information.
A revised CAS 600 – *Special Considerations – Audits of Group Financial Statements* should be considered before implementing	One commenter noted that the IAASB is currently revising ISA 600, which will be adopted in Canada as revised CAS 600, so it may be prudent to delay finalization of the proposed amendments until the revised CAS 600 is issued.	CAS 600 is not anticipated to address the access to working papers issue for an audit oversight regulator. As such, we do not agree that the Revisions should be delayed until CAS 600 is potentially revised.

securities legislation	One commenter noted that, if CPAB does not believe that ISA/CAS 600 provides sufficient information as to what is sufficient appropriate audit evidence to support the work performed by the component auditor, then this should be addressed through the standard setting process for ISA/CAS 600 Revised versus through a National Instrument. If the aim is to address a practice issue, we would suggest that such an issue could be more appropriately managed through the continued development of application guidance.	
Clarification of CPAB inspection scope for component auditors	One commenter noted that the proposed amendments do not address whether CPAB's review of the component auditor working papers will be focussed on establishing whether the group auditor complied with CAS 600 or if the review extends beyond the requirements of CAS 600 to an inspection of the component auditor's file. If CPAB's review scope exceeds that which would be required by the group auditor under CAS 600 and the group auditor is held accountable by CPAB beyond the requirements of CAS 600, group auditors may respond by also performing oversight beyond what would be required by CAS 600. This could lead to redundancies and higher costs for reporting issuers without commensurate benefits. The commenter notes their view that CPAB's inspection should be a focus on reviewing component auditor documentation that is relevant to the significant risks of material misstatement of the group financial statements.	Please refer to CPAB Guidance for more information.
Specific Jurisdictional Restrictions	One commenter notes that Annex C indicates that "The CPAB access agreement would not necessarily result in CPAB having immediate access to inspect work in each of the noted countries if the agreement identifies specific jurisdictional restrictions that continue to prevent access". The commenter interprets this to mean that if there are valid legal impediments in a local jurisdiction preventing the component auditor from providing CPAB with access, the component auditor can sign an access agreement with CPAB and would not be barred from acting as a component auditor while these impediments remained in place. <u>The commenter's view is that this is an important clarification that should be included in the Instrument</u> (emphasis added), and that it would be helpful to clarify what CPAB and/or the CSA consider to be valid legal impediments. One commenter asked for clarification of whether the requirement for an access agreement will only be imposed in circumstances where it has been determined by CPAB that there is no impediment under the laws of the component auditor's jurisdiction to allow for the	Staff do not agree with the commenters view. Please refer to CPAB Guidance for more information. Please refer to CPAB Guidance for more information.

	inspection of records? Will CPAB take a flexible approach to disclosure in order to work within the laws of the local jurisdiction, such as through the inspection of records within the local jurisdiction as opposed to requiring disclosure in Canada? One commenter noted their view that, in some circumstances, component auditors may not be able to fully meet conditions of the Instrument; for example, due to potential conflicts with local laws and regulation. In such circumstances, the recourse under the proposals would be for the PAF to reperform the audit procedures if allowed under local laws and regulations. This may cause the PAF and reporting issuer to incur significant costs relating to travel and in some cases relating to reperforming procedures that may have already been done by the predecessor component auditor or by the component auditor retained for the purposes of performing the statutory audit, if needed. It may also have an impact on the quality of the audit due to the lack of experience with the local standards and regulations. If the PAF cannot perform the work due to local laws or regulations, then the proposals provide no recourse.	If a component auditor is subject to specific jurisdictional restrictions that prevent access, then this should be addressed with CPAB when entering into a CPAB access agreement. Please refer to CPAB Guidance for more information.
Treatment of 'privileged information'	One commenter asked for clarification of how CPAB will treat materials which are considered privileged by the reporting issuer or component auditor?	Please refer to CPAB Guidance for more information.
Request for further guidance on how CPAB would apply Revisions	One commenter asked for clarification of whether CPAB intends to use access agreement on a routine basis, or will they only be requested in circumstances where other alternatives have first been exhausted? If so, what will those other alternatives be? One commenter asked for clarification on what CPAB's expectations will be for the group auditor, taking into account that they will often have little or no ability to cause a component auditor to take a particular action. Does CPAB expect that group auditors will include a requirement in the engagement agreement with component auditors to allow for inspection of records by CPAB?	Please refer to CPAB Guidance for more information. Please refer to CPAB Guidance for more information.
CPAB representations on ability to access component audit working papers if requirements were in place	One commenter noted that Annex C states that CPAB represented that if the proposed rules were in place, component auditors in China, Mexico and Tunisia would be able to enter into a CPAB access agreement if they so choose. Since the content of the CPAB access agreement has not been shared with all the contemplated parties, the commenter notes that it is difficult to definitively determine whether that will be the case, as component auditors may have different interpretations of the relevant legislation in that region.	Please refer to CPAB Guidance for more information.

Staff Notice Questions		
Any limitation or concerns with inclusion of components where the reporting issuer has power to direct jointly with another person or company?	Two commenters stated that they do not anticipate any specific limitations or concerns One commenter noted that, in cases of joint control, there could be implementation challenges for reporting issuers where the other entity or person is not a reporting issuer and is not subject to any legal obligation to direct the significant component auditor to provide CPAB with access. The Companion Policy should address this situation and what would constitute "reasonable steps" for reporting issuers in this circumstance. One commenter noted their view that, if an entity is jointly controlled by a reporting issuer and a non-reporting issuer, the non-reporting issuer will not be subject to the same restriction in its selection of component auditor. As such, the commenter believes this could cause delays and additional costs to the reporting issuer, in the event the non-reporting issuer does not allow a change in component auditor.	Although commenters noted that another party in the joint control arrangement may not support providing CPAB access to working papers, staff do not agree that this possibility is a reason to exclude components in the case of a joint control arrangement. Reporting issuers should ensure this issue is considered and addressed with respect to its joint arrangements. Staff further note that if there is a legal or regulatory restriction that prevents access to working papers, then this should be addressed with CPAB when entering into a CPAB access agreement. Please refer to CPAB Guidance for more information.
Section 7.1 – Definitions		
CPAB access agreement	One commenter believes further clarity should be provided to specify what "…significant component auditor's records related to audit work…" means in the context of CPAB's inspection of a significant component auditor. Specifically, is CPAB looking for access to perform a full file inspection, or will focus only be on the component auditor's records relate to the specific focus area(s)?	Please refer to CPAB Guidance for more information.
CPAB access-limitation notice	One commenter believes that, for clarity, the definition should include the condition that a written notice is only issued when a significant component auditor has failed to provide CPAB with access despite there being no legal or regulatory restrictions to do so. To facilitate this change, the definition could be amended as follows: "…means a written notice issued by CPAB that a significant component auditor, despite there being no legal or regulatory restrictions to do so, has failed to provide CPAB was access…"	We do not agree with the proposed revision. The current wording states that this notice is issued when a significant component has failed to provide access upon CPAB's request. Our intention is for this notice to be issued in all circumstances when voluntary access is not provided, regardless of whether there are legal or regulatory restrictions, in order to trigger the request for a component auditor to enter into a CPAB access agreement. Please refer to CPAB Guidance for more information on how legal or regulatory restrictions will be considered by CPAB.
CPAB no-access notice	One commenter believes that, for clarity, the definition should include the condition that a written notice is only issued when a significant component auditor has failed to provide CPAB with access despite there being no legal or regulatory restrictions to do so. To facilitate this change, the definition could be amended in manner similar to what was recommended for the" CPAB access-limitation" definition.	We do not agree with the proposed revision. The notice is intended to be a notification to participating audit firms that they may no longer use the identified public accounting firm as a significant component auditor based on the transition timing set out in the rule. Please refer to CPAB Guidance for more information on how legal or regulatory restrictions will be considered by CPAB.

Significant component auditor	Two commenters noted that the definition differs from the PCAOB definition of 'playing a substantial role'. Below is the notable feedback from the comments: • The PCAOB's rule uses a denominator of total audit hours or fees for all participants (group and component teams), rather than only to principal auditor hours/fees only. • Reference made to PCAOB Release No. 2003-007, which refers to total engagement hours, rather than hours spent by the reporting issuer's auditor, in commentary relating to the test of significance • There are significant interpretational issues as to how to measure costs and fees associated with component audits. For example, in many cases a statutory audit may be completed at a lower materiality level in conjunction with procedures performed for the group auditor. Interpretational guidance on matters such as this would be necessary for the requirements, as drafted, to be consistently applied. • By applying the PCAOB's rule to the example contained in CP Section 7.1 that refer to 80 hours spent by the reporting issuer's auditor and 20 hours spent by the component auditor would result in a significance calculation of 20% (20 hours / 100 hours). It is not clear to us if this was an intended difference in application, however we believe there is merit in amending the definition (and the example in the CP) such that the calculations under the NI and the PCAOB rule would result in a consistent determination of significance.	In response to the comments we have revised the definition.
	One commenter noted that there may be operational issues with using the most recent financial period to assess significance, especially when component auditors are from another network firm. For example, hours and fee information may be difficult for the group auditor and/or the reporting issuer to obtain prior to the audit report date.	Although there may circumstances where hours and fee information are not complete prior to the audit report date, in circumstances where there is reason to believe the significant component auditor definition would apply, the reporting issuer and auditor should ensure the provision for access requirement in subsection 7.2(1) is complied with before the date of the auditor's report.
	One commenter advised the CSA to be cautious when providing a definition in a National Instrument of a concept that is also defined in ISA/CAS 600 since there is risk that the two definitions will not be aligned. This could confuse auditors and cause application issues to arise when auditors are required to meet the requirements of both the National Instrument and the group auditing standard. With the current ISA 600 in the process of being revised, there is an	We have retained the term as originally proposed. We do not anticipate confusion in application given that our definition is unlikely to be similar to what would be included in an auditing standard.

	even greater risk that the definitions could be misaligned.	
Section 7.2 – Reporting Issuer to Direct Provision of Access		
"All reasonable steps" language in paragraph 7.2(1)	The paragraph requires all reporting issuers to take "all reasonable steps" to direct all significant components to provide CPAB with access. Below are comments with respect to this sentence: One commenter notes there is no guidance in the Companion Policy on how to interpret "reasonable steps" and whether these steps are only applicable if CPAB selects a file for inspection or if these steps are applicable for every engagement where there are significant components. If the latter, it may not be reasonable to assume data would be available to determine whether a component auditor is significant prior to the auditor report date. We believe these matters should be clarified in the Companion Policy. One commenter believes that the proposed amendments should clarify that "reasonable steps" would not involve any actions that would be contrary to applicable laws and regulations, including privacy laws, and should address other considerations such as confidentiality obligations and legal privilege, which are relevant to the provision of CPAB access. One commenter is not clear what would be considered to constitute "reasonable steps" by a reporting issuer, particularly in light of the fact that the reporting issuer in many cases will have no relationship with the component auditor and will have no rights or interest in their working papers. Is a reasonable step to obtain confirmation in writing from the component auditor that a CPAB access agreement would be signed if requirement by CPAB? Would it be considered reasonable if such agreements were obtained only from component auditors whether the component was expected to be significant based on budgeted audit hours and costs recognizing that actual amounts may not be known until after the audit report is signed?	In response to the comments we have revised the paragraph to remove reference to "all reasonable steps".
	One commenter is unclear why this requirement exists in all instances and in advance of any CPAB access-limitation notice. The commenter also believes that any effort by reporting issuers should only be required once access has been denied, despite there being no legal or regulatory restrictions to do so.	The requirement has been retained to ensure that, prior to an audit report being issued, the reporting issuer has agreed, and component auditor understands, that CPAB is permitted to inspect component auditor working papers. This requirement permits the component auditor to provide access voluntarily, instead of entering into a CPAB access agreement, if it so chooses.

Section 7.3 – Failure to Voluntarily Provide Access to Inspect a Significant Component Auditor's Records		
Title of section	One commenter believes the title should be clarified to include the concept of "despite there being no legal or regulatory restrictions to do so".	We do not agree. The requirements in Section 7.3 apply if a CPAB access-limitation notice is issued, which would occur when a significant component auditor has failed to provide CPAB access to its working papers upon request. Such notice is issued regardless of whether there are legal or regulatory restrictions preventing the significant component auditor from complying with CPAB's request. Any legal or regulatory restrictions impacting access should be addressed with CPAB when entering into a CPAB access agreement. Please refer to CPAB Guidance for more information.
Delivery requirement in paragraph 7.3(1)(c)	The subparagraph requires the PAF to deliver a copy of the notice to the "regulator or securities regulatory authority'. One commenter believes this could be simplified such that the PAF only need to deliver the notice to the "principal regulator".	Consistent with existing notification requirements in sections 5 and 6 of NI 52-108, staff have determined that notice needs to be provided to each regulator or securities regulatory authority that is impacted. As noted in the Companion Policy, the securities regulatory authorities will consider the delivery requirement to be satisfied if a copy of the notice is sent to auditor.notice@acvm-csa.ca.
Section 7.4 – Failure of a Significant Component Auditor to Enter into a CPAB Access Agreement if Requested to Do So		
Request to reconsider CPAB no-access notice	One commenter notes the following concerns that the issuance of a CPAB no-access notice could lead to scenarios where the firms best placed to audit the components are prevented from doing so when such component auditors are often better placed to perform the audit work locally for multiple reasons, including access to component management, language, knowledge of local laws and regulations and awareness of local risks. Therefore, the commenter believes the proposed amendments should provide sufficient implementation guidance to ensure that circumstances where there are legitimate jurisdictional impediments to access do not result in the issuance of a CPAB no-access notice.	A no-access notice is issued if a significant component auditor chooses not to enter into a CPAB access agreement. If there are legitimate jurisdictional impediments to access (e.g., legal restrictions), then this should be addressed with CPAB when entering into a CPAB access agreement. Please refer to CPAB Guidance for more information on how legal or regulatory restrictions will be considered by CPAB
Requirement not to use component auditor within 180 days of year end if receive a CPAB no-access notice	One commenter is of the view that, if a change in component auditor is required, the PAF and reporting issuer should be notified at least 270 days before year-end, to allow for sufficient time and to reduce the risk of additional costs being incurred. The comment believes that by the first 180 days of the fiscal year, the component auditor may have started the planning and at least some audit procedures, resulting potential additional costs for the reporting issuer.	We do not agree. We think that 180 days provides sufficient time for an audit firm to revise its audit plan to address a change in component auditor with minimal impact on cost since the notification would occur prior to an auditor engaging with an issuer in connection with its second quarter reporting.
Companion Policy		
Section 7.1 – Determination of what	One commenter believes what constitutes an audit hour and audit fee should be limited to any	Staff do not agree with the commenter that the calculation should be limited to what are

constitutes an 'audit hour' or 'audit fee'	hours and fees that are considered 'audit fees' as described in Forms 52-110F1 and 52-110F2, and should not include those hours and fees that are captured within the description of 'audit related fees' as audit related fees may include peripheral items that are not directly related to the conduct of the audit.	considered 'audit fees' as described in Forms 52-110F1 and 52-110F2. However, after further consideration, staff have determined that fees pertaining to the review of the issuer's interim financial report, which are to be classified as 'audit-related fees in accordance with NI 52-110, may be excluded. The guidance in Section 7.1 has been revised to address this view.
Section 7.1 – Examples of assessing significance based on hours or fees	One commenter believes there could be confusion as to whether the denominator [in the fees example] should be 100 or 80? For example, if the total hours incurred to perform an audit were 2,200 for the following parties; • Group auditor – 1,000 • Component A – 1,000 • Component B – 200 Based on the example, the auditor of component B would be considered a significant component auditor, although the work effort based on hours with respect to component B represents less than 10% of the overall effort.	This guidance has been revised to reflect changes made to the definition.
Anticipated Costs of Proposed Amendments		
Costs to appoint a new auditor	Two commenters believe the costs associated with appointment of a new component auditor as a result of a CPAB no-access notice could be substantially higher than estimated in Annex C of the proposed amendments. One of the commenters noted that the potential costs depend on many factors such as the amount of time required on the part of both management and the new auditor in the transitional period, the physical location of the new auditor, and the level of oversight required of the new component auditor versus the original one. Such costs are likely to be passed to the reporting issuers, potentially without corresponding benefits to audit quality The other commenter notes that Annex C did not consider the cost of the proposal process, the transition costs and the loss of efficiencies that may have been gained in previous audits. The commenter also noted that the PAF may incur costs to assess the new component auditor, as well as increased costs related to additional supervision in the period of transition. These costs may ultimately be billed through to the reporting issuer as additional fees.	Staff acknowledge that there are various factors that can impact the amount of time and cost in the period of transition. However, staff do not believe such costs would be substantial when compared to the total audit fees associated with the audit. As noted in the "Anticipated Costs of Proposed Amendments" discussion, it is anticipated that if the audit work being performed is identical then the fees for such work would be substantially similar. The decision on whether the additional costs of the PAF and component auditor are passed to the reporting issuer as additional fees will need to be discussed by those parties.

ANNEX B

AMENDMENTS TO NATIONAL INSTRUMENT 52-108 *AUDITOR OVERSIGHT*

1. National Instrument 52-108 Auditor Oversight is amended by this Instrument.

2. The following is added after Part 3:

PART 3.1 SIGNIFICANT COMPONENT AUDITOR'S WORKING PAPERS

Definitions

7.1 In this Part,

"component" has the same meaning ascribed to it in Canadian GAAS;

"component auditor" has the same meaning ascribed to it in Canadian GAAS;

"CPAB access agreement" means a written agreement between CPAB and a significant component auditor governing access by CPAB to the significant component auditor's records related to audit work the significant component auditor has performed in relation to a component of a reporting issuer;

"CPAB access-limitation notice" means a written notice issued by CPAB that a significant component auditor has failed to provide CPAB with access to the significant component auditor's records related to audit work the significant component auditor has performed in relation to a component of a reporting issuer;

"CPAB no-access notice" means a written notice issued by CPAB that a significant component auditor has failed to enter into a CPAB access agreement;

"significant component auditor" means, with respect to a financial period of a reporting issuer, a component auditor that performs audit work involving financial information related to a component of the reporting issuer if the reporting issuer has the power to direct the component on its own or jointly with another person or company and if any of the following apply:

(a) the number of hours spent by the component auditor performing audit work in respect of the financial period is 20% or more of the total hours spent on the audit of the reporting issuer's financial statements relating to that period;

(b) the amount of fees paid to the component auditor for audit work in respect of the financial period is 20% or more of the total fees paid for the audit of the reporting issuer's financial statements relating to that period;

(c) both of the following apply:

(i) the assets or revenues of the component are 20% or more of the reporting issuer's consolidated assets at the end of the financial period or the reporting issuer's consolidated revenues for that period;

(ii) the number of hours spent by the component auditor performing audit work in respect of the financial period exceeds 50% of the total hours spent on audit work relating to the component in connection with the audit of the reporting issuer's financial statements relating to that period.

Reporting Issuer to Permit Provision of Access

7.2 (1) If an audit of a reporting issuer's financial statements for a financial period involves audit work performed by a significant component auditor for the financial period, the reporting issuer must give notice in writing to the significant component auditor that the reporting issuer permits the significant component auditor to provide CPAB with access to the significant component auditor's records relating to that audit work if that access is requested by CPAB.

(2) The notice referred to in subsection (1) must be given on or before the date of the auditor's report on the reporting issuer's financial statements referred to in subsection (1).

Failure to Voluntarily Provide CPAB with Access to a Significant Component Auditor's Records

7.3 (1) If a participating audit firm receives a CPAB access-limitation notice, the participating audit firm must, not more than 5 business days after receipt of the notice, deliver a copy of the notice to all of the following:

(a) the reporting issuer identified in the notice;

(b) the audit committee of that reporting issuer;

(c) the regulator or securities regulatory authority for that reporting issuer.

(2) If a reporting issuer receives a copy of a CPAB access-limitation notice with respect to a significant component auditor, the reporting issuer must, not more than 5 business days following the receipt of the copy of the notice, give notice in writing to the significant component auditor that the reporting issuer permits the significant component auditor to enter into a CPAB access agreement.

Failure of a Significant Component Auditor to Enter into a CPAB Access Agreement if Requested to Do So

7.4 (1) If a participating audit firm receives a CPAB no-access notice, the participating audit firm must, not more than 15 business days after receipt of the notice, deliver a copy of the notice to all of the following:

(a) each reporting issuer audited by the participating audit firm if the public accounting firm identified in the notice was a significant component auditor for the reporting issuer's most recently completed financial period for which an auditor's report has been issued;

(b) the audit committee of each reporting issuer referred to in paragraph (a);

(c) the regulator or securities regulatory authority for each reporting issuer referred to in paragraph (a).

(2) If a participating audit firm receives a CPAB no-access notice, the participating audit firm must not,

(a) subject to subsection (3), use the public accounting firm referred to in the notice as a significant component auditor in respect of an audit of any reporting issuer's financial statements for a financial period ending more than 180 days after the date of the notice, or

(b) in respect of an audit of a reporting issuer's financial statements for a period ending more than 180 days after the date of the notice, use any other public accounting firm as a significant component auditor in respect of a component of the reporting issuer, if audit work in the current or preceding year was done by the public accounting firm referred to in the notice, unless the other public accounting firm satisfies one or both of the following and delivers a notice stating that fact to the participating audit firm and CPAB at least 90 days before the participating audit firm issues its auditor's report in respect of the audit:

(i) the other public accounting firm gives an undertaking to CPAB in writing to provide CPAB with prompt access to its records relating to audit work performed on financial information related to the component of the reporting issuer;

(ii) the other public accounting firm has entered into a CPAB access agreement in respect of the reporting issuer.

(3) Paragraph (2)(a) does not apply to a participating audit firm in respect of a financial period of a reporting issuer ending more than 180 days after the date of the notice if

(a) CPAB has notified the participating audit firm that the significant component auditor has entered into a CPAB access agreement in respect of the reporting issuer before the participating audit firm issues its auditor's report in respect of the financial period, and

(b) CPAB has not, before the participating audit firm issues its auditor's report in respect of the financial period, notified the participating audit firm that the significant component auditor has withdrawn from the CPAB access agreement referred to in paragraph (a).

Application in Québec

7.5 In Québec, the requirements in section 7.2 and subsection 7.3(2) apply to a reporting issuer, provided that an agreement referred to in section 9 of the Chartered Professional Accountants Act (chapter C-48.1) is entered into**..**

3. Subsection 8(3) is amended by replacing "Except in Ontario***" with "***Except in Alberta and Ontario***".***

4. This Instrument comes into force on March 30, 2022.

5. In Saskatchewan, despite section 4. above, if this Instrument is filed with the Registrar of Regulations after March 30, 2022, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

ANNEX C

CHANGES TO
COMPANION POLICY 52-108CP *AUDITOR OVERSIGHT*

1. Companion Policy 52-108 Auditor Oversight is changed by this Document.

2. The following is added at the end of the Companion Policy:

Section 7.1 – Definition of Component and Component Auditor

The terms "component" and "component auditor" have the same meaning as "component" and "component auditor" in Canadian GAAS. As a result, the terms are interpreted in a manner consistent with how the terms are used in Canadian Auditing Standard 600 *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* (CAS 600).

In CAS 600, the term "component" means an entity or business activity for which a group or component management prepares financial information that should be included in the group financial statements, and the term "component auditor" means an auditor who, at the request of the group engagement team, performs work on financial information related to a component for the group audit.

Section 7.1 – Definition of CPAB Access Agreement

The Instrument does not prescribe the content to be included in a CPAB access agreement. It is not intended to be equivalent to a "participation agreement". The terms and conditions set out in a CPAB access agreement, including the manner and conditions for when access is to be provided, will be agreed to by CPAB and the significant component auditor.

Section 7.1 - Definition of Significant Component Auditor

A component controlled or jointly controlled by a reporting issuer

The definition of significant component auditor refers to a component auditor that performs audit work involving financial information related to a component of a reporting issuer if the reporting issuer has the power to direct on its own or jointly with another person or company. Financial information related to a component that a reporting issuer does not have power to direct, at least jointly, is excluded from the definition.

For example, under IFRS, a subsidiary or joint arrangement are captured by the reference noted above in the significant component auditor definition, whereas an investment that is accounted for using the equity method of accounting, or a variable interest entity that a reporting issuer does not have power to direct on its own or jointly with another person or company, is not captured.

Determination of what constitutes an 'audit hour' or 'audit fee'

The term 'hours' in this Instrument refers to 'audit hours' and is intended to include any hours that are billed in respect of a financial period as 'audit fees' or 'audit-related fees' (other than hours pertaining to the review of interim financial report), as those terms are described in Forms 52-110F1 *Audit Committee Information Required in an AIF* and 52-110F2 *Disclosure by Venture Issuers* (52-110 Forms).

The term 'fees' in this Instrument is intended to include any fees that are billed in respect of a financial period as 'audit fees' or 'audit-related fees' (other than fees pertaining to the review of interim financial report), as those terms are described in the 52-110 Forms.

Determination of percentage of audit hours spent by a component auditor on a financial statement audit

Paragraph (a) in the definition of significant component auditor applies if the number of hours spent by the component auditor performing audit work in respect of the financial period is 20% or more of the total hours spent on the audit of the reporting issuer's financial statements relating to that period.

For example, if a reporting issuer audit took 100 hours to complete, and the reporting issuer's auditor performed 80 hours of audit work, and the component auditor performed 20 hours of audit work, paragraph (a) of the definition would apply since the hours spent by the component auditor would be 20% (20 hours / 100 hours) of the audit hours spent by the reporting issuer's auditor.

Determination of percentage of audit fees paid to a component auditor for the financial statement audit

Paragraph (b) of the definition of significant component auditor applies if the amount of fees paid to the component auditor for audit work in respect of the financial period is 20% or more of the total fees paid for the audit of the reporting issuer's financial statements relating to that period.

For example, if a reporting issuer paid $100,000 for the audit of its financial statements, and $80,000 of the fee was paid to the reporting issuer's auditor for its audit work, while $20,000 of the fee was paid to the component auditor for its audit work, paragraph (b) of the definition would apply since the percentage of fees paid to the component auditor would be 20% ($20,000 / $100,000).

Determination of number of audit hours a component auditor spent on a significant component

Subparagraph (c)(i) of the definition of significant component auditor applies if a reporting issuer has a component with assets that represent 20% or more of the reporting issuer's consolidated assets at the end of the financial period, or revenues that represent 20% or more of the consolidated revenues for that financial period, and it has the power to direct the activities of the component on its own or jointly with another person or company. If subparagraph (c)(i) applies, subparagraph (c)(ii) of the definition would be considered.

Subparagraph (c)(ii) of the definition of significant component auditor applies if the number of hours spent by the component auditor performing audit work in respect of the financial period exceeds 50% of the total hours spent on audit work relating to the component that meets the application requirements in subparagraph (c)(i) of the definition.

For example, assume a reporting issuer has a subsidiary (Component A) that has revenues representing 30% of the consolidated revenues of the reporting issuer, and therefore satisfies subparagraph (c)(i) of the definition. If the audit of Component A took 10 hours to complete and the component auditor performed 6 hours of the audit work and the reporting issuer's auditor performed 4 hours of the audit work, the work performed by the component auditor would satisfy subparagraph (c)(ii) of the definition. The component auditor would have performed 60% (6 hours / 10 hours) of the total hours to audit the component for the reporting issuer audit. The component auditor would therefore meet the definition of a significant component auditor.

In the example above, the 6 hours of work performed by the component auditor would represent the amount of time spent to perform audit work in connection with the audit of the reporting issuer's financial statements. If additional audit work was performed to support the completion of a separate audit engagement (e.g., the audit of the standalone financial statements of Component A), those audit hours would be excluded from the calculation in subparagraph (c)(ii).

Section 7.2 – Reporting Issuer to Permit Provision of Access

Section 7.2 requires a reporting issuer to, on or before the date of the auditor's report on the reporting issuer's financial statements for a financial period, give notice in writing to the significant component auditor that the reporting issuer permits the significant component auditor to provide CPAB with access to the significant component auditor's records relating to the audit work performed for those financial statements if that access is requested by CPAB. Effectively, this communication confirms to the significant component auditor that the reporting issuer has no objection with CPAB having access to any information about the reporting issuer that was retained as audit evidence to support the significant component auditor's audit work.

A reporting issuer can give notice to a significant component auditor to provide CPAB with access to inspect the significant component auditor's records by communicating directly with the significant component auditor (e.g., a letter to the significant component auditor), or indirectly through the reporting issuer's auditor (e.g., state in the engagement letter with the reporting issuer's auditor that it shall inform in writing that all significant component auditors involved in the audit that the reporting issuer is permitting them to provide CPAB with access to the records relating to the audit work they perform in connection with the reporting issuer's audit).

Regardless of whether the communication referred to in section 7.2 is received directly from the reporting issuer, or indirectly through the reporting issuer's auditor, it is important that the reporting issuer's auditor communicate to the significant component auditor the importance of the significant component auditor providing access to CPAB, and the implications for all involved if access is not voluntarily provided or a CPAB access agreement is not signed, since this could have a significant impact on future audits of the reporting issuer.

Subsection 7.3(1) and Subsection 7.4(1) – CPAB Access-limitation Notice and CPAB No-access Notice

Both subsection 7.3(1) and subsection 7.4(1) of the Instrument require a participating audit firm to deliver a copy of a notice to the regulator or securities regulatory authority. The securities regulatory authorities will consider the delivery requirement to be satisfied if a copy of the notice is sent to auditor.notice@acvm-csa.ca.

The Instrument does not prescribe the content of a CPAB access-limitation notice and CPAB no-access notice. If a copy of a CPAB access-limitation notice or CPAB no-access notice is delivered to the email address identified above, the communication should identify each regulator or securities regulatory authority that is to receive a copy of the notice if such information is not specified in the notice.

Subsection 7.3(2) – Impact of a Significant Component Auditor Being Permitted to Enter into a CPAB Access Agreement

If subsection 7.3(2) applies, the significant component auditor and CPAB would immediately begin the process of negotiating a CPAB access agreement. The negotiations should be completed in a reasonable period of time.

Section 7.4 – Impact of Participating Audit Firm Receiving a CPAB No-access Notice

If a participating audit firm receives a CPAB no-access notice and was planning to use the public accounting firm named in the notice as a significant component auditor for an upcoming reporting issuer audit, it may continue to do so provided that the reporting issuer's upcoming year end is not more than 180 days after the date of the notice.

If a reporting issuer's upcoming year end is more than 180 days after the date of the notice, the participating audit firm may not use the public accounting firm named in the notice as a significant component auditor for the reporting issuer's upcoming year end unless CPAB has notified the participating audit firm that the named firm has entered into a CPAB access agreement in respect of the reporting issuer before the reporting issuer's year end.

The participating audit firm also must not use any other public accounting firm as a significant component auditor for the audit of the reporting issuer's financial statements unless the other public accounting firm delivers a notice to the participating audit firm and CPAB at least 90 days before the issuance of an auditor's report in respect of that audit stating that it has given an undertaking to CPAB or entered into a CPAB access agreement and, in addition, one or both of the following apply:

- the other public accounting firm gives an undertaking to CPAB in writing to provide CPAB with prompt access to its records relating to audit work performed on financial information related to the component of the reporting issuer, or
- the other public accounting firm has entered into a CPAB access agreement in respect of the reporting issuer.

Participating audit firms should consider how they track the use of component auditors for their reporting issuer clients to meet the requirements of subsection 7.4(1) within the specified time period of 15 business days..

3. These changes become effective on March 30, 2022.

1.1.2 OSC Staff Notice 11-742 (Revised) – Securities Advisory Committee

REVISED ONTARIO SECURITIES COMMISSION
STAFF NOTICE 11-742 SECURITIES ADVISORY COMMITTEE

In a Notice published in the OSC Bulletin on October 21, 2021, the Commission invited applications for positions on the Securities Advisory Committee ("SAC"). SAC provides advice to the Commission and staff on a variety of matters including legislative and policy initiatives and important capital markets trends and brings various issues to the attention of the Commission and staff.

The Commission was very impressed with the number of highly qualified practitioners who applied for positions on SAC and would like to thank all those who applied.

The Commission is pleased to publish the names of the four new members who will be participating on SAC for the next three years:

- Jeff Hershenfield, Stikeman Elliott LLP
- Nancy Mehrad, Registrant Law Professional Corporation
- Manoj Pundit, Borden Ladner Gervais LLP
- Heidi Reinhart, Norton Rose Fulbright LLP

The members of SAC have staggered terms. The continuing members of SAC are:

- Chris Birkett, Toronto Stock Exchange
- Margaret Chow, Richardson GMP Limited
- Kathryn J. Daniels, Canada Pension Plan Investment Board
- Bradley Freelan, Fasken Martineau DuMoulin LLP
- Desmond Lee, Osler, Hoskin & Harcourt LLP
- Rima Ramchandani, Torys LLP
- Chris Sunstrum, Goodmans LLP
- Ora Wexler, Dentons LLP

The Commission would like to take this opportunity to thank the four members of SAC, listed below, whose terms have ended and who have served on the Committee with great dedication. Their advice and guidance on a range of issues has been very valuable to the Commission.

- Linda Fuerst, Norton Rose Fulbright LLP
- Jennifer F. Longhurst, Davies Ward Phillips & Vineberg
- Julie Mansi, Borden Ladner Gervais LLP
- Leila Rafi, McMillan LLP

Reference:

Naizam Kanji
General Counsel
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1.1.3 Notice of Amended and Restated Memorandum of Understanding Between the European Securities and Markets Authority, the Ontario Securities Commission, and the Autorité des Marchés Financiers of Québec

NOTICE OF AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE EUROPEAN SECURITIES AND MARKETS AUTHORITY,
THE ONTARIO SECURITIES COMMISSION, AND
THE AUTORITÉ DES MARCHÉS FINANCIERS OF QUÉBEC;
RELATED TO
CENTRAL COUNTERPARTIES ESTABLISHED IN ONTARIO AND QUÉBEC – CANADA

January 13, 2022

The Ontario Securities Commission, together with the Autorité des marchés financiers of Quebec (the “Canadian Authorities”), recently entered into an amended and restated Memorandum of Understanding (“MoU”) with the European Securities and Markets Authority (“ESMA”). This MoU amends, restates and replaces the MoU which established cooperation and information sharing arrangements between the signatory authorities regarding the monitoring of the ongoing compliance with recognition conditions by central counterparties ("CCPs") established and recognized or designated as a clearing house or clearing agency in Canada which have applied for recognition under the European Markets Infrastructure Regulation ("EMIR") to provide clearing services to clearing members or trading venues established in the European Union (“EU”).

The amendments and restatements are necessary as a result of modifications made to the EU framework for recognition and supervision of third-country CCPs introduced by Regulation (EU) No 2019/2099 (“EMIR 2.2”). The MoU enhances cooperation and information sharing between the Canadian Authorities and ESMA and provides ESMA with adequate tools to assess compliance and on-going compliance by third-country CCPs with recognition conditions.

The amended and restated MoU is subject to the approval of the Minister of Finance and was delivered to the Minister of Finance on January 10, 2022.

Questions may be referred to:

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[Editor’s Note: the Memorandum of Understanding is reproduced on the following separately numbered pages. Bulletin pagination resumes at the end of the MOU.]

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Memorandum of Understanding

European Securities and Markets Authority

and

Autorité des marchés financiers

and

Ontario Securities Commission

Amended and Restated Memorandum of Understanding between the European Securities and Markets Authority, the Ontario Securities Commission and the Autorité des marchés financiers of Québec; Related to Central Counterparties Established in Ontario and Québec – Canada

The supervision of the Covered CCPs as defined below is based upon close cooperation and the mutual respect of the European Securities and Markets Authority ("**ESMA**"), the Ontario Securities Commission ("**OSC**') and the Autorité des marchés financiers of Québec ("**AMF**") ("Authorities") for each jurisdiction's regulatory regime and each Authority's supervisory powers and practices.

The Authorities by signing this Amended and Restated Memorandum of Understanding ("**MoU**") affirm their willingness to cooperate and exchange information to proportionately fulfil their respective supervisory and regulatory responsibilities with respect to the central-counterparties ("**CCPs**") established in Ontario and Québec (Canada) that have applied or that may apply to ESMA for recognition as third-country CCPs or that are already recognised by ESMA as third-country CCPs ("**Covered CCPs**"), pursuant to Article 25 of Regulation (EU) No 648/2012 ("**EMIR**")[1]. For the purposes of EMIR and this MoU, the OSC and the AMF are each considered to be a "**Third-Country Competent Authority**" or collectively, "**Third-Country Competent Authorities**" since they are located in Canada.

This MoU amends, restates and replaces the Memorandum of Understanding related to ESMA's Monitoring of the Ongoing Compliance with Recognition Conditions by CCPs Established in Canada – Manitoba, Ontario and Québec ("**2015 MoU**"). Entering into the 2015 MoU was a precondition for recognition of CCPs in the European Union (EU) by ESMA under EMIR. The amendments and restatements herein are necessary as a result of modifications to the EU framework for recognition and supervision of Third-Country CCPs introduced by Regulation (EU) No 2019/2099 ("**EMIR 2.2**")[2].

The Covered CCP has not been determined by ESMA as systemically important or likely to become systemically important in accordance with paragraph Article 25(2a) of EMIR and is therefore a Tier 1 CCP. Thus, for the purposes of this MoU, ESMA's enforcement powers are those applicable to Tier 1 CCPs. Whilst ESMA has direct supervision and enforcement powers over Tier 1 CCPs under Articles 25f, 25i to 25m and 25p of EMIR 2.2, ESMA agrees, in fulfilling its regulatory mandate, to establish a framework for cooperation with the OSC and the AMF as the relevant primary authorities accountable for the resilience of the Covered CCPs in their jurisdiction. ESMA's oversight of such CCPs generally would focus on the potential risks related to their interlinkages to the EU financial system, and the risks that this could pose to the financial system of the EU or one of its Member States.

Article 25(2)(c) of EMIR requires the establishment of cooperation arrangements as one of the conditions for ESMA to recognise Covered CCPs established in Ontario and Québec to provide clearing services to clearing members or trading venues established in the EU.

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[1] Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories; OJ L 201, 27.7.2012, p. 1–59.

[2] Regulation (EU) 2019/2099 of the European Parliament and of the Council of 23 October 2019 amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs, OJ L 322, 12.12.2019, p. 1–44.

Under Article 25(6) of EMIR, the European Commission has adopted the Commission Implementing Decision (EU) 2015/2040 ("**Equivalence Decision**") determining that i) the legal and supervisory arrangements of Ontario and Québec ensure that Covered CCPs comply on an ongoing basis with legally binding requirements which are equivalent to the requirements of EMIR (provided that the Covered CCPs fulfil the Equivalence Conditions, where relevant), ii) Covered CCPs are subject to effective supervision and enforcement in Ontario and Québec on an ongoing basis, and iii) the legal framework of Ontario and Québec provides for an effective equivalent system for the recognition of CCPs.

Article 25(7) of EMIR specifies the minimum scope of the cooperation arrangements. Further, Article 25(7) of EMIR requires ESMA to inform the European Commission confidentially and without delay of any failure by any third-country competent authority to apply any of the provisions of the cooperation arrangement, and the European Commission may decide to review its implementing act adopted for that third-country pursuant to Article 25(6) of EMIR. Moreover, in accordance with Article 25p(d) of EMIR, ESMA has to withdraw a recognition decision adopted under Article 25 of EMIR, where ESMA is unable to exercise effectively its responsibilities over the third-country CCP concerned, due to the failure of the third-country competent authority of that CCP to provide ESMA with all relevant information or cooperate with ESMA in accordance with Article 25(7) of EMIR.

Furthermore, Article 25(6b) of EMIR requires ESMA to monitor regulatory and supervisory developments of third-countries in respect of which the European Commission has adopted equivalence decisions pursuant to Article 25(6) of EMIR.

EMIR 2.2 enhanced the EU framework for recognition and supervision of third-country CCPs and expanded ESMA's role and powers. In this regard and for the purposes of the recognition, ESMA determines the systemic importance of a third-country CCP applying or having applied for recognition, or that is already recognised, in accordance with the criteria set out in 25(2a) of EMIR, as further specified by Commission Delegated Regulation (EU) 2020/1303[3]. Based on the assessment of these criteria ESMA determines whether the third-country CCP i) is not or is not likely to become systemically important (a "**Tier 1 CCP**"); or ii) is or is likely to become systemically important (a "**Tier 2 CCP**"), subject to periodic recognition reviews as per Article 25(5) of EMIR.

Therefore, the purpose of this MoU is: 1) enhancing cooperation and information sharing related to the Covered CCPs and to related regulatory and supervisory developments in Ontario, Québec and the EU; 2) ensuring the fulfilment of the condition set out in Article 25(2)(c) and as further specified in Article 25(7) of EMIR, i.e., that cooperation arrangements have been established as regards the Covered CCPs, in the interest of fulfilling responsibilities and mandates of the Authorities; and 3) providing ESMA with adequate tools to assess compliance and to monitor the ongoing compliance by the Covered CCPs with the Recognition Conditions. This MoU also recognises the role of the European Central Bank and other central banks of issue under EMIR.

[3] Commission Delegated Regulation (EU) 2020/1303[3] of 14 July 2020 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to the criteria that ESMA should take into account to determine whether a central counterparty established in a third country is systemically important or likely to become systemically important for the financial stability of the Union or of one or more of its Member States, OJ L 305, 21.9.2020, p. 7–12.

This MoU is an arrangement between the OSC, the AMF and ESMA and not a collective arrangement with other EU authorities. As such, it will not impact any arrangements which may be agreed directly between other EU authorities and Third-Country Competent Authorities nor between the Third-Country Competent Authorities.

Article 1

Definitions

For the purpose of this MoU:

a) "Authority" means a signatory to this MoU or any successor thereto;

b) "Books and Records" means documents, electronic media, and books and records within the possession, custody and control of, and other information about, a Covered CCP;

c) "CCP" means a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer;

d) "Covered CCP" means a CCP established in Ontario or Québec and recognised either as a clearing agency in Ontario or as a clearing house in Québec and that has applied or that may apply to ESMA for recognition as a third-country CCP pursuant to Article 25 of EMIR or a CCP established in Ontario or Québec and recognised either as a clearing agency in Ontario or as a clearing house in Québec and that is already recognised by ESMA as a third-country CCP, pursuant to Article 25 of EMIR;

e) "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of a Covered CCP, including developments in financial markets, which may have an adverse effect on market liquidity and the stability of the financial system in the EU or one of its Member States;

f) "Governmental Entity" means:

i. If the Requesting Authority is the OSC or the AMF:

(a) their respective provincial finance ministry;

(b) their respective provincial government agencies;

(c) the Bank of Canada and the British Columbia Securities Commission or any other provincial or territorial securities or derivatives regulatory authority in Canada which, from time to time, becomes party to the

Memorandum of Understanding Respecting the Oversight of Certain Clearing and Settlement Systems, dated March 19, 2014,[4] as amended or supplemented from time to time;

ii. If the Requesting Authority is ESMA:

(a) the competent authority of a Member State in the EU in which the Covered CCP provides or intends to provide clearing services and which has been selected by the Covered CCP;

(b) the competent authorities responsible for the supervision of the clearing members of the Covered CCP that are established in the three Member States, of the EU, which make or are anticipated by the Covered CCP to make the largest contributions to the default fund of the Covered CCP referred to in Article 42 of EMIR on an aggregate basis over a one-year period;

(c) the competent authorities responsible for the supervision of trading venues located in the EU, served or to be served by the Covered CCP;

(d) the competent authorities supervising CCPs established in the EU with which the Covered CCP has established interoperability arrangements;

(e) the relevant members of the European System of Central Banks ("**ESCB**") of the Member States of the EU, in which the Covered CCP provides or intends to provide clearing services and the relevant members of the ESCB responsible for the oversight of the CCPs established in the EU with which the Covered CCP has established interoperability arrangements;

(f) the central bank(s) of issue of any of the EU currencies of the financial instruments cleared or to be cleared by the Covered CCP ("CBI");

(g) each of the members, except for the chair and the two independent members, who are staff of ESMA, of the third-country CCP college described in Article 25c of EMIR, in their legal capacity as members of the college and for purposes of their college responsibilities with regard to a Covered CCP.

g) "Laws and Regulations" means, in relation to ESMA, applicable EU legislation within ESMA's scope of action as set out in Article 1(2) of Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission

[4] https://lautorite.qc.ca/fileadmin/lautorite/reglementation/instruments-derives/ententes/2014juin09-entente-surveillance_systemecompensation_an.pdf

Decision 2009/77/EC[5], in relation to the OSC, the Securities Act (Ontario) and the Commodity Futures Act (Ontario) and any successor legislation, and in relation to the AMF, the Securities Act (Québec), the Derivatives Act (Québec), An Act respecting the Autorité des marchés financiers (Québec) and the rules, regulations, decisions, directions and orders adopted pursuant to those Ontario and Québec statutes.

h) "On-site Visits" means any regulatory visit by ESMA to the premises of a Covered CCP located in Ontario or Québec, including inspection of Books and Records;

i) "Person" includes a natural person, unincorporated association, partnership, trust, investment company or corporation and may be a Covered CCP;

j) “Recognition Conditions” means the conditions set out in Article 25(2) of EMIR;

k) "Requested Authority" means the Authority to whom a request is made under this MoU; and

l) "Requesting Authority" means the Authority making a request under this MoU.

Article 2

General provisions

1. With respect to Covered CCPs, the Authorities affirm a commitment to cooperate in the context of one another’s regulatory regime and supervisory practices to the greatest extent appropriate and permitted by applicable Laws and Regulations. In the fulfilment of its responsibilities and objectives, ESMA will rely as appropriate upon the regulatory framework and supervision of the OSC and the AMF, recognising that these Authorities remain accountable in Ontario and Québec for the resiliency of the Covered CCPs under their supervision. Further, the Authorities understand that ESMA’s supervisory objectives as to a Covered CCP would focus on the clearing activity of the Covered CCPs that can have a material adverse impact for the financial stability of the EU or one or more of its Member States. This MoU addresses the requirements established in Article 25(2)(c) of EMIR, which requires the establishment of cooperation arrangements as a precondition for recognition by ESMA of the Covered CCPs to provide clearing services to clearing members or trading venues established in the EU.

2. This MoU does not cover cooperation with regards to CCPs established in the EU because ESMA does not have direct supervisory powers in respect of such CCPs. For the avoidance of doubt, this MoU does not cover, in particular, cooperation in respect of CCPs established in the EU for which ESMA is a member of the supervisory college.

3. This MoU is a statement of intent to consult, cooperate and exchange information in connection with ESMA's assessment of compliance and monitoring of the ongoing

[5] Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC, OJ L 331, 15.12.2010, p. 84–119.

compliance by the Covered CCPs with the Recognition Conditions, and the corresponding supervisory and enforcement powers of ESMA, as well as with ESMA's monitoring of related regulatory and supervisory developments in Ontario and Québec. The cooperation and information sharing arrangements under this MoU should be interpreted and implemented in a manner that is permitted by, and consistent with, the laws and other legal or regulatory requirements applicable to each Authority.

4. This MoU does not create any legally binding obligations, confer any rights or supersede any domestic or EU laws. This MoU does not confer upon any Person the right or ability, directly or indirectly, to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this MoU.

5. This MoU is not intended to limit or condition the discretion of an Authority in any way in the discharge of its regulatory or supervisory responsibilities or to prejudice or affect in any way the individual responsibilities, competencies or autonomy of any Authority. This MoU does not limit an Authority to taking solely those measures described herein in fulfilment of its responsibilities and mandates. In particular, this MoU does not affect any right of any Authority to communicate with or obtain information or documents from any Person subject to its jurisdiction that is established in the territory of the other Authority.

6. The Authorities should, within the framework of this MoU, provide each other with the fullest cooperation permissible under their Laws and Regulations in relation to the responsibilities and mandates of each Authority with respect to the Covered CCPs, including ESMA's assessment of compliance and monitoring of the ongoing compliance by the Covered CCPs with the Recognition Conditions, and the corresponding supervisory and enforcement powers of ESMA, as well as to ESMA's monitoring of related regulatory and supervisory developments in Ontario and Québec. Following consultation, cooperation may be denied:

    a) Where the cooperation would require an Authority to act in a manner that would violate its Laws and Regulations;

    b) On the grounds of national public interest for the OSC and the AMF or of European public interest for ESMA; or

    c) Where a request for assistance has not been made in accordance with the terms of this MoU.

7. The Authorities represent that as of the date of this MoU no domestic or EU laws or regulations should prevent them from providing assistance to one another in accordance with the terms of this MoU.

8. The Authorities will endeavour to reach an understanding on the interpretation and application of this MoU. Where the Authorities encounter material differences of views related to the interpretation of a provision of this MoU, they should endeavour to make good faith efforts, through cooperation, consultations and discussions, to resolve such differences in order to reach mutually acceptable resolution of the issues raised.

9. To facilitate communication and cooperation under this MoU, the Authorities hereby designate contact persons as set forth in the Appendix A. Any modifications to the details of contact persons should be communicated without undue delay to the other Authorities.

Article 3

Scope of cooperation

1. The Authorities recognise the importance of close communication concerning the Covered CCPs and intend to cooperate regarding:

    a) general issues, including with respect to regulatory, supervisory, enforcement or other developments concerning the Covered CCPs in Ontario, in Québec and in the EU;

    b) issues relevant to the operations, activities and services of the Covered CCPs;

    c) coordination of supervisory activities;

    d) assistance in the implementation of enforcement decisions, as appropriate; and

    e) any other areas of mutual interest.

2. The Authorities recognise, in particular, the importance of close cooperation in the event that a Covered CCP experiences, or is threatened by, a potential financial crisis or other Emergency Situation. An Authority should provide notification to the other Authorities consistent with Article 3(4) below and should keep the other Authorities appropriately informed throughout the Emergency Situation. The OSC and the AMF should lead in an Emergency Situation and should consult with and take account of the views of ESMA to the greatest extent possible. ESMA should coordinate with the relevant CBI(s) regarding an Emergency Situation of a Covered CCP and any emergency measures that the CBI may consider appropriate.

3. Cooperation will be most useful in circumstances where issues of regulatory supervisory or enforcement concern may arise, including but not limited to:

    a) the initial application of a Covered CCP for recognition in the EU pursuant to Article 25 of EMIR and the periodic reviews of its recognition pursuant to Article 25(5) of EMIR;

    b) ESMA’s assessment of compliance and monitoring of the ongoing compliance by a Covered CCP with the Recognition Conditions;

    c) the tiering determination of a Covered CCP by ESMA pursuant to Article 25(2a) of EMIR;

    d) changes in a Covered CCP's internal rules, policies and procedures that could

affect the way in which the Covered CCP complies with any Recognition Conditions;

e) regulatory, supervisory or enforcement actions or approvals taken by the OSC, the AMF or ESMA in relation to a Covered CCP, including changes to the relevant obligations and requirements to which the Covered CCPs are subject that may impact the Covered CCPs' continued compliance with the Recognition Conditions; and

f) changes to regulatory status or requirements that could result in a change in the regulatory status of, relief granted to, or supervisory treatment of a Covered CCP and potentially could disrupt cross-border clearing arrangements.

4. *Notification.*
   a) The Authorities shall seek to inform each other as soon as possible of:

      i. any known material event that could adversely impact the financial or operational stability of a Covered CCP, including:

         (a) where the Covered CCP is deemed to be in breach of the conditions of any authorisation or recognition, or of any laws or regulations to which it is subject;
         (b) in an Emergency Situation, general information on the nature of the Emergency Situation and any action taken or likely to be taken as far as known to the Authority including, e.g., actual or prospective use of the Covered CCP's default protections or recovery plans, or measures taken or plans to address the default or potential default of a clearing member or clearing participant;

      ii. enforcement or regulatory actions or sanctions, including the withdrawal, revocation, suspension or modification of any authorisation or recognition concerning or related to a Covered CCP and which may have a material effect on the Covered CCP;

      iii. any permission or approval granted to a Covered CCP to provide clearing services to clearing members, trading venues or, when known to the Covered CCP, clients established in the EU, including in respect of branches of entities established in the EU;

      iv. in respect of notification by ESMA to the OSC and the AMF, any request by ESMA to a Covered CCP to observe a measure that ESMA has adopted to ensure compliance with the Recognition Conditions or to cease a practice that ESMA determines is contrary to the Recognition Conditions;

      v. any material extension of the range of activities and services that a Covered CCP provides with respect to current or new asset classes or current or new EU trading venues; and

vi. material changes to the Laws and Regulations to which the Covered CCPs are subject.

b) The Authorities shall seek to inform each other on an at least annual basis of:

i. significant changes to risk models and parameters of a Covered CCP;

ii. changes in the client account structure of a Covered CCP; and

iii. changes in the use of payment systems of a Covered CCP that substantially affect the EU.

The information to be provided by an Authority pursuant to this paragraph will refer to the Covered CCPs authorised or recognised by that Authority. The determination of what constitutes “material event”, “adversely impact”, “material effect”, “material extension”, or “material changes” will be left to the reasonable discretion of the Authority providing the information.

5. *Exchange of Written Information.* Each Authority, upon written request, intends to provide the other Authority with assistance in obtaining information not otherwise available to the Requesting Authority and, where needed, interpreting such information so as to enable the Requesting Authority to assess compliance with the Laws and Regulations to which the Covered CCPs are subject, provided that the Authority is authorised to collect such information. Such requests shall be made pursuant to Article 4 of this MoU, and the Authorities anticipate that such requests will be made in a manner that is consistent with the goal of minimising administrative burdens. Any request for information will be assessed on a case-by-case basis by the Requested Authority to determine whether the information can be provided (either in part or in whole) under the terms of this MoU and in accordance with applicable Laws and Regulations. The Requested Authority will consult with the Requesting Authority in responding to a request.

The information covered by this paragraph includes without limitation:

a) information that would assist ESMA in assessing that a Covered CCP complies with the Recognition Conditions, both in the context of an initial recognition and periodic reviews of recognition, and, thereafter, on an ongoing basis;

b) information that would assist the Requesting Authority in verifying that a Covered CCP complies with the relevant obligations and requirements of the Laws and Regulations of the Requesting Authority;

c) information that would assist ESMA in verifying compliance with or enforcement of its request to a Covered CCP to observe a measure that ESMA has adopted to ensure compliance with the Recognition Conditions or to cease a practice that ESMA determines is contrary to the Recognition Conditions;

d) information that would assist the Requesting Authority in understanding changes to the relevant obligations and requirements to which the Covered CCPs are subject under the Laws and Regulations of the Requested Authority;

e) information relevant to the financial and operational condition of a Covered CCP, which might include periodic reports submitted directly by a Covered CCP to the Requested Authority;

f) relevant regulatory information and filings that a Covered CCP is required to submit to the Requested Authority; and

g) regulatory or supervisory reports and assessments, or findings or information contained therein, prepared by an Authority in respect of a Covered CCP.

6. Except where disclosure is required by statutory responsibilities, charters, or publicly stated policy, an assessment of compliance of a Covered CCP conducted by ESMA (including results and related reports) will not be disclosed to the public unless the OSC and the AMF agree otherwise.

Article 4

Execution of requests for information

1. To the extent possible, a request for written information pursuant to Article 3(5) should be made in writing (which may be transmitted electronically) and addressed to the relevant contact person identified in the Appendix A. A request generally should specify at least the following:

a) the information sought by the Requesting Authority;

b) a concise description of the matter that is the subject of the request;

c) the purpose for which the information is sought, including the Laws and Regulations applicable to the activity;

d) to whom, if anyone, including any Governmental Entity onward disclosure of information is likely to be necessary and the reason for any such disclosure; and

e) the desired time period for reply and, where appropriate, the urgency thereof.

Information responsive to the request, as well as any subsequent communication between the Authorities, may be transmitted electronically. Any electronic transmission should use means that are appropriately secure in light of the confidentiality of the information being transmitted.

Any request submitted by ESMA to the OSC or the AMF on behalf of a CBI will be submitted in a manner consistent with Appendix B.

2. In Emergency Situations, the Authorities shall endeavour to notify each other of the Emergency Situation and communicate information between each other as deemed appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. During Emergency Situations, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification.

Article 5

On-site Visits

1. ESMA does not intend to conduct any On-site Visits of the Covered CCPs as part of its assessment of compliance and monitoring of the ongoing compliance by Covered CCPs with the Recognition Conditions, since under Article 25(6) of EMIR the European Commission has adopted the Equivalence Decision.

   ESMA, in respect of Covered CCPs, relies as appropriate on the supervision and enforcement capabilities of the OSC and the AMF which supervise and enforce compliance with their Laws and Regulations.

2. In exceptional circumstances On-site Visits of the Covered CCPs by ESMA officials may be considered, subject to the prior agreement of the OSC and the AMF. The Authorities should discuss and reach understanding on the terms regarding an On-site Visit by ESMA officers, in particular in determining the respective roles and responsibilities of the Authorities. ESMA will act in accordance with the following procedure before conducting an On-site Visit:

   a) ESMA will consult the OSC or the AMF with a view to reaching an understanding on the intended timeframe for, and the purpose and scope of, any On-site Visit. The OSC and the AMF may, in their discretion, accompany or assist the visiting ESMA officials during the On-site Visit.

   b) When establishing the scope of any proposed On-site Visit by ESMA officials, ESMA will consider the supervisory activities of the OSC and the AMF given ESMA's reliance on their supervision and enforcement capabilities in respect of the Covered CCPs and will consider any information that was made available or is capable of being made available by these Authorities.

   c) The OSC and the AMF will assist ESMA in reviewing, interpreting and analysing the contents of public and non-public Books and Records and obtaining information from directors and senior management of a Covered CCP.

Article 6

Permissible Uses of information

1. The Requesting Authority may use non-public information obtained under this MoU solely for the purpose of ensuring, monitoring or assessing compliance by a Covered CCP with the Laws and Regulations of the Requesting Authority.

2. The Authorities recognise that while information is not to be gathered under the auspices of this MoU for enforcement purposes, subsequently the Authorities may want to use the information for enforcement of the Laws and Regulations applicable to the Covered CCPs. In such a case the Requesting Authority will inform the Requested Authority in advance and allow such Authority the opportunity to make representations with reference to the proposed use of the information. Nothing in this MoU, however, shall impede the Requesting Authority's ability to enforce its Laws and Regulations or to assist in civil, administrative and criminal proceedings.

3. Before using non-public information furnished under this MoU for any purpose other than that stated in Article 6(1) and 6(2), the Requesting Authority must obtain the written consent of the Requested Authority for the intended use. If consent is denied by the Requested Authority, the Authorities will consult to discuss the reasons for withholding approval of such use and the circumstances, if any, under which the intended use by the Requesting Authority might be allowed. For the avoidance of doubt, regarding confidentiality and onward sharing of information the Authorities will act in a manner consistent with Article 7 of this MoU.

4. If an Authority ("**Receiving Authority**") receives, via a party that is not a signatory to this MoU, non-public information originally provided by the other Authority ("**Disclosing Authority**") that is related to the Disclosing Authority's supervision and oversight of a Covered CCP and that the Receiving Authority is aware was obtained by the third party from the Disclosing Authority on a confidential basis, the Receiving Authority will use and treat the information in accordance with the terms of this MoU. The Receiving Authority should notify the Disclosing Authority that the non-public information has been disclosed.

5. The restrictions in this Article do not apply to an Authority's use of information itobtains directly from a Covered CCP.

Article 7

Confidentiality and onward sharing of information

1. Except as provided in Article 7(2) and 7(3) or pursuant to a legally enforceable demand,

each Authority will keep confidential, to the extent permitted by law, non-public information shared under this MoU, requests made under this MoU, the contents of such requests, and any other matters arising under this MoU. The terms of this MoU are not confidential.

2. Each of the OSC and the AMF may share non-public information obtained under this MoU with each other so long as the other Authority uses and treats that information in accordance with this MoU.

3. As required or authorised by law it may become necessary for a Requesting Authority to share non-public information obtained under this MoU with a Governmental Entity in its jurisdiction. In such circumstances and to the extent permitted by law:

    a) The Requesting Authority will notify the Requested Authority; and

    b) Prior to the Requesting Authority sharing the non-public information, the Requesting Authority will provide adequate assurances to the Requested Authority concerning the Governmental Entity's use and confidential treatment of the information, including, as necessary, assurances that:

        i. The Governmental Entity has confirmed that it requires the information for a purpose within the scope of its jurisdiction; and
        ii. The information will not be shared by the Governmental Entity with other parties without getting the prior written consent of the Requested Authority.

4. The requirements in Article 7(3) do not apply where the Requesting Authority shares non-public information obtained under this MoU with a Governmental Entity that falls within the scope of Article 1(f)(i)(a) and (c), so long such Governmental Entity uses and treats that information in accordance with this MoU.

5. Except as provided in Article 7(2), 7(3) and 7(4) or if disclosure is otherwise required by law, the Requesting Authority must obtain the prior written consent of the Requested Authority before disclosing non-public information received under this MoU to any non-signatory to this MoU. The Requested Authority will take into account the level of urgency of the request and respond in a timely manner. During an Emergency Situation, consent may be obtained in any form, including orally, provided such communication is confirmed in writing as promptly as possible following such notification. If consent is denied by the Requested Authority, the Requesting and Requested Authorities will consult to discuss the reasons for withholding approval of such disclosure and the circumstances, if any, under which the intended disclosure by the Requesting Authority might be allowed.

6. To the extent possible, the Requesting Authority should notify the Requested Authority of any legally enforceable demand for non-public information that has been furnished under this MoU. When complying with the demand, the Requesting Authority intends to assert all appropriate legal exemptions or privileges with respect to such information as may be available.

7. The Authorities intend that the sharing or disclosure of non-public information, including deliberative and consultative materials, pursuant to the terms of this MoU, will not constitute a waiver of privilege or confidentiality of such information.

8. The Authorities acknowledge that nothing in this Article prevents an Authority from disclosing information it receives directly from a Covered CCP.

Article 8

Personal Data

The Administrative Arrangement for the transfer of personal data ("AA") between authorities in the European Economic Area ("EEA") and non-EEA authorities sets forth certain safeguards for the transfer of personal data as defined therein. As signatories to the AA, the Authorities acknowledge that they will act consistently with the AA with respect to the transfer of personal data between them. The Authorities will also take into account whether an adequacy decision was adopted by the European Commission for transfers of personal data to the respective jurisdiction.

Article 9

Successor authorities

Where the relevant functions of an Authority are transferred or assigned to another authority or authorities, the terms of the MoU shall apply to the successor authority or authorities performing those relevant functions, such successor authority or authorities shall become a signatory or signatories to this MoU without the need for any further amendment to this MoU, and notice will be provided to the other Authorities. This will not affect the right of any Authority to give written notice as provided in Article 12(2) that it no longer wishes to be a signatory to this MoU if it wishes to do so.

Article 10

Amendments

The Authorities intend to periodically review the functioning and effectiveness of this MoU between the Authorities including in consideration of changes in the regulatory status of, relief granted to, or supervisory treatment of one or more Covered CCPs or in the relevant regulatory or supervisory regime in either jurisdiction.

This MoU may be amended with the written consent of all signatories.

Article 11

Taking Effect of the MoU

This MoU will take effect on the date that it is signed by the Authorities except for the OSC, where it will enter into force on the date when approved by the relevant Ministry in accordance with the applicable legislation is notified to the other parties by the OSC.

Article 12

Termination

1. This MoU will remain operative for an unlimited period of time.

2. If an Authority wishes to no longer be a signatory to this MoU, it shall provide thirty (30) calendar days prior written notice to the other Authorities.

3. If an Authority gives such notice, the parties will consult concerning the disposition of any pending requests. If an agreement cannot be reached through consultation, cooperation will continue with respect to all requests for assistance that were made under the MoU before the expiration of the 30-day period until all requests are fulfilled or the Requesting Authority withdraws such request(s) for assistance.

4. In the event of termination of this MoU, information obtained under this MoU will continue to be treated in the manner described under Articles 6 and 7.

5. If the MoU is terminated without being substituted in a reasonable timeframe by an equivalent arrangement, pursuant to Article 25 of EMIR, ESMA will consider the withdrawal of recognition of the Covered CCPs.

Signatures

Autorité des marchés financiers

"Louis Morisset"

_____
Mr. Louis Morisset
Title: President and Chief Executive Officer
Signed this _____ day of_____ 202_

Ontario Securities Commission

“D. Grant Vingoe”

_____
Mr. D. Grant Vingoe
Title: Chair and Chief Executive Officer
Signed this _____ day of_____ 202_

European Securities and Markets Authority

“Verena Ross”

_____
Ms. Verena Ross
Title: Chair
Signed this _____ day of_____ 202_

Appendix A

Contact Persons

European Securities and Markets Authority	**Ontario Securities Commission**
Name: Mr. Klaus Löber, Chair of the CCP Supervisory Committee Telephone: +33158365195 Email: Klaus.Loeber@esma.europa.eu	Name: Director, Market Regulation Telephone: 416-593-8200 Email: marketregulation@osc.gov.on.ca
Name: Ms. Nicoletta Giusto, Independent Member of the CCP Supervisory Committee Telephone: +33158365142 Email: Nicoletta.Giusto@esma.europa.eu	
Name: Ms. Froukelien Wendt, Independent Member of the CCP Supervisory Committee Telephone: +33158365110 Email: Froukelien.Wendt@esma.europa.eu	
Autorité des marchés financiers	
Name: Elaine Lanouette, Senior Director, Market Activities and Derivatives Telephone: 514-395-0337 # 4321 Email: elaine.lanouette@lautorite.qc.ca; AMFoversightCCP@lautorite.qc.ca	
Name: Dominique Martin, Director, Trading Activities Oversight Telephone: 514-395-0337 # 4351 Email: dominique.martin@lautorite.qc.ca	

Appendix B

Requests from a Central Bank of Issue for Information on a Covered CCP

1. Pursuant to undertakings contained in this MoU, ESMA may share, as set out in Article 7(2) of the MoU, non-public information obtained from the OSC or the AMF under the MoU with certain Governmental Entities. Where a CBI, as defined in Article 1(f)(ii)(f) of the MoU, seeks information on a Covered CCP not otherwise provided to ESMA, the CBI may request such information directly through consultation with ESMA and submission of a written request by ESMA on behalf of the CBI to the OSC or the AMF pursuant to Article 4(1) of the MoU.

2. The information that may be requested by ESMA on behalf of a CBI includes:
   a) information concerning financial instruments denominated in the EU currency of the CBI that are cleared or to be cleared by the Covered CCP; and
   b) information in connection with the CBI addressing an Emergency Situation, as defined in Article 1(e) of the MoU, in coordination with ESMA as contemplated by Article 3(2) of the MoU.

3. Pursuant to Article 7(2)(b) of the MoU and prior to sharing any non-public information with a CBI, ESMA will provide the OSC and the AMF with adequate assurances by the CBI concerning the CBI's use and confidential treatment of the information.

4. In a manner consistent with Article 3(5) of the MoU, requests will be made with the goal of minimising administrative burdens. OSC and AMF will assess any request on a case-by-case basis to determine whether the information can be provided (either in part or in whole) consistent with the undertakings contained in this MoU and in accordance with the Laws and Regulations applicable in their jurisdiction.

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1.1.4 Notice of Ministerial Approval of the Memorandum of Understanding Respecting the Resolution of Certain Clearing and Settlement Systems

NOTICE OF MINISTERIAL APPROVAL
OF
THE MEMORANDUM OF UNDERSTANDING
RESPECTING
THE RESOLUTION OF CERTAIN CLEARING AND SETTLEMENT SYSTEMS

The Minister of Finance has approved, pursuant to section 143.10 of the *Securities Act* (Ontario), a Memorandum of Understanding Respecting the Resolution of Certain Clearing and Settlement Systems among the Bank of Canada, Ontario Securities Commission, Autorité des marchés financiers and the British Columbia Securities Commission (the **MOU**).

The MOU sets out how the parties to the MOU will cooperate, share information, consult and coordinate, for the purposes of planning for, and coordinating, the resolution of a Regulated System, as defined in the MOU.

The MOU was published in the Bulletin on October 28, 2021 at (2021), 44 OSCB 8845.

Questions may be referred to:

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1.1.5 OSC Notice of Local Amendments to National Instrument 41-101 General Prospectus Requirements, National Instrument 81-106 Investment Fund Continuous Disclosure, National Instrument 81-107 Independent Review Committee for Investment Funds and Local Changes to Companion Policy 81-101 Mutual Fund Prospectus Disclosure and Commentary in National Instrument 81-107 Independent Review Committee for Investment Funds

OSC NOTICE OF
LOCAL AMENDMENTS TO
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*,
NATIONAL INSTRUMENT 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*,
NATIONAL INSTRUMENT 81-107 *INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS*
AND
LOCAL CHANGES TO
COMPANION POLICY 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE* AND COMMENTARY IN
NATIONAL INSTRUMENT 81-107 *INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS*

January 13, 2022

Introduction

The Ontario Securities Commission (the **OSC**) is adopting

- local amendments to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**),
- local amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), and
- local amendments to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**)

in Ontario (collectively, the **Local Amendments**), and

- local changes to Companion Policy 81-101 *Mutual Fund Prospectus Disclosure* (**81-101CP**), and
- local changes to the commentary in NI 81-107

in Ontario (collectively, the **Local Changes**).

The text of the Local Amendments is contained in Annexes A, C and D of this Notice. The text of the Local Changes is contained in Annexes B and E of this Notice. The text of the Local Amendments and Local Changes will also be available on website of the OSC at www.osc.ca.

The Local Amendments and Local Changes constitute non-material housekeeping revisions.

Background

Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1

On October 7, 2021, the Canadian Securities Administrators (**CSA**) published *CSA Notice of Amendments Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1* (the **Project RID Notice**). The final amendments and final changes set out in the Project RID Notice (the **Project RID Amendments and Changes**) implement the following eight initiatives, or Workstreams, to reduce the regulatory burden on investment fund issuers:

- Workstream One: Consolidate the Simplified Prospectus and the Annual Information Form;
- Workstream Two: Mandate that each Reporting Issuer Investment Fund have a Designated Website;
- Workstream Three: Codify Exemptive Relief Granted in Respect of Notice-and-Access Applications;
- Workstream Four: Minimize Filings of Personal Information Forms;
- Workstream Five: Codify Exemptive Relief Granted in Respect of Conflicts Applications;
- Workstream Six: Broaden Pre-Approval Criteria for Investment Fund Mergers;
- Workstream Seven: Repeal Regulatory Approval Requirements for a Change of Manager, a Change of Control of a Manager, and a Change of Custodian that Occurs in Connection with a Change of Manager;

- Workstream Eight: Codify Exemptive Relief Granted in Respect of the Fund Facts Delivery Requirement and Corresponding Exemptions from the ETF Facts Delivery Requirement.

Workstreams 3-8 have an effective date of January 5, 2022, while Workstreams 1 and 2 have an effective date of January 6, 2022.

Prohibition of Deferred Sales Charges for Mutual Funds

On June 3, 2021, the OSC published *OSC Notice of Local Amendments to National Instrument 81-105 Mutual Fund Sales Practices, Local Changes to Companion Policy NI 81-105 Mutual Fund Sales Practices and Related Consequential Local Amendments and Changes, Prohibition of Deferred Sales Charges for Mutual Funds* (the **OSC DSC Ban Notice**). Effective June 1, 2022, the local amendments prohibit the payment by fund organizations of upfront sales commissions to dealers, which will result in the discontinuation of all forms of the deferred sales charge option (collectively, the **DSC option**).

Summary of the Local Amendments and the Local Changes

Reducing Regulatory Burden for Investment Fund Issuers – Phase 2, Stage 1

Local Amendments

The Local Amendments make the following non-material amendments to the Project RID Amendments and Changes in order to make minor drafting corrections:

- **Workstream Two, NI 41-101:** A reference to "available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address]" in the existing paragraph 19.4(c) of Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) was not revised to reflect the designated website requirement. The Local Amendments reflect the designated website requirement in paragraph 19.4(c) of Form 41-101F2.

- **Workstream Two, NI 41-101:** The amendments to subsection 12(2) of Part A of Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* did not include "and" between the final two items in a list of means by which an investment fund manager could be contacted. The Local Amendments include the missing "and".

- **Workstream Three, NI 81-106:** The references to paragraph 12.2.1**(1)**(g)(ii) in the new subsections 12.2.2(2) and 12.2.3(1)-(2) of NI 81-106 should instead have been to paragraph 12.2.1(g)(ii), since there is no subsection (1) in the new section 12.2.1. The Local Amendments delete the unnecessary "(1)".

- **Workstream Four, NI 41-101:** An unnecessary "and" was included at the end of the replacement for subparagraph 9.1(1)(b)(ii) of NI 41-101. The Local Amendments remove the unnecessary "and".

- **Workstream Five, NI 81-107:** When section 6.2 was replaced, the section heading was not carried over. The Local Amendments carry over the heading.

The Local Amendments are set out in Annexes A, C, and D to this Notice.

Local Changes

The Local Changes make the following non-material change to the Project RID Amendments and Changes:

- **Workstream Five, Commentary in NI 81-107:** The amendments to NI 81-107 codify an exemption from the inter-fund self-dealing investment prohibitions and the self-dealing restrictions set out in section 4.2 of National Instrument 81-102 *Investment Funds* and paragraph 13.5(2)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, to permit investment funds and managed accounts to trade debt securities with a related dealer. The codified exemption includes a new paragraph 6.5(1)(d), which sets out the following condition: "the bid and ask price of the security transacted is readily available". This condition is intended to mirror the condition in former paragraph 6.1(2)(c), ("the bid and ask price of the security is readily available"), as accompanied by Commentary 7 to section 6.1. The former paragraph 6.1(2)(c) is now paragraph 6.1(2)(d). Equivalent commentary was inadvertently not included as an accompaniment to the new paragraph 6.5(1)(d), and therefore it is being added at this time through a Local Change to the commentary in NI 81-107.

This Local Change is set out in Annex E to this Notice.

Prohibition of Deferred Sales Charges for Mutual Funds

Local Amendments

There are no Local Amendments associated with the OSC DSC Ban Notice.

Local Changes

Amendments in the OSC DSC Ban Notice removed references to the DSC option from Form 81-101F3 *Contents of Fund Facts Document* and corresponding consequential local changes were made to the sample fund facts document in Appendix A of 81-101CP. However, the sample fund facts document published in the OSC DSC Ban Notice did not remove the DSC reference under the sub-heading "More about trailing commissions".

Annex B to this Notice sets out a non-material consequential local change to the sample fund facts document in Appendix A of 81-101CP to remove the DSC reference under the sub-heading "More about trailing commissions".

Effective Dates

The Local Amendments are exempt from the requirement to publish for comment pursuant to paragraph 143.2(5)(c) of the *Securities Act* (Ontario) (the **Act**), and the Local Changes are exempt from the requirement to publish for comment pursuant to subsection 143.8(6) of the Act.

The Local Amendments, as well as other required materials, will be delivered to the Ontario Minister of Finance on or about January 13, 2022. The Minister may approve the Local Amendments, reject them, or return them for further consideration. If the Minister approves the Local Amendments or does not take any further action, the Local Amendments will come into force on April 13, 2022.

The Local Change in Annex B will become effective on June 2, 2022. The Local Change in Annex E will become effective on April 13, 2022.

Contents of Annexes

Annex A: Local Amendments to National Instrument 41-101 *General Prospectus Requirements* in Ontario

Annex B: Local Change to Companion Policy 81-101 *Mutual Fund Prospectus Disclosure* in Ontario

Annex C: Local Amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* in Ontario

Annex D: Local Amendment to National Instrument 81-107 *Independent Review Committee for Investment Funds* in Ontario

Annex E: Local Change to the Commentary in National Instrument 81-107 *Independent Review Committee for Investment Funds* in Ontario

Questions

Please refer your questions to any of the following OSC staff:

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ANNEX A

LOCAL AMENDMENTS TO
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*
IN ONTARIO

1. National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.

2. Form 41-101F2 Information Required in an Investment Fund Prospectus is amended by replacing in Item 19.4(c) "available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address]***" with "***available on the investment fund's website at [insert the investment fund's designated website address]***".***

3. Form 41-101F3 Information Required in a Scholarship Plan Prospectus is amended by replacing Item 12(2) of Part A with the following:

(2) State the name, address, toll-free telephone number and email address of the investment fund manager of the plan and the scholarship plan's designated website address. If applicable, also state the website address of the investment fund manager of the plan.***.***

4. Subparagraph 9.1(1)(b)(ii) is amended by deleting "and***" following subclause 9.1(1)(b)(ii)(C)(II).***

Transition

5. Before September 6, 2022, an investment fund is not required to comply with National Instrument 41-101 *General Prospectus Requirements*, as amended by sections 2 and 3 of this Instrument, if the investment fund complies with *National Instrument 41-101 General Prospectus Requirements* as it was in force on January 5, 2022.

Effective Date

6. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX B

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

1. Companion Policy 81-101 Mutual Fund Prospectus Disclosure is changed by this document.

2. The Sample Fund Facts Document in Appendix A – Sample Fund Facts Document is replaced by the following:

XYZ Mutual Funds

XYZ Canadian Equity Fund – Series B

FUND FACTS

June 30, 20XX

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

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

Quick facts

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

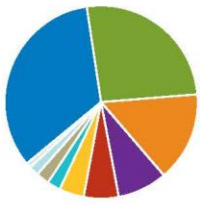
What does the fund invest in?

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

Top 10 investments (June 1, 20XX)

1.	Royal Bank of Canada	7.5%
2.	Toronto-Dominion Bank	7.1%
3.	Canadian Natural Resources	5.8%
4.	The Bank of Nova Scotia	4.1%
5.	Cenovus Energy Inc.	3.7%
6.	Suncor Energy Inc.	3.2%
7.	Enbridge Inc.	3.1%
8.	Canadian Imperial Bank of Commerce	2.9%
9.	Manulife Financial Corporation	2.7%
10.	Canadian National Railway Company	1.9%
Total percentage of top 10 investments		**42.0%**
Total number of investments		**93**

Investment mix (June 1, 20XX)



Industry	
Financial services	34.0%
Energy	26.6%
Industrial goods	16.5%
Business services	6.4%
Telecommunication	5.9%
Hardware	3.7%
Healthcare services	2.3%
Consumer services	2.1%
Media	1.9%
Consumer goods	0.6%

How risky is it?

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

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

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

Risk rating

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

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

Low	Low to medium	**Medium**	Medium to high	High

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

No guarantees

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

XYZ Mutual Funds

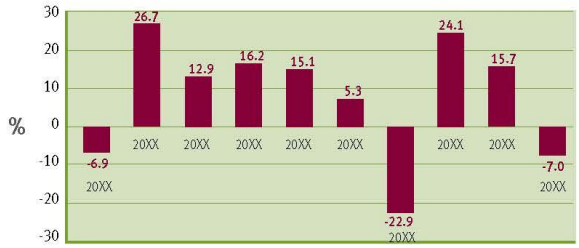
XYZ Canadian Equity Fund – Series B

How has the fund performed?

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

Year-by-year returns

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



Best and worst 3-month returns

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

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

Average return

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

Who is this fund for?

Investors who:

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

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

A word about tax

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

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

XYZ Mutual Funds

XYZ Canadian Equity Fund – Series B

How much does it cost?

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

1. Sales charges

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

Sales charge option	What you pay		How it works
	in per cent (%)	in dollars ($)	
Initial sales charge	0% to 4% of the amount you buy	$0 to $40 on every $1,000 you buy	• You and your representative decide on the rate. • The initial sales charge is deducted from the amount you buy. It goes to your representative's firm as a commission.

2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.
As of March 31, 20XX, the fund's expenses were 2.30% of its value. This equals $23 for every $1,000 invested.

	Annual rate (as a % of the fund's value)
Management expense ratio (MER) This is the total of the fund's management fee (which includes the trailing commission) and operating expenses. XYZ Mutual Funds waived some of the fund's expenses. If it had not done so, the MER would have been higher.	2.25%
Trading expense ratio (TER) These are the fund's trading costs.	0.05%
Fund expenses	**2.30%**

More about the trailing commission

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

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

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

XYZ Mutual Funds

XYZ Canadian Equity Fund – Series B

How much does it cost? cont'd

3. Other fees

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

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

What if I change my mind?

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

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

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

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

For more information

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

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

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

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

® Registered trademark of XYZ Mutual Funds.

3. This change becomes effective in Ontario on June 2, 2022.

ANNEX C

LOCAL AMENDMENTS TO
NATIONAL INSTRUMENT 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*
IN ONTARIO

1. National Instrument 81-106 Investment Fund Continuous Disclosure is amended by this Instrument.

2. Subsections 12.2.2(2), 12.2.3(1) and 12.2.3(2) are amended by replacing "12.2.1(1)(g)(ii)***" with "***12.2.1(g)(ii)***".***

Effective Date

3. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX D

LOCAL AMENDMENT TO
NATIONAL INSTRUMENT 81-107 *INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS*
IN ONTARIO

1. National Instrument 81-107 Independent Review Committee for Investment Funds is amended by this Instrument.

2. Section 6.2 is amended by adding the following section heading:

6.2 Transactions in securities of related issuers .

Effective Date

3. This Instrument comes into force in Ontario on April 13, 2022.

ANNEX E

LOCAL CHANGE TO
COMMENTARY IN
NATIONAL INSTRUMENT 81-107 *INDEPENDENT REVIEW COMMITTEE FOR INVESTMENT FUNDS*
IN ONTARIO

1. The Commentary to National Instrument 81-107 Independent Review Committee for Investment Funds is changed by this Document.

2. Commentary 1 to section 6.5 is changed by adding the following at the end of the second paragraph:

> *Paragraph 1(d) requires that the market quotations for the transactions be transparent. The CSA expect that if the price information is publicly available from a marketplace, newspaper or through a data vendor, for example, this will be the price. If the price is not publicly available, the CSA expect the investment fund to obtain at least one quote from an independent, arm's-length purchaser or seller, immediately before the purchase or sale.*.

3. This change becomes effective in Ontario on April 13, 2022.

1.1.6 Notice of Consequential Amendments and Changes to Ontario Securities Commission Rules and Policies

NOTICE OF
CONSEQUENTIAL AMENDMENTS AND CHANGES TO
ONTARIO SECURITIES COMMISSION RULES AND POLICIES

Introduction

On November 16th, 2021, the Ontario Securities Commission (the **Commission** or **we**) made amendments to:

- Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* (**OSC Rule 11-501**), and
- Ontario Securities Commission Rule 14-501 *Definitions* (**OSC Rule 14-501**).

On November 16th, 2021, the Commission made changes to:

- Ontario Securities Commission Policy 11-601 *The Securities Advisory Committee* (**OSC Policy 11-601**),
- Ontario Securities Commission Policy 15-601 *Whistleblower Program* (**OSC Policy 15-601**),
- Ontario Securities Commission Policy 51-601 *Reporting Issuer Defaults* (**OSC Policy 51-601**), and
- Companion Policy 91-507 *Trade Repositories and Derivatives Data Reporting* (**Companion Policy 91-507**).

In this Notice, we refer to the amendments to OSC Rule 11-501 and OSC Rule 14-501 collectively as the "**Rule Amendments**".

In this Notice, we refer to the changes to OSC Policy 11-601, OSC Policy 15-601, OSC Policy 51-601 and Companion Policy 91-507 collectively as the "**Policy Changes**".

The Rule Amendments and Policy Changes reflect consequential changes associated with the anticipated coming into force of the *Securities Commission Act, 2021* (the **SCA**) and related housekeeping matters.

Amending Instruments and Change Documents

The amending instruments and change documents are set out in the Appendices as follows:

- Appendix A of this Notice sets out the amendments to OSC Rule 11-501;
- Appendix B of this Notice sets out the amendments to OSC Rule 14-501;
- Appendix C of this Notice sets out the changes to OSC Policy 11-601;
- Appendix D of this Notice sets out the changes to OSC Policy 15-601;
- Appendix E of this Notice sets out the changes to OSC Policy 51-601; and
- Appendix F of this Notice sets out the changes to Companion Policy 91-507.

Substance and Purpose of the Rule Amendments and Policy Changes

What is changing

Earlier this year the Capital Markets Modernization Taskforce issued their final report containing recommendations to change the administrative structure of the Commission. Some of their relevant recommendations include:

- separating the regulatory and adjudicative functions of the Commission through the creation of an independent Tribunal;
- separating the current combined Chair and Chief Executive Officer position into two distinct positions; and
- expanding the mandate of the Commission to include fostering capital formation and competition in capital markets.

To effect the bifurcation of the Tribunal and other governance changes, the *Protecting the People of Ontario Act (Budget Measures), 2021* (**Bill 269**) introduces a new statute titled the SCA. The Commission will be continued under this new governance statute, and the SCA provides for the creation of an independent Capital Markets Tribunal.

Bill 269 also includes numerous consequential amendments to the *Securities Act* (the **OSA**) and *Commodity Futures Act* (the **CFA**), including shifting most of the governance and corporate provisions from the OSA to the SCA and making the changes necessary to provide for the Tribunal as decision maker in place of the Commission.

The amendments to the purposes of the OSA and CFA to cover capital formation and competition came into force on April 27, 2021, while the remaining provisions of the SCA will come into force on proclamation.

Amendments to local rules and policies are required to reflect the new organizational structure of the Commission as well as the consequential amendments to the OSA and CFA. Such amendments include updating the Commission's mandate and replacing references to "Commission" with "Tribunal" where appropriate. The Rule Amendments will neither increase nor decrease regulatory burden on regulated persons and entities.

Authority for Non-Material Amendments and Changes

The Rule Amendments, which do not include any new requirements, were made by the Commission without prior publication for comment, as permitted under paragraph 143.2(5)(c) of the OSA.

We are satisfied that the Rule Amendments do not materially change OSC Rule 11-501 or OSC Rule 14-501.

The Policy Changes were made by the Commission without prior publication for comment, as permitted under paragraph 143.8(6) of the OSA.

We are satisfied that the Policy Changes do not materially change OSC Policy 11-601, OSC Policy 15-601, OSC Policy 51-501 or Companion Policy 91-507.

Effective Date of Rule Amendments

The Commission delivered the Rule Amendments to the Minister of Finance on January 6, 2022. The Minister may approve or reject the Rule Amendments, or return them for further consideration. If the Minister approves the Rule Amendments or does not take any further action by March 23, 2022, the Rule Amendments will come into force on the later of (a) March 23, 2022, and (b) the day on which section 25 of Schedule 9 of the *Protecting the People of Ontario Act (Budget Measures), 2021* (Ontario) is proclaimed into force.

Effective Date of Policy Changes

The Policy Changes will come into force on the later of (a) March 23, 2022, and (b) the day on which section 25 of Schedule 9 of the *Protecting the People of Ontario Act (Budget Measures), 2021* (Ontario) is proclaimed into force.

Questions

If you have questions, please contact:

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APPENDIX A

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

1. ***Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.***

2. ***Paragraph 2.(2)(b) is amended by replacing*** **"**Ontario Securities Commission Rules of Procedure**"** ***with*** **"**Capital Markets Tribunal Rules of Procedure**".**

3. ***Row 5 of the chart in Appendix A is amended by replacing "***81-106, s. 11.2(4)***" with "***81-106, s. 11.2(2)***".***

4. ***Row 13 of the chart in Appendix A is amended by replacing "****Revocation of a Compliance-related Cease Trade Order****" with "****Revocation of Certain Cease Trade Orders****".***

5. ***Row 17 of the chart in Appendix A is amended by replacing "****Adjustment of Fee for Registrant Firms and Unregistered Exempt International Firms****" with "****Adjustment of Fee for Registrant Firms and Unregistered Capital Markets Participants****".***

6. ***Row 18 of the chart in Appendix A is amended by replacing "****Capital Markets Participation Fee Calculation (Firms registered only under the Commodity Futures Act)****" with "****(Commodity Futures Act) Participation Fee Calculation****".***

7. ***Row 19 of the chart in Appendix A is amended by replacing "****Adjustment of Fee for Registrant Firms registered only under the Commodity Futures Act****" with "****Adjustment of Fee Payment for Commodity Futures Act Registrant Firms****".***

8. ***Row 20 of the chart in Appendix A is amended by adding "****Credit****" immediately after "****Designated****".***

9. ***Row 22 of the chart in Appendix A is amended by replacing "****Initial Operation Report Alternative Trading System****" with "****Information Statement Alternative Trading System****".***

10. ***Row 23 of the chart in Appendix A is amended by replacing "****Quarterly Report of Alternative Trading System Activities****" with "****Quarterly Report of Marketplace Activities****".***

11. ***Row 25 of the chart in Appendix A is amended by replacing "****Initial Operation Report for Information Processor****" with "****Information Statement Information Processor****".***

12. ***Row 68 of the chart in Appendix A is amended by replacing "****Mutual Funds****" with "****Investment Funds****".***

13. ***Row 69 of the chart in Appendix A is amended by replacing "****Mutual Funds****" with "****Investment Funds****".***

14. ***Row 70 of the chart in Appendix A is amended by replacing "****Mutual Funds****" with "****Investment Funds****".***

15. This Instrument comes into force on the later of the following:

    (a) March 23, 2022;

    (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX B

AMENDMENTS TO
OSC RULE 14-501 *DEFINITIONS*

1. Ontario Securities Commission Rule 14-501 Definitions is amended by this Instrument.

2. Subsection 1.1(2) is amended by repealing the definition of "Commission member***" and "***Vice-Chair***".***

3. Subsection 1.1(3) is amended by repealing the definition of "derivative***" and "***non-redeemable investment fund***".***

4. This Instrument comes into force on the later of the following:

   (a) March 23, 2022;

   (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX C

CHANGES TO
ONTARIO SECURITIES COMMISSION POLICY 11-601
THE SECURITIES ADVISORY COMMITTEE TO THE OSC

1. Ontario Securities Commission Policy 11-601 The Securities Advisory Committee to the OSC is changed by this Document.

2. Section B is changed in item 4 by replacing "Chairman of the Commission***" with "***Chair of the Commission***".***

3. Section E is changed by replacing item 3 with the following:

3. The General Counsel will review all applications and will make the final decision as to SAC membership.

4. These changes come into effect on the later of the following:

(a) March 23, 2022;

(b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX D

CHANGES TO
ONTARIO SECURITIES COMMISSION POLICY 15-601 *WHISTLEBLOWER PROGRAM*

1. Ontario Securities Commission Policy 15-601 Whistleblower Program is changed by this document.

2. Part 1 is changed:

(a) by replacing "Commission in determining***" in paragraph 1 bullet 4 under "Purpose" with "***Commission's board of directors in determining***";***

(b) by replacing "fair and efficient capital markets***" in paragraph 3 under "Purpose" with "***fair, efficient and competitive capital markets***";***

(c) by replacing "decision of the Commission***" in paragraph 4 under "Purpose" with "***decision of the Tribunal***"; and***

(d) by replacing "Commission***" wherever it occurs in the definition of "award eligible outcome" under section 1 with "***Tribunal***".***

3. Part 5 is changed:

(a) by replacing "Commission's***" in paragraph 20(c) with "***Tribunal's***"; and***

(b) by replacing "Commission***" in subparagraph 25(2)(i)(ii) with "***Tribunal***".***

4. These changes come into effect on the later of the following:

(a) March 23, 2022;

(b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX E

CHANGES TO
ONTARIO SECURITIES COMMISSION POLICY 51-601 *REPORTING ISSUER DEFAULTS*

1. Ontario Securities Commission Policy 51-601 Reporting Issuer Defaults is changed by this Document.

2. Subsection 2.2(2) is changed by replacing "determination of the issue by the Commission***" with "***determination of the issue by the Commission or Tribunal***".***

3. Subsection 3.2(2) is changed by replacing "Commission***" wherever it occurs with "***Tribunal***".***

4. These changes come into effect on the later of the following:

   (a) March 23, 2022;

   (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

APPENDIX F

CHANGES TO
ONTARIO SECURITIES COMMISSION COMPANION POLICY 91-507CP
TRADE REPOSITIORIES AND DERIVATIVES DATA REPORTING

1. Ontario Securities Commission Companion Policy 91-507CP Trade Repositories and Derivatives Data Reporting is changed by this Document.

2. Subsection 2(1) is changed in bullet 5 by replacing "fosters both fair and efficient capital markets***" with "***fosters fair, efficient and competitive capital markets***".***

3. Subsection 37(1) is changed in paragraph 2 by replacing "fair and efficient capital markets***" with "***fair, efficient and competitive capital markets***".***

4. Subsection 37(1) is changed in paragraph 2 by adding "to foster capital formation,***" immediately before "***to promote confidence in the capital markets***".***

5. These changes come into effect on the later of the following:

   (a) March 23, 2022;

   (b) the day on which section 25 of Schedule 9 of Bill 269, Protecting the People of Ontario Act (Budget Measures), 2021 (Ontario) is proclaimed into force.

1.4 Notices from the Office of the Secretary

1.4.1 ByBit Fintech Limited

FOR IMMEDIATE RELEASE
January 5, 2022

BYBIT FINTECH LIMITED,
File No. 2021-21

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

A copy of the Order dated January 5, 2022 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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Simply Digital Technologies Inc. COB CoinSmart

Headnote

Application for time-limited relief from the suitability requirement, prospectus requirement, trade reporting requirements and marketplace requirements – relief to allow the Filer to distribute Crypto Contracts and operate a platform that is a marketplace that facilitates the buying, selling and holding of crypto assets – relief granted subject to certain conditions set out in the decision, including fair access, transparency, market integrity, investment limits, disclosure and reporting requirements – relief is time-limited to allow the Filer to operate while seeking registration as an investment dealer and membership with IIROC – relief will expire upon two (2) years – relief granted based on the particular facts and circumstances of the application with the objective of fostering innovative businesses in Canada – decision should not be viewed as precedent for other filers.

Statute cited

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

Instrument, Rule or Policy cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 21-101 Marketplace Operation.
National Instrument 23-101 Trading Rules.
National Instrument 23-103 Electronic Trading and Direct Access to Marketplaces.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.3.
OSC Rule 91-506 Derivatives: Product Determination, ss. 2 and 4.
OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Part 3.

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

AND

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

AND

IN THE MATTER OF
SIMPLY DIGITAL TECHNOLOGIES INC.
COB COINSMART
(the Filer)

DECISION

Background

As set out in Joint CSA/IIROC Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements* (**Staff Notice 21-329**) and CSA Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets* (**Staff Notice 21-327**), securities legislation applies to crypto asset trading platforms (**CTPs**) that facilitate or propose to facilitate the trading of instruments or contracts involving crypto assets because the user's contractual right to the crypto asset may itself constitute a security and/or a derivative (**Crypto Contract**).

To foster innovation and respond to novel circumstances, the CSA has considered an interim, time-limited registration that would allow CTPs to operate within a regulated framework, with regulatory requirements tailored to the CTP's operations. The overall goal of the regulatory framework is to ensure there is a balance between the need to be flexible and facilitate innovation in the Canadian capital markets, while upholding the regulatory mandate of promoting investor protection and fair and efficient capital markets.

The Filer operates a Dealer Platform (as described in Staff Notice 21-329), is registered as a restricted dealer in each province and territory in Canada, and was granted prospectus relief (the **Dealer Platform Prospectus Relief**) and suitability and trade reporting relief (the **Dealer Platform Suitability** and the **Dealer Platform Trade Reporting Relief**, respectively) in connection with its operation of the Dealer Platform in the decision *In the Matter of Simply Digital Technologies Inc. Carrying on business as CoinSmart* dated October 21, 2021 (the **Dealer Platform Decision**).

The Filer has applied to amend the Dealer Platform Decision to seek to include exemptive relief from marketplace requirements in order to introduce new services that would result in the Filer operating a Marketplace Platform (as described in Staff Notice 21-329). The Filer continues to intend to seek membership with the Investment Industry Regulatory Organization of Canada (**IIROC**) while registered as a restricted dealer. This decision (the **Decision**) has been tailored for the specific facts and circumstances of the Filer, and the securities regulatory authority or regulator in the Applicable Jurisdictions (as defined below) will not consider this Decision as constituting a precedent for other filers.

Relief Requested

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filer (the **Passport Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from:

(a) the prospectus requirements of the Legislation in respect of the Filer entering into Crypto Contracts with clients to purchase, hold and sell Crypto Assets (as defined below) (the **Prospectus Relief**); and

(b) the requirement in subsection 13.3(1) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to take reasonable steps to ensure that, before it makes a recommendation to or accepts instructions from a client to buy or sell a security, the purchase or sale is suitable for the client (the **Suitability Relief**, and together with the Prospectus Relief, the **Passport Relief**).

The securities regulatory authority or regulator in the Jurisdiction and each of the other jurisdictions referred to in Appendix A (the **Jurisdictions**) (the **Coordinated Review Decision Makers**) have received an application from the Filer for a decision under the securities legislation of the Jurisdictions exempting the Filer from:

(a) certain reporting requirements under the Local Trade Reporting Rules (as defined in Appendix A) (the **Trade Reporting Relief**); and

(b) except in British Columbia, New Brunswick, and Nova Scotia, the Marketplace Rules (as defined in Appendix A) (the **Marketplace Relief**).

The Passport Relief, Trade Reporting Relief and Marketplace Relief are referred to as the **Requested Relief**.

The Filer has applied for the revocation of the exemptive relief in the Dealer Platform Decision effective as of the date of this Decision.

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

(a) the Ontario Securities Commission is the principal regulator for this Application (the **Principal Regulator**),

(b) in respect of the Passport Relief, the Filer has provided notice that, in the jurisdictions where required, subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Non- Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**), and

(c) the decision in respect of the Trade Reporting Relief and the Marketplace Relief is the decision of the Principal Regulator and evidences the decision of each Coordinated Review Decision Maker.

Interpretation

For the purposes of this Decision, terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this Decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the federal laws of Canada with its principal and head office in Toronto, Ontario.

2. The Filer operates under the business name of “CoinSmart”.

3. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.

4. The Filer is a wholly-owned subsidiary of CoinSmart Financial Inc., a reporting issuer listed on the NEO Exchange.

5. The Filer’s personnel consist of software engineers, compliance professionals and customer support representatives who each have experience operating in a regulated environment as a money services business (**MSB**) and expertise in blockchain technology. All of the Filer’s personnel have passed, and new personnel will have passed, criminal records and credit checks.

6. The Filer is not in default of securities legislation of any jurisdiction in Canada, or any terms and conditions of its registration as restricted dealer.

CoinSmart Platform

7. The Filer operates a proprietary and fully automated internet-based platform for the trading of crypto assets in Canada (the **CoinSmart Platform**) that enables clients to buy, sell, hold, deposit and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token, that are not themselves securities or derivatives (the **Crypto Assets**) through the Filer.

8. The Filer’s role under the Crypto Contracts is to buy or sell Crypto Assets and to provide custody services for all Crypto Assets held in accounts on the CoinSmart Platform.

9. The CoinSmart Platform is governed by terms of service (the **CoinSmart TOS**).

10. Under the CoinSmart TOS, the Filer maintains certain controls over client Crypto Assets to ensure compliance with applicable law and provide secure custody of the client assets.

11. The Filer’s trading of Crypto Contracts is consistent with activities described in Staff Notice 21-327 and constitutes the trading of securities and/or derivatives as described in Staff Notice 21-327.

12. The Filer does not have any authority to act on a discretionary basis on behalf of clients and will not offer or provide discretionary investment management services relating to Crypto Assets.

13. The Filer is not a member firm of the Canadian Investor Protection Fund (**CIPF**) and the Crypto Assets custodied on the CoinSmart Platform do not qualify for CIPF coverage. The Risk Statement (as defined below) includes disclosure that there is no CIPF coverage for the Crypto Assets and clients must acknowledge that they have received, read and understood the Risk Statement before opening an account with the Filer.

OTC Trading

14. In addition to the CoinSmart Platform, the Filer operates an over-the-counter (OTC) trading desk for orders of a minimum size of C$25,000. The OTC trading desk allows clients to purchase or sell Crypto Assets from the Filer. The Filer immediately delivers, as described in Staff Notice 21-327, any purchased Crypto Assets to the purchaser at a blockchain wallet address specified by the purchaser which is not under the ownership, possession or control of the Filer.

Crypto Assets Made Available Through the Platform

15. The Filer has established and applies policies and procedures to review Crypto Assets and to determine whether to allow clients on the CoinSmart Platform to enter into Crypto Contracts to buy and sell the Crypto Asset on the CoinSmart Platform (**KYP Policy**). Such review includes, but is not limited to, publicly available information concerning:

    (a) the creation, governance, usage and design of the Crypto Asset, including the source code, security and roadmap for growth in the developer community and, if applicable, the background of the developer(s) that created the Crypto Asset;

    (b) the supply, demand, maturity, utility and liquidity of the Crypto Asset;

    (c) material technical risks associated with the Crypto Asset, including any code defects, security breaches and other threats concerning the Crypto Asset and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and

    (d) legal and regulatory risks associated with the Crypto Asset, including any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of the Crypto Asset.

16. The Filer only offers and only allows clients to enter into Crypto Contracts to buy and sell Crypto Assets that are not each themselves a security and/or a derivative.

17. The Filer does not allow clients to enter into a Crypto Contract to buy and sell Crypto Assets unless the Filer has taken steps to

    (a) assess the relevant aspects of the Crypto Asset pursuant to the KYP Policy and as described in representation 15 to determine whether it is appropriate for its clients,

    (b) approve the Crypto Asset, and Crypto Contracts to buy and sell such Crypto Asset, to be made available to clients, and

    (c) monitor the Crypto Asset for significant changes and review its approval under (b) where a significant change occurs.

18. The Filer is not engaged, and will not engage, in trades that are part of, or designed to facilitate, the creation, issuance or distribution of Crypto Assets by the developer(s) of the Crypto Asset or affiliates or associates of such persons.

19. As set out in the Filer's KYP Policy, the Filer determines whether a Crypto Asset available to be bought and sold through a Crypto Contract is a security and/or derivative and is being offered in compliance with securities and derivatives laws, which include but are not limited to:

    (a) Consideration of statements made by any regulators or securities regulatory authorities of the Applicable Jurisdictions, other regulators of the International Organization of Securities Commissions jurisdictions, or the regulator with the most significant connection to a Crypto Asset about whether the Crypto Asset, or generally about whether the type of Crypto Asset, is a security and/or derivative; and

    (b) If the Filer determines it to be necessary, obtaining legal advice as to whether the Crypto Asset is a security and/or derivative under securities legislation of the Applicable Jurisdictions.

20. The Filer monitors ongoing developments related to the Crypto Assets available on the CoinSmart Platform that may cause a Crypto Asset's status as a security and/or derivative or the assessment conducted by the Filer pursuant to its KYP Policy and as described in representations 15 and 19 above to change.

21. The Filer acknowledges that any determination made by the Filer as set out in representations 15 to 20 of this Decision does not prejudice the ability of any of the regulators or securities regulatory authorities of any province or territory of Canada to determine that a Crypto Asset that a client may enter into a Crypto Contract to buy and sell is a security and/or derivative.

22. As set out in the Filer's KYP Policy, the Filer applies policies and procedures to promptly stop the trading of any Crypto Asset available on the CoinSmart Platform and to allow clients to liquidate their positions in Crypto Contracts with underlying Crypto Assets that the Filer ceases to make available on the CoinSmart Platform.

Account Opening

23. Each client must open an account (a **Client Account**) using the Filer's website or mobile application to access the CoinSmart Platform.

24. In addition to the factors that the Filer considers in determining that it is appropriate for an account to be opened, the Filer has adopted eligibility criteria for the onboarding of all Canadian clients. All Canadian clients must: (a) successfully complete the Filer's know-your-client (**KYC**) process which satisfies the requirements applicable to MSBs under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and its regulations (**AMF/ATF Law**), and (b) hold an account with a Canadian financial institution. Each Canadian client who is an individual, and each individual who is authorized to give instructions for a Canadian client that is a legal entity, must be: (a) a Canadian citizen or permanent resident; and (b) 18 years or older.

25. The Filer does not provide recommendations or advice to clients or conduct a trade-by-trade suitability determination for clients, but rather performs product assessments pursuant to the KYP Policy and account assessments taking into account the following factors (the **Account Appropriateness Factors**):

    (a) the client's experience and knowledge in investing in Crypto Assets;

    (b) the client's financial assets and income;

    (c) the client's risk tolerance; and

    (d) the Crypto Assets approved to be made available to a client by entering into Crypto Contracts on the CoinSmart Platform.

26. The Account Appropriateness Factors are used by the Filer to evaluate whether entering into Crypto Contracts with the Filer is appropriate for a prospective client before the opening of a Client Account.

27. The Filer has adopted and will apply policies and procedures to conduct an assessment to establish appropriate limits on the losses that a client that is not a permitted client (as defined in NI 31-103) can incur, what limits will apply to such client based on the Account Appropriateness Factors (the **Client Limit**), and what steps the Filer will take when the client approaches or exceeds their Client Limit. After completion of the assessment, the Filer will implement controls to monitor and apply the Client Limit.

28. After completion of the account-level appropriateness assessment, a prospective client receives appropriate messaging about using the CoinSmart Platform to enter into Crypto Contracts, which, in circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate for the client, will include prominent messaging to the client that this is the case and that the client will not be permitted to open an account with the Filer.

29. Additionally, the Filer monitors and will continue to monitor Client Accounts after opening to identify activity inconsistent with the client's account and product assessment. If warranted, the client may receive further messaging about the CoinSmart Platform and the Crypto Assets, specific risk warnings and/or receive direct outreach from the Filer about their activity. The Filer monitors compliance with the Client Limits established in representation 27. If warranted, the client will receive messaging when their account is approaching their Client Limit and receive instructions on how to implement a stop loss order to prevent further losses.

30. As part of the account opening process:

    (a) the Filer collects know-your-client information to verify the identity of the client in accordance with Canadian AML/ATF Law;

    (b) the Filer provides a prospective client with a statement of risks (the **Risk Statement**) that clearly explains the following in plain language:

        (i) the Crypto Contracts;

        (ii) the risks associated with the Crypto Contracts;

        (iii) prominently, a statement that no securities regulatory authority has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the CoinSmart Platform, including any opinion that the Crypto Assets themselves are not securities and/or derivatives;

(iv) the due diligence performed by the Filer before making a Crypto Asset available through the CoinSmart Platform, including the due diligence taken by the Filer to assess whether the Crypto Asset is a security and/or derivative under the securities legislation of each of the jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or derivative;

(v) that the Filer has prepared a plain language description of each Crypto Asset made available through the CoinSmart Platform, with instructions as to where on the CoinSmart Platform the client may obtain the descriptions (each, a **Crypto Asset Statement**),

(vi) the Filer's policies for halting, suspending and withdrawing a Crypto Asset from trading on the CoinSmart Platform, including criteria that would be considered by the Filer, options available to clients holding such a Crypto Asset, any notification periods and any risks to clients,

(vii) the location and manner in which Crypto Assets are held for the client, the risks and benefits to the client of the Crypto Assets being held in that manner,

(viii) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the client arising from the Filer having access to the Crypto Assets in that manner,

(ix) the Filer is not a member of the Canadian Investor Protection Fund (**CIPF**) and the Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection, and

(x) a statement that the statutory rights in section 130.1 of the *Securities Act* (Ontario) (the **Act**), and, if applicable, similar statutory rights under securities legislation of the other Applicable Jurisdictions, do not apply in respect of the Risk Statement or a Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision.

31. In order for a prospective client to open and operate an account with the Filer, the Filer will obtain an electronic acknowledgement from the prospective client confirming that the prospective client has received, read and understood the Risk Statement. Such acknowledgement will be prominent and separate from other acknowledgements provided by the prospective client as part of the account opening process.

32. A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the CoinSmart Platform.

33. The Filer has policies and procedures for updating the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts, Crypto Assets generally, or a specific Crypto Asset, as the case may be. In the event the Risk Statement is updated, existing clients of the Filer will be promptly notified and provided with a copy of the updated Risk Statement. In the event a Crypto Asset Statement is updated, existing clients of the Filer will be promptly notified through website and in-App disclosures, with links provided to the updated Crypto Asset Statement.

34. For clients with pre-existing accounts with the Filer at the date of the Dealer Platform Decision and for which the Filer has not already performed the following as at the date of this Decision, the Filer will:

(a) conduct the account appropriateness assessment and establish the appropriate Client Limit for the client as set out in representations 25 to 29 above, and

(b) deliver to the client the Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the revised Risk Statement, at the earlier of (i) before placing their next trade or deposit of Crypto Assets and (ii) the next time they log in to their account with the Filer. The Risk Statement must be prominent and separate from other disclosures given to the client at that time, and the acknowledgement must be separate from other acknowledgements by the client at that time.

35. Before a client enters a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the Filer's website or App.

36. Each Crypto Asset Statement will include:

(a) a prominent statement that no securities regulatory authority in Canada has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the CoinSmart Platform, including an opinion that the Crypto Assets are not themselves securities and/or derivatives,

(b) a description of the Crypto Asset, including the background of the team that first created the Crypto Asset, if applicable,

(c) a description of the due diligence performed by the Filer with respect to the Crypto Asset,

(d) any risks specific to the Crypto Asset,

(e) a direction to the client to review the Risk Statement for additional discussion of general risks associated with the Crypto Contracts and Crypto Assets made available through the CoinSmart Platform,

(f) a statement that the statutory rights in section 130.1 of the Act, and, if applicable, similar statutory rights under securities legislation of other Applicable Jurisdictions, do not apply in respect of the Crypto Asset Statement to the extent a Crypto Contract is distributed under the Prospectus Relief in this Decision, and

(g) the date on which the information was last updated.

37. The Filer will also periodically prepare and make available to its clients, educational materials and other informational updates about trading on the CoinSmart Platform and the ongoing development of Crypto Assets and Crypto Asset trading markets.

Operation of the CoinSmart Platform

38. The CoinSmart Platform will introduce an order book that matches buy and sell orders on a non-discretionary basis based on strict price-time priority. In connection with this service, the Filer will, in some jurisdictions, be operating a marketplace for securities and/or derivatives under applicable securities legislation.

39. Trading pairs available on the CoinSmart Platform include Crypto Asset-for-fiat and Crypto Asset-for-Crypto Asset.

40. The CoinSmart Platform operates 24 hours a day, seven days a week.

41. Clients can enter orders to the CoinSmart Platform in two ways: (i) SmartTrade allows a client to enter a market order which specifies the desired trading pair and quantity; (ii) Advanced Trade allows a client to enter a limit order or market order and provides clients with a full-depth view of the two-sided displayed order book.

42. Clients access SmartTrade and Advanced Trade through the CoinSmart website or mobile application.

43. When a client enters a market order using SmartTrade or Advanced Trade, the Filer will present an indicative average price calculated based on the available displayed contra-side bids or asks, as applicable (**Contra-Side Orders**) on the CoinSmart Platform that are required to fill the client's market order. If the client finds the price agreeable, the client will then agree to the entry of an order to the CoinSmart Platform to match against the available Contra-Side Orders.

44. When a client enters a limit order using Advanced Trade, the limit order will be partially or completely filled if there is one or more Contra-Side Orders at or better than the price of the limit order. Any unfilled portion of a limit order remains open as a displayed Contra-Side Order on the CoinSmart Platform, and will be eligible to participate in subsequent matches of orders on a strict price-time priority basis, until modified or cancelled by the client or completely filled.

45. The Contra-Side Orders against which a client's order may be matched upon entry to the CoinSmart Platform may be orders of other clients or may be orders entered by the Filer.

46. To ensure sufficient liquidity on the CoinSmart Platform, the Filer acts as a passive liquidity provider that automatically generates and enters orders on both sides of the market using an algorithm operated by the Filer. The Filer obtains buy and sell prices for Crypto Assets from crypto asset trading firms or marketplaces (**Liquidity Providers**), after which the Filer incorporates a "spread" to compensate the Filer, and presents these adjusted prices as open buy and sell orders on the CoinSmart Platform.

47. The Filer will be compensated by the spread earned on trades it enters into as a result of its passive liquidity provision activities, trading commissions associated with trades occurring on the CoinSmart Platform, and fees charged for Crypto Asset withdrawals.

48. The Filer will disclose trading commissions on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS. The Filer discloses to the client the total commission payable in respect of a transaction prior to confirmation of the order.

49. The Filer will record in its books and records the particulars of each trade.

50. Each transaction a client undertakes that results from the matching of orders on the CoinSmart Platform results in a bilateral contract between the client and the Filer.

51. The Filer maintains an internal ledger that records all of the trades executed via the CoinSmart Platform. In order for a client to place an order, their account must be pre-funded with the applicable asset (fiat currency or Crypto Asset). When a client's order is matched through the CoinSmart Platform with another client's order, the internal ledger is updated in real-time. A match through the CoinSmart Platform does not create an obligation between the buyer and seller to settle bilaterally. Because all client assets are already verified as being available from both the buyer and the seller prior to order entry, all Crypto Contracts are settled as between the Filer and each of the buyer and seller when matching takes place.

52. For each trade entered into by the Filer with clients on the CoinSmart platform resulting from a match between a client's order and an order of the Filer, the Filer will also execute a corresponding offsetting Crypto Asset buy or sell transaction with one of its Liquidity Providers. The Filer will promptly, and no later than two business days after the trade, settle transactions with the Liquidity Providers on a net basis. Where there are net purchases of Crypto Assets, the Filer will arrange for cash to be transferred to the Liquidity Provider and Crypto Assets to be sent by the Liquidity Provider to the Filer. Where there are net sales of Crypto Assets, the Filer will arrange for Crypto Assets to be sent from the Filer to the Liquidity Provider in exchange for cash received by the Filer from the Liquidity Provider.

53. The Filer has taken or will take reasonable steps to verify that each Liquidity Provider is appropriately registered and/or licensed to trade in the Crypto Assets in their home jurisdiction, or that their activities do not require registration in their home jurisdiction, and that they are not in default of securities legislation in the Applicable Jurisdictions.

54. Clients receive electronic trade confirmations and monthly statements setting out the details of the transaction history in their account with the Filer. Clients also have access to a complete record of all transactions in their Client Account, including all transfers in of fiat or Crypto Assets, all purchases, sales and withdrawals, and the relevant prices, commissions and withdrawal fees charged in respect of such transactions.

55. The Filer does not, and will not, offer margin, credit or other forms of leverage to clients in connection with trading of Crypto Assets on the CoinSmart Platform and will not offer derivatives based on Crypto Assets to clients other than Crypto Contracts.

56. Clients can fund their account by transferring in fiat currency or Crypto Assets. Clients can transfer in fiat currency by Interac e-transfer, bank wire, bank draft or credit card payment, with the maximum amount for each transfer type set out on the CoinSmart Platform. Interac e-transfers and credit card payments are subject to fees disclosed on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS.

57. Clients are charged a withdrawal fee when transferring Crypto Assets out of their Client Account to a blockchain address specified by the client. The withdrawal fee varies by Crypto Asset and is disclosed on the CoinSmart Platform under "Pricing". The total withdrawal fee payable in respect of a withdrawal is disclosed to the client prior to confirmation of the withdrawal.

58. Prior to transferring Crypto Assets out of a Client Account, the Filer conducts second verification of the blockchain address and screens the blockchain address specified by the transferring client using blockchain forensics software. The Filer has expertise in and has developed anti-fraud and anti-money laundering monitoring systems, for both fiat and Crypto Assets, to reduce the likelihood of fraud, money laundering, or client error in sending or receiving Crypto Assets to incorrect wallet addresses.

59. Clients can transfer fiat currency out of their Client Accounts by electronic funds transfer or bank wire, subject to a withdrawal fee disclosed on the CoinSmart Platform under "Pricing" and incorporated by reference into the CoinSmart TOS. Part of the withdrawal fee covers fees charged by the Filer's payment processor to process the withdrawal transaction. The total withdrawal fee payable in respect of a fiat currency withdrawal is disclosed to the client prior to confirmation of the withdrawal.

Custody of Crypto Assets

60. The Filer holds Crypto Assets for the benefit of clients separate and apart from its own assets and from the assets of any custodial service provider. The Filer is not permitted to pledge, re-hypothecate or otherwise use any Crypto Assets owned by its clients.

61. The Filer has and will retain the services of third-party custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of clients. The Filer primarily uses BitGo Trust Company (the **Custodian**) as custodian, and will use other custodians as necessary after reasonable due diligence. Up to 20% of the Filer's total client Crypto Assets may be held online in hot wallets secured by Fireblocks Inc. (**Fireblocks**).

62. The Custodian is licensed as a trust company with the South Dakota Division of Banking. The Custodian is a qualified custodian, as defined in section 1.1 of NI 31- 103.

63. The Custodian has completed a Service Organization Controls (**SOC**) report under the SOC 1 – Type 1 standards from a leading global audit firm. The Filer has conducted due diligence on the Custodian, including reviewing a copy of the SOC 1 – Type 1 audit report prepared by the Custodian's auditors, and has not identified any material concerns. The Filer has also reviewed the SOC 2 – Type 2 audit report prepared by BitGo Inc.'s auditors regarding BitGo Inc.'s multi-signature wallet services system (i.e., hot wallets) offered by BitGo Inc., and have not identified any material concerns.

64. The Custodian holds all Crypto Assets for clients of the Filer in an omnibus account in the name of the Filer and separate and distinct from the assets of the Filer, the Filer's affiliates and all of the Custodian's other clients.

65. The Custodian maintains US$100 million of insurance for Crypto Assets held in the Custodian's cold storage system. The coverage covers losses of assets held by the Custodian on behalf of its customers due to third-party hacks, copying or theft of private keys, insider theft or dishonest acts by the Custodian employees or executives and loss of keys. The Filer has assessed the Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by the Custodian and considering the scope of the Custodian's business, that the amount of insurance is appropriate.

66. The Custodian has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents.

67. The Custodian has established and applies written disaster recovery and business continuity plans.

68. The Filer has established, and maintains and applies, policies and procedures that are reasonably designed to ensure the Custodian's records related to Crypto Assets that the Custodian holds in trust for clients of the Filer are accurate and complete.

69. The Filer has assessed the risks and benefits of using the Custodian and, has determined that in comparison to a Canadian custodian (as that term is defined in NI 31-103) it is more beneficial to use the Custodian, a U.S. custodian, to hold client assets than a Canadian custodian.

70. The Filer licenses software from Fireblocks which includes a crypto asset wallet that stores private and public keys and interacts with various blockchains to send and receive crypto assets and monitor balances. Fireblocks uses secure multiparty computation to share signing responsibility for a particular blockchain address among multiple independent persons.

71. Fireblocks has obtained a SOC report under the SOC 2 – Type 2 standard from a leading global audit firm. The Filer has reviewed a copy of the SOC 2 – Type 2 audit report prepared by the auditors of Fireblocks, and has not identified any material concerns.

72. The Filer has licensed software from Digital Assets Services Limited (trading as Coincover) (**Coincover**) to provide additional security for keys to Crypto Assets held by the Filer using Fireblocks, including key pair creation, key pair storage, device access recovery and account access recovery. Coincover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.

73. The Filer is proficient and experienced in holding Crypto Assets and has established and applied policies and procedures that manage and mitigate custodial risks, including but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities and business continuity plans.

74. The third-party insurance obtained by the Filer includes coverage for the Crypto Assets held by the Filer in cold storage in the event of loss or theft in accordance with the terms of the insurance policy in question.

75. The Filer's hot wallet provider, Fireblocks, has insurance coverage in the amount of US$30 million in aggregate which, in the event of theft of crypto assets from hot wallets secured by Fireblocks, will be distributed among applicable Fireblocks customers, which could include the Filer, pursuant to an insurance settlement agreement.

76. In addition, backup key material for the Filer's hot wallets is secured by Coincover and 100% insured against loss or theft by a leading global insurance provider.

77. In addition to the insurance coverage available through its services providers for the loss of Crypto Assets held in its hot wallets, the Filer has obtained a guarantee through Coincover and supplements the guarantee by setting aside cash that is held in an account at a Canadian financial institution, separate from the Filer's operational accounts and Filer's client

accounts, in an amount agreed upon with its Principal Regulator. Depending on the circumstances, either funds from the guarantee or the bank account would be available in the event of loss of Crypto Assets held in the Filer's hot wallet.

Conflict of Interest

78. The Filer carries out its passive liquidity provision activities on the CoinSmart Platform through an API exclusively for the purposes of providing liquidity to the Filer's clients. Orders entered by the Filer through the API are the same order types available to clients through Advanced Trade. The Filer's orders are also handled in the same manner as client limit orders entered on the CoinSmart Platform, with no preference given to the handling of the Filer's orders.

79. The Filer's passive liquidity provision activities do not have an unreasonable advantage over clients as the matching engine on the central limit order book that powers the CoinSmart Platform does not distinguish between the Filer's orders and the orders of the Filer's clients. The Filer's passive liquidity provision algorithm also does not analyze or consider, or have any advanced knowledge of, any existing orders on the centralized order book when determining the bids or asks to place. In determining what bids or asks to place, the Filer relies on current market pricing provided to it by the Liquidity Providers.

80. The Filer earns the same commission from a client regardless of whether that client's order is filled on the CoinSmart Platform as a result of a match against the order of another client or the Filer.

81. Because all order matching and other functionality of the CoinSmart Platform is entirely automated, there is no ability for the Filer to favour some clients over others or to favour the Filer's own orders over the orders of clients.

82. The Filer does not offer API access to clients which would permit clients to engage in high frequency trading or run automated arbitrage "bots". The CoinSmart Platform is designed to make Crypto Assets accessible to new entrants into the Crypto Asset market.

83. The Filer informs clients in the CoinSmart TOS that "CoinSmart participates passively as a liquidity provider on the CoinSmart Platform by posting bid and ask orders to provide liquidity to the market." The Filer also provides disclosure regarding the nature of its liquidity provision activities on the CoinSmart Platform, including how it determines pricing for the orders it places and how it may earn profit from its activities as a passive liquidity provider.

84. The Filer clearly discloses all fees and commissions earned by the Filer on the CoinSmart Platform, and the Filer's clients can check the quoted prices for Crypto Assets on the CoinSmart Platform against the prices available on other crypto asset exchanges.

85. The Filer does not trade or otherwise use client Crypto Assets held on the CoinSmart Platform in the conduct of the Filer's own business.

86. The Filer is of the view that all potential conflicts of interest arising from the operation of the CoinSmart Platform are adequately addressed through avoidance, disclosure and/or the operational processes which drive trading on the CoinSmart Platform.

87. The Filer has established and maintains and ensures compliance with policies and procedures that identify and manage conflicts of interest arising from the operation of the CoinSmart Platform and the related services it provides, including conflicts between the interests of its owners, its commercial interests, and the responsibilities and sound functioning of the CoinSmart Platform and related services.

88. The Filer's policies and procedures seek to identify and manage conflicts of interest that arise from the trading activities on the CoinSmart Platform of the Filer or its affiliates as principal.

89. These policies and procedures also include an appropriate level of disclosure of the specific conflicts to clients against whom the Filer or its affiliates may trade, and the circumstances in which they may arise. This disclosure is included in the CoinSmart TOS and other disclosures made to clients that specifically address conflicts of interest.

Fair Access

90. The Filer has established and applies written standards for access to the CoinSmart Platform and related services, as described in paragraph 24, and has established and maintains and ensures compliance with policies and procedures to ensure clients are onboarded to the CoinSmart Platform and related services in accordance with those written standards.

Market Integrity

91. The Filer has taken reasonable steps to ensure that it operates a fair and orderly marketplace for Crypto Contracts, including the establishment of price and volume thresholds for orders entered on the CoinSmart Platform.

92. The Filer does not expect trading on the CoinSmart Platform to have a material impact on the global market for any Crypto Asset available through the CoinSmart Platform.

93. The Filer does not provide a client with access to the CoinSmart Platform unless it has the ability to terminate all or a portion of a client's access, if required.

94. The Filer has the ability to cancel, vary or correct trades and makes public, fair and appropriate policies governing the cancellation, variation or correction of trades on the CoinSmart Platform, including in relation to trades where the Filer acting as principal was a counterparty to the trade.

95. The Filer has established, maintains and ensures compliance with policies and procedures and maintains staff knowledge and expertise, and systems to monitor for and investigate potential instances of trading on the CoinSmart Platform that does not comply with applicable securities legislation or any trading requirements set out in the CoinSmart TOS, and has appropriate provisions and mechanisms for escalation of identified issues of non-compliance, including referral to the applicable securities regulatory authority where appropriate, to allow the Filer to take any resulting action considered appropriate to promote a fair and orderly market and address potential breaches of securities legislation relating to trading on the CoinSmart Platform, which may include halting trading or limiting a client's activities on the CoinSmart Platform.

96. The policies and procedures referred to in the preceding paragraph include policies and procedures to track, review and take appropriate action in the context of complaints and reports from clients of potential instances of abusive trading on the CoinSmart Platform.

97. The Filer currently conducts surveillance of the CoinSmart Platform, which includes both automated and manual processes, for detecting abusive trading (including wash trading) and fraudulent activity. The Filer anticipates continuing development of its market surveillance software after becoming registered as a restricted dealer and resuming discussions with IIROC.

Transparency of Operations and of Order and Trade Information

98. The Filer discloses information reasonably necessary to enable a person or company to understand the marketplace operations or services, including:

    (a) access criteria, including how access is granted, denied, suspended, or terminated and whether there are differences between clients in access and trading;

    (b) risks related to the operation of and trading on the CoinSmart Platform, including loss and cyber-risk;

    (c) hours of trading;

    (d) all fees and any compensation provided to the Filer or any affiliate, including foreign exchange rates, spreads etc.,

    (e) how orders are entered, handled and interact including:

        (i) the circumstances where orders trade with the Filer or an affiliate acting as principal or liquidity provider, including any compensation provided;

        (ii) where entered into the order book, the types of orders, and how orders are matched and executed;

    (f) policies and procedures relating to error trades, cancellations, modifications and dispute resolution;

    (g) a list of all crypto assets and products available for trading on the CoinSmart Platform, along with the associated Crypto Asset Statements;

    (h) conflicts of interest and the policies and the policies and procedures to manage them;

    (i) the process for payment and settlement of transactions;

    (j) how the Filer safeguards client assets, including the extent to which the Filer self-custodies client assets, along with the identity of any third-party custodians relied on by the platform to hold client assets;

    (k) access arrangements with a third-party services provider, if any; and

    (l) requirements governing trading, including prevention of manipulation and other market abuse.

99. The Filer provides for an appropriate level of transparency regarding the orders and trades on the CoinSmart Platform, including that:

    (a) The Filer displays on its website a Canadian dollar price chart for each Crypto traded on which members of the public can view historic pricing information from https://www.coincap.io (which does not include prices of trades executed on the CoinSmart Platform) over a daily, weekly, one month, three month, six month and one year period;

    (b) The Filer also makes publicly available on its website a history of all trades that occurred on the CoinSmart Platform over the prior 24-hour period; and

    (c) Clients using the Advanced Trade feature can view the full-depth order book on the CoinSmart Platform, including all executed trades over the prior 24-hour period on the CoinSmart Platform to allow clients to make informed investment and trading decisions.

Confidentiality of Clients' Order and Trade Information

100. The Filer maintains policies and procedures to safeguard the confidentiality of client information, including information relating to their trading activities.

Books and Records

101. The Filer keeps books and records and other documents to accurately record its business activities, financial affairs and client transactions, and to demonstrate the Filer's compliance with applicable requirements of securities legislation, including but not limited to:

    (a) a record of all investors granted or denied access to the CoinSmart Platform;

    (b) daily trading summaries of all Crypto Assets traded, with transaction volumes and values; and

    (c) records of all orders and trades, including the price, volume, times when the orders are entered, matched, cancelled or rejected, and the identifier of the client that entered the order or that was counterparty to the trade.

Internal Controls over Order Entry and Execution

102. The Filer maintains effective internal controls over systems that support order entry and execution, including that the Filer:

    (a) has effective controls for system operations, information security, change management, problem management, network support and system software support;

    (b) has effective security controls to prevent, detect and respond to security threats and cyber-attack on its systems that support trading and settlement services;

    (c) has effective business continuity and disaster recovery plans;

    (d) in accordance with prudent business practice, and on a reasonably frequent basis (at least annually):

        (i) makes reasonable current and future systems capacity estimates;

        (ii) conducts capacity stress tests to determine the ability of its order entry and execution systems to process transactions in an accurate, timely and efficient manner;

        (iii) tests its business continuity and disaster recovery plans, and

        (iv) reviews system vulnerability and its cloud-hosted environment to mitigate internal and external cyber threats; and

    (e) continuously monitors and maintains internal controls over its systems.

Marketplace Filings

103. The Filer has filed with the Principal Regulator completed exhibits to the Form 21-101F2 – *Information Statement Alternative Trading System* for each of the following:

    (a) Exhibit E – Operations of the Marketplace

(b) Exhibit F – Outsourcing

(c) Exhibit G – Systems and Contingency Planning

(d) Exhibit H – Custody of Assets

(e) Exhibit I – Securities

(f) Exhibit J – Access to Services

(g) Exhibit L – Fees

Clearing Agency

104. The Filer will not operate a "clearing agency" or a "clearing house".

Decision

The Principal Regulator is satisfied that the Decision satisfies the test set out in the Legislation for the Principal Regulator to make the Decision and each Coordinated Review Decision Maker is satisfied that the Decision in respect of the Trade Reporting Relief and the Marketplace Relief, as applicable, satisfies the tests set out in the securities legislation of its jurisdiction for the Coordinated Review Decision Maker to make the Decision in respect of the Trade Reporting Relief and Marketplace Relief, as applicable.

The Decision of the Principal Regulator under the Legislation is that the Dealer Platform Decision is revoked and the Requested Relief is granted, and the Decision of each Coordinated Review Decision Maker under the securities legislation of its jurisdiction is that the Dealer Platform Trade Reporting Relief is revoked and the Trade Reporting Relief and the Marketplace Relief, as applicable, are granted, provided that:

A. Unless otherwise exempted by a further decision of the Principal Regulator, the Filer complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer under securities legislation, including the Legislation, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer.

B. The Filer is registered as a restricted dealer or investment dealer in the Jurisdiction and the jurisdiction in which the client is resident.

C. The Filer, and any representatives of the Filer, does not provide recommendations or advice to any client or prospective client.

D. The Filer will only engage in the business of trading Crypto Contracts in relation to Crypto Assets, and performing its obligations under those contracts, and does not offer derivatives based on Crypto Assets to clients other than Crypto Contracts. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation.

E. At all times, the Filer will hold not less than 80% of the total value of all Crypto Assets held on behalf of clients with a custodian that meets the definition of a "qualified custodian" under NI 31-103, unless the Filer has obtained the prior written approval of the Principal Regulator to hold a different percentage with a "qualified custodian".

F. Before the Filer holds Crypto Assets with a custodian referred to in condition E, the Filer will take reasonable steps to verify that the custodian:

(a) has appropriate insurance to cover the loss of Crypto Assets held at the custodian,

(b) has established and applies written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian, and

(c) has obtained a SOC 2-Type 2 report within the last 12 months, unless the Filer has obtained the prior written approval of the Principal Regulator to alternatively verify that the custodian has obtained a SOC 1 Type 1 or Type 2 report or a SOC 2-Type 1 report within the last 12 months.

G. The Filer will promptly notify the Principal Regulator if the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association, the South Dakota Division of Banking or the New York State Department of Financial Services

makes a determination that the Custodian is not permitted by that regulatory authority to hold client Crypto Assets.

H. For the Crypto Assets held by the Filer, the Filer:

(a) will hold the Crypto Assets for its clients separate and distinct from the assets of the Filer;

(b) will ensure there is appropriate insurance for the loss of Crypto Assets held by the Filer; and

(c) has established and will maintain and apply written policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian.

I. When the Filer trades with its clients on a principal basis in its capacity as a dealer, the Filer will provide fair and reasonable prices to its clients.

J. Before each prospective client opens an account, the Filer will deliver to the client a Risk Statement, and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.

K. For each client with a pre-existing account at the date of the Dealer Platform Decision and the Filer has not already performed the following with respect to such client as at the date of this Decision, the Filer will deliver to the client a Risk Statement and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement at the earlier of (a) before placing their next trade or deposit of Crypto Assets on the CoinSmart Platform and (b) the next time they log in to their account with the Filer.

L. The Risk Statement delivered in condition J and K to new clients or clients with pre-existing accounts on the date of the Dealer Platform Decision will be prominent and separate from other disclosures given to the client at the time the Risk Statement is delivered, and the acknowledgement will be separate from other acknowledgements by the client at that time.

M. A copy of the Risk Statement acknowledged by a client will be made available to the client in the same place as the client's other statements on the CoinSmart Platform.

N. Before a client enters into a Crypto Contract to buy a Crypto Asset, the Filer will provide instructions for the client to read the Crypto Asset Statement for the Crypto Asset, which will include a link to the Crypto Asset Statement on the website and in-Apps and includes the information set out in representation 36.

O. The Filer will promptly update the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts and/or Crypto Assets and,

(a) in the event of any update to the Risk Statement, will promptly notify each existing client of the update and deliver to them a copy of the updated Risk Statement, and

(b) in the event of any update to a Crypto Asset Statement, will promptly notify clients through electronic disclosures on the CoinSmart Platform and the CoinSmart app with links provided to the updated Crypto Asset Statement.

P. Prior to the Filer delivering a Risk Statement to a client, the Filer will deliver, or will have previously delivered, a copy of the Risk Statement delivered to the client to the Principal Regulator.

Q. For each client, the Filer will perform an account appropriateness assessment as described in representations 25 to 28 prior to opening an account and on an ongoing basis at least annually.

R. For each client with a pre-existing account at the date of the Dealer Platform Decision, the Filer will perform an account appropriateness assessment, as described in representations 25 to 28, the next time the client uses their account, where such account appropriateness assessment has not already been performed as at the date of this Decision. For all such pre-existing clients for which the account appropriateness assessment has not yet been performed as at the date of this Decision, the client will not be permitted to trade until the completion of the account appropriateness assessment and a determination that the account is appropriate.

S. The Filer will monitor client activity and contact clients to discuss their trading behaviour if it indicates a lack of knowledge or understanding of Crypto Asset trading, in an effort to identify and deter behaviours that may indicate that trading a Crypto Contract is not appropriate for the client, or that additional education is required.

T. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets (as set out in Appendix B to this Decision), that a client, except those clients resident in Alberta, British Columbia, Manitoba and Québec, may enter into Crypto Contracts to purchase and sell on the CoinSmart Platform (calculated on a net basis and is an amount not less than $0) in the preceding 12 months does not exceed a net acquisition cost of $30,000.

U. The Filer has established and will apply and monitor the Client Limits as set out in representation 27.

V. In the jurisdictions where the Prospectus Relief is required, the first trade of a Crypto Contract is deemed to be a distribution under securities legislation of that Jurisdiction.

W. Except as otherwise required by condition X, the Filer will provide the Principal Regulator with at least 10 days' prior written notice of any:

(a) change of or use of a new custodian; and

(b) material changes to the Filer's ownership, its business operations, including its systems, or its business model.

X. The Filer will provide at least 45 days advance notice to the Principal Regulator for any material changes to the Form 21-101F2 information filed as described in paragraph 103, except in relation to changes to Exhibit L – Fees, in which case the Filer will provide at least 15 days advance notice.

Y. The Filer will notify the Principal Regulator, promptly, of any material breach or failure of its or its custodian's system of controls or supervision, and what steps have been taken by the Filer to address each such breach or failure. The loss of any amount of Crypto Assets will be considered a material breach or failure.

Z. Further to condition Y, the Filer will promptly notify the Principal Regulator of any material systems failure, malfunction, delay or security breach of the systems or controls relating to the operation of the marketplace functions.

AA. The Filer will only trade Crypto Contracts based on Crypto Assets that are not in and of themselves securities or derivatives.

BB. The Filer will evaluate Crypto Assets as set out in its KYP Policy and described in representations 15 to 20.

CC. The Filer will not trade Crypto Assets or Crypto Contracts based on Crypto Assets with a customer in a Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Jurisdiction, where the Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of an order, judgment, decree, sanction, fine or administrative penalty imposed by, or has entered into a settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of AML laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar or analogous conduct; for the purposes of this condition, the term "Specified Foreign Jurisdiction" means any of the following: Australia, Brazil, any member country of the European Union, Hong Kong, Japan, Republic of Korea, New Zealand, Singapore, Switzerland, United Kingdom of Great Britain and Northern Ireland, and United States of America.

DD. Except to allow clients to liquidate their positions in those Crypto Contracts or transfer such Crypto Assets to a blockchain address specified by the client, the Filer will promptly stop trading Crypto Contracts where the underlying is a Crypto Asset if (i) the Filer determines it to be, (ii) a court, regulator or securities regulatory authority in any jurisdiction of Canada or the foreign jurisdiction with which the Crypto Asset has the most significant connection determines it to be, or (iii) the Filer is made aware or is informed that the Crypto Asset is viewed by a regulator or securities regulatory authority to be, a security and/or derivative.

Financial Viability

EE. The Filer will maintain sufficient financial resources for the proper operation of its marketplace and for its performance of the marketplace functions in furtherance of its compliance with these terms and conditions.

FF. The Filer will notify the Principal Regulator immediately upon becoming aware that the Filer does not or may not have sufficient financial resources in accordance with the requirements of condition EE.

Marketplace Activities - Fair Access

GG. The Filer will not unreasonably prohibit, condition or limit access to the CoinSmart Platform and related services.

HH. The Filer will not permit unreasonable discrimination among clients of the CoinSmart Platform.

Marketplace Activities – Market Integrity

II. The Filer will take reasonable steps to ensure its operations do not interfere with fair and orderly markets in relation to the CoinSmart Platform.

JJ. The Filer will not provide access to the CoinSmart Platform unless it has the ability to terminate all or a portion of a client's access, if required.

KK. The Filer will maintain accurate records of all of its trade monitoring and complaint handling activities in relation to the CoinSmart Platform, and of the reasons for actions taken or not taken. The Filer will make such records available to the Principal Regulator upon request.

LL. The Filer must monitor each client's compliance with restrictions relating to its use of the Platform, including complying with trading requirements set out in the CoinSmart TOS and with applicable securities laws, and report breaches of securities laws, as appropriate, to the applicable securities regulatory authority or regulator.

Marketplace Activities – Conflicts of Interest

MM. The Filer will annually review compliance with the policies and procedures that identify and manage conflicts of interest described in representations 87 to 89 and will document in each review any deficiencies that were identified and how those deficiencies were remedied.

Marketplace Activities – Transparency of operations and of order and trade information

NN. The Filer will maintain public disclosure of the information outlined in representation 98 in manner that reasonably enables a person or company to understand the marketplace operations or services.

OO. For orders and trades entered to and executed on the CoinSmart Platform, the Filer will make available to clients an appropriate level of information regarding those orders and trades in real-time to facilitate clients' investment and trading decisions, as described in representation 99(c)..

PP. The Filer will make publicly available on its website, on a timely basis, an appropriate level of information about trades that have occurred on the CoinSmart Platform., as described in representation 99(b).

Marketplace Activities – Confidentiality

QQ. The Filer will not release a client's order or trade information to a person or company, other than the client, a securities regulatory authority or a regulation services provider unless:

(a) the client has consented in writing to the release of the information;

(b) the release is made under applicable law; or

(c) the information has been publicly disclosed by another person or company and the disclosure was lawful.

Clearing Agency

RR. The Filer will not operate a "clearing agency" or "clearing house" as the terms are defined or referred to in securities or commodities futures legislation. For any clearing or settlement activity conducted by the Filer incidental to the Filer engaging in the business of a Crypto Asset dealer and marketplace, the Filer will:

(a) maintain adequate procedures and processes to ensure the provision of accurate and reliable settlement services in connection with Crypto Assets; and

(b) maintain appropriate risk management policies and procedures and internal controls to minimize the risk that settlement will not take place as expected.

Data Reporting

SS. The Filer will provide the following information to the Principal Regulator, and to the securities regulatory authority or regulator in each of the Non-Principal Jurisdictions with respect to clients in those jurisdictions individually, within 30 days of the end of each March, June, September and December:

(a) aggregate reporting of activity conducted pursuant to Crypto Contracts that will include the following:

(i) number of Client Accounts opened each month in the quarter;

(ii) number of Client Accounts closed each month in the quarter;

(iii) number of trades in each month of the quarter;

(iv) average value of the trades in each month of the quarter;

(v) number of client accounts with a net acquisition cost greater than $30,000 of Crypto Assets at the end of each month in the quarter;

(vi) number of client accounts with no trades during the quarter;

(vii) number of client accounts that have not been funded at the end of each month in the quarter; and

(viii) number of client accounts that hold a positive amount of Crypto Assets at the end of each month in the quarter;

(b) the details of any client complaints received by the Filer during the calendar quarter and how such complaints were addressed;

(c) the details of any fraudulent activity or cybersecurity incidents on the CoinSmart Platform during the calendar quarter, any resulting harms and effects on clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activities or incidents from occurring in the future;

(d) the amount of crypto assets held in hot wallets as of the end of the quarter,

(e) the amount of the guarantee described in paragraph 77 as of the end of the quarter; and

(f) the name of the financial institution and the amount of money held at the end of the quarter in an account with the financial institution, separate from the Filer's operational accounts and Filer's client accounts, to supplement any insurance policy or guarantee relating to the Filer's hot wallets.

TT. Trade Reporting Data – The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following anonymized account-level data for activity conducted pursuant to a Crypto Contract for each client within 30 days of the end of each March, June, September and December:

(a) unique account number and unique client identifier, as applicable;

(b) jurisdiction where the client is located;

(c) the date the account was opened;

(d) the amount of fiat currency held by the Filer at the beginning of the reporting period and at the end of the reporting period;

(e) cumulative realized gains/losses since account opening in CAD;

(f) unrealized gains/losses as of the report end date in CAD;

(g) quantity traded, deposited and withdrawn by Crypto Asset during the quarter in number of units;

(h) Crypto Asset traded by the client;

(i) quantity held of each Crypto Asset by the client as of the report end date in units;

(j) CAD equivalent aggregate value for each Crypto Asset traded by the client, calculated as the amount in (i) multiplied by the market price of the asset in (h) as of the report end date;

(k) age of account in months; and

(l) the Client Limit established by the Filer on each account.

UU. Within 7 calendar days from the end of each month, the Filer will deliver to the regulator or securities regulatory authority in each of the Applicable Jurisdictions, a report of all accounts for which the Client Limits established pursuant to representation 27 were exceeded during that month.

VV. The Filer will deliver to the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following aggregated quarterly information relating to trading activity on the CoinSmart Platform within 30 days of the end of each March, June, September and December:

(a) total number of trades and total traded value on a by pair basis, with each such reported value further broken out by the proportion of trades and traded value that were a result of trades between two clients compared to trades between a client and the Filer or affiliate of the Filer.

(b) total number of executed client orders and total value of executed client orders on a by pair basis, with each such reported value further broken out by the proportion of executed market orders compared to executed limit orders.

WW. The Filer will provide the Principal Regulator quarterly summary statistics on its trade monitoring and complaint handling activities in relation to the CoinSmart Platform, including the following:

(a) the number of instances of improper trading activity identified, by category, and the proportion of each such category that arose from client complaints / reports;

(b) the number of instances in (a) that were further investigated or reviewed, by category;

(c) the number of investigations in (b), by category, that were closed with no action;

(d) a summary of each investigation in (b) that was escalated for action to be taken, including a description of the action taken in each case; and

(e) a summary of the status of any open investigations.

XX. The Filer will deliver to the Principal Regulator within 30 days of the end of each March, June, September and December, either:

(a) blackline copies of changes made to the policies and procedures on the operations of its wallets (including, but not limited to, establishment of wallets, transfer of Crypto Assets into and out of the wallets and authorizations to access the wallets) that were previously delivered to the Principal Regulator; or

(b) a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.

YY. In addition to any other reporting required by Legislation, the Filer will provide, on a timely basis, any report, data, document or information to the Principal Regulator, including any information about the Filer's custodian(s) and the Crypto Assets held by the Filer's custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the Legislation and the conditions in the Decision, in a format acceptable to the Principal Regulator.

ZZ. Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Non-Principal Jurisdictions with aggregated and/or anonymized data concerning client demographics and activity on the CoinSmart Platform that may be useful to advance the development of the Canadian regulatory framework for trading crypto assets.

AAA. The Filer will promptly make any changes to its business practices or policies and procedures that may be required to address investor protection concerns that may be identified by the Filer or by the Principal Regulator arising from the operation of the CoinSmart Platform.

Changes to and Expiration of Decision

BBB. The Filer will disclose to clients that the Filer is registered as a restricted dealer in the Applicable Jurisdictions subject to specified terms and conditions that are the subject of a specific order and as such may not be subject to all requirements otherwise applicable to an investment dealer and IIROC member, including those that apply to marketplaces and to trading on marketplaces.

CCC. The Filer will, if it intends to operate the CoinSmart Platform in Ontario and Québec after the expiry of the Decision, take the following steps:

(a) submit an application to the OSC and the Autorité des marches financiers (AMF) to become registered as an investment dealer no later than 12 months after the date of the Dealer Platform Decision;

(b) submit an application with IIROC to become a dealer member no later than 12 months after the date of the Dealer Platform Decision;

(c) work actively and diligently with the OSC, the AMF and IIROC to transition the CoinSmart Platform to investment dealer registration and obtain IIROC membership.

DDD. This Decision shall expire as of October 21, 2023, being two years from the date of the Dealer Platform Decision.

EEE. This Decision may be amended by the Principal Regulator upon prior written notice to the Filer in accordance with applicable securities legislation.

In respect of granting the Prospectus Relief and revoking the Dealer Platform Prospectus Relief

Date: December 21, 2021

"Wendy Berman"
Vice Chair
Ontario Securities Commission

"Lawrence Haber"
Commissioner
Ontario Securities Commission

In respect of granting the Suitability Relief, Marketplace Relief and the Trade Reporting Relief and revoking the Dealer Platform Suitability and Dealer Platform Trade Reporting Relief

Date: December 21, 2021

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

OSC File #: 2021/0727

APPENDIX A – LOCAL TRADE REPORTING RULES AND MARKETPLACE RULES

In this Decision,

(a) the "**Local Trade Reporting Rules**" means each of the following:

(i) Part 3, Data Reporting of Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**), and the power to grant exemption orders set out in Section 42 of OSC Rule 91-507;

(ii) Part 3, Data Reporting of Manitoba Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**MSC Rule 91-507**), and the power to grant exemption orders set out in Section 42 of MSC Rule 91-507; and

(iii) Part 3, Data Reporting of Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, and Yukon (**MI 96-101**), and the power to grant exemption orders set out in Section 43 of MI 96-101.

(b) the "**Marketplace Rules**" means each of the following:

(i) National Instrument 21-101 – *Marketplace Operation* (**NI 21-101**) in whole;

(ii) National Instrument 23-101 – *Trading Rules* (**NI 23-101**) in whole; and

(iii) National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) in whole.

APPENDIX B – SPECIFIED CRYPTO ASSETS

Bitcoin
Ether
Bitcoin Cash
Litecoin

2.1.2 Black Creek Investment Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 15.1(2).

December 31, 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
BLACK CREEK INVESTMENT MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation organized under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario and Quebec, and a portfolio manager and exempt market dealer in British Columbia, Alberta and New Brunswick.

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

4. The Filer is an investment management firm that manages separately managed accounts and investment funds offered pursuant to prospectus exemptions. The Filer provides investment management services to clients in Canada, the United States and other countries around the world. The Filer's separately managed account clients are limited to institutional clients and its investment funds are distributed to "accredited investors" as defined in National Instrument 45-106 *Prospectus Exempt Distributions* (**NI 45-106**) through Black Creek as exempt market dealer. All new clients of the Filer are expected to be permitted clients. The Filer does not provide any services to retail clients.

5. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately eight Registered Individuals.

6. The current title used by the Registered Individuals is "Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

7. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

8. The Registered Individuals interact only with institutional clients that are, each, a non-individual

"permitted client", as defined in subsection 1.1 of NI 31-103 or a non-individual "institutional client" as defined in Rule 1201 of the Investment Industry Regulatory Organization of Canada (**IIROC**) (the **Clients**).

9. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

10. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

11. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

12. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103 or non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0661

2.1.3 Manulife Investment Management Limited

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
MANULIFE INVESTMENT MANAGEMENT LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the

other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation amalgamated under the laws of Canada, with its registered head office located in Toronto, Ontario. The Filer is a wholly-owned subsidiary of The Manufacturers Life Insurance Company.

2. The Filer is registered as a portfolio manager and exempt market dealer in all of the Jurisdictions, and is registered as an investment fund manager in Ontario, Quebec, and Newfoundland & Labrador.

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

4. The Filer offers investment advisory services and investment solutions to non-individual institutional clients that are "permitted clients" in Canada, including acting as adviser or sub-adviser to investment funds.

5. The Filer as of the date hereof has over C$750 billion in assets under management in Canada and, together with affiliates, internationally (the United States, Europe and Asia). The Filer offers a broad array of investment solutions across investment mandates such as global fixed income, private market strategies, multi-asset strategies and specialized equity strategies.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately ten Registered Individuals.

7. The current titles used by the Registered Individuals include the words "Director", Vice President" and "Managing Director" and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 (the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0629

2.1.4 TD Asset Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario. The Filer is a wholly owned subsidiary of The Toronto-Dominion Bank (**TD Bank**), which is a Schedule I bank formed and existing under the *Bank Act* (Canada).

2. The Filer is registered as a portfolio manager and an exempt market dealer in each of the provinces and territories of Canada, and is registered in Ontario in the category of commodity trading manager and in Québec as a derivatives portfolio manager. The Filer is also registered as an investment fund manager in Ontario, Saskatchewan, Québec and Newfoundland and Labrador.

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

4. TD Bank and its subsidiaries, including the Filer, comprise a worldwide group of banks and financial services companies (collectively, **TD Bank Group**). Within TD Bank Group, there are several asset management firms and related subsidiaries that provide investment management services to institutional clients globally, including the Filer and Epoch Investment Partners Inc. (collectively, the **TD Asset Management Affiliates**).

5. The Filer offers managed accounts exclusively to sophisticated institutional investors, including pension funds, insurance companies, charitable organizations and corporations. The vast majority of the Filer's institutional clients are "permitted clients" as defined in NI 31-103. The Filer's institutional clients include the mutual funds and exchange-traded funds for which it acts as portfolio manager.

6. The Filer also has a very small number of legacy accounts held by high net worth individuals. Such accounts are typically "permitted clients" as defined in NI 31-103 or are closely associated with another non-individual institutional client account that is a "permitted client". These legacy accounts were previously opened as limited exceptions to

accommodate the associated non-individual institutional client. The Filer no longer provides such exceptions for onboarding individual clients.

7. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 108 Registered Individuals. Other registered representatives of the Filer who interact with clients include individuals who are appointed to corporate offices pursuant to applicable corporate law.

8. The current titles used by the Registered Individuals include the words "Vice President", "Director" and "Managing Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used across the TD Asset Management Affiliates.

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals will interact only with institutional clients that are, each, a non-individual "permitted client" as defined in subsection 1.1 of NI 31-103, or a non-individual "institutional client" as defined in Rule 1201 of the Investment Industry Regulatory Organization of Canada (**IIROC**) (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103 or non individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0540

2.1.5 HSBC Global Asset Management (Canada) Limited

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
HSBC GLOBAL ASSET MANAGEMENT (CANADA)
LIMITED
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

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

(a) the British Columbia 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 by the Filer and its Registered Individuals (as defined below) in each of Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador and the Northwest Territories; 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation organized under the laws of Canada. The head office of the Filer is located in Vancouver, British Columbia. The Filer is a direct subsidiary of HSBC Bank Canada (**HSBC Canada**), which is a Schedule II chartered bank formed and existing under the *Bank Act* (Canada). The Filer and HSBC Canada are members of a group of related companies known as the "**HSBC Group**", whose ultimate parent entity is HSBC Holdings plc, headquartered in London, United Kingdom.

2. The Filer is registered as (i) an investment fund manager in British Columbia, Ontario, Québec and Newfoundland and Labrador, (ii) a portfolio manager in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador, and (iii) an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador and the Northwest Territories.

3. The Filer is not in default of securities legislation in any province or territory of Canada.

4. The Filer offers discretionary investment management services to institutional clients in Canada, including investment funds for which it acts as portfolio manager. The Filer also acts as a dealer in relation to the distribution of prospectus-exempt investment products to institutional clients in Canada.

5. The Filer is part of the HSBC Group's global asset management business referred to as "HSBC Asset Management". HSBC Asset Management invests assets on behalf of the HSBC Group's worldwide

client base through a network of international offices across approximately 25 countries and territories.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes.

7. The current title used by the Registered Individuals is Vice President, and Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). As of the date of this decision, the Filer has two Registered Individuals.

8. The Titles used by the Registered Individuals are consistent with the titles used by the Filer's global affiliates.

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in section 1.1 of NI 31-103 (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought to the Filer.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Gordon Johnson"
Vice Chair
British Columbia Securities Commission

2.1.6 Industrial Alliance Investment Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

[COURTESY TRANSLATION]

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
INDUSTRIAL ALLIANCE INVESTMENT
MANAGEMENT INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, and Saskatchewan (the **Other Jurisdictions**) in respect of the Exemption Sought, 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation formed under the laws of Canada and has its head office in Québec, Québec.

2. The Filer is registered as a portfolio manager in Québec, Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, and Saskatchewan; is registered as an investment fund manager and derivatives portfolio manager in Québec; and is registered as a commodity trading counsel and commodity trading manager in Ontario.

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

4. The Filer is a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. (iAIFS), a life and health insurance corporation and financial services provider, which is itself a wholly owned subsidiary of iA Financial Corporation Inc. (iA Financial). iA Financial and its subsidiaries, including the Filer, are herein collectively referred to as **iA Financial Group**.

5. Within iA Financial Group, there are several asset management firms and related subsidiaries, including the Filer, that provide investment management services to Canadian and American (U.S.) clients, including institutional clients (collectively, the **iA Asset Management Affiliates**).

6. The Filer offers managed accounts exclusively to sophisticated institutional investors, including pension funds, insurance and financial services

companies, trusts, charitable organizations and corporations.

7. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has 37 Registered Individuals.

8. The current titles used by the Registered Individuals include the words "Vice-President", "First Vice-President", "Senior Vice-President", "Vice-President and Director", "Director", "Investment Director", "Managing Director" and "Senior Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by the iA Asset Management Affiliates and iAIFS.

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

OSC File #: 2021/0639

2.1.7 Société Générale Capital Canada Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

[COURTESY TRANSLATION]

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
SOCIÉTÉ GÉNÉRALE CAPITAL CANADA INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Institutional Clients (as defined below) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces of Canada (tthe **Other Jurisdictions**) in respect of the Exemption Sought, 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation formed under the laws of Canada and has its head office in Montréal, Québec.

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has 13 Registered Individuals.

6. The current titles used by the Registered Individuals include the words “Vice-President”, “Director” and “Managing Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

7. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

8. The Registered Individuals interact only or primarily with institutional clients that are, each, a non-individual "institutional client", as defined in IIROC Rule 1201 (the **Institutional Clients**).

9. To the extent a Registered Individual interacts with clients that are not Institutional Clients (the **Retail Clients**), the Filer has policies, procedures and controls in place to ensure that such Registered Individual will only use a Title when interacting with Institutional Clients, and will not use a Title in any interaction with Retail Clients, including in any communications, such as written and verbal communications, that are directed at, or may be received by, Retail Clients.

10. The Filer will not grant any registered individual that interacts primarily with Retail Clients, nor will such registered individual be permitted by the Filer to use, a corporate officer title other than in compliance with paragraph 13.18(2)(b) of NI 31-103.

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Institutional Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients", as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution oversight
Autorité des marchés financiers

OSC File #: 2021/0611

2.1.8 FT Portfolios Canada Co. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted under subsection 62(5) of the Securities Act (Ontario) to mutual funds to permit extensions of the lapse dates of their prospectuses.

Applicable Legislative Provisions

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

January 6, 2022

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
FT PORTFOLIOS CANADA CO.
(the Filer)

AND

FIRST TRUST JFL FIXED INCOME CORE PLUS ETF
FIRST TRUST JFL GLOBAL EQUITY ETF
FIRST TRUST INDXX INNOVATIVE TRANSACTION & PROCESS ETF
(collectively, the Funds)

DECISION

I. BACKGROUND

1. The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits for the renewal of the prospectus of (a) the First Trust JFL Fixed Income Core Plus ETF and First Trust JFL Global Equity ETF (collectively, the **JFL ETFs**) dated January 21, 2021 be extended to those time limits that would apply if the lapse date was April 14, 2022 and (b) the First Trust Indxx Innovative Transaction & Process ETF (the **Indxx ETF**) dated March 18, 2021 be extended to those time limits that would apply if the lapse date was April 15, 2022 (together, the **Requested Relief**).

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

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

   (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

II. INTERPRETATION

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

III. REPRESENTATIONS

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

1. The Filer is a corporation existing under the laws of the Province of Nova Scotia.

2. The Filer's head office is located in Toronto, Ontario.

3. The Filer is registered as (a) an investment fund manager and mutual fund dealer in the provinces of Ontario and Newfoundland and Labrador and (b) as a mutual fund dealer in the province of Quebec.

4. The Filer is the trustee and manager of the Funds.

5. Each of the Funds is (a) an exchange-traded fund established under the laws of the province of Ontario and (b) a reporting issuer as defined in the securities legislation of each of the Jurisdictions.

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

7. Each JFL ETF currently distributes its securities in the Jurisdictions pursuant to a long-form prospectus dated January 21, 2021 (the **Current JFL Prospectus**).

8. The lapse date of the Current JFL Prospectus under the Legislation is January 21, 2022 (the **Current JFL Lapse Date**). Accordingly, under subsection 62(2) of the *Securities Act* (Ontario) (the **Act**), the distribution of securities of the JFL ETFs would have to cease on the Current JFL Lapse Date unless: (i) the JFL ETFs file a pro forma long-form prospectus at least 30 days prior to the Current JFL Lapse Date; (ii) the final prospectus of the JFL ETFs is filed no later than 10 days after the Current JFL Lapse Date; and (iii) a receipt for the final prospectus of the JFL ETFs is obtained within 20 days after the Current JFL Lapse Date.

9. Pursuant to subsection 62(1) of the Act, the lapse date of the current prospectus of the funds listed in Schedule A (the **Other Non-Index ETFs)** under the Legislation is April 23, 2022.

10. The Indxx ETF currently distributes its securities in the Jurisdictions pursuant to a long-form prospectus dated March 18, 2021 (the **Current Indxx Prospectus**).

11. The lapse date of the Current Indxx Prospectus under the Legislation is March 18, 2022 (the **Current Indxx Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of the Indxx ETF would have to cease on the Current Indxx Lapse Date unless: (i) the Indxx ETF files a pro forma long-form prospectus at least 30 days prior to the Current Indxx Lapse Date; (ii) the final prospectus of the Indxx ETF is filed no later than 10 days after the Current Indxx Lapse Date; and (iii) a receipt for the final prospectus of the Indxx ETF is obtained within 20 days after the Current Indxx Lapse Date.

12. Pursuant to subsection 62(1) of the Act, the lapse date of the current prospectus of the funds listed in Schedule B (the **Other Index ETFs** and together with the Other Non-Index ETFs, the **Other Funds**) under the Legislation is April 15, 2022.

13. The Filer wishes to combine (a) the Current JFL Prospectus of the JFL ETFs with the current prospectus of the Other Non-Index ETFs and (b) the Current Indxx Prospectus of the Indxx ETF with the current prospectus of the Other Index ETFs, in each case, in order to reduce renewal, printing and related costs of the Funds and the Other Funds. Offering (a) the JFL ETFs and the Other Non-Index ETF under one prospectus and (b) the Indxx ETF and the Other Index ETF under one prospectus would, in each case, facilitate the distribution of (a) the JFL ETF and the Other Non-Index ETFs and (b) the Indxx ETF and the Other Index ETFs, respectively, in the Jurisdictions, in each case, under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the Other Funds are managed by the Filer and are established under the same declaration of trust offering them under two prospectuses (one prospectus which includes passively managed funds and one that includes actively managed funds) would allow investors to more easily compare the features of the Funds and the Other Funds, as applicable.

14. It would be unreasonable to incur the costs and expenses associated with preparing four separate renewal prospectuses given how close in proximity the lapse date of (a) the Current JFL Prospectus and the lapse date of the current prospectus of the Other Non-Index ETFs and (b) the Current Indxx Prospectus and the lapse date of the current prospectus of the Other Index ETFs are to one another.

15. There have been no material changes in the affairs of the Funds since the date of the Current JFL Prospectus or Current Indxx Prospectus. Accordingly, the Current JFL Prospectus, the Current Indxx Prospectus and current ETF Facts of the Funds, as applicable, represent the current information of the Funds.

16. Given the disclosure obligation of the Funds, should any material changes occur, the Current JFL Prospectus or the Current Indxx Prospectus, as applicable, and the current ETF Facts of the Fund(s) will be amended as required under the Legislation.

17. New investors in the Funds will receive delivery of the most recently filed ETF Facts of the applicable Fund(s). The Current JFL Prospectus and the Current Indxx Prospectus will still be available upon request.

18. The Requested Relief will not affect the accuracy of the information contained in the Current JFL Prospectus or the Current Indxx Prospectus and therefore will not be prejudicial to the public interest.

IV. DECISION

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

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

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

Application File #: 2021/0679

SCHEDULE A

OTHER NON-INDEX ETFs

First Trust Value Line® Dividend Index ETF (CAD-Hedged)
First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)
First Trust Senior Loan ETF (CAD-Hedged)
First Trust Canadian Capital Strength ETF
First Trust International Capital Strength ETF

SCHEDULE B

OTHER INDEX ETFs

First Trust NASDAQ® Clean Edge® Green Energy ETF
First Trust Indxx NextG ETF
First Trust Nasdaq Cybersecurity ETF
First Trust Dow Jones Internet ETF
First Trust AlphaDEX™ U.S. Health Care Sector Index ETF
First Trust NYSE Arca Biotechnology ETF
First Trust AlphaDEX™ U.S. Industrials Sector Index ETF
First Trust AlphaDEX™ U.S. Technology Sector Index ETF
First Trust Cloud Computing ETF
First Trust AlphaDEX™ European Dividend Index ETF (CAD-Hedged)
First Trust Global Risk Managed Income Index ETF
First Trust Tactical Bond Index ETF
First Trust Morningstar Dividend Leaders ETF (CAD-Hedged)

2.1.9 iA Private Wealth Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

[COURTESY TRANSLATION]

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
IA PRIVATE WEALTH INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (the **Other Jurisdictions**) in respect of the Exemption Sought, 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation formed under the laws of Canada and has its head office in Montréal, Québec.

2. The Filer is registered as an investment dealer in all provinces and territories of Canada, and is registered as a derivatives dealer in Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. (iAIFS), a life and health insurance corporation and financial services provider, which is itself a wholly owned subsidiary of iA Financial Corporation Inc. (iA Financial). iA Financial and its subsidiaries, including the Filer, are herein collectively referred to as "iA Financial Group".

6. The Filer comprises two divisions: (i) Capital Markets (**CM**), and (ii) Private Wealth (**PW**). CM provides a broad range of services to "institutional clients" as defined in IIROC Rule 1201 and "permitted clients" as defined in Regulation 31-103. CM's service offerings include corporate finance, equity research, sales & trading, and advisory services for mergers and acquisitions. PW provides comprehensive personal wealth planning to retail clients. Each of CM and PW function independently, as stand-alone operations within the Filer, and each reports through a separate and distinct senior management structure within the iA Financial Group.

7. CM does not provide discount brokerage services, retail brokerage services or any other services to

retail clients. CM does not have any accounts held by individuals. CM does not promote its services to individual or retail investors as a part of its business model. CM does not provide any exception for onboarding individual clients.

8. CM's client base is worldwide, including Canadian, American, European and Australian non-individual "permitted clients" and non-individual "institutional clients".

9. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has 10 Registered Individuals.

10. The current titles used by the Registered Individuals include the words "Vice-President", "Executive Vice-President", "Chief Executive Officer", "Vice Chairman", "Chairman", "Director", "Executive Director", "Associate Director", "Managing Director" and "Senior Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

11. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

12. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client", as defined in IIROC Rule 1201 (the **Clients**).

13. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

14. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

15. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

16. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients", as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

OSC File # 2021/0659

2.1.10 BMO Nesbitt Burns Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
BMO NESBITT BURNS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is amalgamated under the laws of Canada. The Filer's head office is in Toronto, Ontario.

2. The Filer is registered as an investment dealer with the securities regulatory authority in each Jurisdiction.

3. The Filer is an indirect subsidiary of the Bank of Montreal (**BMO**), a bank listed in Schedule 1 of the *Bank Act* (Canada).

4. The Filer is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

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

6. The Filer operates under two separate divisions: BMO Capital Markets, which is the wholesale brokerage operation, and Private Wealth, which is the retail division. The Capital Markets division of the Filer, as the wholesale brokerage operation, deals exclusively with institutional clients as defined under IIROC Rule 1201. The division is, in turn, a component of a larger Capital Markets franchise within BMO which services a broad array of institutional client needs for both domestic and foreign clients across multiple asset classes and products in numerous global jurisdictions.

7. The BMO Capital Markets division of the Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 167 Registered Individuals.

8. The current titles used by the Registered Individuals include the words "Vice President", "Director", and "Managing Director", and the Registered Individuals

may use additional corporate officer titles in the future (collectively, the **Titles**).

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client" as defined in IIROC Rule 1201 (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0498

2.1.11 Scotia Capital Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
SCOTIA CAPITAL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation incorporated under the laws of Ontario. The Filer's head office is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; is also registered as a dealer (futures commission merchant) in Manitoba, a futures commission merchant in Ontario and a derivatives dealer in Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is a wholly-owned subsidiary of The Bank of Nova Scotia.

6. The Filer comprises three divisions: Global Banking and Markets division (**GBM**), which deals exclusively with non-individual institutional clients that are "permitted clients" as defined in NI 31-103 or "institutional clients" as defined in IIROC Rule 1200, Scotia iTRADE, which offers discount online brokerage services, and ScotiaMcLeod, which comprises the full-service retail brokerage business of the Filer. GBM services and products are provided through the Filer. In addition, GBM services and products are also provided through The Bank of Nova Scotia and through subsidiaries of The Bank of Nova Scotia located outside of Canada. GBM provides products and services to institutional clients globally. The Canadian business only represents a portion of GBM's overall suite of service and products.

7. The GBM division of the Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 120 Registered Individuals.

8. The current titles used by the Registered Individuals include the words “Associate Director”, “Director”, and “Managing Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual’s sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals interact only with institutional clients that are, each, a non-individual “institutional client” as defined in IIROC Rule 1201 (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual “institutional clients” as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

“Debra Foubert”
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0565

2.1.12 CIBC Asset Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
CIBC ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation incorporated under the laws of Canada.

2. The Filer is registered as a portfolio manager in each province and territory of Canada. The Filer is also registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as a commodity trading manager in Ontario and a derivatives portfolio manager in Québec.

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

4. The Filer is a wholly-owned subsidiary of the Canadian Imperial Bank of Commerce (**CIBC**). The Filer's head office is located in Toronto, Ontario.

5. The Filer offers investment advisory services and investment solutions to "retail clients", including through investment funds managed by the Filer that are subject to National Instrument 81-102 *Investment Funds*, and non-individual institutional clients that are "permitted clients" as defined in NI 31-103 or non-individual "institutional clients" as defined in IIROC Rule 1201.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 29 Registered Individuals.

7. The current titles used by the Registered Individuals include the words "Assistant Vice President", "Vice President", "First Vice President", "Director", "Managing Director", and "Senior Managing Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by CIBC's affiliates.

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 or a non-individual "institutional client" as defined in IIROC Rule 1201 (collectively, the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103 or non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0643

2.1.13 HSBC Securities (Canada) Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
HSBC SECURITIES (CANADA) INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation organized under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; and is also registered as a derivatives dealer in Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**)

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is a subsidiary of HSBC Bank Canada (**HSBC Canada**), which is a Schedule II chartered bank formed and existing under the *Bank Act* (Canada). The Filer and HSBC Canada are members of a group of related companies known as the "**HSBC Group**", whose ultimate parent entity is HSBC Holdings plc, headquartered in London, United Kingdom.

6. The Filer comprises two divisions: (i) Global Banking and Markets (**GBM**), and (ii) HSBC InvestDirect (**HIDC**). GBM provides a broad range of services to institutional clients. GBM's service offerings include fixed income sales and trading, equity capital markets, investment banking, and mergers and acquisitions. HIDC provides order execution only brokerage services to retail clients. Each of GBM and HIDC function independently, as stand-alone operations within the Filer and each reports through a separate and distinct senior management structure within the HSBC Group.

7. GBM provides products and services to institutional clients in Canada through the Filer and around the world through other member firms of the HSBC Group located outside of Canada. The Canadian business carried out by the Filer represents a portion of GBM's global business. GBM does not provide discount brokerage services, retail brokerage services or any other services to retail clients.

8. The GBM division of the Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately seven Registered Individuals.

9. The current titles used by the Registered Individuals include the words "Vice-President", and "Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

10. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

11. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client" as defined in IIROC Rule 1201 (the **Clients**).

12. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

13. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

14. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

15. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0633

2.1.14 CIBC World Markets Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
CIBC WORLD MARKETS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation incorporated under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; and is also registered as a dealer (futures commission merchant) in Manitoba, a futures commission merchant in Ontario and a derivatives dealer in Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is a wholly-owned subsidiary of the Canadian Imperial Bank of Commerce (**CIBC**).

6. The Filer provides the following principal services and/or products, among others:

   (a) Equity and equity-linked offerings and advice with respect to the structuring of same, for instance initial public offerings, follow-on equity raises, secondary offerings and monetization transactions by existing shareholders, preferred share offerings, private placements and share repurchase transactions;

   (b) Equity sales and trading services and advice with respect to the structuring of same, for instance institutional trading coverage and block facilitation trading for Canadian equities and electronic trading strategies and solutions through equity markets in Canada;

   (c) Debt financing structuring, for instance, new issue execution, interest rate risk management solutions, capital structure and rating agency advisory, and liability management services;

(d) Derivatives solutions and structured products offerings and advice;

(e) Quantitative Analytics and strategies;

(f) Prime brokerage services; and

(g) Investment banking.

7. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 110 Registered Individuals.

8. The current titles used by the Registered Individuals include the words "Director", "Executive Director" "Vice Chair" and "Managing Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

9. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

10. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client" as defined in IIROC Rule 1201 (the **Clients**).

11. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

12. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

13. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

14. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2021/0648

2.1.15 CI Investments Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
CI INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation amalgamated under the laws of Ontario.

2. The Filer is registered as (i) an investment fund manager in Ontario, Québec and Newfoundland and Labrador, (ii) a portfolio manager and exempt market dealer in each of the provinces and territories of Canada, and (iii) as a commodity trading counsel and commodity trading manager in Ontario.

3. The Filer is a wholly owned subsidiary of CI Financial Corp. (**CIX**), which is listed on the Toronto Stock Exchange and the New York Stock Exchange. CIX and its subsidiaries (collectively, the **CI Group**) offer global asset management and wealth management advisory services, with offices throughout North America and around the world. The head office of the Filer is located in Toronto, Ontario.

4. The Filer offers asset management products and services exclusively to institutional clients in Canada, including the investment funds for which it acts as portfolio manager. The Filer also acts as dealer in relation to the distribution of prospectus-exempt investment products to institutional clients in Canada. The majority of the Filer's clients are institutional "permitted clients" as defined in NI 31-103 and the remainder are institutional "accredited investors" as defined in National Instrument 45-106 *Prospectus Exempt Distributions*.

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

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately six Registered Individuals.

7. The current titles used by the Registered Individuals include the words "Senior Vice President", "Vice President", and "Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by CI Group's affiliates.

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 or a non-individual "institutional client" as defined in IIROC Rule 1201 (collectively, the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103 or non-individual "institutional clients" as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation Branch
Ontario Securities Commission

OSC File #: 2021/0696

2.1.16 BMO Asset Management Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 31, 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
BMO ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

Terms defined in MI 11-102 and 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 Filer:

1. The Filer is a corporation incorporated under the laws of the Province of Ontario.

2. The Filer is registered as an adviser in the category of portfolio manager and a dealer in the category of exempt market dealer in each of the Jurisdictions and as an investment fund manager in Ontario, Quebec, and Newfoundland and Labrador. The Filer is also registered as a commodity trading manager in Ontario and as a derivatives portfolio manager in Quebec.

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

4. The Filer is an indirect, wholly-owned subsidiary of Bank of Montreal (**BMO**). The head office of the Filer is located in Toronto, Ontario.

5. The Filer, in its capacity as an adviser, offers investment advisory services to "permitted clients" as defined in NI 31-103 under separately managed accounts and may in the future offer such services to institutional accredited investors under separately managed accounts. The Filer, in its capacity as an exempt market dealer, markets, sells and distributes investment funds managed by the Filer or one of its affiliates under prospectus exemptions to these separately managed accounts or other accounts of "permitted clients" as defined in NI 31-103 and may in the future offer such services to institutional accredited investors. The Filer deals with non-individual institutional clients that are "permitted clients" as defined in NI 31-103 and may in the future deal with non-individual "institutional clients" as defined in IIROC Rule 1201. As of the date hereof, all of the Filer's clients are non-individual institutional "permitted clients".

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the

Filer changes. As of the date of this decision, the Filer has approximately 34 Registered Individuals.

7. The current titles used by the Registered Individuals include the words "Vice President", "Director", and "Managing Director", and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles used by the Registered Individuals are consistent with the titles used by BMO's affiliates.

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "permitted client", as defined in subsection 1.1 of NI 31-103 (the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "permitted clients" as defined in NI 31-103.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation Branch
Ontario Securities Commission

OSC File #: 2021/0701

2.1.17 Desjardins Securities Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

[COURTESY TRANSLATION]

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
DESJARDINS SECURITIES INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (the **Other Jurisdictions**) in respect of the Exemption Sought, 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation formed under the laws of Canada and has its head office in Montréal, Québec.

2. The Filer is registered as an investment dealer in each of the provinces and territories of Canada. The Filer is also registered as a dealer (futures commission merchant) in Manitoba, as a futures commission merchant in Ontario, and as a derivatives dealer in Quebec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities legislation in any of the Jurisdictions.

5. Under the branding “Desjardins Capital Markets”, the Filer offers non-individual institutional and corporate clients a full suite of financial products and services, including, but not limited to, corporate and investment banking, institutional equities, fixed income, M&A advisory services, and risk management solutions.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 50 Registered Individuals.

7. The current titles used by the Registered Individuals include the words “Vice-President”, “Vice-President & Director”, and “Managing Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client", as defined in IIROC Rule 1201 (the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients", as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

OSC File #: 2021/0591

2.1.18 Casgrain & Company Limited

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

[COURTESY TRANSLATION]

December 31, 2021

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

AND

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

AND

IN THE MATTER OF
CASGRAIN & COMPANY LIMITED
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in each of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Prince Edward Island and Saskatchewan (the **Other Jurisdictions**) in respect of the Exemption Sought, 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 MI 11-102 and 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 Filer:

1. The Filer is a corporation formed under the laws of Canada and has its head office in Montréal, Québec.

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces of Canada, and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The Filer is not in default of securities legislation in any of the Jurisdictions and is not in default of derivatives legislation in Québec.

5. The Filer offers non-individual institutional and corporate clients a full suite of financial products and services, including, but not limited to, fixed income, corporate and investment banking, institutional equities, and M&A advisory services.

6. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**). The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has 11 Registered Individuals.

7. The current titles used by the Registered Individuals include the words “Vice-President”, “Vice-President & Director”, and “Managing Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

8. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual's sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

9. The Registered Individuals interact only with institutional clients that are, each, a non-individual "institutional client", as defined in IIROC Rule 1201 (the **Clients**).

10. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

11. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

12. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

13. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

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, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual "institutional clients", as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

French version signed by:

"Éric Jacob"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

OSC File #: 2021/0664

2.1.19 Fédération des caisses Desjardins du Québec

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Although a reporting issuer, the filer does not have equity securities listed and posted for trading on a short form eligible exchange due to its status as a federation of financial services cooperatives. Application for exemptive relief from the qualification criteria to file a short form prospectus in paragraph 2.2(e) of National Instrument 44-101 Short Form Prospectus Distributions and the qualification criteria to file a base shelf prospectus in subsections 2.2(1) and (2) and subparagraph 2.2(3)(b)(iii) of National Instrument 44-102 Shelf Distributions. Relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(e) and 8.1.
National Instrument 44-102 Shelf Distributions, ss. 2.2(1) and(2), 2.2(3)(b)(iii) and 11.1.

[TRANSLATION]

December 30, 2021

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

AND

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

AND

IN THE MATTER OF
FÉDÉRATION DES CAISSES
DESJARDINS DU QUÉBEC
(the Filer)

DECISION

Background

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

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

(a) the *Autorité des marchés financiers* is the principal regulator for this application (the **Principal Regulator**);

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR c V-1.1, r 1 (**Regulation 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

(c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR c V-1.1, r 3, Regulation 11-102 and Regulation 44-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a federation of financial services cooperatives amalgamated under the *Act respecting financial services cooperatives* (Québec), CQLR c C-67.3.

2. The Filer's head office is located in Quebec.

3. For the purpose of this decision, the cooperative group to which the Filer belongs is called the Groupe coopératif Desjardins, and the financial group to which the Filer belongs is called the Mouvement Desjardins. The Mouvement Desjardins is comprised of the Filer and its subsidiaries, the Desjardins caisses in Québec, Caisse Desjardins Ontario Credit Union Inc. in Ontario and the Fonds de sécurité Desjardins.

4. The Filer is a reporting issuer in all of the provinces of Canada and is not in default of securities legislation in any of those jurisdictions.

5. The Mouvement Desjardins is the largest financial services cooperative in Canada, with assets of $390.6 billion as at September 30, 2021. The Mouvement Desjardins employs more than 52,000 employees. On June 19, 2013, the Principal Regulator designated the Mouvement Desjardins as a domestic systemically important financial institution (a **D-SIFI**) under applicable financial institutions legislation in the province of Québec.

6. The mission of the Filer is to look after the capital and risk management of the Mouvement Desjardins and

to see to the financial health of the Groupe coopératif Desjardins and its sustainability. The Filer is a seasoned issuer in the Canadian and global markets, and the Mouvement Desjardins' funding totaled more than $45 billion as of September 30, 2021, on a combined basis, and included multiple series of notes and covered bonds as well as commercial paper.

7. In addition, the Filer acts as the control and supervisory body over the Desjardins credit unions (the **Desjardins Caisses**). The Desjardins Caisses are required to finance the Filer by way of contributions fixed by the latter. The Filer also provides the Desjardins Caisses with a variety of services, including certain technical, financial and administrative services. As at September 30, 2021, there were 215 member Desjardins Caisses in Québec and Ontario.

8. The Filer is also the treasurer and official representative of the Mouvement Desjardins with the Bank of Canada and within the Canadian banking system.

9. The Filer's share capital is composed of various classes of capital shares, all of which are owned or controlled by members and auxiliary members of the Filer or members and auxiliary members of the Desjardins Caisses.

10. Because of the cooperative nature of the Filer, the Groupe coopératif Desjardins and the Mouvement Desjardins, the Filer's constating documents do not allow for the issuance of capital shares of the Filer to the public (i.e., outside of members and auxiliary members of the Filer or of the Desjardins Caisses), except in remote or extraordinary circumstances.

11. As a result thereof, the currently issued and outstanding capital shares of the Filer cannot be listed and posted for trading on a short form eligible exchange.

12. All Canadian domestic systemically important banks have filed short form base shelf prospectuses that are currently effective, and which qualify the issuance of, *inter alia*, debt securities with terms substantially similar to those of the Securities (as defined below).

13. The Filer expects to file a base shelf prospectus for the issuance of the Securities up to $3,000,000,000 (together with the applicable shelf prospectus supplements, the **Prospectus**).

14. Except for the requirement that its equity securities be listed on a short form eligible exchange, the Filer meets all requirements in order to qualify under the "Basic Qualification Criteria" to file a prospectus in the form of a short form prospectus, as set forth under section 2.2 of Regulation 44-101 (and in the form of a base shelf prospectus, as set forth under section 2.2of Regulation 44-102).

15. Except for the requirement that the securities distributed be non-convertible, the Filer meets (or, in the case of (f) below, will meet at the time of distribution) all requirements in order to qualify to file a prospectus in the form of a short form prospectus, as set forth under section 2.3 of Regulation 44-101 (and in the form of a base shelf prospectus, as set forth under section 2.3 of Regulation 44-102) under the "Alternative Qualification Criteria for Issuers of Designated Rating Non-Convertible Securities", as the Filer meets the following requirements:

    (a) the Filer is an electronic filer under *Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval* (SEDAR), CQLR c V-1.1, r 2;

    (b) the Filer is a reporting issuer in each of the provinces of Canada;

    (c) the Filer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction (i) under applicable securities legislation, (ii) pursuant to any order issued by the securities regulatory authorities in such jurisdiction, and (iii) pursuant to any undertaking to the securities regulatory authorities in such jurisdiction, namely in compliance with decision no. 2021-FS-0091 of the Principal Regulator (the **FS Decision**);

    (d) the Filer has, in all provinces of Canada, current annual financial statements and a current AIF, namely as required by the FS Decision;

    (e) the Filer is not an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or its exchange listing; and

    (f) the Filer has reasonable grounds to believe that, at the time of distribution, the Securities to be offered by the Filer under the Prospectus (i) will have received a designated rating on a provisional basis; (ii) will not be the subject of an announcement by an approved rating organization or its DRO affiliate, of which the Filer is or ought reasonably to be aware at the time, that the approved rating given by the organization may be down-graded to a rating category that would not be a designated rating; and (iii) will not have received a provisional or final rating lower than a designated rating from any approved rating organization or its DRO affiliate.

16. The Securities to be offered by the Filer under a Prospectus will be (i) subordinated debt securities, including securities without a stated maturity

constituting subordinated indebtedness, that are convertible into capital shares of the Filer (including Class Z-Contingent Capital shares of the Filer) pursuant to an automatic conversion mechanism which is linked to specified trigger events contained in the terms and conditions of the subordinated debt securities, as required under the capital adequacy guideline of the Principal Regulator (the **NVCC Provisions**); and/or (ii) unsubordinated debt securities that are convertible into contributed capital securities of the Filer, of a deposit-taking institution that is part of the Groupe coopératif Desjardins or of a legal person constituted or resulting from an amalgamation/continuance or other conversion carried out for purposes of the resolution of the Filer, pursuant to the bail-in powers of the Principal Regulator under applicable financial institutions legislation in the province of Québec (the **Bail-in Powers**); and/or (iii) unsubordinated debt securities that are not convertible pursuant to the Bail-in Powers or otherwise (collectively, the **Securities**).

Decision

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

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

(a) the Filer complies with the applicable requirements, procedures and qualification criteria of Regulation 44-101, other than the requirement of paragraph 2.2(e) of Regulation 44-101 that the Filer's equity securities be listed and posted for trading on a short form eligible exchange;

(b) the Mouvement Desjardins continues to be recognized by the Principal Regulator as a D-SIFI (or the equivalent) under applicable financial institutions legislation in the province of Québec;

(c) the Securities to be offered under a Prospectus shall, at the time of distribution, have a designated rating as per the conditions set out in paragraph 2.3(1)(e) of Regulation 44-101 and subparagraph 2.3(3)(b)(iv) of Regulation 44-102; and

(d) the Prospectus shall disclose risk factors attaching to the NVCC Provisions, in the case of Securities that are subordinated debt securities, and to the Bail-in Powers, in the case of Securities that are unsubordinated debt securities subject to the Bail-in Powers.

"Benoît Gascon"
Senior Director, Corporate Finance

OSC File #: 2021/0711

2.1.20 Wesana Health Holdings Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from provisions in section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) permitting the Filer to exclude certain financial statements of an acquisition of related businesses from the business acquisition report – exemption granted for the requirement to include financial statements of the least significant of two related business based on the facts and circumstances of the acquisition – the acquisition was relatively immaterial to the Filer, and the Filer did not rely on historical financial statements in making the investment decision to enter into and complete the acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4 and 13.1.

January 7, 2022

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
WESANA HEALTH HOLDINGS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an order under Section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) exempting the Filer from the requirement to include the Omitted APS Financial Statements (defined below) within the business acquisition report (the **BAR**) to be filed by the Filer in connection with the Acquisitions (defined below) pursuant to subsections 8.4(1) and (3) of NI 51-102, provided that the BAR otherwise complies with the requirements of Form 51-102F4 *Business Acquisition Report* (**Form 51-102F4**) and NI 51-102 (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 (the **Principal Regulator**); 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 the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island.

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 in this decision.

Representations

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

1. The Filer is a corporation organized under the *Business Corporations Act* (British Columbia).

2. The Filer's head office is located in Chicago, Illinois. The Filer has a member of management that is located in the Jurisdiction.

3. The Filer is a reporting issuer in the Provinces of Ontario and British Columbia and is not in default of the securities legislation of any jurisdiction of Canada. The Filer filed a preliminary base shelf prospectus dated September 15, 2021 in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island.

4. The Subordinate Voting Shares of the Filer are listed and posted for trading on the Canadian Securities Exchange under the symbol "WESA" and the OTCQB Venture Market under the symbol "WSNAF".

5. The Filer is a "venture issuer" as defined in NI 51-102 and prepares its financial statements in accordance with International Financial Reporting Standards (**IFRS**) pursuant to National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

6. On September 8, 2021, the Filer completed the acquisition (the **PsyTech Acquisition**) of Psychedelitech Inc. (**PsyTech**), an entity organized under the laws of Ontario. The PsyTech Acquisition was completed by way of a three-cornered amalgamation between PsyTech, the Filer and 2849635 Ontario Inc., a newly created wholly-owned subsidiary of the Filer, pursuant to which PsyTech and 2849635 Ontario Inc. amalgamated to continue as "Wesana Solutions Inc." and the Filer issued shares to the shareholders of PsyTech in exchange for their common shares of PsyTech.

7. Separate to its transaction with the Filer, prior to the time of negotiation and completion of the PsyTech Acquisition, PsyTech had negotiated the principal terms of the acquisition of Advanced Psychiatric Management LLC (**APM**), an entity organized under the laws of Delaware, on an arm's-length basis. APM was a newly created wholly-owned subsidiary of Advanced Psychiatric Solutions, Ltd. (**APS**), an entity organized under the laws of Illinois. APS is an operator of two mental health clinics located in Illinois. APS is owned by a medical doctor. Shortly after completion by the Filer of the PsyTech Acquisition, the acquisition of APM was also completed on September 8, 2021 (the **APM Acquisition**, and together with the PsyTech Acquisition, the **Acquisitions**). Instead of PsyTech acquiring APM, such acquisition was accomplished by having Wesana Health Clinics Corp., a newly created wholly-owned subsidiary of the Filer, as a substituted purchaser, purchase the equity in APM from APS. Other than the financial information as set out below and other than certain limited disaggregated financial information related thereto, the Filer does not possess nor have access to, and is not entitled to obtain access to, financial information in respect of APS for any period prior to the APM Acquisition.

8. Given that it was newly created for purposes of the transaction, prior to the completion of the APM Acquisition, APM did not have any assets or operations. In connection with the APM Acquisition, (i) APS transferred to APM its non-medical assets, such as furniture, equipment, computer hardware, real estate leases and other contractual entitlements, and (ii) APM entered into a 30-year management services agreement with APS to furnish all non-medical administrative and management services to APS in exchange for a fair market value management fee (which is expected to capture the economics of the arrangement). As a result, APM became the exclusive manager of the two mental health clinics operated by APS. The acquisition of APM and entry into of a long-term management services agreement by APM with APS, rather than the acquisition of APS (which continued to be owned by the same medical doctor as prior to the transaction), was undertaken to comply with certain Illinois state laws which restrict the corporate practice of medicine and require medical practitioners to own entities that have clinical operations. APM also has a succession agreement with APS and a medical advisory agreement with the current medical doctor shareholder of APS which gives APM the right to designate the successor shareholder of APS in the event of certain succession events so that the outstanding equity in APS is owned by a successor shareholder appointed by APM. As a result of such

controls that are in place, under IFRS, post-acquisition the financial statements of both APM and APS are consolidated into the financial statements of the Filer.

9. The Acquisitions were completed on September 8, 2021. The total purchase price for the PsyTech Acquisition, subject to final adjustments, was approximately US$23.84 million and for the APM Acquisition, subject to final adjustments, was approximately US$1.86 million.

10. Individually, the PsyTech Acquisition is a significant acquisition for the Filer under the optional investment test as described in paragraph 8.3(4)(b) of NI 51-102 as modified by paragraph 8.3(3)(b) of NI 51-102, as the Filer determined that the consolidated investments of the Filer in the PsyTech Acquisition as of the acquisition date equaled approximately 168% of the consolidated assets of the Filer based on the most recently completed interim period of the Filer prior to the completion of the PsyTech Acquisition, being the interim period ended June 30, 2021.

11. While PsyTech, on the one hand, and APS and APM, on the other hand, were arm's length businesses, the definitive acquisition agreement for the PsyTech Acquisition included a closing condition for the benefit of the Filer that all conditions precedent to the completion of the APM Acquisition needed to have been satisfied. As a result, the Acquisitions are considered an "acquisition of related businesses" pursuant to Section 8.1 of NI 51-102 and together constitute a "significant acquisition" of the Filer for the purposes of NI 51-102. The Filer was therefore required to file a BAR within 75 days of the completion of the Acquisitions pursuant to Section 8.2 of NI 51-102.

12. Pursuant to Section 8.4 of NI 51-102, the BAR for the Acquisitions must include the following for each business or related business that is acquired:

    (a) audited financial statements (i.e., a statement of financial position, a statement of comprehensive income, a statement of changes in equity and a statement of cash flows) for the most recently completed financial year of the business acquired (the **Audited Requirements**);

    (b) unaudited financial statements for the financial year immediately preceding the most recently completed financial year of the business acquired; and

    (c) unaudited financial statements for the interim period that started the day after the date of the statement of financial position prepared under the Audited Requirements and ended before the acquisition date of the business acquired and for a comparable period in the preceding financial year of the business acquired,

    (collectively, the **BAR Financial Statement Requirements**).

13. Subsection 8.4(8) of NI 51-102 provides that if a reporting issuer is required to include financial statements for more than one business because the significant acquisition involves an acquisition of related businesses, the financial statements must be presented separately for each business, except for the periods during which the businesses have been under common control or management, in which case the reporting issuer may present the financial statements of the businesses on a combined basis.

14. As a result, absent the Exemption Sought, the BAR to be filed in connection with the Acquisitions must include, in addition to required financial statements relating to PsyTech, the following financial statements in respect of the APM Acquisition:

    (a) annual financial statements of APS, comprising the statements of financial position as at December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, together with notes to such financial statements and an audit report in respect of the year ended December 31, 2020, and

    (b) an unaudited interim financial report for APS for the three and six month periods ended June 30, 2021 and 2020 (collectively, the **Omitted APS Financial Statements**).

15. The Filer submitted that the APM Acquisition is immaterial relative to the Filer as a whole, including in the context of the combined operations of the Filer upon completion of the Acquisitions, as demonstrated below.

16. Firstly, the APM Acquisition is immaterial relative to the consolidated assets of the Filer as at June 30, 2021 given that

    (a) the assets of APS based on the most recently completed interim period of APS prior to the completion of the APM Acquisition, being the interim period ended June 30, 2021, equaled approximately 7% of the consolidated assets of the Filer based on the most recently completed interim period of the Filer prior to the completion of the APM Acquisition, being the interim period ended June 30, 2021, and

    (b) the consolidated investments of the Filer in the APM Acquisition as of the acquisition date equaled approximately 13% of the consolidated assets of the Filer based on the

most recently completed interim period of the Filer prior to the completion of the APM Acquisition, being the interim period ended June 30, 2021.

17. Secondly, apart from the immateriality of the APM Acquisition relative to the consolidated assets of the Filer as at June 30, 2021, the APM Acquisition is immaterial relative to the PsyTech Acquisition. The consideration paid or payable by the Filer pursuant to the APM Acquisition represents approximately 7% of the total consideration paid or payable by the Filer in connection with the Acquisitions whereas the consideration paid or payable by the Filer pursuant to the PsyTech Acquisition represents approximately 93% of the total consideration paid or payable by the Filer in connection with the Acquisitions.

18. Additionally, the Filer submitted that, in making the investment decision to acquire APM, audited historical financial statements were not relied upon by the Filer. Accordingly, the Filer submitted that the historical financial statements in respect of the APM Acquisition are not material to an investment decision made by an investor in respect of the Filer's shares. This is based in part on the fact that APS, and the two mental health clinics that it has historically operated, have been operated (and the resulting financial statements would reflect) as a sole medical practitioner's clinical operation.

19. As at June 30, 2021 and December 31, 2020, to the Filer's knowledge based on information it has received, APS respectively had an aggregate of approximately US$1.03 million and approximately US$0.96 million in assets, against aggregate liabilities as of such dates of approximately US$0.84 million and approximately US$0.86 million. These assets were principally the non-medical assets transferred by APS to APM pursuant to the APM Acquisition, such as furniture, equipment, computer hardware, real estate leases and other contractual entitlements, and separately a shareholder loan receivable from the medical doctor shareholder of APS that was forgiven by APS in connection with completion of the APM Acquisition. The total consideration paid or payable by the Filer pursuant to the APM Acquisition is approximately US$1.86 million, subject to final adjustments and measured in accordance with IFRS. The majority of this purchase price will be allocated to goodwill, which the Filer believes is representative of the medical/technical expertise and other human resources secured as a result of the APM Acquisition, as further described below.

20. Additionally, during the six-month period ended June 30, 2021 and the year ended December 31, 2020, to the Filer's knowledge based on information it has received, APS respectively had net income of US$87,139 and US$6,509. This is reflective of the fact that as a sole practitioner operated business, substantially all of the revenue generated was offset by such medical practitioner's compensation. Similarly, the Filer submitted that statements of changes in equity and cash flows that would be included in the Omitted APS Financial Statements would not present meaningful information to an investor given that the overall benefit of the operations of APS were for a single medical doctor that was utilizing such operations as his principal source of income.

21. As additional support, in making the investment decision to enter into and complete the APM Acquisition, historical financial statements were not relied upon by PsyTech as a part of its due diligence processes (nor by the Filer as the substituted purchaser, as described above) and will not be reflective of how the operations of APM and APS will be consolidated into the financial statements of the Filer. As a part of it due diligence processes, PsyTech was focused on the existing share of APS' operations in its operating market and the potential to increase such share of its operating market by putting in place more refined operating procedures and systems and the extent to which APS' human resources had the necessary skills to (i) effectively assist with improving APS' operations and increase market share after completion of the APM Acquisition, and (ii) otherwise contribute to other aspects of PsyTech's business, such as scaling the mental health clinics segment of its business by way of further acquisitions and/or buildouts.

22. But for the Omitted APS Financial Statements, the Filer is able to satisfy the BAR Financial Statement Requirements in respect of the Acquisitions and otherwise satisfy the requirements to prepare the BAR in accordance with the requirements of Form 51-102F4 and NI 51-102.

23. Each of the financial statements referred to in paragraph 22 above were prepared in accordance with IFRS.

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 with respect to the BAR provided that the Filer includes in the BAR the following financial statements required to be filed by the Filer in connection with the Acquisitions:

- the audited financial statements of PsyTech for the financial year ended December 31, 2020 and as at and for the period ended December 31, 2019, together with the notes thereto and the auditor's report thereon; and

- the unaudited condensed interim consolidated financial statements of PsyTech for the three and six month periods ended June 30, 2021, together with the notes thereto.

"Lina Creta"
Manager
Corporate Finance Branch

OSC File #: 2021/0686

2.2 Orders

2.2.1 LCH Limited – ss. 21.2, 144

Headnote

Section 144 of the Securities Act (Ontario) – application for an order varying the Commission's order recognising LCH Limited as a clearing agency – variation required to streamline the regulatory requirements applicable and to update the order – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., ss. 21.2, 144.

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, CHAPTER S. 5
(the Act)

AND

IN THE MATTER OF
LCH LIMITED

ORDER
(Sections 21.2 and 144 of the Act)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated September 10, 2013, which was varied on September 28, 2018 and December 17, 2020, effective as of January 1, 2021, recognizing LCH Limited (**LCH**) as a clearing agency pursuant to section 21.2 of the Act (**LCH Recognition Order**);

AND WHEREAS the Commission considers the proper operation of a clearing agency as essential to investor protection and maintaining a fair and efficient capital market, and the Commission may recognize a clearing agency, pursuant to section 21.2 of the Act, if it is satisfied that it is in the public interest to do so;

AND WHEREAS the Commission has received an application under section 144 of the Act to vary and restate the LCH Recognition Order to reflect the streamlining of certain reporting requirements and to otherwise update the order (**Application**);

AND WHEREAS LCH has agreed to the respective terms and conditions that are set out in Schedule "A" to the LCH Recognition Order;

AND WHEREAS LCH has represented to the Commission that:

1. LCH is a clearing house incorporated under the laws of England and Wales. LCH operates as a central counterparty (**CCP**) clearing house and receives most of its revenue from treasury income and clearing fees charged to its clearing members (**Clearing Members**);

2. LCH Group Holdings Ltd (**LCH Group**), the parent holding company of LCH, is majority owned by the London Stock Exchange (C) Limited, a 100% subsidiary of London Stock Exchange Group PLC, with the remainder being owned by its users (banks and brokerage firms);

3. LCH is a Recognised Clearing House (**RCH**) in the U.K. under the U.K.'s Financial Services and Markets Act 2000 (FSMA). In addition, LCH is subject to the European Market Infrastructure Regulation (**EMIR**), as it has become retained EU law and effective in the UK under the European Union (Withdrawal) Act 2018 (**EUWA**) and as it is amended (**UK EMIR**). The Bank of England is LCH's primary regulator;

4. In the European Union (**EU**) LCH is a recognised Tier 2 (i.e. systemically important or likely to become systemically important) third country (i.e. non-EU) CCP under EMIR and is subject to regulatory supervision by the European Securities and Market Authority (**ESMA**);

5. As part of its regulatory oversight of LCH, the Bank of England reviews, assesses and enforces the on-going compliance by LCH with the requirements set out in FSMA, UK EMIR and the CPMI-IOSCO Principles for Financial Market Infrastructures **(PFMIs**);

6. LCH currently also has regulatory licenses in the United States, Switzerland, Singapore, Hong Kong, Japan, Australia, and Mexico. LCH has also been recognised as a Clearing House by the Autorite des Marches Financiers (**AMF**) in Quebec and LCH's SwapClear service is designated under the Payment Clearing and Settlement Act (Canada) which brings LCH's SwapClear service under the formal oversight of the Bank of Canada;

7. Ontario Clearing Members currently qualify as "Canadian financial institutions" (within the meaning of that term in subsection 1.1(3) of National Instrument 14-101 *Definitions)* and that have a head office or principal place of business in Ontario;

8. LCH is currently offering the following three clearing services to Ontario resident Clearing Members: RepoClear, SwapClear, and ForexClear. LCH offers client clearing services to Ontario residents through both Ontario and non-Ontario resident SwapClear and ForexClear Clearing Members. Within the RepoClear Service, LCH also offers a "sponsored clearing service" which is targeted to buyside investment firms (for example, pension funds) to extend direct CCP membership to the broader investor community. The sponsored clearing service is currently not offered in Ontario;

9. The RepoClear service currently clears cash bond and repurchase trades in U.K. government bonds. The SwapClear service currently clears a range of over-the-counter (OTC) swaps, including Interest Rate Swaps (IRS), Inflation Swaps, Overnight Indexed Swaps (OIS), Forward Rate Agreements (FRAs) and Variable Notional Swaps (VNS). The ForexClear Service currently clears over-the-counter (OTC) non-deliverable forwards, non-deliverable FX Options, and deliverable FX Options and Forwards and Spot Contracts;

10. Transactions cleared through SwapClear, ForexClear and RepoClear are traded by Clearing Members on a bilateral basis, either inter-office, or through brokers, or on automated trading systems;

11. Alongside regulatory compliance LCH adheres to the international PFMI standards and performs a full self-assessment every two years and a targeted assessment every other year of its observance with the PFMIs. A version of the biennial full self-assessment is publicly available; and

12. LCH does not have any office or maintain other physical installations in Ontario or any other Canadian province or territory. LCH does not currently have any plans to open such an office or to establish any such physical installations in Ontario or elsewhere in Canada.

AND WHEREAS LCH permits Ontario residents who meet the criteria set out in its rules to become registered as Clearing Members, and as a result, is carrying on business as a clearing agency in Ontario. LCH cannot carry on business in Ontario as a clearing agency unless it is recognized by the Commission as a clearing agency under section 21.2 of the Act or exempted from such recognition under section 147 of the Act.

AND WHEREAS LCH as a recognised clearing agency is required to comply with National Instrument 24-102 *Clearing Agency Requirements* (**NI 24-102**);

AND WHEREAS based on the Application and the representations LCH has made to the Commission, the Commission has determined that:

(a) LCH continues to satisfy the criteria for recognition set out in NI 24-102;

(b) it is in the public interest to continue to recognize LCH as a clearing agency pursuant to section 21.2 of the Act, subject to terms and conditions that are set out in Schedule "A" to the LCH Recognition Order;

(c) it is not prejudicial to the public interest to vary and restate the current LCH Recognition Order pursuant to section 144 of the Act;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and LCH's activities on an ongoing basis to determine whether it is appropriate that LCH continues to be recognized subject to the terms and conditions in the LCH Recognition Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Application to vary and restate the LCH Recognition Order is granted.

IT IS ORDERED, pursuant to section 21.2 of the Act, that LCH continues to be recognized as a clearing agency; provided LCH complies with the terms and conditions set out in Schedule "A" to the LCH Recognition Order.

DATED this 20th day of December 2021.

"Cathy Singer"
Commissioner
Ontario Securities Commission

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

SCHEDULE "A"

TERMS AND CONDITIONS

DEFINITIONS

For the purposes of this Schedule:

"**Central counterparty (CCP) Link**": means one or more agreements governing the relationship between two or more CCPs, which include provisions regarding the collateralisation of an interoperable link between the parties and / or to consider positions and supporting collateral at their respective CCPs as a common portfolio for participants that are members of two or more of the CCPs;

"**Clearing Member**" means a clearing member as defined in LCH's rulebooks;

"**clearing services**" means the services offered by LCH in relation to its role as central counterparty (CCP) to Clearing Members;

"**client clearing**" means a Clearing Member(s) clearing transactions on behalf of their clients who are not Clearing Members;

"**Crisis**" means (i) when one or more of LCH's major Clearing Members default on their obligations to LCH that might place LCH under financial distress that is handled with significant difficulties; (ii) when LCH experiences operational problems which results in the delay of the processing of the clearance of trades for more than two hours following the disruptive event, such as an IT system or process failure, human error, management failure, fraud, or disruption from external events, such as natural disasters, physical attacks by terrorists, or cyber attacks; (iii) any material problem with the clearance of transactions that could materially affect the safety and soundness of LCH; (iv) when LCH's assets and those of its Clearing Members and/or their clients held by or on behalf of LCH suffer significant loss due to market risk or due to custody risk following the failure of the third party commercial custody bank holding such assets; (v) a default of an Ontario Clearing Member; (vi) a default of a Clearing Member where the Clearing Member is clearing on behalf of Ontario residents or (vii) any expectation of LCH that any of the foregoing is reasonably likely to occur;

"**Ontario Clearing Member**" means an Ontario resident who is a Clearing Member of LCH:

"**Ontario Clearing Participant**" means an Ontario resident who is a Clearing Member, Agent Member or Sponsored Member, as defined in LCH's rulebooks, as applicable;

"**Ontario securities law**" has the meaning ascribed to it in subsection 1(1) of the Act: and

"**sponsored clearing service**" means a service which enables buyside investment firms (for example, pension funds) to be sponsored by an Agent Member of LCH in order to clear contracts as Sponsored Members of LCH.

REGULATION OF LCH

1. LCH must maintain its status as a RCH with the Bank of England and must continue to be subject to the regulatory oversight of the Bank of England.

2. LCH must continue to comply with applicable Ontario securities law.

OWNERSHIP OF LCH

3. LCH must provide to the Commission 60 days prior, written notice and a detailed description, and impact on any proposed change to its ownership (direct and indirect) including an assessment of how the change is consistent with the PFMIs applicable to LCH.

PUBLIC INTEREST

4. LCH must conduct its businesses and operations in a manner that is consistent with the public interest.

ACCESS

5. LCH must request the Commission's prior written approval before (i) providing access to any new clearing service including client clearing or any sponsored clearing service to Ontario Clearing Participants, or (ii) offering any new CCP Link to be utilized by Ontario Clearing Participants. Any such request must be made at least 75 days prior to the offering of the new clearing service, sponsored clearing service, or CCP Link to Ontario Clearing Participants, and must be accompanied by a written notice and detailed description and impact of the new clearing service, sponsored clearing service or CCP Link as to the safety and soundness of LCH and the existing clearing services offered to Ontario Clearing Members.

FEES

6. LCH must not modify a fee or introduce a new fee for any of the clearing services it provides to Ontario Clearing Members unless it has provided a written notice of the fee change with the Commission at least 20 days before implementing the fee change. The written notice must include an assessment of how the fee change is consistent with the PFMIs applicable to LCH.

RULES AND RULEMAKING

7. LCH must provide to the Commission a written notice and detailed description of any new material rules or material changes to current rules relating to LCH's access criteria, default management and risk management model that are specific to the clearing services or sponsored clearing services utilized by Ontario Clearing Participants 30 days prior to the effective date of the rule or change.

8. Notwithstanding paragraph 7, where LCH needs to implement a new material rule or a material rule change resulting in an effective date of less than 30 days, LCH must provide to the Commission as soon as possible prior to the effective date, a written notice and detailed description of the new material rule or material rule change and the reasons for the shorter implementation.

RISK CONTROLS

9. LCH must have clearly defined and transparent procedures for the management of risk which specify the respective responsibilities of LCH, Clearing Members and Ontario Clearing Participants.

RISK MANAGEMENT REPORTS

10. LCH must submit to staff of the Commission any reports, electronic data files or similar documents that provide risk management information, as requested by staff of the Commission.

CRISIS MANAGEMENT

11. In the event of a Crisis, LCH must promptly share with and provide periodic updates to the Commission on the following information:

    (a) details of the Crisis;

    (b) any actions likely to be taken by LCH including details of the use of LCH's default protections and default management processes that have occurred and which impact the resilience of the LCH clearing services and the total level of financial resources remaining at LCH for default management purposes with regard to cleared products;

    (c) actions likely to be taken by the Bank of England if known to LCH; and

    (d) any other information and documentation requested by the Commission related to the Crisis.

COMPLIANCE

12. LCH must immediately notify staff of the Commission of any event, circumstance, or situation concerning any of LCH's operations that could materially prevent LCH's ability to continue to comply with the terms and conditions of the order.

13. LCH must promptly notify staff of the Commission if LCH is not in compliance with any applicable requirements arising from its supervision by the Bank of England, and where it is required to report such non-compliance to the Bank of England.

INFORMATION SHARING AND REGULATORY COOPERATION

14. LCH must provide such information as may be requested from time to time, and otherwise cooperate with, the Commission or its staff with respect to matters subject to the Commission's jurisdiction.

15. Unless otherwise prohibited under applicable law, LCH must share information and otherwise cooperate with other recognized or exempt clearing agencies, recognized or exempt self-regulatory organizations, investor protection funds, marketplaces, and other regulatory bodies as appropriate.

16. LCH must comply with Appendix "A" to this Schedule setting out the reporting requirements, as amended from time to time, regarding the reporting of information to the Commission.

Appendix "A" to Schedule "A"

Reporting Requirements

REPORTING REQUIREMENTS

Bank of England Reporting

1. LCH must provide to staff of the Commission, concurrently, the following information that it is required to submit to the Bank of England:

   (a) the audited and unaudited financial statements of LCH;

   (b) the institution of any legal proceeding against it;

   (c) notification that LCH has instituted a petition for judgement of bankruptcy or insolvency or similar relief, or to wind up or liquidate LCH or has a proceeding for any such petition instituted against it;

   (d) the appointment of a receiver or the making of any voluntary arrangement with creditors;

   (e) notification that LCH has initiated the recovery plan;

   (f) the entering into any resolution regime or the placing of LCH into resolution by a resolution authority;

   (g) notification that LCH has failed to comply with an undisputed obligation to pay money or deliver property to a Clearing Member or an Ontario Clearing Participant for a period of thirty days after receiving notice from the Clearing Member or Ontario Clearing Participant of LCH's past due obligation;

   (h) any material changes and proposed material changes to its bylaws, constating documents, rules (other than the rules identified in paragraphs 7 and 8 of Schedule "A"), operations manual, participant agreements and other similar instruments or documents of LCH which contain any contractual terms setting out the respective rights and obligations between LCH and Clearing Members or among Clearing Members or between LCH and Ontario Clearing Participants; and

   (i) any regulatory assessments or self-assessments against international standards or requirements.

Prior Notification

2. LCH must provide prior notification to staff of the Commission of any of the following:

   (a) any material change to the design, operation or functionality of any of the operations, or clearing services or sponsored clearing services, as applicable, offered to Ontario Clearing Participants; and

   (b) any material change to LCH's corporate governance or corporate structure.

Prompt Notification

3. LCH must promptly notify staff of the Commission of any of the following:

   (a) any Ontario residents who have received Ontario Clearing Participant status from LCH;

   (b) any Ontario residents who have been denied Ontario Clearing Participant status by LCH;

   (c) any disciplinary action against an Ontario Clearing Participant(s) that has been taken by LCH or the Bank of England with respect to activities at LCH;

   (d) any investigations by LCH relating to an Ontario Clearing Participant(s);

   (e) an event of default by a Clearing Member that does not constitute a Crisis, including details of the use of LCH's default protections and default management processes that have occurred and the total level of financial resources remaining at LCH for a default management purposes with regard to cleared products in the clearing services offered to Ontario Clearing Members;

   (f) any material change or proposed material change in status or the regulatory oversight by the Bank of England;

   (g) the clearing of new products that are proposed to be offered to Ontario Clearing Participants or products that will no longer be available to Ontario Clearing Participants; and

(h) in relation to client clearing and based on the information available to LCH, the identity of any new Ontario Clearing Member or any other Ontario resident that has entered into a direct or indirect arrangement with LCH for the provision of clearing services.

Quarterly Reporting

4. LCH must maintain the following updated information and submit such information to the Commission in a manner and form acceptable to the Commission on at least a quarterly basis within 30 days of the end of the quarter, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Clearing Participants and the legal entity identifier (**LEI**), if any, of each such Ontario Clearing Participant;

(b) for each LCH clearing service or sponsored clearing service, as applicable, provided to Ontario Clearing Participants, the aggregate nominal volumes during the period and the level of open interest as of the end of the period (by currency) in cleared products; the high and low daily nominal volumes and level of open interest during that period (with breakdowns by currency where relevant) in cleared products; the level and composition of margin and default fund collateral held with regard to cleared products (with breakdowns by currency where relevant) for each Ontario Clearing Participant;

(c) the proportion of the metrics identified in paragraph (b) above for Ontario Clearing Participants related to the activity of all Clearing Members or Sponsored Members in each of the LCH clearing services or sponsored clearing services, as applicable, provided to Ontario Clearing Participants;

(d) for each LCH clearing service or sponsored clearing service, as applicable, provided to Ontario Clearing Participants, a summary of risk management test results related to the adequacy of required margin and the adequacy of the level of the default fund, including but not limited to stress testing and back testing results;

(e) for each LCH clearing service or sponsored clearing service, as applicable, provided to Ontario Clearing Participants the total level of default protection with regard to cleared products; anonymized aggregated average daily notional position of the five and ten largest Clearing Members or Sponsored Members, as applicable in cleared product;

(f) for each LCH clearing service or sponsored clearing service, as applicable, provided to Ontario Clearing Participants, a description of any services outages that are graded P”2” (High) with regard to cleared products that have occurred since the last quarterly report;

(g) based on the information available to LCH, a list of all Clearing Members (identified by their LEI and grouped by country of incorporation of the ultimate parent) who offer client clearing services to Ontario residents; and

(h) based on the information available to LCH, for each Clearing Member offering client clearing to Ontario residents (including their LEI, if available), the identity of the Ontario resident client receiving such services and the end of quarter open interest and aggregate total margin amount required by LCH and the value and volume by asset class of their client clearing transactions during the quarter.

2.2.2 ByBit Fintech Limited

File No. 2021-21

IN THE MATTER OF
BYBIT FINTECH LIMITED

Lawrence P. Haber, Commissioner and Chair of the Panel

January 5, 2022

ORDER

WHEREAS on January 5, 2022, the Ontario Securities Commission held a hearing by teleconference;

ON HEARING the submissions of the representatives for Staff of the Commission and for ByBit Fintech Limited (**ByBit**);

IT IS ORDERED THAT:

1. by 4:30 p.m. on March 25, 2022, Staff shall serve and file its motion, if any, related to ByBit's witness summaries;

2. by 4:30 p.m. on May 6, 2022, 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;

3. by 4:30 p.m. on May 16, 2022, each party shall provide to the Registrar a completed copy of the *E-hearing Checklist for Videoconference Hearings*;

4. the final interlocutory attendance in this proceeding is scheduled for May 20, 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;

5. by 4:30 p.m. on June 14, 2022, 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*; and

6. the merits hearing shall take place by videoconference and commence on June 22, 2022, at 10:00 a.m., and continue on June 23, 24, 27, 28, 29, and 30, 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.

"Lawrence P. Haber"

2.2.3 Aquila Resources Inc.

Headnote

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

Applicable Legislative Provisions

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

January 6, 2022

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
AQUILA RESOURCES INC.
(the Filer)

ORDER

Background

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

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

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

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

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 US. 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 #: 2021/0766

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 THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
California Gold Mining Inc.	January 5, 2022	
Raffles Financial Group Limited	January 5, 2022	
TearLab Corporation	January 10, 2022	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Reservoir Capital Corp.	May 5, 2021	
Cronos Group Inc.	November 16, 2021	
GreenBank Capital Inc.	November 30, 2021	
High Fusion Inc.	December 31, 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:
Partners Value Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated January 7, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
Maximum Offerings: $750,000,000 Class AA Preferred Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3324780

Issuer Name:
Sustainable Balanced 40/60 Fund
Sustainable Balanced 60/40 Fund
Sustainable Growth 100 Fund
Sustainable Growth 80/20 Fund
Sustainable Income 100 Fund
Sustainable Income 20/80 Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 6, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3306273

Issuer Name:
Exemplar Global Growth and Income Class
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 31, 2021
NP 11-202 Final Receipt dated Jan 5, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3300482

Issuer Name:
CST Spark 2041 Education Portfolio
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 7, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3307487

Issuer Name:
Franklin Western Asset Core Plus Bond Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3287678

Issuer Name:
Scotia Responsible Investing Canadian Bond Index ETF
Scotia Responsible Investing Canadian Equity Index ETF
Scotia Responsible Investing International Equity Index ETF
Scotia Responsible Investing U.S. Equity Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 4, 2022
NP 11-202 Final Receipt dated Jan 5, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3297718

Issuer Name:
Evolve European Banks Enhanced Yield ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3315185

Issuer Name:
RBC Canadian Equity Index ETF Fund
RBC Emerging Markets Equity Index ETF Fund
RBC Global Bond Index ETF Fund
RBC Global Equity Index ETF Fund
RBC U.S. Equity Index ETF Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 7, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3287216

Issuer Name:
Franklin Emerging Markets Bond Index ETF
Franklin Western Asset Core Plus Bond Active ETF
Principal Regulator – Ontario
Type and Date
Securities Description:
Units
Project #03290820
Type and Date:
Preliminary Long Form Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3290820

Issuer Name:
Wealthsimple North American Green Bond Index ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3299206

Issuer Name:
Ninepoint Bitcoin ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3313566

Issuer Name:
Lysander Balanced Income Fund
Lysander-Canso Balanced Fund
Lysander-Canso Bond Fund
Lysander-Canso Broad Corporate Bond Fund
Lysander-Canso Corporate Treasury Fund
Lysander-Canso Corporate Value Bond Fund
Lysander-Canso Credit Opportunities Fund
Lysander-Canso Equity Fund
Lysander-Canso Short Term and Floating Rate Fund
Lysander-Canso U.S. Corporate Treasury Fund
Lysander-Canso U.S. Credit Fund
Lysander-Canso U.S. Short Term and Floating Rate Fund
Lysander-Crusader Equity Income Fund
Lysander-Fulcra Corporate Securities Fund
Lysander-Patient Capital Equity Fund (formerly, Lysander-18 Asset Management Canadian Equity Fund)
Lysander-Seamark Balanced Fund
Lysander-Seamark Total Equity Fund
Lysander-Slater Preferred Share Dividend Fund
Lysander-Triasima All Country Equity Fund
Lysander-Triasima All Country Long/Short Equity Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Dec 31, 2021
NP 11-202 Final Receipt dated Jan 5, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3304657

Issuer Name:
Evolve Canadian Banks and Lifecos Enhanced Yield Index Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 5, 2022
NP 11-202 Preliminary Receipt dated Jan 5, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3324152

Issuer Name:
Desjardins SocieTerra American Equity ETF
Principal Regulator – Quebec
Type and Date:
Preliminary Long Form Prospectus dated Jan 5, 2022
NP 11-202 Final Receipt dated Jan 6, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3307785

Issuer Name:
Tangerine Balanced Growth SRI Portfolio
Tangerine Balanced Income ETF Portfolio
Tangerine Balanced Income SRI Portfolio
Tangerine Balanced SRI Portfolio
Tangerine Equity Growth SRI Portfolio
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 6, 2022
NP 11-202 Final Receipt dated Jan 7, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3299404

Issuer Name:
CI Galaxy Multi-Crypto ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jan 7, 2022
NP 11-202 Final Receipt dated Jan 10, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3314453

Issuer Name:
EHP Global Multi-Strategy Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jan 1, 2022
NP 11-202 Final Receipt dated Jan 4, 2022
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3300880

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NON-INVESTMENT FUNDS

Issuer Name:
Aster Acquisition Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated January 6, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
$300,000.00 (3,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Vincent Wong
Project #3324652

Issuer Name:
ATS Automation Tooling Systems Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 7, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
$1,500,000,000.00 - Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3324736

Issuer Name:
Copper Ridge Exploration Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated January 4, 2022
NP 11-202 Preliminary Receipt dated January 5, 2022
Offering Price and Description:
$450,000.00 - 4,500,000 Common Shares
Price: $0.10
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
R. DALE GINN
Project #3324031

Issuer Name:
dentalcorp Holdings Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 7, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
$1,250,000,000.00 - Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3324268

Issuer Name:
NowVertical Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 7, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
$65,000,000.00 - Subordinate Voting Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3324822

Issuer Name:
Ocean Falls Blockchain Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 23, 2021
NP 11-202 Preliminary Receipt dated January 5, 2022
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
ODED ORGIL
KEVIN DAY
Project #3321657

Issuer Name:
Partners Value Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 7, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
Maximum Offerings: $750,000,000 Class AA Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3324780

Issuer Name:
Rakovina Therapeutics Inc. (formerly, Vincero Capital Corp.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated December 31, 2021
NP 11-202 Preliminary Receipt dated January 4, 2022
Offering Price and Description:
C$50,000,000.00 - Common Shares Warrants Subscription Receipts Units Debt Securities Share Purchase Contracts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3323533

Issuer Name:
Riverwalk Acquisition Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated January 6, 2022
NP 11-202 Preliminary Receipt dated January 7, 2022
Offering Price and Description:
$300,000.00 (3,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
Promoter(s):
Vincent Wong
Project #3324628

Issuer Name:
Silver Mountain Resources Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated January 7, 2022 to Preliminary Long Form Prospectus dated November 18, 2021
NP 11-202 Preliminary Receipt dated January 10, 2022
Offering Price and Description:
$15,000,000.00 - ● Units
Underwriter(s) or Distributor(s):
EIGHT CAPITAL
SPROTT CAPITAL PARTNERS LP by its General Partner, SPROTT CAPITAL PARTNERS GP INC.
RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #3289289

Issuer Name:
Akumin Inc.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated January 5, 2022
NP 11-202 Receipt dated January 6, 2022
Offering Price and Description:
34,837,663 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3320557

Issuer Name:
Chartwell Retirement Residences
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated January 7, 2022
NP 11-202 Receipt dated January 10, 2022
Offering Price and Description:
$2,000,000,000.00 - Units Subscription Receipts Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3318686

Issuer Name:
Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #7 dated December 29, 2021 to Final Long Form Prospectus dated June 7, 2021
NP 11-202 Receipt dated January 4, 2022
Offering Price and Description:
Unlimited Number of Common Shares
Price: $30.00 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
W.A. ROBINSON ASSET MANAGEMENT LTD.
Project #3209666

Issuer Name:
goeasy Ltd. (formerly, easyhome Ltd.)
Principal Regulator - Ontario
Type and Date:
Amendment dated January 7, 2022 to Final Shelf Prospectus dated November 23, 2020
NP 11-202 Receipt dated January 10, 2022
Offering Price and Description:
$1,500,000,000.00 - Debt Securities Preference Shares Common Shares Subscription Receipts Warrants Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3133726

Issuer Name:
HIVE Blockchain Technologies Ltd.
Principal Regulator - British Columbia
Type and Date:
Amendment dated January 4, 2022 to Final Shelf Prospectus dated January 27, 2021
NP 11-202 Receipt dated January 4, 2022
Offering Price and Description:
US$600,000,000.00 - Common Shares, Warrants, Subscription Receipts, Units, Debt Securities, Share Purchase Contracts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3156289

Issuer Name:
Killam Apartment Real Estate Investment Trust
Principal Regulator - Nova Scotia
Type and Date:
Final Shelf Prospectus dated January 6, 2022
NP 11-202 Receipt dated January 6, 2022
Offering Price and Description:
$800,000,000.00 - Trust Units, Subscription Receipts, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3322282

Issuer Name:
Patriot One Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated January 5, 2022
NP 11-202 Receipt dated January 6, 2022
Offering Price and Description:
$50,000,000.00 - COMMON SHARES WARRANTS SUBSCRIPTION RECEIPTS UNITS DEBT SECURITIES
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3292935

Issuer Name:
Turquoise Hill Resources Ltd.
Principal Regulator - Quebec
Type and Date:
Final Shelf Prospectus dated January 7, 2022
NP 11-202 Receipt dated January 7, 2022
Offering Price and Description:
US$2,000,000,000.00 - COMMON SHARES, PREFERRED SHARES, DEBT SECURITIES, SUBSCRIPTION RECEIPTS, WARRANTS, SHARE PURCHASE CONTRACTS, UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3303289

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Brandywine Global Investment Management (Canada), ULC	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	December 22, 2021
Voluntary Surrender	Brandywine Global Investment Management (Canada), ULC	Commodity Trading Manager	December 24, 2021
Consent to Suspension (Pending Surrender)	Federated Investors Canada ULC	Portfolio Manager and Investment Fund Manager	December 24, 2021
Voluntary Surrender	HMW Capital Inc.	Exempt Market Dealer	December 24, 2021
Consent to Suspension (Pending Surrender)	Noah Canada Wealth Management Limited	Exempt Market Dealer, Investment Fund Manager	December 24, 2021
Change in Registration Category	Quadrus Investment Services Ltd.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Exempt Market Dealer	January 1, 2022
Amalgamation	Quadrus Investment Services Ltd. and Excel Private Wealth Inc. To form: Quadrus Investment Services Ltd.	Mutual Fund Dealer and Exempt Market Dealer	January 1, 2022
New Registration	Designed Investments Ltd.	Mutual Fund Dealer	January 5, 2022
Voluntary Surrender	Crown Capital Partners Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	January 7, 2022
Change in Registration Category	Sentinel Financial Management Corp.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Exempt Market Dealer	January 10, 2022

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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) – Proposed Amendments Respecting Reporting, Internal Investigation and Client Complaint Requirements – Request for Comment

REQUEST FOR COMMENT

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS RESPECTING
REPORTING, INTERNAL INVESTIGATION AND CLIENT COMPLAINT REQUIREMENTS

IIROC is publishing for public comment proposed amendments (collectively, the Proposed Amendments) to their:

- reporting and internal investigation requirements in Parts A and B of IIROC Rule 3700,
- client complaint handling requirements in Parts D and E of IIROC Rule 3700, and
- gatekeeper obligations of directors, officers and employees of Participants in UMIR Rule 10.16.

These Proposed Amendments:

- make IIROC's reporting, internal investigation and client complaint requirements clearer and more consistent with existing regulatory expectations,
- reduce duplicative reporting to IIROC by eliminating overlapping reporting requirements, and
- enhance their client complaint requirements by codifying client complaint handling best practices.

IIROC is also republishing for comment proposed amendments to IIROC Rule 9500 to eliminate restrictions on information IIROC can receive from its approved ombudsman service, the Ombudsman for Banking Services and Investments. IIROC originally published the Proposed Rule 9500 Amendments in Notice 19-0181.

A copy of the IIROC Notice, including the Proposed Amendments, is also published on our website at www.osc.ca. The comment period ends on April 14, 2022.

13.3 Clearing Agencies

13.3.1 LCH Limited – Notice of Variation Order

NOTICE OF VARIATION ORDER

LCH LIMITED

On December 20, 2021, the Commission made an order under section 144 of the Securities Act (Ontario) varying the Commission's order recognizing LCH Limited as a clearing agency. The variation order provides for the streamlining of certain reporting requirements and to otherwise update the order.

The **Order** is published in Chapter 2 of this Bulletin.

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