

## OSC NOTICE OF PUBLICATION

# Repeal and Replacement of Ontario Securities Commission Rule 13-502 Fees and Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees, Replacement of their Companion Policies and Related Consequential Amendments and Changes

## Supplement to the OSC Bulletin

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# OSC NOTICE OF PUBLICATION

## Repeal and Replacement of Ontario Securities Commission Rule 13-502 Fees and Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees, Replacement of their Companion Policies and Related Consequential Amendments and Changes

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# OSC NOTICE OF PUBLICATION

## Repeal and Replacement of Ontario Securities Commission Rule 13-502 Fees and Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees, Replacement of their Companion Policies and Related Consequential Amendments and Changes

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### OSC NOTICE OF PUBLICATION

#### REPEAL AND REPLACEMENT OF ONTARIO SECURITIES COMMISSION RULE 13-502 FEES AND ONTARIO SECURITIES COMMISSION RULE 13-503 (COMMODITY FUTURES ACT) FEES, REPLACEMENT OF THEIR COMPANION POLICIES AND RELATED CONSEQUENTIAL AMENDMENTS AND CHANGES

November 23, 2022

#### Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) is

- repealing OSC Rule 13-502 *Fees* and replacing it with OSC Rule 13-502 *Fees* attached as Appendix A (the **Main Fee Rule**),
- repealing OSC Rule 13-503 (*Commodity Futures Act*) *Fees* and replacing it with OSC Rule 13-503 (*Commodity Futures Act*) *Fees* attached as Annex E (the **CFA Fee Rule**),
- replacing Companion Policy 13-502 *Fees* with Companion Policy 13-502 *Fees* attached as Annex C (the **Main Fee CP**),
- replacing Companion Policy 13-503 (*Commodity Futures Act*) *Fees* with Companion Policy 13-503 (*Commodity Futures Act*) *Fees* attached as Annex G (the **CFA Fee CP**), and
- publishing in final form related consequential amendments OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* and changes to Companion Policy 91-501CP *Strip Bonds* (the **Consequential Amendments and Changes**).

The repeal and replacement of the Main Fee Rule and the CFA Fee Rule are collectively referred to as the **Amendments**. The replacement of the Main Fee CP and the CFA Fee CP are collectively referred to as the **CP Changes**. The Amendments, the CP Changes, the Consequential Amendments and Changes are collectively referred to as the **Materials**. The Materials and their respective blacklines are in Annexes A to K of this Notice of Publication, with the text of the Consequential Amendments and Changes being in Annexes J and K of this Notice.

The Amendments reflect the increase in funding required to grow and mature our derivatives regulatory oversight program and support increasingly complex capital market activities and the OSC's expanded mandate and structure, while considering burden reduction and fair allocation of costs across market segments. The Amendments establish a new fee for certain entities that enter into over-the-counter (OTC) derivatives transactions while reducing fees for certain existing fee payers to ensure that as specific sectors grow more than others, fees collected are proportionate to the cost of regulation across market segments. Furthermore, the Amendments are expected to generate efficiencies for most market participants and the OSC by eliminating a number of activity and late fees without compromising investor protection.

The Amendments:

- add new participation fees totaling \$13.5 million for specific entities engaged in the trading of OTC derivatives, and
- reduce an estimated \$5.6 million in annual fees for most existing payers by lowering participation fees and eliminating a number of activity and late fees.

The fee reductions are in addition to approximately \$1.7 million of fee savings due to lower volumes of regulatory filings from policy-driven burden reduction initiatives, some of which have already been implemented and some that are planned over the next few years. Where applicable, these fee savings will be communicated as part of the implementation plan for these initiatives.

## Background

The OSC is a self-funded agency that regulates Ontario's capital markets. The OSC's mandate is to protect investors from unfair, improper or fraudulent practices, to foster fair, efficient and competitive capital markets and confidence in the capital markets, to foster capital formation, and to contribute to the stability of the financial system and the reduction of systemic risk.

The fee structure is designed to recover the OSC's costs in delivering on its mandate. Fees are typically re-evaluated every three years based on the anticipated operating and capital costs to be incurred over the following period and infrequent cyclical investments that occur beyond a three-year cycle. The two main types of fees charged to market participants under the Main Fee Rule are participation fees and activity fees.

Participation fees are based on the cost of a broad range of regulatory services that cannot be practicably or easily attributed to individual activities or entities. Participation fees are intended to serve as a proxy for the market participants' use of the Ontario capital markets. Participation fees are calculated differently for reporting issuers, registrant firms and certain unregistered capital market participants, specified regulated entities and designated rating organizations.

Activity fees are generally charged when a document of a designated class is filed with the Commission or a request for service has been made. The set fee is based on an estimate of the average direct cost of Commission resources (labour and materials) utilized in performing an activity. Activity fees are charged in connection with the following filings: prospectuses, registration applications, reports of exempt distribution, applications for discretionary relief and various other filings.

The guiding principles used by the OSC when evaluating potential fee changes are as follows:

- Recovery of regulatory costs
- Ease of administration
- Fair and proportionate fees
- Fee predictability

As part of the OSC's periodic fee re-evaluation, market participants were informed in November 2020 that there would be no changes to the Main Fee Rule and the CFA Rule at that time, primarily as a result of uncertainty surrounding the Canadian capital markets during the early stages of the COVID-19 pandemic. The OSC implemented a cost reduction plan in fiscal year 2021 to address potential revenue implications from the COVID-19 pandemic, deferring a number of multi-year initiatives. Despite earlier market fragility concerns, Canadian equity markets have recovered from March 2020 declines and their continued growth to date has resulted in strong OSC revenues. Since the November 2020 notice, the OSC's mandate was expanded and the complexity and levels of market activity requiring regulatory oversight have increased. The OSC has implemented significant structural changes as set out in the Ontario Government's 2021 budget and in alignment with certain recommendations made by the Capital Markets Modernization Task Force, specifically to further separate the OSC Board from the Tribunal and separating OSC Chair and CEO roles. In addition, the OSC is aligning its operational capacity with growing market activity levels. We plan to draw down on cash to deliver multi-year initiatives, including a comprehensive derivatives regulatory oversight program and significant investments in technology modernization projects, some of which were previously slowed down or deferred.

When reviewing fee levels, the OSC considers the existing cash position, projected level of revenue and expenses, capital spending and the level of cash resources required to fund operations during market downturns. OSC revenues, particularly from participation fees, are impacted by capital market fluctuations. To this effect, the OSC's existing cash position provides for an appropriate reserve, comprised of cash and reserve funds.

## Summary of changes to the Proposed Amendments

On January 21, 2022, the OSC published proposed amendments to the Main Fee Rule and the CFA Fee Rule (the **Proposed Amendments**) for a 90-day comment period. Collectively, six comment letters were received on the Proposed Amendments. A

list of those who submitted comments and a chart summarizing the comments received and responses to them are attached as Annex I to this Notice. Based on the feedback received in the comment letters and in order to reduce potential regulatory burden and improve clarity, the Commission has revised the Proposed Amendments.

The Amendments reflect our consideration of comments received on the Proposed Amendments. The following is a summary of key changes to the Proposed Amendments, which are also discussed in Annex I:

**(a) Quarterly Notional Amount Determination**

In response to comments, we have reduced the potential for regulatory burden by requiring derivatives participation fee payers to determine their average outstanding notional amounts on a quarterly basis, rather than on a daily basis as we had proposed.

**(b) First Year of the Derivatives Participation Fee**

To further reduce the potential for regulatory burden for the first derivatives participation fee payment due on August 29, 2023, we are providing derivatives participation fee payers with the option to calculate this payment based solely on their outstanding notional amount as at the end of the first derivatives fee year, rather than on an average quarterly basis.

**(c) Drafting Changes**

We have made drafting changes to improve clarity and address drafting comments from market participants.

**(d) Late Fees for Investment Fund Families**

We have extended the relief from late fees for investment fund families and affiliated registrants to the filing of Form 45-106F1 in subsection 40(2).

**Substance and Purpose of the Materials**

The Amendments are aimed at aligning fees to costs, reflective of the evolution of the regulatory landscape. This section provides information on fees required to support the maturing derivatives oversight framework while also summarizing fee reductions across different market segments. The OSC's fee re-evaluation process encompasses an assessment of funding requirements to recover growing costs associated with delivering significant multi-year initiatives. Consequently, the fee reductions can only be offered with a successful introduction of the derivatives participation fee.

*The OSC's Oversight of the OTC derivatives market*

The OSC established a Derivatives Branch in 2009 to implement the G20 Reforms following the 2008 financial crisis. The implementation of the G20 Reforms by the OSC resulted, among other things, in the creation of the following:

- a series of OTC derivatives specific rules (e.g., OSC 91-506 *Derivatives: Product Determination*, OSC 91-507 *Trade Repositories and Derivatives Data Reporting*, NI 94-101 *Mandatory Central Counterparty Clearing of Derivatives*, NI 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions*),
- proposed rules (NI 93-101 *Derivatives: Business Conduct*, NI 93-102: *Derivatives: Registration*),
- consultations (e.g., CSA Consultation Paper 92-401 *Derivatives Trading Facilities* and CSA Consultation Paper 95-401 *Margin and Collateral Requirements for Non-Centrally Cleared Derivatives*), and
- the development of a compliance oversight framework to ensure that the requirements set out in the rules that have already been implemented are being met.

The OSC's oversight continues to evolve to adequately address the complexity and growth in the OTC derivatives sector. The aggregate notional amount of OTC derivatives transactions in Ontario continues to increase significantly annually. There is over \$60 trillion of outstanding notional and over 3.7 million OTC derivative transactions outstanding, which the OSC monitors and analyzes for the purposes of achieving its mandate. The OSC receives approximately 10-12 million OTC derivatives trade reporting records per day, or approximately 2.4 billion records per year. Consequently, significant investments in both technology and staffing resources are necessary over the next few years to ensure the OSC is positioned to effectively ingest, manage, and analyze the vast quantity and complex nature of the OTC derivatives transaction data reported and to conduct appropriate oversight of derivatives market participants and address instances of non-compliance.

*The OSC's expanded systemic risk related mandate*

The OSC's mandate includes the monitoring of systemic risks in the capital markets.<sup>1</sup> Systemic risk in the OTC derivatives market was a significant contributor to the 2008 financial crisis. Ontario's OTC derivatives market is highly concentrated with the largest derivatives dealers representing the vast majority of the market.

Monitoring systemic risk involves not only monitoring the emergence of risks and financial system vulnerabilities that can threaten the stability of capital markets and have serious negative consequences to Ontario's economy, but also identifying vulnerabilities such as access to liquidity, market fragmentation and trends in price formation that may impede efficient operation of the markets. We are continuing to evolve a framework for analyzing OTC derivatives data for systemic risk oversight, including the development of enhanced derivatives data capabilities and analytical tools to monitor and assess risk factors such as interconnectedness and concentration risk, as well as to detect market abuses such as manipulation and other unfair trading practices.

As part of the OSC's mandate to contribute to the stability of the financial system and the reduction of systemic risk, we also work with other provincial, federal and global agencies to enhance the identification of financial system vulnerabilities and promote financial system resilience.

In order to achieve effective systemic risk oversight in relation to OTC derivatives, we require significant increases in staffing resources and technological capabilities for risk analysis.

*Summary of the New OTC Derivatives Fee*

Costs to monitor and regulate the OTC derivatives market are projected to increase significantly in the future as a result of the aforementioned future investments in both technology and people. Total annual costs are anticipated to be nearly \$13.5 million by 2023, representing 9% of total projected OSC costs. These costs include direct costs and an allocation of indirect costs, such as premises, human resources, financial management, regulatory, advisory, and enforcement. The targeted fee is intended to recover \$13.5 million of estimated annual costs from entities who engage in the trading of OTC derivatives.

Consistent with a participation fee model charged to other market participants, we are proposing an annual participation fee comprised of a series of tiers based on a fee payer's average quarterly outstanding notional of all transactions that are required to be reported under OSC Rule 91-507 over a one-year period. No fee is payable

- if a fee payer's average outstanding notional is under \$3 billion,
- by an entity that is not a reporting counterparty (as defined in OSC Rule 91-507), or
- by a recognized or exempt clearing agency.

The tiers and associated fees are as follows:

Outstanding Notional	Fee
\$10 trillion and over	\$ 1,900,000
\$4 trillion to under \$10 trillion	\$ 1,350,000
\$1 trillion to under \$4 trillion	\$ 750,000
\$500 billion to under \$1 trillion	\$ 450,000
\$300 billion to under \$500 billion	\$ 200,000
\$100 billion to under \$300 billion	\$ 100,000
\$50 billion to under \$100 billion	\$ 50,000
\$15 billion to under \$50 billion	\$ 15,000
\$7.5 billion to under \$15 billion	\$ 7,500
\$3 billion to under \$7.5 billion	\$ 3,000

The OSC acknowledges that while these fees will increase regulatory costs for a select group of entities (namely, large financial institutions responsible for the vast majority of derivatives transactions occurring in Ontario), we believe these fees appropriately reflect the costs associated with oversight and monitoring of OTC derivatives activity in Ontario.

<sup>1</sup> *Securities Act (Ontario)*, s. 1.1, as amended by the *Stronger, Fairer Ontario Act (Budget Measures)*, 2017 (Ontario), Sch. 37, s. 2. IOSCO has referred to systemic risk as "the potential of any widespread adverse effect on the financial system and thereby on the wider economy" (*Mitigating Systemic Risk A Role for Securities Regulators*, IOSCO, February 2011 at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD347.pdf>).



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*Summary of Fee Reductions and Fees Eliminated*

As summarized below, the Amendments are expected to result in a targeted reduction in OSC participation, activity, and late fees of approximately \$5.6 million (4.0%) from fiscal year 2021. These changes are further explained under “Detailed Listing of Fee Amendments”. The Materials also include changes to improve conciseness, simplicity and understandability. In addition, we outline below various changes where we are proposing to simplify, harmonize and reduce burden on market participants.

1) Participation Fee Reductions

We estimate \$3.1 million in savings from fee rate reductions on participation fees, benefiting 98% of registrant firms and unregistered capital market participants and 88% of issuers. Issuers with a capitalization for the previous year below \$1 billion are expected to see rate savings between 5% to 16% while registrant firms and unregistered capital market participants with specified Ontario revenues below \$100 million are expected to see rate savings between 2% to 16%. The participation fee reduction is aimed at small and medium-sized businesses as part of our ongoing efforts to reduce regulatory burden, foster capital formation and competitive capital markets.

2) Fee reductions on exempt distribution filings under OSC Rule 45-501 Ontario Prospectus and Registration Exemptions and NI 45-106 Prospectus Exemptions

\$1.8 million savings from reducing fees relating to exempt distribution filings under OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* and NI 45-106 *Prospectus Exemptions*. The rate reduction of 30% will reduce the fee to \$350 from \$500.

3) Elimination of certain activity and late fees

\$0.7 million savings from the elimination of a number of activity fees and late fees. To streamline the fee rules, we have eliminated various activity fees that generate minimal volume and associated OSC regulatory work. In addition, we eliminated a fee that disincentivized shareholder activism, an activity that encourages accountability of public management and boards of directors. A number of document filings that attract possible late fees will be eliminated without compromising investor protection. Many of the eliminated late fees will also result in harmonization with other Canadian Securities Administrators (CSA) jurisdictions. These amendments also reflect permanently eliminating late fees on outside activities.

4) Simplify annual capital market participation fee calculation for registrant firms and unregistered capital market participants

We are simplifying the annual capital market participation fees calculation by using the most recent completed financial statements. This calculation will no longer require the use of estimates of specified Ontario revenues by any filers, or the subsequent filing of Form 13-502F5 (Adjustment of Fee for Registrant Firms and Unregistered Capital Markets Participants) or Form 13-503F2 (Adjustment of Fee Payments for Commodity Futures Act Registrant Firms) to provide for adjustments to estimates based upon actuals. Consequently, we have eliminated Forms 13-502F5 and 13-503F2.

Under the Amendments, capital markets participation fees will be calculated using a “designated financial year”. The definition of “designated financial year” will entail the use, in the case of registrants, of actual financial information based upon most recently audited financial statements.

In the case of unregistered capital markets participants that normally do not audit their financial statements, the definition of “designated financial year” will entail the use of available unaudited financial statements.

The Amendments will change the requirement and deadline for registrant firms to file between September 1st and November 1st based on actual financial statements. The previous deadline to file was December 1. The foregoing changes will reduce burden on market participants by reducing the amount of required form filings and are not intended to have a significant financial impact on fees.

5) Simplify and clarify annual capital market participation fee submission for Class 2 reporting issuers

As part of the simplification process, we are repealing section 2.5, Participation fee estimate for Class 2 reporting issuers, of the Main Fee Rule and the accompanying Form 13-502F2A (Adjustment of Fee Payment for Class 2 Reporting Issuers) and are eliminating the use of estimates. The method of calculating capitalization under section 2 of the Main Fee Rule, which is relevant for issuer participation fees, has also been clarified.

6) Relief for investment fund families and affiliates

The Main Fee Rule presently provides relief from the duplication of activity fees paid within investment fund families and by affiliated registrants. This relief is extended through the introduction of subsection 34(1) so that this relief applies to joint applications made by any applicants affiliated with each other. The same type of relief is also provided in section 10 of the CFA Rule.

7) Requests to the Commission

Minor adjustments to fees for the search of Commission public records and copies are implemented as per Rows M1 and M2 of Appendix F of the Main Fee Rule and Rows G1 and G2 of Appendix B of the CFA Rule.

8) Harmonization of Late Fee Calculations

We are harmonizing within our fee rules and other jurisdictions the basis for the calculation of late fees by using calendar days where it currently states business days.

**Detailed Listing of Fee Amendments****Fee Reductions (section references are to the replaced Main Fee Rule)**

Stakeholders	Description
<b>Registrant Firms, Unregistered Capital Markets Participants</b>	Reduce participation fees between 2% and 16% for firms with specified Ontario revenues up to \$100 million (Main Fee Rule: Appendix C, CFA Rule: Appendix A)
<b>Issuers</b>	Reduce participation fees between 5% and 16% for issuers with capitalization up to \$1 billion (Main Fee Rule: Appendix A/B)
<b>Issuers</b>	Reduce the activity fee from \$500 to \$350 for exempt distribution filings under OSC Rule 45-501 Ontario Prospectus and Registration Exemptions and NI 45-106 Prospectus Exemptions Report of Exempt Distribution (Main Fee Rule: Appendix F, Paragraph B)
<b>Specified Regulated Entities</b>	Reduce both the participation and activity fee to certain foreign clearing agencies providing services in Ontario, if they do not have a clearing member resident in Ontario. The Amendments will require such an exempt clearing agency with at least one customer resident in Ontario <sup>2</sup> to pay an activity fee of \$15,000 (instead of \$83,000) and an annual participation fee of \$7,500 (instead of \$10,000). (Main Fee Rule: Appendix D, Row E1 & Appendix F, Row D5)

**Removal of Fees (section references are to the repealed Main Fee Rule)**

Stakeholders Affected	Description
<b>Activity Fees</b>	
<b>Registrant Firms</b>	Remove the activity fee of \$100 for a certified statement from the Commission/Director under section 139 of the OSA. (Main Fee Rule: Appendix C, Row M1)
<b>Investment Funds</b>	Remove the activity fee of \$1,500 associated with Application for approval under s.213(3) of the <i>Loan and Trust Corporations Act</i> (Main Fee Rule: Appendix C, Row E7)
<b>Individuals</b>	Remove the activity fee of \$30 for requests to the Commission for one's individual registration form (Main Fee Rule: Appendix C, Row P3, CFA Rule, Appendix B, Row G3)
<b>Shareholders</b>	Remove the activity fee of \$4,500 for filing an information circular by a person or company in connection with a solicitation that is not made by or on behalf of management (dissent proxy circular) (Main Fee Rule: Appendix C, Row J1)
<b>Issuers</b>	Remove the activity fee of \$2,000 for a Notice of Exemption under paragraph 2.42(2)(a) of National Instrument 45-106 (Main Fee Rule: Appendix C, Row C1)
<b>Issuers</b>	Remove the activity fee for distribution of securities of an issuer under section 2.9 of (Offering memorandum) National Instrument 45-106 (Main Fee Rule: Appendix C, B2.1), now consolidated within Main Fee Rule: Appendix C, B2.

<sup>2</sup> As defined in National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions*

<b>Issuers</b>	Remove the activity fee of \$500 for filing a prospecting syndicate agreement (Main Fee Rule: Appendix C, Row D1)
<b>Issuers</b>	Remove the activity fee of \$3,800 for rights offering circular (Main Fee Rule: Appendix C, Row B3).
<b>Late Fees</b>	
<b>Issuers</b>	Remove various issuer late fees associated with late filing of participation fee documents (Main Fee Rule: Appendix D, Paragraph A. (g), (h),(i),(l))
<b>Specified Regulated Entities</b>	Remove various late fees charged to specified regulated entities associated with the late filing of participation fee documents (Main Fee Rule: Appendix D, Paragraph A.(m),(n))
<b>Registrant Firms</b>	Remove various registration related late fees (Main Fee Rule: Appendix D, Paragraph A. (c), (e), (k), Paragraph B. and corresponding provision in Appendix C of CFA Rule.
<b>Investment Fund Families and Affiliated Registrants</b>	Relief provided from late fees for investment fund families and affiliated registrants: Subsection 7A.3(3) and (4) of the Main Fee Rule.

#### *Purpose of the CP Changes*

The CP Changes correspond to the Amendments. The purpose of the CP Changes is to clarify the Commission's view of the application of the Amendments.

#### **Coming-into-Force**

The Amendments and other required materials were delivered to the Minister of Finance on or about November 21, 2022. The Minister may approve or reject the Amendments or return them for further consideration. If the Minister approves the Amendments or does not take any further action the Amendments will come into force on April 3, 2023.

#### **Content of Annexes**

The following annexes form part of this Notice:

Annex A – Replacement OSC Rule 13-502 *Fees*

Annex B – Blackline comparing OSC Rule 13-502 *Fees* as proposed on January 21, 2022 with the replacement OSC Rule 13-502 *Fees* set out in Annex A

Annex C – Replacement Companion Policy 13-502 *Fees*

Annex D – Blackline comparing Companion Policy 13-502 *Fees* as proposed on January 21, 2022 with the replacement Companion Policy 13-502 *Fees*

Annex E – Replacement OSC Rule 13-503 (*Commodity Futures Act*) *Fees*

Annex F – Blackline comparing OSC Rule 13-503 (*Commodity Futures Act*) *Fees* as proposed on January 21, 2022 with the replacement OSC Rule 13-503 (*Commodity Futures Act*) *Fees* set out in Annex E

Annex G – Replacement Companion Policy 13-503 (*Commodity Futures Act*) *Fees*

Annex H – Blackline comparing Companion Policy 13-503 (*Commodity Futures Act*) *Fees* as proposed on January 21, 2022 with the replacement Companion Policy 13-503 (*Commodity Futures Act*) *Fees*

Annex I – Summary of Comments and OSC Responses

Annex J – Consequential Amendments to OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*

Annex K – Changes to Companion Policy 91-501CP *Strip Bonds*

**Questions**

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**ANNEX A****ONTARIO SECURITIES COMMISSION RULE 13-502 FEES****Table of Contents****PART 1 DEFINITIONS AND INTERPRETATION**

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**PART 1  
DEFINITIONS AND INTERPRETATION**

**Definitions**

## 1. In this Rule,

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

“highest trading marketplace” means

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

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

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

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

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

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

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

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

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

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

- (a) in the case of a person or company that had a permanent establishment in Ontario in the designated financial year and no permanent establishment elsewhere, 100%,

- (b) in the case of a person or company that had a permanent establishment in Ontario and elsewhere in the designated financial year and had taxable income in the designated financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and
- (c) in any other case, the percentage of the total revenues of the person or company for the designated financial year attributable to capital markets activities in Ontario;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“unregistered capital markets participant” means

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

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

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

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

#### Interpretation of “listed or quoted”

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

## PART 2 CORPORATE FINANCE PARTICIPATION FEES

### DIVISION 1 – GENERAL

#### Application

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

#### Participation fee

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

#### Time of payment

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

#### Participation fee exemptions for subsidiaries

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

for its previous financial year would have been required to be filed under Ontario securities law absent an exemption or waiver described in paragraph (1)(e).

### Filing report and certification

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

### Late fee

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

## DIVISION 2 – CALCULATING CAPITALIZATION

### Class 1 reporting issuers

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

- (ii) traded over the counter, or
  - (iii) available for purchase or sale without regard to a statutory hold period.
- (2) For the purpose of paragraphs (1)(a) and (b), the market value of each class or series of a reporting issuer's equity securities listed or quoted on a market place is calculated for each quarterly period as follows:

$A \times B$

in which,

- "A" is equal to the closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading market place, and
- "B" is equal to the number of securities in the class or series of such security outstanding at the end of the quarterly period.

### **Class 2 reporting issuers**

10. (1) The capitalization of a Class 2 reporting issuer for the previous financial year is the total of all of the following items, as shown in its audited statement of financial position as at the end of the previous financial year:
- (a) retained earnings or deficit;
  - (b) contributed surplus;
  - (c) share capital or owners' equity, options, warrants and preferred shares;
  - (d) non-current borrowings, including the current portion;
  - (e) finance leases, including the current portion;
  - (f) non-controlling interest;
  - (g) items classified on the statement of financial position as non-current liabilities, and not otherwise referred to in this subsection;
  - (h) any other item forming part of equity not otherwise referred to in this subsection.
- (2) Despite subsection (1), a reporting issuer may calculate its capitalization using unaudited annual financial statements if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.
- (3) Despite subsection (1), a reporting issuer that is a trust that issues only asset-backed securities through pass-through certificates may calculate its capitalization using the monthly filed distribution report for the last month of the previous financial year if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

### **Class 3B reporting issuers**

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

### **Reliance on published information**

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

**PART 3  
CAPITAL MARKETS PARTICIPATION FEES**

**DIVISION 1 – GENERAL**

**Participation fee – Registrant firms and unregistered capital markets participants**

- 13. (1)** A registrant firm or an unregistered capital markets participant must, after August 31 and before November 2 in each year, file a completed Form 13-502F4 showing the information required to determine the applicable participation fee referred to in sections 16 or 17.
- (2)** A registrant firm or an unregistered capital markets participant must, by December 31 in each year, pay the participation fee shown in Appendix C opposite the specified Ontario revenues for the designated financial year of the firm or participant.
- (3)** Despite subsections (1) and (2), if a person or company that was neither a registrant firm nor an unregistered capital market participant becomes, between November 1 and December 31, a registrant firm or an unregistered capital markets participant, it must, within 60 days of the date of it becoming a registrant firm or unregistered capital markets participant
- (a) file a completed Form 13-502F4; and
  - (b) pay the participation fee determined in the completed Form 13-502F4.

**Certification**

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

**Late fee**

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

**DIVISION 2 – CALCULATING SPECIFIED ONTARIO REVENUES**

**Calculating specified Ontario revenues for IIROC and MFDA members**

- 16. (1)** The specified Ontario revenues for a designated financial year of a registrant firm that was an IIROC or MFDA member at the end of the designated financial year is calculated by multiplying
- (a) the registrant firm’s total revenues for the designated financial year, less the portion of the total revenue not attributable to capital markets activities,
- by

- (b) the registrant firm's Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), "total revenues" for a designated financial year means,
- (a) for a registrant firm that was an IIROC member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement E of the *IIROC Form 1* filed with IIROC by the registrant firm, and
  - (b) for a registrant firm that was an MFDA member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement D of the *MFDA Form 1 (IFRS)* filed with the MFDA by the registrant firm.

#### Calculating specified Ontario revenues for others

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

### PART 4 PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES

#### Recognized exchange

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

**Recognized quotation and trade reporting system**

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

**Alternative trading system**

20. (1) An alternative trading system described in Row C1 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
- (a) the participation fee set for the alternative trading system in Column B of Appendix D as if it were a recognized exchange, opposite the corresponding Canadian trading share of the alternative trading system for the specified period in Rows A1 to A6 of Column A, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and
  - (b) \$17,000.
- (2) An alternative trading system described in Row C2 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
- (a) \$30,000, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and
  - (b) \$8,750.
- (3) An alternative trading system described in Row C3 in Column A of Appendix D must, no later than April 30 in each year, pay a participation fee equal to the lesser of
- (a) \$30,000, less the capital markets participation fee paid under section 13 by the person or company in the preceding year, and
  - (b) \$17,000.
- (4) If the amount determined under paragraph (1)(a), (2)(a) or (3)(a) is negative, the amount must be refunded to the person or company not later than June 1 in the year.
- (5) If there are two or more alternative trading systems that trade the same asset class, each of which is related to each other,
- (a) the obligation under subsection (1), (2) or (3) and Appendix D must be calculated as if the alternative trading systems are a single entity, and
  - (b) each alternative trading system is jointly and severally liable in respect of the obligation.
- (6) If there are two or more alternative trading systems, each of which is related to each other and each of which trades different asset classes, then each alternative trading system must pay a participation fee as determined under subsection (1), (2) or (3).

**Recognized clearing agencies**

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

**Other specified regulated entities**

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



**Participation fee on recognition, designation, etc.**

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

$$A \times B \div 12$$

in which,

“A” is

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

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

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

**Form**

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

**Late fee**

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

**PART 5  
PARTICIPATION FEES FOR DESIGNATED CREDIT RATING ORGANIZATIONS**

**Payment of participation fee**

- 26. (1)** A designated credit rating organization must, after each financial year,
- (a) pay a participation fee of \$15,000, and
  - (b) file a completed Form 13-502F8 *Designated Credit Rating Organizations – Participation Fee* containing a certification signed by an officer of the designated credit rating organization.
- (2)** A designated credit rating organization must comply with subsection (1) by the earlier of
- (a) the date on which it is required to file a completed Form 25-101F1 *Designated Rating Organization Application and Annual Filing* in respect of the financial year under National Instrument 25-101 *Designated Rating Organizations*, and
  - (b) the date on which it files a completed Form 25-101F1 *Designated Rating Organization Application and Annual Filing* in respect of the financial year.

**Late fee**

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

**PART 6  
DERIVATIVES PARTICIPATION FEES**

**Definitions**

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

**Fee payer**

29. (1) A person or company is a fee payer for the purposes of this Part in respect of a derivatives fee year where both of the following conditions are satisfied:
- (a) with respect to any transaction in the derivatives fee year, the person or company was a reporting counterparty (as defined in OSC Rule 91-507);
  - (b) the person or company was neither a recognized clearing agency nor exempt by the Commission from the requirement to be recognized as a clearing agency.

**Participation fee**

30. (1) Beginning with the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, a fee payer must pay a participation fee, shown in Appendix E, for each derivatives fee year in respect of which it is a fee payer.
- (2) **The participation fee required of a fee payer by subsection (1) is determined with reference to the fee payer’s average quarterly notional amount outstanding during the derivatives fee year.** A fee payer’s average quarterly notional amount outstanding during the derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for which the fee payer is a counterparty and notwithstanding Part 8 of this Rule is calculated as follows:
- (a) as of each derivatives fee quarter-end, determine the notional amount of the fee payer’s outstanding positions as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,
  - (b) aggregate the notional amounts referred to in paragraph (a) for each currency for all four derivatives fee quarter-ends,
  - (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website,
  - (d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c), and
  - (e) divide the total determined under paragraph (d) by four to obtain the fee payer’s average quarterly notional amount outstanding during the derivatives fee year.
- (3) Despite subsection (2), a fee payer may, at its option, only in respect of the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, determine the participation fee required by subsection (1) with reference to the fee payer’s notional amount outstanding as of the last business day of the derivatives fee year, instead of with reference to the fee payer’s average quarterly notional amount outstanding during the derivatives fee year. A fee payer’s notional amount outstanding as of the last business day of the derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for which the fee payer is a counterparty and notwithstanding Part 8 of this Rule is calculated as follows:
- (a) as of the last business day of the derivatives fee year, determine the notional amount of the fee payer’s outstanding positions, as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,

- (b) aggregate the notional amounts referred to in paragraph (a) for each currency,
  - (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website, and
  - (d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c) to obtain the fee payer's notional amount outstanding as of the last business day of the derivatives fee year.
- (4) The payment required of a fee payer by subsection (1) in respect of a derivatives fee year must be made by the fee payer not more than 60 days after the end of the derivatives fee year and be accompanied by Form 13-502F9 *Form Accompanying Payment of Derivatives Participation Fee*.
- (5) Despite paragraphs (2)(c) and (3)(c), if the notional amount of an outstanding position is denominated in a currency for which the Bank of Canada does not post a daily exchange rate, the fee payer may calculate the Canadian dollar equivalent required under these paragraphs using the exchange rate posted by another central bank.

**Late fee**

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

**PART 7  
ACTIVITY FEES**

**Activity fees – General**

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

**Information request**

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

**Affiliated entities**

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

**Investment fund families**

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

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**PART 8  
CURRENCY CONVERSION**

**Canadian dollars**

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

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

**Definitions**

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

**Late fee for covered documents**

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

**Amount of fee**

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

**Fee for late filing of a Form 45-106F1**

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

**Fee for late filing of a Form 13-502F9**

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

**Fee for late filing of insider reports**

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

**Transition - Late fees accrued before April 3, 2023**

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

**PART 10  
EXEMPTION****Exemption**

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

**PART 11  
REPEAL AND EFFECTIVE DATE****Repeal**

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

**Effective date**

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

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

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

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

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

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

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



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

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

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

**APPENDIX E  
DERIVATIVES PARTICIPATION FEE  
(Section 30)**

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

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

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

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

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

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

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



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

Document (Column A)	Late Fee (Column B)
<p>A. Fee for late filing or delivery of any of the following forms or documents:</p> <ul style="list-style-type: none"> <li>(a) Annual financial statements and interim financial information;</li> <li>(b) Annual information form filed under NI 51-102 or National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>;</li> <li>(c) Form 33-109F1 <i>Notice of Termination of Registered Individuals and Permitted Individuals (section 4.2)</i>.</li> <li>(d) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to <ul style="list-style-type: none"> <li>(i) terms and conditions imposed on the registrant firm or individual, or</li> <li>(ii) an order of the Commission;</li> </ul> </li> <li>(e) Form 13-502F4.</li> </ul>	Late fee amount to be calculated in accordance with Part 9 of the Rule.
B. Fee for late filing a Form 45-106F1	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for all Form 45-106F1s required to be filed by the person or company in the year.
C. Fee for late filing of Form 13-502F9	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for the Form 13-509F9 that is required to be filed by the person or company
D. Fee for late filing of Form 55-102F2 <i>Insider Report</i>	Subject to section 42 of the Rule, \$50 per day per insider per issuer (subject to a maximum of \$1,000 per issuer within any one year beginning on April 1 <sup>st</sup> and ending on March 31 <sup>st</sup> ).

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_

**End date of previous financial year:** \_\_\_\_\_

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

**Highest Trading Marketplace:** \_\_\_\_\_  
 (refer to the definition of “highest trading marketplace” under OSC Rule 13-502 Fees)

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

**Equity Symbol**

**1<sup>st</sup> Quarterly Period** (dd/mm/yy) \_\_\_\_\_  
 (refer to the definition of “quarterly period” under OSC Rule 13-502 Fees) \_\_\_\_\_ to \_\_\_\_\_

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace \$ \_\_\_\_\_ (i)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period \_\_\_\_\_ (ii)

Market value of class or series (i) x (ii) \$ \_\_\_\_\_ (A)

**2<sup>nd</sup> Quarterly Period** (dd/mm/yy) \_\_\_\_\_  
 (refer to the definition of “quarterly period” under OSC Rule 13-502 Fees) \_\_\_\_\_ to \_\_\_\_\_

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace \$ \_\_\_\_\_ (iii)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period \_\_\_\_\_ (iv)

Market value of class or series (iii) x (iv) \$ \_\_\_\_\_ (B)

**3<sup>rd</sup> Quarterly Period** (dd/mm/yy)

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

\_\_\_\_\_ to \_\_\_\_\_

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

\$ \_\_\_\_\_ (v)

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

\_\_\_\_\_ (vi)

Market value of class or series

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

**4<sup>th</sup> Quarterly Period** (dd/mm/yy)

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

\_\_\_\_\_ to \_\_\_\_\_

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

\_\_\_\_\_ (vii)

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

\_\_\_\_\_ (viii)

Market value of class or series

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

**Average Market Value of Class or Series**

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

\$ \_\_\_\_\_ (1)

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

**Fair value of outstanding debt securities:**

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

\$ \_\_\_\_\_ (2)

(Provide details of how value was determined)

**Capitalization for the previous financial year**

(1) + (2)

\$ \_\_\_\_\_

**Participation Fee**

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

\$ \_\_\_\_\_

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

**Late Fee**, if applicable  
(As determined under section 8 of OSC Rule 13-502  
*Fees*)

\$ \_\_\_\_\_

**Total Fee Payable**  
(Participation Fee plus Late Fee)

\$ \_\_\_\_\_

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_

**End date of previous financial year:** \_\_\_\_\_

Financial Statement Values:

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

Retained earnings or deficit \$ \_\_\_\_\_ (A)

Contributed surplus \$ \_\_\_\_\_ (B)

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

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

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

Non-controlling interest \$ \_\_\_\_\_ (F)

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

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

**Capitalization for the previous financial year**

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

**Participation Fee**

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

**Late Fee, if applicable**

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

**Total Fee Payable**  
(Participation Fee plus Late Fee)

\$ \_\_\_\_\_

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_  
 (Class 3A reporting issuer cannot be incorporated or organized under the laws of Canada or a province or territory of Canada)

**Financial year end date:** \_\_\_\_\_

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

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

<b>Participation Fee</b> (From subsection 4(2) of OSC Rule 13-502 Fees)	\$1,070
<b>Late Fee, if applicable</b> (As determined under section 8 of OSC Rule 13-502 Fees)	\$ _____
<b>Total Fee Payable</b> (Participation Fee plus Late Fee)	\$ _____

**FORM 13-502F4  
CAPITAL MARKETS PARTICIPATION FEE CALCULATION**

**General Instructions**

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

**Certification**

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

(s) \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PART 1: Firm Information**

Firm NRD number: \_\_\_\_\_

Firm legal name: \_\_\_\_\_



**PART 2: Contact Information for Chief Compliance Officer**

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

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**PART 3: Membership Status (one selection)**

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

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

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

**PART 4: Financial Information**

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

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

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

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

**Part 5(b): MFDA Members**

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

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

### Part 5(c) Advisers, Other Dealers, and Unregistered Capital Markets Participants

#### Notes:

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

\*\*\*\*

1.	Total gross revenue for designated financial year (note 1)	\$
<i>Less the following items for the designated financial year:</i>		
2.	Gross revenue not attributable to capital markets activities	\$
3.	Redemption fee revenue (note 2)	\$
4.	Administration fee revenue (note 3)	\$
5.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 4)	\$
6.	Trailer fees paid to registrant firms or unregistered exempt international firms (note 5)	\$
7.	Total deductions (sum of lines 2 to 6)	\$
<i>Calculation:</i>		
8.	Revenue subject to participation fee (line 1 less line 7)	\$
9.	Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)	%
10.	Specified Ontario revenues (line 8 multiplied by line 9)	\$

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

\_\_\_\_\_  
\$ \_\_\_\_\_

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Name of Subsidiary:** \_\_\_\_\_

**Name of Parent:** \_\_\_\_\_

**End Date of Subsidiary's Previous Financial Year:** \_\_\_\_\_

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

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

**FORM 13-502F7  
SPECIFIED REGULATED ENTITIES – PARTICIPATION FEE**

**Name of Specified Regulated Entity:** \_\_\_\_\_

**Applicable Year:** \_\_\_\_\_ (2023 or later)

**Type of Specified Regulated Entity: (check one)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(6) Prorated Participation Fee:**

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

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

**(8) Total Fee Payable**

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

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

**MANAGEMENT CERTIFICATION**

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

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Name of Designated Credit Rating Organization:**

**Financial year end date:**

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

\$15,000

**Late Fee**, if applicable

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

\$ \_\_\_\_\_

**Total Fee Payable**

(Participation Fee plus Late Fee)

\$ \_\_\_\_\_



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

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

**ANNEX B****ONTARIO SECURITIES COMMISSION RULE 13-502 FEES (BLACKLINE)**

**Annex B – Ontario Securities Commission Rule 13-502 Fees (blackline)** is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

## Annex B

This document is a clean version of proposed changes to Ontario Securities Commission Rule 13-502 (including Forms). Because of the extent of the proposed amendments, it is proposed that the entire rule will be repealed and replaced as of April 3, 2023, which would result in further changes to the numbering of the document. Due to the proposed repeal of various sections and forms, the present document contains numbering gaps which would be addressed if the entire rule is repealed and replaced.

### ONTARIO SECURITIES COMMISSION RULE 13-502 *FEES*

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**PART 1—**  
**DEFINITIONS AND INTERPRETATION**

**1.1 Definitions—**

**1.** In this Rule,

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

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

“capitalization”, in relation to a reporting issuer, means the capitalization of the reporting issuer determined in accordance with section [2.89](#), [2.910](#) or [2.1011](#), as the case may be;

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

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

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

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

- (a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or
- (b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:
  - (i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer’s outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;
  - (ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;
  - (iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;

(iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than

(A) to its employees or to employees of one or more of its subsidiaries, or

(B) to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

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

(a) is not a Class 3A reporting issuer, and

(b) is a designated foreign issuer or an SEC foreign issuer as those terms are defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

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

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

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

(a) if the filing is by a registrant firm, the most recently completed financial year of the registrant firm, determined at the time of the filing, for which audited financial statements are available, and

(b) if the filing is by an unregistered capital market participant, the most recent completed financial year of the unregistered capital market participant, determined at the time of the filing, for which

(i) audited annual financial statements are available; or

(ii) unaudited annual financial statements are available, if the unregistered capital market participant does not ordinarily have its annual financial statements audited;

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

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

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

“highest trading marketplace” means

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

“specified Ontario revenues”, in relation to a person or company for a designated financial year, means the revenues of the person or company calculated for the designated financial year under section ~~3-5~~16 or ~~3-6~~17, as the case may be;

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

“specified regulated entity” means a person or company described in Column A of Appendix ~~B-1~~D of the rule;

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

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

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

“unregistered capital markets participant” means

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

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

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

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

### ~~1.2 Interpretation of “listed or quoted”~~

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

## PART 2 CORPORATE FINANCE PARTICIPATION FEES

### ~~Division 1: General~~

#### ~~2.1~~

### DIVISION 1 – GENERAL

#### ~~Application~~

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

#### ~~2.2 Participation fee~~

- 4. (1) A reporting issuer that is a Class 1 reporting issuer or a Class 2 reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix A opposite the capitalization of the reporting issuer for the previous financial year.
- (2) A reporting issuer that is a Class 3A reporting issuer must, after each of its financial years, pay a participation fee of \$1,000.
- (3) A reporting issuer that is a Class 3B reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix ~~A.1~~B opposite the capitalization of the reporting issuer for the previous financial year.
- (4) Despite subsections (1) to (3), a participation fee is not payable by a participant under this section if the participant became a reporting issuer in the period that begins immediately after the time that would otherwise be the end of the previous financial year in respect of the participation fee and ends at the time the participation fee would otherwise be required to be paid under section ~~2.3~~5.

#### ~~2.3 Time of payment~~

5. (1) A reporting issuer must pay the participation fee required under section ~~2.24~~ by the earlier of

- (a) the date on which its annual financial statements for its previous financial year are required to be filed under Ontario securities law, and
- (b) the date on which its annual financial statements for its previous financial year are filed.

## **2.4 Participation fee exemptions for subsidiaries**

**6. (1)** Section ~~2.24~~ does not apply to a reporting issuer that is a subsidiary if all of the following apply:

- (a) at the end of the subsidiary's previous financial year, an issuer that was a Class 1 or Class 2 reporting issuer was the parent of the subsidiary;
- (b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;
- ~~(c)~~ **(c)** ~~(b.1)~~ to the extent required by section ~~2.89~~ or ~~2.910~~, the capitalization of the parent for its previous financial year included the capitalization of the subsidiary;
- ~~(d)~~ **(d)** ~~(e)~~ the parent paid its participation fee for its previous financial year, with reference to section ~~2.89~~ or ~~2.910~~;
- ~~(e)~~ **(e)** in the subsidiary's previous financial year, the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1), 5.1(1) or section 5.2 and section 6.1 of NI 51-102.

**(2)** A reporting issuer referred to in subsection (1) must file a completed Form 13-502F6 *Subsidiary Exemption Notice* that contains a certification signed by an officer of the reporting issuer, by the date on which its annual financial statements for its previous financial year would have been required to be filed under Ontario securities law absent an exemption or waiver described in paragraph (1)(e).

## **2.6 Filing report and certification**

**7. (1)** At the time that it pays the participation fee required by this Part,

- (a) a Class 1 and a Class 3B reporting issuer must file a completed Form 13-502F1 *Class 1 and Class 3B Reporting Issuers – Participation Fee*,
- (b) a Class 2 reporting issuer must file a completed Form 13-502F2 *Class 2 Reporting Issuers – Participation Fee*, and
- (c) a Class 3A reporting issuer must file a completed Form 13-502F3A *Class 3A Reporting Issuers – Participation Fee*.

**(2)** A form required to be filed under subsection (1) must contain a certification signed by an officer of the reporting issuer.

## ~~2.7~~ Late fee

~~(+)~~ 8. (1) A reporting issuer that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

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

## Division 2: Calculating Capitalization

### ~~2.8~~ —

## DIVISION 2 – CALCULATING CAPITALIZATION

### Class 1 reporting issuers

~~(+)~~ 9. (1) The capitalization of a Class 1 reporting issuer for the previous financial year is the total of all of the following:

- (a) for each class or series of the reporting issuer's equity securities listed or quoted on a marketplace, the sum of the market value of the securities listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the reporting issuer divided by four;
- (b) if section 2.46 applies to a subsidiary of the reporting issuer, for each class or series of equity securities of the subsidiary, the sum of the market value of the subsidiary's securities listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the subsidiary divided by four, to the extent that this sum has not otherwise been included in the capitalization of the reporting issuer for the previous financial year;
- (c) the fair value of the outstanding debt securities of the reporting issuer at the end of the previous financial year that are,
  - (i) listed or quoted on a marketplace,
  - (ii) traded over the counter, or
  - (iii) available for purchase or sale without regard to a statutory hold period;
- (d) the fair value of the outstanding debt securities of the reporting issuer's subsidiaries at the end of the previous financial year for subsidiaries that are not reporting issuers, to the extent that those outstanding debt securities are consolidated in the reporting issuer's financial statements and are
  - (i) listed or quoted on a marketplace,
  - (ii) traded over the counter, or
  - (iii) available for purchase or sale without regard to a statutory hold period;
- (e) the fair value of the outstanding debt securities of the reporting issuer's subsidiaries at the end of the previous financial year for subsidiaries that are reporting issuers to which section 2.46 applies, to the extent that those outstanding debt securities are
  - (i) listed or quoted on a market place,
  - (ii) traded over the counter, or

(iii) available for purchase or sale without regard to a statutory hold period.

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

$$A \times B$$

in which,

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

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

### **~~2.9~~ Class 2 reporting issuers**

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

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

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

### **~~2.10~~ Class 3B reporting issuers —**

- 11.** The capitalization of a Class 3B reporting issuer must be determined under section ~~2.89~~, as if it were a Class 1 reporting issuer.

## ~~2.11~~ Reliance on published information

~~(+)~~ 12. (1) Subject to subsection (2), in determining its capitalization, a reporting issuer may rely on information made available by a marketplace on which its securities trade.

~~(2)~~ (2) If a reporting issuer reasonably believes that the information made available by a marketplace is incorrect, the issuer must make a good faith estimate of the information required.

## ~~PART 3~~ — CAPITAL MARKETS PARTICIPATION FEES

### ~~Division 1: General~~

#### DIVISION 1 – GENERAL

### ~~3.1~~ Participation fee – Registrant firms and unregistered capital markets participants

~~(+)~~ 13. (1) A registrant firm or an unregistered capital markets participant must, after August 31 and before November 2 in each year, file a completed Form 13-502F4 showing the information required to determine the applicable participation fee referred to in sections ~~3.5~~ 16 or ~~3.6~~ 17.

~~(2)~~ (2) A registrant firm or an unregistered capital markets participant must, by December 31 in each year, pay the participation fee shown in Appendix ~~BC~~ BC opposite the specified Ontario revenues for the designated financial year of the firm or participant.

~~(3)~~ (3) Despite subsections (1) and (2), if a person or company that was neither a registrant firm nor an unregistered capital market participant becomes, between November 1 and December 31, a registrant firm or an unregistered capital markets participant, it must, within 60 days of the date of it becoming a registrant firm or unregistered capital markets participant

- (a) file a completed Form 13-502F4; and
- (b) pay the participation fee determined in the completed Form 13-502F4.

### ~~3.3~~ Certification

14. (1) A Form 13-502F4 required to be filed under section ~~3.1~~ 13 must contain a certification signed by any one of the following:

- (a) the chief compliance officer of the registrant firm or the unregistered capital markets participant;
  - (b) in the case of an unregistered capital markets participant without a chief compliance officer, an individual acting in a similar capacity;
  - (c) a specified officer of the registrant firm or the unregistered capital markets participant, or an individual acting in a similar capacity;
  - (d) a director of the registrant firm or the unregistered capital markets participant.
- (2) For the purposes of paragraph (1)(c), “specified officer” of a registrant firm or an unregistered capital markets participant, means an individual with any one or more of the following positions in relation to the registrant firm or the unregistered capital market participant:

- (a) chief executive officer;
- ~~(b)~~ ~~(b)~~ chief financial officer;
- ~~(c)~~ ~~(c)~~ chief operating officer.

### **3.4 Late fee**

~~(1)~~ 15. (1) A person or company that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

~~(2)~~ (2) A late fee calculated under subsection (1) is deemed to be nil if it is less than \$100.

## **DIVISION 2 – CALCULATING SPECIFIED ONTARIO REVENUES**

### **~~Division 2: Calculating Specified~~ specified Ontario Revenues**

### **~~3.5 — Calculating specified Ontario~~ revenues for IIROC and MFDA members**

16. (1) The specified Ontario revenues for a designated financial year of a registrant firm that was an IIROC or MFDA member at the end of the designated financial year is calculated by multiplying

- (a) the registrant firm's total revenues for the designated financial year, less the portion of the total revenue not attributable to capital markets activities,

by

- (b) the registrant firm's Ontario percentage for the designated financial year.

(2) For the purpose of paragraph (1)(a), "total revenues" for a designated financial year means,

- (a) for a registrant firm that was an IIROC member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement E of the *IIROC Form 1* filed with IIROC by the registrant firm, and
- (b) for a registrant firm that was an MFDA member at the end of the designated financial year, the amount shown as total revenue for the designated financial year on Statement D of the *MFDA Form 1 (IFRS)* filed with the MFDA by the registrant firm.

### **~~3.6 Calculating specified Ontario revenues for others~~**

17. (1) The specified Ontario revenues for a designated financial year of either an unregistered capital markets participant or a registrant firm that was not a member of IIROC or the MFDA at the end of the designated financial year is calculated by multiplying

- (a) the total gross revenues, of the unregistered capital markets participants or the registrant firm, for the designated financial year, less deductions permitted under subsection (2),

by

- (b) the Ontario percentage of the unregistered capital markets participant or the registrant firm for the designated financial year.
- (2) For the purpose of paragraph (1)(a), an unregistered capital markets participant or a registrant firm may deduct the following items, if earned in the designated financial year, from its total gross revenues:
- (a) revenues not attributable to capital markets activities;
  - (b) redemption fees earned on the redemption of investment fund securities that were sold on a deferred sales charge basis;
  - (c) administration fees earned relating to the recovery of costs from investment funds managed by it for operating expenses that it paid on behalf of the investment funds;
  - (d) advisory or sub-advisory fees paid during the designated financial year by it to
    - (i) a registrant firm, as “registrant firm” is defined in this Rule or in Rule 13-503 (*Commodity Futures Act*) Fees, or
    - (ii) an unregistered exempt international firm;
  - (e) trailing commissions paid during the designated financial year by it to a registrant firm described in subparagraph (d)(i).

~~(3)~~ (3) Despite subsection (1), an unregistered capital markets participant may calculate its gross revenues using unaudited financial statements if it does not ordinarily prepare audited financial statements.

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

##### **4.1 Recognized exchange**

18. (1) A recognized exchange must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix ~~B-1~~D opposite the corresponding Canadian trading share of the exchange for the specified period in Rows A1 to A6 of Column A.

- (2) If there are two or more recognized exchanges, each of which is related to each other,
- (a) the obligation under subsection (1) and Appendix ~~B-1~~D must be calculated as if the recognized exchanges are a single entity, and
  - (b) each recognized exchange is jointly and severally liable in respect of the obligation.

##### **4.2 Recognized quotation and trade reporting system**

19. A recognized quotation and trade reporting system must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix ~~B-1~~D opposite the corresponding Canadian trading share of the quotation and trade reporting system for the specified period in Rows A1 to A6 of Column A.



#### **~~4.3~~ Alternative trading system**

**~~20.~~(1)** An alternative trading system described in Row C1 in Column A of Appendix ~~B.1D~~ must, no later than April 30 in each year, pay a participation fee equal to the lesser of

- (a) the participation fee set for the alternative trading system in Column B of Appendix ~~B.1D~~ as if it were a recognized exchange, opposite the corresponding Canadian trading share of the alternative trading system for the specified period in Rows A1 to A6 of Column A, less the capital markets participation fee paid under section ~~3.13~~ by the person or company in the preceding year, and
- (b) \$17,000.

**(2)** An alternative trading system described in Row C2 in Column A of Appendix ~~B.1D~~ must, no later than April 30 in each year, pay a participation fee equal to the lesser of

- (a) \$30,000, less the capital markets participation fee paid under section ~~3.13~~ by the person or company in the preceding year, and
- (b) \$8,750.

~~(3)~~**(3)** An alternative trading system described in Row C3 in Column A of Appendix ~~B.1D~~ must, no later than April 30 in each year, pay a participation fee equal to the lesser of

- (a) \$30,000, less the capital markets participation fee paid under section ~~3.13~~ by the person or company in the preceding year, and
- (b) \$17,000.

~~(4)~~**(4)** If the amount determined under paragraph (1)(a), (2)(a) or (3)(a) is negative, the amount must be refunded to the person or company not later than June 1 in the year.

~~(5)~~**(5)** If there are two or more alternative trading systems that trade the same asset class, each of which is related to each other,

- (a) the obligation under subsection (1), (2) or (3) and Appendix ~~B.1D~~ must be calculated as if the alternative trading systems are a single entity, and
- (b) each alternative trading system is jointly and severally liable in respect of the obligation.

~~(6)~~**(6)** If there are two or more alternative trading systems, each of which is related to each other and each of which trades different asset classes, then each alternative trading system must pay a participation fee as determined under subsection (1), (2) or (3).

#### **~~4.4~~ Recognized clearing agencies**

**21.** A recognized clearing agency must, no later than April 30 in each year, pay the aggregate of the participation fees shown in Column B of Appendix ~~B.1D~~ opposite the services described in Rows D1 to D6 of Column A that are provided by the clearing agency in the specified period.

#### **~~4.5~~ Other specified regulated entities**

**22.** A person or company described in ~~row~~Row B1, E1, E2 or F1 in Column A of Appendix ~~B.1D~~ must, no later than April 30 in each year, pay the participation fee shown in Column B of Appendix ~~B.1D~~ opposite the corresponding description in Row B1, E1, E2 or F1, as the case may be.

#### **~~4.6~~ Participation fee on recognition, designation, etc.**

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

$$A \times B \div 12$$

in which,

“A” is

(a) in the case of a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, \$30,000,

(b) in the case of an exchange exempt from recognition under the Act, \$10,000,

(c) in the case of a recognized clearing agency, the aggregate of the participation fees shown in Column B of Appendix ~~B.1D~~ opposite the services described in Rows D1 to D6 of Column A that are to be provided by the clearing agency in the specified period,

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

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

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

~~(2)~~ (2) If a person or company first becomes a specified regulated entity between January 1 and March 31 of a year, the fee required to be paid under subsection (1) is in addition to the fee required to be paid by the person or company in the same year under section ~~4.118~~ to section ~~4.522~~.

#### **~~4.7~~ Form—**

24. A payment made under section ~~4.118~~ to section ~~4.623~~ must be accompanied by a completed Form 13-502F7 *Specified Regulated Entities – Participation Fee*.

#### **~~4.8~~ Late fee**

~~(+)~~ 25. (1) A person or company that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

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

### **PART 5—**

## **PARTICIPATION FEES FOR DESIGNATED CREDIT RATING ORGANIZATIONS**

#### **~~5.1~~ Payment of participation fee**

~~(+)~~ 26. (1) A designated credit rating organization must, after each financial year,

(a) pay a participation fee of \$15,000, and

- (b) file a completed Form 13-502F8 *Designated Credit Rating Organizations – Participation Fee* containing a certification signed by an officer of the designated credit rating organization.

~~(2)~~ (2) A designated credit rating organization must comply with subsection (1) by the earlier of

- (a) the date on which it is required to file a completed Form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year under National Instrument 25-101 *Designated Rating Organizations*, and
- (b) the date on which it files a completed Form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year.

## ~~5.2~~ Late fee

27. (1) A designated credit rating organization that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

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

## PART ~~5A-6~~ DERIVATIVES PARTICIPATION ~~FEE FEES~~

### ~~5A.1~~ Definitions

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

### ~~5A.2~~ Participation fee

#### Fee payer

29. (1) A person or company is a fee payer for the purposes of this Part in respect of a derivatives fee year where both of the following conditions are satisfied:

- (a) with respect to any transaction in the derivatives fee year, the person or company was a reporting counterparty (as defined in OSC Rule 91-507);
- (b) the person or company was neither a recognized clearing agency nor exempt by the Commission from the requirement to be recognized as a clearing agency.

~~(2)~~ A

#### Participation fee

30. (1) Beginning with the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, a fee payer must pay a participation fee, shown in Appendix ~~B.2E~~, for ~~a~~ each derivatives fee year, in respect of which it is a fee payer.

(2) The participation fee required of a fee payer by subsection (1) is determined with reference to the fee payer’s average quarterly notional amount outstanding during the derivatives fee year. A fee payer’s average ~~daily~~ quarterly notional amount outstanding during the ~~derivatives fee year.~~

~~(3)~~ A fee payer’s average ~~daily~~ notional amount outstanding during a derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for

which the fee payer is a counterparty and notwithstanding Part ~~7-18~~ of this Rule is calculated as follows:

- (a) ~~for~~ as of each ~~day in the~~ derivatives fee ~~year~~quarter-end, determine the ~~total of the~~ notional ~~amounts~~amount of the fee payer's outstanding positions, ~~as~~ as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,
- (b) aggregate the ~~total~~ notional amounts referred to in paragraph (a) for each currency for all ~~days in the~~four derivatives fee ~~year~~quarter-ends,
- (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website,
- (d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c), and
- (e) divide the total determined under paragraph (d) by ~~the number of days in the~~ derivatives fee year~~four~~ to obtain the fee payer's average ~~daily~~quarterly notional amount outstanding during the derivatives fee year.

(3) Despite subsection (2), a fee payer may, at its option, only in respect of the derivatives fee year commencing July 1, 2022 and ending June 30, 2023, determine the participation fee required by subsection (1) with reference to the fee payer's notional amount outstanding as of the last business day of the derivatives fee year, instead of with reference to the fee payer's average quarterly notional amount outstanding during the derivatives fee year. A fee payer's notional amount outstanding as of the last business day of the derivatives fee year is determined with regard to each transaction required to be reported under OSC Rule 91-507 for which the fee payer is a counterparty and notwithstanding Part 8 of this Rule is calculated as follows:

- (a) as of the last business day of the derivatives fee year, determine the notional amount of the fee payer's outstanding positions, as at the end of the day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507,
- (b) aggregate the notional amounts referred to in paragraph (a) for each currency,
- (c) for each aggregate determined in respect of a currency (other than the Canadian dollar) under paragraph (b), calculate the Canadian dollar equivalent using the

daily exchange rate for the last business day of the derivatives fee year, as posted on the Bank of Canada website, and

(d) add the amount determined under paragraph (b) in respect of the Canadian dollar and the total of the Canadian dollar equivalents determined under paragraph (c) to obtain the fee payer's notional amount outstanding as of the last business day of the derivatives fee year.

(4) The payment required of a fee payer by subsection (21) in respect of a derivatives fee year must be made by the fee payer not more than 60 days after the end of the derivatives fee year and be accompanied by Form 13-502F9 *Form Accompanying Payment of Derivatives Participation Fee*.

(5A) Despite paragraphs (2)(c) and (3)(c), if the notional amount of an outstanding position is denominated in a currency for which the Bank of Canada does not post a daily exchange rate, the fee payer may calculate the Canadian dollar equivalent required under these paragraphs using the exchange rate posted by another central bank.<sup>3</sup>

#### Late fee

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

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

### PART ~~6~~ 7 ACTIVITY FEES

#### ~~6.1~~ Activity fees – General —

**32.** A person or company must, when filing a document or taking an action described in any of Rows A1 to ~~OL~~4 of Column A of Appendix ~~CE~~, pay the fee shown opposite the description of the document or action in Column B.

#### ~~6.2~~ Information request —

**33.** A person or company that makes a request described in Row ~~PM~~1 or ~~PM~~2 of Column A of Appendix ~~CE~~ must pay the fee shown opposite the description of the request in Column B of Appendix ~~CE~~ before receiving the document or information requested.

#### ~~6.2.1~~ Affiliated entities —

**34.** (1) Despite section ~~6.132~~, only one fee must be paid under this Part for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.

(2) Without limiting the generality of subsection (1), only one fee must be paid under this Part where an application for exemptive relief is made jointly by applicants affiliated with each other.

#### ~~6.3~~ Investment fund families —

**35.** Despite section ~~6.132~~, only one activity fee must be paid for an application made by or on behalf of two or more investment funds that have

- (a) ~~(a)~~ the same investment fund manager, or
- (b) ~~(b)~~ investment fund managers that are affiliates of each other.

## PART ~~7~~—8 CURRENCY CONVERSION

### ~~7.1~~ Canadian dollars—

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

## PART ~~7A~~—9 FEES FOR LATE FILING OR DELIVERY

### ~~7A.1~~—Definitions—

37. For the purposes of this Part,

“applicable limit” of a person or company for a year means

- (a) ~~(a)~~ if the person or company is required to pay a participation fee in the year under Part 3 and the specified Ontario revenues for the designated financial year on which the participation fee is based are greater than or equal to \$500 million, \$10,000 for that year, and
- (b) ~~(b)~~ in any other case, \$5,000 for that year;

“covered document” means a form or document listed in Row A of Column A of Appendix ~~DG~~;

“specified late day” means a day occurring after April 2, 2023.

### Late fee for covered documents

~~7A.38.2~~— A person or company that files or delivers a covered document after it was required to be filed or delivered, must, when filing or delivering it, pay the fee determined under section ~~7A.339~~ in respect of the covered document.

### Amount of fee

- ~~7A.39.3~~ (1) Subject to subsection (2), the fee for a covered document is equal to \$100 multiplied by the number of specified late days following the date the covered document was required to be filed or delivered until the date the covered document is filed or delivered.
- (2) Despite subsection (1), the maximum late fee payable by a person or company under section ~~7A.238~~ and attributable to a year for all covered documents is equal to the applicable limit.
- (3) If an investment fund and one more other investment funds have the same investment fund manager or investment fund managers that are affiliates of each other and each of those investment funds has failed to file the same type of covered document due by the same date, a fee paid under section ~~7A.238~~ by the first-mentioned investment fund in respect of that covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other investment funds and be attributable to that year.

- (4) If a registrant firm and one or more registrant firms are affiliates of each other and each of those registrant firms has failed to file the same type of a covered document due by the same date, a fee paid under section ~~7A.238~~ by the first-mentioned registrant firm in respect of the covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other registrant firms and be attributable to that year.

#### Fee for late filing of a Form 45-106F1

~~7A.40.4~~ (1) A person or company that files a Form 45-106F1 after it was required to be filed must pay the fee shown in Row ~~E~~B of Column B of Appendix ~~D~~G when filing the form.

(2) Despite subsection (1), if an investment fund and one more other investment funds have the same investment fund manager or investment fund managers that are affiliates of each other and each of those investment funds has failed to file a Form 45-106F1 due by the same date, a fee paid under subsection (1) by the first-mentioned investment fund and attributable to a year is deemed for the purposes of this section to have been paid by each of the other investment funds and be attributable to that year.

#### Fee for late filing of a Form 13-502F9

~~7A.41.5~~ A person or company that files a Form 13-502F9 after it was required to be filed must pay the fee shown in Row C~~+~~ of Column B of Appendix ~~D~~G when filing the form.

#### Fee for late filing of insider reports

~~7A.42.6~~ (1) A person or company that files a Form 55-102F2 *Insider Report* after it was required to be filed must pay the fee shown in Row D of Column B of Appendix ~~D~~G on receiving an invoice from the Commission.

(2) Subsection (1) does not apply to the late filing of a Form 55-102F2 *Insider Report* by an insider of        a reporting issuer if

(a) ~~(a)~~ — the head office of the reporting issuer is located outside Ontario; and

(b) ~~(b)~~ the insider is required to pay a fee for the late filing in another province or territory.

#### ~~7A.7~~ Transition - Late fees accrued before April 3, 2023

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

### PART ~~8~~—10 EXEMPTION

#### ~~8.1~~ Exemption—

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

**PART ~~9~~ ~~REVOCATION~~11**  
**REPEAL AND EFFECTIVE DATE**

**~~9.1~~ ~~Revocation~~**

**Repeal**

**45.** Rule 13-502 *Fees*, as amended to ~~October 18~~September 21, 2019~~2021~~, is ~~revoked~~repealed.

**~~9.2~~ ~~Effective date~~**

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



**APPENDIX A**  
**CORPORATE FINANCE PARTICIPATION FEES**  
**(Subsection ~~2.2(14)~~(1))**

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

**APPENDIX ~~A-1B~~**  
**CORPORATE FINANCE PARTICIPATION FEES FOR CLASS 3B ISSUERS**  
**(Subsection ~~2.2(34)(3)~~)**

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

**APPENDIX ~~BC~~**  
**CAPITAL MARKETS PARTICIPATION FEES**  
**(Section ~~3.13~~)**

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

**APPENDIX B-1D**  
**PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES**  
**(Part 4 of the Rule)**

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

Row	Specified Regulated Entity (Column A)	Participation Fee (Column B)
C3	Each alternative trading system not described in Row C1 or C2.	(a) \$30,000 less capital markets participation fee paid in respect of the previous year, and (b) \$8,750 Lesser of (a) \$30,000 less capital markets participation fee paid in respect of the previous year, and (b) \$17,000
	<b>D. Recognized Clearing Agencies – Services</b> D1 Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction. D2 Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money. D3 Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or <i>vice versa</i> . D4 Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight. D5 Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight. D6 Depository services, being the provision of centralized facilities as a depository for securities.	\$10,000 \$20,000 \$20,000 \$150,000 \$70,000 \$20,000
E1	<b>E. Clearing Agencies Exempt from Recognition under the Act</b> Each clearing agency that (a) is exempted by the Commission from the application of subsection 21.2(1) of the Act, (b) does not have a clearing member resident in Ontario, and (c) has at least one customer, as defined in National Instrument 94-102	\$7,500

<b>Row</b>	<b>Specified Regulated Entity (Column A)</b>	<b>Participation Fee (Column B)</b>
E2	<p><i>Derivatives: Customer Clearing and Protection of Customer Collateral and Positions</i>, resident in Ontario.</p> <p>Each clearing agency that</p> <p>(a) is exempted by the Commission from the application of subsection 21.2(1) of the Act, and</p> <p>(b) has at least one clearing member resident in Ontario.</p>	\$10,000

<b>F. Designated Trade Repositories</b>		
F1	Each designated trade repository designated under subsection 21.2.2(1) of the Act.	\$30,000

**Appendix B.2**  
**Derivatives Participation Fee**

**APPENDIX E**  
**DERIVATIVES PARTICIPATION FEE**  
**(Section ~~5A.230~~)**

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



\$10 trillion and over

\$1,900,000

**APPENDIX ~~E~~F**  
**ACTIVITY FEES**  
**(Sections ~~6.132~~ and ~~6.233~~)**

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
	<b>A. Prospectus Filings</b>	
A1	Preliminary or Pro Forma Prospectus in Form 41-101F1 <i>Information Required in a Prospectus</i> (including if PREP procedures are used)	

Row	Document or Activity (Column A)	Fee (Column B)
		\$3,800
A2	Additional fee for each technical report that supports scientific and technical information relating to a mineral project that is included in a Preliminary or Pro Forma Prospectus.	\$2,500 for each technical report for which a fee under this Appendix has not previously been paid
A3	Preliminary Short Form Prospectus in Form 44-101F1 <i>Short Form Prospectus</i> (including if shelf or PREP procedures are used) or a Registration Statement on Form F-9 or F-10 filed by an issuer that is incorporated or that is organized under the laws of Canada or a jurisdiction in Canada province or territory in connection with a distribution solely in the United States under MJDS as described in the companion policy to National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i> .	\$3,800
A4	<p>Prospectus Filing by or on behalf of certain investment Funds</p> <p>(a) Preliminary or Pro Forma Simplified Prospectus and Annual Information Form in Form 81-101F1 <i>Contents of Simplified Prospectus</i> and Form 81-101F2 <i>Contents of Annual Information Form</i></p> <p>(b) Preliminary or Pro Forma Prospectus in Form 41-101F2 <i>Information Required in an Investment Fund Prospectus</i> or Scholarship Plan Prospectus in Form 41-101F3 <i>Information Required in a Scholarship Plan Prospectus</i></p>	<p>The greater of</p> <p>(i) \$3,800 for a prospectus, and</p> <p>(ii) \$400 for each mutual fund in a prospectus.</p> <p>The greater of</p> <p>(i) \$3,800 for a prospectus, and</p> <p>(ii) \$650 for each investment fund in a prospectus.</p>
A5	Review of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 <i>Shelf Distributions</i> ).	

Row	Document or Activity (Column A)	Fee (Column B)
A6	Filing of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 <i>Shelf Distributions</i> ) for which the amount payable is determined with reference to the price, value or level of an underlying interest that is unrelated to the operations or securities of the issuer.	\$3,800  \$500
	<p data-bbox="272 655 1105 720"><b>B. Fees relating to exempt distributions under OSC Rule 45-501 Ontario Prospectus and Registration Exemptions and NI 45-106</b></p> <p data-bbox="175 1003 1114 1068">B1 Application for recognition, or renewal of recognition, as an accredited investor</p> <p data-bbox="175 1104 1013 1203">B2 Filing of a Form 45-106F1 for a distribution of securities of an issuer under an exemption from the prospectus requirement</p> <p data-bbox="175 1430 1049 1539">E1 <b>EC. Applications for specifically enumerated relief, approval, recognition, designation, etc.</b></p> <p data-bbox="167 1570 732 1604"><b>EC1</b> An application for relief from this rule</p> <p data-bbox="167 1640 1105 1902"><b>EC2</b> An application for relief from any of the following: (a) National Instrument 31-102 <i>National Registration Database</i>; (b) NI 33-109; (c) section 3.11 [<i>Portfolio manager – advising representative</i>] of NI 31-103;</p>	<p data-bbox="1157 1003 1222 1037">\$350</p> <p data-bbox="1157 1104 1222 1138">\$350</p> <p data-bbox="1157 1430 1243 1463">\$1,800</p> <p data-bbox="1157 1570 1243 1604">\$1,800</p> <p data-bbox="1157 1640 1243 1673">\$1,800</p>

Row	Document or Activity (Column A)	Fee (Column B)
	<p>(d) section 3.12 [<i>Portfolio manager – associate advising representative</i>] of NI 31-103;</p> <p>(e) section 3.13 [<i>Portfolio manager – chief compliance officer</i>] of NI 31-103;</p> <p>(f) section 3.14 [<i>Investment fund manager – chief compliance officer</i>] of NI 31-103;</p> <p>(g) section 9.1 [<i>IIROC membership for investment dealers</i>] of NI 31-103;</p> <p>(h) section 9.2 [<i>MFDA membership for mutual fund dealers</i>] of NI 31-103.</p>	
EC3	<p>An application for relief from any of the following:</p> <p>(a) section 3.3 [Time limits on examination requirements] of NI 31-103;</p> <p>(b) section 3.5 [Mutual fund dealer – dealing representative] of NI 31-103;</p> <p>(c) section 3.6 [Mutual fund dealer – chief compliance officer] of NI 31-103;</p> <p>(d) section 3.7 [Scholarship plan dealer – dealing representative] of NI 31-103;</p> <p>(e) section 3.8 [Scholarship plan dealer – chief compliance officer] of NI 31-103;</p> <p>(f) section 3.9 [Exempt market dealer – dealing representative] of NI 31-103,</p> <p>(g) section 3.10 [Exempt market dealer – chief compliance officer] of NI 31-103.</p>	\$500

Row	Document or Activity (Column A)	Fee (Column B)
EC4	An application under subparagraph 1(10)(a)(ii) of the Act	\$1,000
EC5	<p>An application</p> <p>(a) under section 30 or subsection 38(3) of the Act or subsection 1(6) of the <i>Business Corporations Act</i>,</p> <p>(b) under subsection 144(1) of the Act for an order to partially revoke a cease-trade order to permit trades solely for the purpose of establishing a tax loss, as contemplated under Division 2 of National Policy 12-202 <i>Revocation of Certain Cease Trade Orders</i>, and</p> <p>(a)</p>	Nil

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
E		

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
	<p>(c) under subsections 144(1) and 127(4.3) of the Act to revoke a cease trade order made under subsection 127(4.1) of the Act that has been in effect for 90 days or less.</p>	



<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
E6		

Row	Document or Activity (Column A)	Fee (Column B)
EC6	An application other than a pre-filing, where the discretionary relief or regulatory approval is evidenced by the issuance of a receipt for the applicants' final prospectus (such as certain applications under National Instrument 41-101 <i>General Prospectus Requirements</i> or National Instrument 81-101 <i>Mutual Fund Prospectus Disclosure</i> ).	<p>(a) \$4,800 for an application for relief, or approval under, one section of the Act, a regulation or a rule</p> <p>(b) \$7,000 for an application for relief from, or approval under, two or more sections of the Act, regulation or a rule</p>

Row	Document or Activity (Column A)	Fee (Column B)
E8C7	<p>An application</p> <p>(a) made under subsection 46(4) of the <i>Business Corporations Act</i> for relief from the requirements under Part V of that Act</p> <p>(b) for consent to continue in another jurisdiction under paragraph 421(b) of Ont. Reg. 289/00389/21 made under the <i>Business Corporations Act</i></p> <p><i>Note: These fees are in addition to the fee payable to the Minister of Finance as set out in the Schedule attached to the Minister's Fee Orders relating to applications for exemption orders made under the Business Corporations Act to the Commission.</i></p>	\$400
FD1	<p><b>FD. Recognitions and Exemptions for Specified Regulated Entities</b></p> <p>An application for recognition of an exchange under section 21 of the Act</p>	\$110,000

Row	Document or Activity (Column A)	Fee (Column B)
FD2	An application for exemption from the requirement to be recognized as an exchange under section 21 of the Act	\$83,000
FD3	An application by a marketplace that trades OTC derivatives, including swap execution facilities, for exemption from the requirement to be recognized under section 21 of the Act	\$20,000
FD4	An application by clearing agencies for recognition under section 21.2 of the Act	\$110,000
FD5	An application for exemption from the requirement to be recognized as a clearing agency under section 21.2 of the Act by a clearing agency not planning to have any clearing member resident in Ontario, if the clearing agency has at least one customer, as defined in National Instrument 94-102 <i>Derivatives: Customer Clearing and Protection of Customer Collateral and Positions</i> , resident in Ontario.	\$15,000

Row	Document or Activity (Column A)	Fee (Column B)
FD6	An application for exemption from the requirement to be recognized as a clearing agency under section 21.2 of the Act by a clearing agency planning to have at least one clearing member resident in Ontario.	\$83,000  (plus an additional fee of \$100,000 in connection with an application described in any of Rows FD1 to FD5 that (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
GE1	<b>GE. Initial Filing for ATS</b>  Review of the initial Form 21-101F2 <i>Information Statement Alternative Trading System</i> of a new alternative trading system	\$55,000
HE1	<b>HE. Trade Repository</b>  Application for designation as a trade repository under section 21.2.2 of the Act	\$83,000

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Row	Document or Activity (Column A)	Fee (Column B)
	<b>IG. Pre-Filings</b>	

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>



Row	Document or Activity (Column A)	Fee (Column B)
IG1	Each pre-filing relating to the items described in Rows FD1 to FD5, GE1 and HE1	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.

Row	Document or Activity (Column A)	Fee (Column B)
<b>IG2</b>	Any other pre-filing  <i>Note: The fee for a pre-filing under this section will be credited against the applicable fee payable if and when the corresponding formal filing (e.g., an application or a preliminary prospectus) is actually proceeded with; otherwise, the fee is nonrefundable.</i>	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
	<b>JH. Take-Over Bid and Issuer Bid Documents</b>	

Row	Document or Activity (Column A)	Fee (Column B)
JH1	Filing of a take-over bid or issuer bid circular under subsection 2.10(2),(3) or (4) of NI 62-104 or the filing of an information circular in connection with a special meeting to be held to consider the approval of a going private transaction, reorganization, amalgamation, merger, arrangement, consolidation or similar business combination (other than a second step business combination in compliance with MI 61-101).	\$4,500 (plus \$2,000 if neither the offeror nor an issuer of which the offeror is a wholly-owned subsidiary is subject to, or reasonably expected to become subject to, a participation fee under this Rule)
JH2	Filing of a notice of change or variation under section 2.13 of NI 62-104	Nil

Row	Document or Activity (Column A)	Fee (Column B)
	<b>K1. Registration-Related Activity</b>	
K1	New registration of a firm in one or more categories of registration	\$1,300

Row	Document or Activity (Column A)	Fee (Column B)
K12	Addition of one or more categories of registration	\$700
K13	Registration of a new representative as a dealer and/or adviser on behalf of a registrant firm	\$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.
K14	Review of permitted individual	\$100 per individual, unless the individual is already registered as a dealer and/or adviser on behalf of a registrant firm

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
K15	Change in status from not being a representative on behalf of a registrant firm to being a representative on behalf of the registrant firm	\$200 per individual
K16	Registration as a chief compliance officer or ultimate designated person of a registrant firm, if the individual is not registered as a representative on behalf of the registrant firm	\$200 per individual

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
K17	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	\$1,000
K18	Application for amending terms and conditions of registration	\$800





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Row	Document or Activity (Column A)	Fee (Column B)
	<b>NK. Designated Rating Organizations</b>	

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
NK1	An application for designation of a credit rating organization under section 22 of the Act	\$15,000

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
NK2	An application for a variation of a designation of a credit rating organization under subsection 144(1) of the Act if the application (a) reflects a merger of a credit rating organization, (b) reflects an acquisition of a major part of the assets of a credit rating organization, (c) involves the introduction of a new business that would significantly change the risk profile of a credit rating organization, or (d) reflects a major reorganization or restructuring of a credit rating organization	\$15,000

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
NK3	Any other application for a variation of a designation of a credit rating organization under subsection 144(1) of the Act	\$4,800

Row	Document or Activity (Column A)	Fee (Column B)
	<b>OL. Any Application not otherwise Listed in this Rule</b>	

Row	Document or Activity (Column A)	Fee (Column B)
<p>⓪L1</p>	<p>An application, other than one described in Rows A1 to NK3, for</p> <ul style="list-style-type: none"> <li>(a) relief from one section of the Act, a regulation or a rule, or</li> <li>(b) recognition or designation under one section of the Act, a regulation or a rule.</li> </ul>	<p>\$4,800</p>
<p>⓪L2</p>	<p>An application, other than one described in Rows A1 to NK3, for</p> <ul style="list-style-type: none"> <li>(a) relief from two or more sections of the Act, a regulation or a rule made at the same time, or</li> <li>(b) recognition or designation under two or more sections of the Act, a regulation or a rule made at the same time.</li> </ul>	<p>\$7,000</p>

Row	Document or Activity (Column A)	Fee (Column B)
<p>OL3</p>	<p>An application referred to in OL1 or OL2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-503 (<i>Commodity Futures Act</i>) Fees:</p> <ul style="list-style-type: none"> <li>(i) the applicant;</li> <li>(ii) an issuer of which the applicant is a wholly owned subsidiary;</li> <li>(iii) the investment fund manager of the applicant).</li> </ul>	<p>The amount in OL1 or OL2 is increased by \$2,000</p>

Row	Document or Activity (Column A)	Fee (Column B)
<p><a href="#">L4</a></p>	<p>An application under subsection 144(1) of the Act if the application</p> <ul style="list-style-type: none"> <li>(a) reflects a merger of an exchange or clearing agency,</li> <li>(b) reflects an acquisition of a major part of the assets of an exchange or clearing agency,</li> <li>(c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or</li> <li>(d) reflects a major reorganization or restructuring of an exchange or clearing agency.</li> </ul>	<p>The amount in <a href="#">Row L1</a> or <a href="#">L2</a> is increased by \$100,000</p>



Row	Document or Activity (Column A)	Fee (Column B)
	<b>PM.</b> Requests to the Commission	
PM1	Request for a search of Commission public records	\$10 initial search fee, plus \$7.50 per person searching for each 15 minutes spent by the person searching or preparing records for disclosure to the extent consistent with the request.

<b>Row</b>	<b>Document or Activity (Column A)</b>	<b>Fee (Column B)</b>
<a href="#">PM2</a>	Request for copies of Commission public records	Applicable search fees under Row <a href="#">PM1</a> . Additional charge of \$0.25 per page for photocopied or printed records. No additional charge for digital copies, where available.

**APPENDIX DG**  
**ADDITIONAL FEES FOR LATE DOCUMENT FILINGS**  
**(Part 7.49)**

Document (Column A)	Late Fee (Column B)
<p>A. Fee for late filing or delivery of any of the following forms or documents:</p> <p>(a) Annual financial statements and interim financial information;</p> <p>(b) Annual information form filed under NI 51-102 or National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>;</p> <p><del>(c) [Repealed]</del></p> <p><u>(c)</u> <del>(d)</del> Form 33-109F1 <i>Notice of Termination of Registered Individuals and Permitted Individuals (section 4.2)</i>;</p> <p><del>(e) [Repealed]</del></p> <p><u>(d)</u> <del>(f)</del> Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to</p> <p>(i) terms and conditions imposed on the registrant firm or individual, or</p> <p>(ii) an order of the Commission;</p> <p><del>(g) [Repealed]</del></p> <p><del>(h) [Repealed]</del></p> <p><del>(i) [Repealed]</del></p> <p><u>(e)</u> <del>(j)</del> Form 13-502F4;</p> <p><del>(k) [Repealed]</del></p> <p><del>(l) [Repealed]</del></p> <p><del>(m) [Repealed]</del></p>	<p>Late fee amount to be calculated in accordance with Part 7.09 of the Rule.</p>

Document (Column A)	Late Fee (Column B)
<del>(n) - [Repealed]</del>	
C.B. Fee for late filing a Form 45-106F1	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for all Form 45-106F1s required to be filed by the person or company in the year.
C.4 Fee for late filing of Form 13-502F9	For each year, \$100 for every day in the year following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of \$5,000 for the year for the Form 13-509F9 that is required to be filed by the person or company

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<b>Document (Column A)</b>	<b>Late Fee (Column B)</b>
D. Fee for late filing of Form 55-102F2 <i>Insider Report</i>	Subject to section <del>7A.64</del> <u>64</u> of the Rule, \$50 per day per insider per issuer (subject to a maximum of \$1,000 per issuer within any one year beginning on April 1 <sup>st</sup> and ending on March 31 <sup>st</sup> ).

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_

**End date of previous financial year:** \_\_\_\_\_

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

**Highest Trading Marketplace:** \_\_\_\_\_  
(refer to the definition of “highest trading marketplace” under OSC Rule 13-502 Fees)

**Market value of listed or quoted equity securities:**  
(in Canadian Dollars - refer to section 7-136 of OSC Rule 13-502 Fees)

**Equity Symbol**

**1<sup>st</sup> Quarterly Period** (dd/mm/yy) \_\_\_\_\_  
(refer to the definition of “quarterly period” under OSC Rule 13-502 Fees) \_\_\_\_\_ to \_\_\_\_\_

Closing price of the security in the class or series on the last trading day of the quarterly period in which such security was listed or quoted on the highest trading marketplace      \$ \_\_\_\_\_ (i)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the quarterly period      \_\_\_\_\_ (ii)

Market value of class or series      (i) x (ii)      \$ \_\_\_\_\_ (A)

**2<sup>nd</sup> Quarterly Period** (dd/mm/yy)

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

\_\_\_\_\_ to \_\_\_\_\_

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

\$ \_\_\_\_\_ (iii)

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

\_\_\_\_\_ (iv)

Market value of class or series

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

**3<sup>rd</sup> Quarterly Period** (dd/mm/yy)

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

\_\_\_\_\_ to \_\_\_\_\_

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

\$ \_\_\_\_\_ (v)

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

\_\_\_\_\_ (vi)

Market value of class or series

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

**4<sup>th</sup> Quarterly Period** (dd/mm/yy)

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

\_\_\_\_\_ to \_\_\_\_\_

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

\_\_\_\_\_ (vii)

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

\_\_\_\_\_ (viii)

Market value of class or series

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

**Average Market Value of Class or Series**

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

\$ \_\_\_\_\_ (1)

(Repeat the above calculation for each other class or series of equity securities of the reporting issuer (and a subsidiary pursuant to paragraph 2.8(1)(b) of OSC Rule 13-502 Fees, if applicable) that was listed or quoted on a marketplace at the end of the last trading day of each quarterly period in the previous financial year of the reporting issuer.)

**Fair value of outstanding debt securities:**

(See paragraph 2.8(1)(c), and if applicable, paragraphs 2.8(1)(d) and (e) of OSC Rule 13-502 Fees)

\$ \_\_\_\_\_ (2)

(Provide details of how value was determined)

**Capitalization for the previous financial year** (1) + (2) \$ \_\_\_\_\_

**Participation Fee**

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

\$ \_\_\_\_\_

(For Class 3B reporting issuers, from Appendix A.1B of OSC Rule 13-502 Fees, select the participation fee)

**Late Fee, if applicable**

(As determined under section 2.78 of OSC Rule 13-502 Fees)

\$ \_\_\_\_\_

**Total Fee Payable**

(Participation Fee plus Late Fee)

\$ \_\_\_\_\_





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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_

**End date of previous financial year:** \_\_\_\_\_

Financial Statement Values:

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

Retained earnings or deficit	\$ _____ (A)
Contributed surplus	\$ _____ (B)
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	\$ _____ (C)
Non-current borrowings (including the current portion)	\$ _____ (D)
Finance leases (including the current portion)	\$ _____ (E)
Non-controlling interest	\$ _____ (F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	\$ _____ (G)
Any other item forming part of equity and not set out specifically above	\$ _____ (H)

**Capitalization for the previous financial year**

(Add items (A) through (H))

\$ \_\_\_\_\_

**Participation Fee**

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

\$ \_\_\_\_\_

**Late Fee, if applicable**

(As determined under section ~~2.7~~8 of OSC Rule 13-502 *Fees*)

\$ \_\_\_\_\_

**Total Fee Payable**

(Participation Fee plus Late Fee)

\$ \_\_\_\_\_

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

**Reporting Issuer Name:** \_\_\_\_\_

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

**Financial year end date:** \_\_\_\_\_

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

(a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or

(b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:

- (i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer's outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;
- (ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;
- (iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;
- (iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than
  - (A) to its employees or to employees of one or more of its subsidiaries, or
  - (B) to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

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**Participation Fee**

(From subsection ~~2.2~~(24)(2) of OSC Rule 13-502 *Fees*)

\$1,070

**Late Fee, if applicable**

(As determined under section ~~2.7~~8 of OSC Rule 13-502 *Fees*)

\$\_\_\_\_\_

**Total Fee Payable**

(Participation Fee plus Late Fee)

\$\_\_\_\_\_

**FORM 13-502F4**  
**CAPITAL MARKETS PARTICIPATION FEE CALCULATION**

**General Instructions**

1. This form must be completed and returned to the Ontario Securities Commission by November 1 each year, as required by section ~~3.1~~13 of OSC Rule 13-502 *Fees* (the Rule), except in the case where firms register after November 1 in a year or provide notification after November 1 in a year of their status as an unregistered capital markets participant. In these exceptional cases, this form must be filed within 60 days of registration or notification after November 1.
2. This form is to be completed by firms registered under the *Securities Act* or by firms that are registered under both the *Securities Act* and the *Commodity Futures Act*. This form is also completed by unregistered capital markets participants.
3. For firms registered under the *Commodity Futures Act*, the completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
4. IIROC members must complete Part 5(a) of this form and MFDA members must complete Part 5(b). Unregistered capital markets participants and registrant firms that are not IIROC or MFDA members must complete Part 5(c).
5. IIROC Members may refer to Statement E IIROC Form 1 for guidance.
6. MFDA members may refer to Statement D of the MFDA Form 1 (IFRS).
7. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the designated financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a designated financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from capital markets activities in Ontario.
8. All figures must be expressed in Canadian dollars.
9. Information reported on this form must be certified by an individual specified in section ~~3.3~~14 of the Rule to attest to its completeness and accuracy.
10. If the firm has no "designated financial year" as defined in section ~~1.1~~1 of the Rule, do not complete Part 5 of this form.

**Certification**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

**PART 1: Firm Information**

Firm NRD number: \_ \_\_\_\_\_

Firm legal name: \_\_\_\_\_

**PART 2: Contact Information for Chief Compliance Officer**

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

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**PART 3: Membership Status (one selection)**

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

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

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

**PART 4: Financial Information**

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

If yes, end date of designated financial year: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

yyyy mm dd

**PART 5: Participation Fee Calculation**

**Part 5(a): IIROC Members**

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

**Part 5(b): MFDA Members**

1.	Total revenue for designated financial year from Statement D of Form 1	\$	
2.	Less revenue not attributable to capital markets activities	_____	
3.	Revenue subject to participation fee (line 1 less line 2)	\$	
4.	Ontario percentage for designated financial year (See definition of “Ontario percentage” in the Rule)	_____	%
5.	Specified Ontario revenues (line 3 multiplied by line 4)	_____	
6.	Participation fee (From Appendix <a href="#">BC</a> of the Rule, select the participation fee opposite the specified Ontario revenues from line 5)	\$	

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

**Notes:**

1. Total gross revenues are the sum of all gross revenues reported on the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection [3.6\(3.17\(3\)\)](#) of the Rule. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.
2. Redemption fees earned upon the redemption of investment fund units sold on a deferred sales charge basis are permitted as a deduction from total revenue on this line.
3. Administration fees permitted as a deduction are limited solely to those that are otherwise included in total revenues and represent the reasonable recovery of costs from the investment funds for operating expenses paid on their behalf by the registrant firm or unregistered capital markets participant.
4. Where the advisory services of a registrant firm, within the meaning of this Rule or OSC Rule



13-503 (*Commodity Futures Act*) Fees, or of an unregistered exempt international firm, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in gross revenues.

5. Trailer fees paid to registrant firms or unregistered exempt international firms described in note 4 are permitted as a deduction on this line to the extent they are otherwise included in gross revenues.

\*\*\*\*

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

*Less the following items for the designated financial year:*

2. Gross revenue not attributable to capital markets activities \$ \_\_\_\_\_

3. Redemption fee revenue (note 2) \$ \_\_\_\_\_

4. Administration fee revenue (note 3) \$ \_\_\_\_\_

5. Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 4) \$ \_\_\_\_\_

6. Trailer fees paid to registrant firms or unregistered exempt international firms (note 5) \$ \_\_\_\_\_

7. Total deductions (sum of lines 2 to 6) \$ \_\_\_\_\_

*Calculation:*

8. Revenue subject to participation fee (line 1 less line 7) \$ \_\_\_\_\_

9. Ontario percentage for designated financial year  
(See definition of "Ontario percentage" in the Rule) \_\_\_\_\_ %

10. Specified Ontario revenues (line 8 multiplied by line 9) \$ \_\_\_\_\_

11. Participation fee  
(From Appendix [BC](#) of the Rule, select the participation fee beside the specified Ontario revenues from line 10) \$ \_\_\_\_\_

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

**MANAGEMENT CERTIFICATION**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**Name of Subsidiary:** \_\_\_\_\_

**Name of Parent:** \_\_\_\_\_

**End Date of Subsidiary's Previous Financial Year:** \_\_\_\_\_

The reporting issuer (subsidiary) meets the following criteria set out under subsection ~~2.4(16)~~(1) of OSC Rule 13-502 *Fees*:

- (a) at the end of the subsidiary's previous financial year, an issuer that was a Class 1 or Class 2 reporting issuer was the parent of the subsidiary;
- (b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;
- (c) to the extent required by section ~~2.89~~ or ~~2.910~~, the capitalization of the parent for its previous financial year included the capitalization of the subsidiary;
- (d) the parent paid its participation fee for its previous financial year, with reference to section ~~2.89~~ or ~~2.910~~;
- (e) in the subsidiary's previous financial year, the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1), 5.1(1) or section 5.2 and section 6.1 of NI 51-102.

**FORM 13-502F7  
SPECIFIED REGULATED ENTITIES – PARTICIPATION FEE**

**Name of Specified Regulated Entity:** \_\_\_\_\_

**Applicable Year:** \_\_\_\_\_ (2023 or later)

**Type of Specified Regulated Entity: (check one)**

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

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

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

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

Canadian trading share for the specified period of 50% to up to 75%.	\$400,000
Canadian trading share for the specified period of 75% or more	\$500,000

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

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

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

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

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

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

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

Services:	Fee Payable
Line 12: Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction. Enter \$10,000	\$
Line 13: Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money. Enter \$20,000	\$
Line 14: Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or <i>vice versa</i> . Enter \$20,000.	\$
Line 15: Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight. Enter \$150,000	\$
Line 16: Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight. Enter \$70,000.	\$
Line 17: Depository services, being the provision of centralized facilities as a depository for securities. Enter \$20,000.	\$
<b>Line 18: Total Participation Fee Payable (Sum of Lines 12-17):</b>	\$

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

Line 19: Filer is required to pay the amount below, as applicable.	\$
(a) If operating as an Exempt Clearing Agency that has at least one clearing member resident in Ontario or as Exempt Exchange, enter \$10,000	\$

(a.1) If operating as Exempt Clearing Agency with at least one customer (as defined in NI 94-102) resident in Ontario that does not have a clearing member resident in Ontario, enter \$7,500.	
(b) If operating as a Designated Trade Repository, enter \$30,000	

**(6) Prorated Participation Fee:**

Line 20: If this is the first time paying a participation fee as a specified regulated entity, prorate the amount under subsection <del>4.6</del> <sup>4.23(1)</sup> of the Rule.	\$
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**(7) Late Fee**

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

**(8) Total Fee Payable**

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

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

**MANAGEMENT CERTIFICATION**

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

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Name of Designated Credit Rating Organization:**

**Financial year end date:**

**Participation Fee** in respect of the financial year  
(From subsection ~~5.1(126(1))~~ of OSC Rule 13-502 *Fees*)

\$15,000

**Late Fee**, if applicable

(From ~~Section 5.2~~ [section 27](#) of OSC Rule 13-502 *Fees*)

—  
\$ \_\_\_\_\_

**Total Fee Payable**

(Participation Fee plus Late Fee)

\$ \_\_\_\_\_





Option B:  
Check the box  
beside “Option B”  
if the fee payer  
determined its  
participation fee  
with reference to  
its notional  
amount  
outstanding on the  
last business day  
of the derivatives  
fee year, and  
provide the  
payer’s **notional**  
**amount**  
**outstanding on**  
**the last business**  
**day of the**  
**derivatives fee**  
**year** (determined  
in accordance  
with subsection  
30(3) of OSC  
Rule 13-502 Fees)

<p><b>5.</b></p>	<p><u>Complete for the derivatives fee year ending June 30, 2024 and subsequent derivatives fee years:</u></p> <p><b>Average <del>Daily</del> Quarterly Notional Amount Outstanding during the <del>year</del> Derivatives Fee Year</b> (determined in accordance with subsection <del>5A.2(3)29(3)</del> of OSC Rule 13-502 Fees)</p>	<p>\$ _____</p>
<p><b>6.</b></p>	<p><b>Participation Fee</b></p>	<p>\$ _____</p>
<p><b>7.</b></p>	<p><b>Late Fee, if applicable</b> (determined under section <del>5A.330</del> of OSC Rule 13-502 Fees)</p>	<p>\$ _____</p>
<p><b>8.</b></p>	<p><b>Total Fee Payable</b> (Participation Fee plus Late Fee)</p>	<p>\$ _____</p>

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**ANNEX C**

*This document sets out approved Companion Policy to Ontario Securities Commission Rule 13-502 Fees. This new Companion Policy becomes effective on April 3, 2023 and replaces the existing Companion Policy to Ontario Securities Commission Rule 13-502 Fees.*

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**PART 1  
PURPOSE OF COMPANION POLICY**

**Purpose of Companion Policy**

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

**PART 2  
PURPOSE AND GENERAL APPROACH OF THE RULE**

**Purpose and general approach of the Rule**

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

**Participation fees**

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

**Application of participation fees**

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

**Registered individuals**

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

**Activity fees**

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

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

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

**Refunds**

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

**Indirect avoidance of Rule**

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

**PART 3  
CORPORATE FINANCE PARTICIPATION FEES****Application to investment funds**

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

**Late fees**

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

**Exemption for subsidiary entities**

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

**Determination of market value**

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

**Owners' equity and non-current borrowings**

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

**Identification of non-current liabilities**

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

**PART 4  
CAPITAL MARKETS PARTICIPATION FEES**

**Liability for capital markets participation fees**

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

**Late fees**

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

**Form of payment of fees**

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

**“Capital markets activities”**

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

**Permitted deductions**

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

**Confidentiality of forms**

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

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

**General**

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

**Specified regulated entities**

23. The calculation of participation fees under Part 4 of the Rule is generally determined with reference to described classes of entities. The classes, and their level of participation fees, are set out in Appendix D of the Rule.
- (a) To provide more equitable treatment among exchanges and alternative trading systems (ATS) for exchange-traded securities and to take into account Part 3 participation fees payable by an alternative trading system entity for exchange-traded securities, its participation fee is adjusted under section 20.

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



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

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

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

## PART 6 DERIVATIVES PARTICIPATION FEES

### General

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

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

### Average quarterly notional amount

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

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

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

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

**First derivatives fee year**

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

**Scope of transactions**

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

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

**Foreign currency**

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

**Time of payment and late fee**

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

**PART 7  
ACTIVITY FEES****Technical reports**

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

**Concurrent application by permitted individual**

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

**Affiliates**

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

**Investment fund families**

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

**Withdrawal of application or refiling of prospectus**

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

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

**Late fees under Part 9 of the Rule for registrant firms**

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

**Late fees for covered documents – after April 2, 2023**

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

**Affiliated investment funds and registrants**

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

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

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

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

**ANNEX D**

**Annex D – Companion Policy 13-502CP Fees (blackline)** is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

## Annex D

This document is a clean version of proposed changes to the Companion Policy to Ontario Securities Commission Rule 13-502. Because of the extent of the proposed changes, it is proposed that the entire Companion Policy be replaced as of April 3, 2023, which would result in further changes to the numbering of the document. Due to the proposed elimination of various sections, the present document contains numbering gaps which will be addressed if the entire Companion Policy is replaced.

### ~~ONTARIO SECURITIES COMMISSION~~

*This document sets out approved Companion Policy to Ontario Securities Commission Rule 13-502 Fees. This new Companion Policy becomes effective on April 3, 2023 and replaces the existing Companion Policy to Ontario Securities Commission Rule 13-502 Fees.*

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**~~ONTARIO SECURITIES COMMISSION~~  
~~COMPANION POLICY 13-502CP FEES~~**

**PART 1—  
PURPOSE OF COMPANION POLICY**

**~~1.1~~ Purpose of Companion Policy—**

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

**PART 2—  
PURPOSE AND GENERAL APPROACH OF THE RULE**

**~~2.1~~ Purpose and general approach of the Rule**

~~(1)~~ 2. (1) The purpose of the Rule is to establish a fee regime that creates a clear and streamlined fee structure.

~~(2)~~ (2) The fee regime of the Rule is based on the concepts of “participation fees” and “activity fees”.

**~~2.2~~ Participation fees**

3. (1) Reporting issuers, registrant firms and unregistered capital markets participants, as well as specified regulated entities and designated rating organizations, are generally required to pay participation fees annually. Participation fees must also be paid on an annual basis by certain participants in the derivatives market.

(2) Participation fees are designed to cover the Commission’s costs not easily attributable to specific regulatory activities. The participation fee required of a person or company under Parts 2 and 3 of the Rule is based on a measure of the person’s or company’s size, which is used as a proxy for its proportionate participation in the Ontario capital markets. In the case of a reporting issuer, the participation fee is based on the issuer’s capitalization, which is used to approximate its proportionate participation in the Ontario capital markets. In the case of a registrant firm or unregistered capital markets participant, the participation fee is generally based on the firm’s revenues attributable to its capital markets activity in Ontario.

(3) Participation fees under Part 4 of the Rule are generally fixed annual amounts payable each year. In the case of specified regulated entities to which Part 4 of the Rule applies, participation fees are generally specified for a particular organization or type of organization in Appendix ~~B.1D~~. The level of participation fees for recognized clearing agencies is determined by reference to the services they provide.

(4) Participation fees for designated rating organizations under Part 5 of the Rule are \$15,000 per financial year.



~~(4+5)~~ Participation fees in respect of derivative transactions are based on the fee payer's notional amounts reported under Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*.

~~(56)~~ A person or company may be subject to participation fees under more than one part of the Rule. There is no cap on multiple participation fees except as described in subsection ~~2-7(28(1))~~ (below).

### ~~2.3~~ Application of participation fees—

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

### ~~2.4~~ Registered individuals—

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

### ~~2.5~~ Activity fees—

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

### ~~2.6~~ Registrants under the *Securities Act* and the *Commodity Futures Act*

~~(1) 7. (1)~~ The Rule imposes an obligation to pay a participation fee on registrant firms, defined in the Rule as a person or company registered under the Act as a dealer, adviser or investment fund manager. An entity so registered may also be registered as a dealer or adviser under the *Commodity Futures Act*. Given the definition of “capital markets activities” under the Rule, the revenue of such an entity from its *Commodity Futures Act* activities must be included in its calculation of revenues when determining its fee under the Rule. Section ~~2-12~~ of OSC Rule 13-503 (*Commodity Futures Act*) Fees exempts such an entity from paying a participation fee under that rule if it has paid its participation fees under the *Securities Act* Rule.

~~(2) (2)~~ Dealers and advisers registered under the *Commodity Futures Act* may be subject to activity fees under OSC Rule 13-503 (*Commodity Futures Act*) Fees even if they are not required to pay participation fees under that rule.

### ~~2.7~~ Refunds

~~8. (21)~~ A refund mechanism is provided under subsection ~~4.3(420(4))~~ of the Rule. This subsection deals with a refund mechanism used to effect a cap of Part 3 and Part 4 participation fees for

alternative trading systems, in an attempt to align the participation fees to those charged to other specified regulated entities.

- (32) Generally, a person or company that pays a fee under the Rule is not entitled to a refund of that fee unless they meet the conditions discussed in subsection (21) above. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a reporting issuer, registrant firm or unregistered capital markets participant that loses that status later in the financial year in respect of which the fee was paid.
- (43) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid. Filers should contact OSC staff with regard to the mechanics of how to deliver such a request.
- (54) Filers are expected to file correct information in a form. Correct information is important not only to reflect the filer's particular circumstances but also for more general data collection and analysis by the Commission. If a filer becomes aware that information in a previously filed form is incorrect, the filer should contact OSC staff about addressing the incorrect information on a timely basis (whether or not the correction would result in the determination of a different fee amount).

### ~~2.8 Indirect avoidance of Rule—~~

9. The Commission may examine arrangements or structures implemented by a person or company and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will review circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm to assess whether the firm has artificially reduced the firm's specified Ontario revenues and, consequently, its participation fee. Similarly, registrant firms or unregistered capital markets participants that operate under a cost recovery model in which there are no recorded revenues on their financial statements would be expected to report a reasonable proxy of the firm's capital markets activities in Ontario, subject to the conditions of any exemptive relief granted under section ~~8.144~~ of the Rule. In all cases, the Commission expects registrant firms and unregistered capital markets participants to pay participation fees based on all revenues attributable to capital markets activities in Ontario, irrespective of how these revenues are recorded or structured.

## ~~PART 3—~~ CORPORATE FINANCE PARTICIPATION FEES

### ~~3.1 Application to investment funds—~~

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

### ~~3.2 Late fees—~~

11. Section ~~2-7~~8 of the Rule requires a reporting issuer to pay an additional fee when it is late in paying its participation fee. Reporting issuers should be aware that the late payment of participation fees may lead to the reporting issuer being noted in default and included on the list of defaulting reporting issuers available on the Commission’s website.

### ~~3.3~~ Exemption for subsidiary entities—

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

### ~~3.4~~ Determination of market value

~~(1)~~ 13. (1) Paragraph ~~2-8~~(~~9~~1)(a) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total market value of all of its equity securities listed or quoted on a marketplace. This includes, but is not limited to, any listed shares, warrants, subscription receipts and rights.

~~(2)~~ (2) Paragraph ~~2-8~~(~~9~~1)(b) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total fair value of its debt securities that are listed or quoted on a marketplace, trade over the counter or otherwise generally available for sale even if there is a statutory hold period. This paragraph is intended to include all capital market debt issued by the reporting issuer, whether distributed under a prospectus or prospectus exemption, and includes, but is not limited to, bonds, debentures (including the equity portion of convertible debentures), commercial paper, notes and any debt securities to which a credit rating is attached, but is not intended to include bank debt (such as term loans and revolving credit facilities) and mortgages.

~~(2-13)~~ Paragraph ~~2-8~~(~~9~~1)(c) of the Rule requires the calculation of the capital of a reporting issuer to include the fair value of the outstanding debt securities at the end of the previous financial year for subsidiaries that are not reporting issuers, subject to the limit imposed in that paragraph. There is a similar rule in paragraph ~~2-8~~(~~9~~1)(d) for specified subsidiaries that are reporting issuers.

~~(34)~~ If the closing price of a security on a particular date is not ascertainable because there is no trade on that date or the marketplace does not generally provide closing prices, a reasonable alternative, such as the most recent closing price before that date, the average of the high and low trading prices for that date, or the average of the bid and ask prices on that date is acceptable.

### ~~3.5~~ Owners’ equity and non-current borrowings—

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

~~3.6~~ **Identification of non-current liabilities—**

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

**PART 4—  
CAPITAL MARKETS PARTICIPATION FEES**

~~4.1~~ **Liability for capital markets participation fees—**

16. (1) Capital markets participation fees are payable annually by registrant firms and unregistered capital markets participants, as defined in section ~~1.11~~ of the Rule.
- (2) For registrants filing Form 13-502F4s for a year, the capital participation fee is based on their audited financial statements for the “designated financial year”, as defined in ~~subsection 1.1(1)~~section 1 of the Rule.
- (3) For unregistered capital market participants filing their 13-502F4s, the fees are based on their most recent available financial statements for the “designated financial year”. These financial statements may be audited. If an unregistered capital market participant's financial statements are not ordinarily audited, unaudited financial statements may be used.

~~4.3~~ **Late fees—**

17. Section ~~3.4~~15 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm. The Commission may also consider measures in the case of late payment of fees by an unregistered capital markets participant, such as: in the case of an unregistered investment fund manager, prohibiting the manager from continuing to manage any investment fund or cease trading the investment funds managed by the manager; or, in the case of an unregistered exempt international firm, making an order pursuant to section 127 of the Act, that the corresponding exemptions from registration requirements under which the firm acts do not apply to the firm (either permanently or for such other period as specified in the order).

~~4.4~~ **Form of payment of fees—**

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

~~4.5~~ **“Capital markets activities”**

~~(1)~~19. (1) A person or company must consider its capital markets activities when calculating its participation fee. The Commission is of the view that these activities include, without limitation, carrying on the business of trading in securities, carrying on the business of an investment fund

manager, providing securities-related advice or portfolio management services. The Commission notes that corporate advisory services may not require registration or an exemption from registration and would therefore, in those contexts, not be capital markets activities.

~~(2)~~ (2) The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, carrying on the business of providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

#### ~~4.6~~ **Permitted deductions—**

20. Subsection ~~3.6(2)~~ 17(2) of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for unregistered capital markets participants and registrant firms. The purpose of these deductions is to prevent the “double counting” of revenues that would otherwise occur.

#### ~~4.7~~ **Confidentiality of forms—**

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

### ~~PART 5—~~ **PARTICIPATION FEES PAYABLE BY SPECIFIED REGULATED ENTITIES AND DESIGNATED ~~CREDIT~~ RATING ORGANIZATIONS**

#### ~~5.1~~ **General—**

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

#### ~~5.2~~ **Specified regulated entities—**

23. The calculation of participation fees under Part 4 of the Rule is generally determined with reference to described classes of entities. The classes, and their level of participation fees, are set out in Appendix ~~B.1D~~ of the Rule.

- (a) To provide more equitable treatment among exchanges and alternative trading systems (ATS) for exchange-traded securities and to take into account Part 3 participation fees payable by an alternative trading system entity for exchange-traded securities, its participation fee is adjusted under section ~~4.3~~ 20.

For example, assume that participation fees under Part 3 for an eligible ATS payable on December 31, 2021 is \$74,000 and the ATS’s Canadian trading share is under 5%. The ATS pays its participation fee of \$74,000 on December 31 . Before April 30, 2022 when filing Form 13-502F7, the fee payable will be shown as \$17,000 (the lesser of (a) \$30,000 from ~~row~~ Row A1 of Appendix ~~B.1D~~ and (b) \$17,000). In this case, the ATS will be entitled to a refund of \$57,000 (\$74,000 paid on December 31 less \$17,000 required to be paid under Part 4). A mechanism that is similar in principle applies to other ATS entities under subsections ~~4.2(2)~~ 20(2) and (3).

An ATS described in subsection ~~4.3(620(6))~~ will pay an aggregate participation fee calculated based on the type of securities traded on each of its platforms. For example, an ATS that has a platform for trading equities and another one for trading fixed income securities would pay a participation fee for its equity platform calculated as described above and a participation fee for its fixed income platform as described in Appendix ~~B.1 row D Row~~ C2.

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

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

## PART ~~5A-6~~

### DERIVATIVES PARTICIPATION FEE FOR DERIVATIVES FEES

#### ~~5A.1 General—~~

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

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

#### ~~5A.2 Average quarterly notional amount—~~

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

In the following example, using which uses the simplified assumption reflected in the table below that there are only five days in a derivatives that all of the fee year and the payer’s notional

amounts ~~remain outstanding in the derivatives fee year~~ are reported in Canadian dollars, the fee payer's average quarterly notional amount for the derivatives fee year ~~in the circumstances described~~ would be \$~~155~~110 billion and, with reference to Appendix ~~B.2E~~, the participation fee for the derivatives fee year would be \$100,000.

Quarter-End		Aggregate notional amount of outstanding positions as at end of day	
Day	Notional amount of transactions reported on day		Cumulative amount
September	1	\$100 billion	\$100 billion
December		\$90 billion	
2 March		Nil	\$ <del>100</del> <u>120</u> billion
3 June		\$50 billion	\$ <del>150</del> <u>130</u> billion
Average notional:	4	Nil	\$ <del>150</del> <u>110</u> billion = $(100+90+120+130)/4$
5		\$125 billion	\$275 billion
<b>AVERAGE CUMULATIVE NOTIONAL AMOUNT</b>			\$155 billion = $(100+100+150+150+275)/5$

~~The amount of the participation fee is determined with reference to all transactions that are reportable under OSC Rule 91-507 and to which the fee payer is a counterparty. This calculation~~  
In this example, the fee payer had an aggregate notional amount outstanding of \$90 billion at the December quarter-end. During the following quarter, some of the fee payer's transactions may have expired (e.g. \$10 billion), others may remain outstanding (e.g. \$80 billion), and the fee payer may have executed new transactions (e.g. \$40 billion). As a result, the fee payer had an aggregate notional amount outstanding of \$120 billion at the March quarter-end.

### First derivatives fee year

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

### Scope of transactions

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



30(3) of the Rule. In contrast, if the fee payer is an Ontario local counterparty, all of the fee payer's global transactions are reportable under OSC Rule 91-507 (subject to any applicable exclusions, for example, under OSC Rule 91-506), and all such transactions are reflected in the calculation of the fee payer's average quarterly notional amount outstanding.

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

### ~~5A.3 Foreign currency—~~

28. The participation fee is only payable in connection with notional amounts reported in a currency. With regard to non-Canadian dollar reporting, the Canadian dollar equivalent is calculated using the applicable daily exchange rate on the last business day of the derivatives fee year, as posted on the Bank of Canada website.

~~5A~~If a notional amount is denominated in a currency for which the Bank of Canada does not post an exchange rate, the exchange rate posted by another central bank may be used.~~4—~~

### ~~Time of payment and late fee—~~

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

## ~~PART 6—7~~ ACTIVITY FEES

### ~~6.1 Technical reports—Item~~

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

### ~~6.2 Concurrent application by permitted individual—Item K~~

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

### ~~6.3 Affiliates—~~

30. Subsection ~~6.2.1(1)~~34(1) of the Rule provides for only one activity fee to be paid for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.



Subsection ~~6.2.1(2)~~34(2) ensures that this measure applies to affiliates jointly applying for exemptive relief.

#### ~~6.4 Investment fund families—~~

31. Section ~~6.3~~35 of the Rule provides for only one activity fee to be paid for an application made by or on behalf of two or more investment funds in the same investment fund family.

#### ~~6.5 Withdrawal of application or refiling of prospectus—~~

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

### PART ~~7~~8 FEES FOR LATE FILING OR DELIVERY

#### ~~7A Late fees under Part 7A~~9 of the Rule for registrant firms—

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

#### ~~7A.2 Late fees~~fees for covered documents – after April 2, 2023—

34. Late fees for covered documents, as defined in section ~~7A.1~~37 of the Rule, that are incurred after April 2, 2023 are calculated in accordance with sections ~~7A.2~~38 and ~~7A.3~~39. The late fee is \$100 per day, subject to an annual cap for all covered documents submitted in a year of \$5,000. The annual cap is increased to \$10,000 for a person or company that has specified Ontario revenues greater than or equal to \$500 million.

#### ~~7A.3 Affiliated investment funds and registrants—~~

35. Subsections ~~7A.3(3)~~39(3) and (4) apply when multiple affiliated investment funds or registrants fail to file the same type of covered documents due by the same date. In this case, payments attributable to a year made by anyone in the group count as payments made by everyone in the group. This means that the group will be liable to a maximum liability per year equal to the \$5,000 or \$10,000 annual cap.

Subsection 40(2) applies when multiple affiliated investment funds ~~or registrants~~ fail to file ~~the same type of covered documents~~ Form 45-106F1 due by the same date. In this case, payments attributable to a year made by anyone in the group count as payments made by everyone in the group. This means that the group will be liable to a maximum liability per year equal to the \$5,000 ~~or \$10,000~~ annual cap.

#### ~~7A.7 Transition – Certain forms and documents required to be filed or delivered before April 3, 2023—~~

36. Late fees for forms and documents listed in Row A or B of Appendix D as the Rule read on April 2, 2023 were calculated based on the number of business days that the form or document was late. Section ~~7A.743~~ provides that late fees incurred prior to April 3, 2023 will continue to be charged on this basis. Late fees incurred after that date are charged based on calendar days in accordance with sections ~~7A.238~~ and ~~7A.39.3~~.

**ANNEX E****ONTARIO SECURITIES COMMISSION  
RULE 13-503  
(COMMODITY FUTURES ACT) FEES****Table of Contents****PART 1 DEFINITION**

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## PART 1 DEFINITIONS

### Definitions

1. In this Rule,

“CFA” means the *Commodity Futures Act*;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## PART 2 PARTICIPATION FEES

### Application

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

**Participation fee**

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

**Certification**

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

**Late fee**

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

**Calculating specified Ontario revenues for IIROC members**

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

**Calculating specified Ontario revenues for others**

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

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

### PART 3 ACTIVITY FEES

#### Activity fees – General

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

#### Information request

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

#### Affiliated entities

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

### PART 4 FEES FOR LATE FILING OR DELIVERY

#### Definitions

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

#### Late fee for covered documents

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

#### Amount of fee

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

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

**Transition – Late fees accrued before April 3, 2023**

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

**PART 5  
CURRENCY CONVERSION****Canadian dollars**

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

**PART 6  
EXEMPTION****Exemption**

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

**PART 7  
REPEAL AND EFFECTIVE DATE****Repeal**

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

**Effective date**

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

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

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



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

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

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

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

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

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

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

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

**Certification**

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

(s) \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

**PART 1: Firm Information**

Firm NRD number: \_\_\_\_\_

Firm legal name: \_\_\_\_\_

**PART 2: Contact Information for Chief Compliance Officer**

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

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**PART 3: Financial Information**

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

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

**PART 4: Participation Fee Calculation**

**Part 4(a) — IIROC Members**

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

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

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

\*\*\*

1.	Total gross revenue for designated financial year (note 1)	\$	
		_____	
<b>Less the following items in respect of the designated financial year:</b>			
2.	Gross revenue not attributable to CFA activities	\$	
		_____	
3.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 2)	\$	
		_____	
4.	Revenue subject to participation fee (line 1 less lines 2 and 3)	\$	
		_____	
5.	Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)		%
		_____	
6.	Specified Ontario revenues (line 4 multiplied by line 5)	\$	
		_____	
7.	Participation fee (From Appendix A of the Rule, select the participation fee beside the specified Ontario revenues from line 6)	\$	
		_____	

**ANNEX F**

**Annex F – Ontario Securities Commission Rule 13-503 (*Commodity Futures Act*) Fees (blackline)** is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.



## Annex F

This document is a clean version of proposed changes to Ontario Securities Commission Rule 13-503 (including Forms). Because of the extent of the proposed amendments, it is proposed that the entire rule will be repealed and replaced as of April 3, 2023, which would result in further changes to the numbering of the document. Due to the proposed repeal of various sections and forms, the present document contains numbering gaps which would be addressed if the entire rule is repealed and replaced.

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

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

~~ONTARIO SECURITIES COMMISSION~~

~~RULE 13-503 (COMMODITY FUTURES ACT) FEES~~ PART 1—  
DEFINITIONS

~~1.1 Definitions—~~

1. In this Rule,

“CFA” means the *Commodity Futures Act*;

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

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

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

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

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

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

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

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

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

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

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

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

“specified Ontario revenues”, in relation to a person or company for a designated financial year, means the revenues of the person or company calculated for the designated year under section [2-66](#) or [2-77](#), as the case may be;

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

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

## **PART 2— PARTICIPATION FEES**

### **~~2.1~~ Application—**

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

### **~~2.2~~ Participation fee**

~~3.~~ ~~(0-1)~~ A registrant firm must, after August 31 and before November 2 in each year, file a completed Form 13-503F1 showing the information required to determine the participation fee referred to in applicable sections [2-66](#) or [2-77](#).

~~(1)~~ A registrant firm must, by December 31 in each year, pay the participation fee shown in Appendix A opposite the specified Ontario revenues for the designated financial year of the firm.

(3) Despite subsections ~~(0-1)~~ and ~~(1)~~, if a person or company that was not a registrant firm becomes, between November 1 and December 31, a registrant firm, it must, within 60 days of them becoming a registrant firm

~~(a)~~ ~~(a)~~ file a completed Form 13-503F1, and

~~(b)~~ ~~(b)~~ pay the participation fee determined in the completed Form 13-503F1.

### **~~2.4~~ Certification**

~~(1)~~ ~~4.~~ ~~(1)~~ A Form 13-503F1 required to be filed under section [2-23](#) must contain a certification signed by any one of the following:

(a) the chief compliance officer of the registrant firm;

(b) a specified officer of the registrant firm, or an individual acting in a similar capacity;

(c) a director of the registrant firm.

- (2) For the purposes of paragraph (1)(b), “specified officer” of a registrant firm means an individual with any one or more of the following positions in relation to the registrant firm:
- (a) chief executive officer;
  - (b) chief financial officer;
  - (c) chief operating officer.

### ~~2.5~~ Late fee

~~(+)~~ 5. (1) A registrant firm that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.

~~(-)~~ (2) A late fee calculated under subsection (1) is deemed to be nil if it is less than \$100.

### ~~2.6~~ Calculating specified Ontario revenues for IIROC members

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

### ~~2.7~~ Calculating specified Ontario revenues for others

7. (1) The specified Ontario revenues for a designated financial year of a registrant firm that was not a member of IIROC at the end of the designated financial year is calculated by multiplying
- (a) the registrant firm’s total gross revenues, for the designated financial year, less deductions permitted under subsection (2),
  - by
  - (b) the registrant firm’s Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items if earned in the designated financial year from its total revenues:
- (a) revenues not attributable to CFA activities;

- (b) advisory or sub-advisory fees paid during the designated financial year by the registrant firm to
  - (i) a registrant firm under the CFA or a registrant firm under the *Securities Act*, or
  - (ii) an unregistered exempt international firm, as defined in Rule 13-502 *Fees* under the *Securities Act*.

**PART 3—  
ACTIVITY FEES**

**~~3.1~~ Activity fees – General—**

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

**~~3.2~~ Information request—**

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

**~~3.3~~ Affiliated entities—**

10. (1) Despite section ~~3-18~~, only one fee must be paid under this Part for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.

(2) Without limiting the generality of subsection (1), only one fee must be paid under this Part where an application for exemptive relief is made jointly by applicants affiliated with each other.

**PART ~~3A-4~~  
FEES FOR LATE FILING OR DELIVERY**

**~~3A.1~~ Definitions -**

11. For the purposes of this Part,

“applicable limit” of a person or company for a year means

- (a) ~~(a)~~ if the person or company is required to pay a participation fee in the year under Part 2 and the specified Ontario revenues for the designated financial year on which the participation fee is based are greater than or equal to \$500 million, \$10,000 for that year, and
- (b) ~~(b)~~ in any other case, \$5,000 for that year.

“covered document” means a form or document listed in Appendix C.

“specified late day” means a day occurring after April 2, 2023.

### **Late fee for covered documents**

~~3A.12.2~~ A person or company that files or delivers a covered document after it was required to be filed or delivered must, when filing or delivering it, pay the fee determined under section ~~3A.3.13~~ in respect of the covered document.

### **Amount of fee**

- ~~3A.13.3~~ (1) Subject to subsection (2), the fee for a covered document is equal to \$100 multiplied by the number of specified late days following the date the covered document was required to be filed or delivered until the date of the covered document is filed or delivered.
- (2) Despite subsection (1), the maximum late fee payable by a person or company under section ~~3A.2.12~~ and attributable to a year for all covered documents is equal to the applicable limit.
- (3) If a registrant firm and one or more registrant firms are affiliates of each other and each of those registrant firms has failed to file the same type of a covered document due by the same date, a fee paid under section ~~3A.2.12~~ by the first-mentioned registrant firm in respect of the covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other registrant firms and be attributable to that year.

### **~~3A.4~~ Transition - Late fees accrued before April 3, 2023**

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

## **PART ~~4~~—5** **CURRENCY CONVERSION**

### **~~4.1~~ Canadian dollars—**

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

## **PART ~~5~~—6** **EXEMPTION**

### **~~5.1~~ Exemption—**

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

## **PART ~~6~~—7** **REPEAL AND EFFECTIVE DATE—~~6.1~~ Revocation—**

**Repeal**

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

~~**6.2** Effective date~~

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



**APPENDIX A**  
**PARTICIPATION FEES**  
**(Section 2.23)**

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

**APPENDIX B—  
ACTIVITY FEES**  
**(Sections ~~3.18~~ and ~~3.29~~)**

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

Row	Document or Activity (Column A)	Fee (Column B)
B6-	An application for recognition of a clearing house under section 17 of the CFA if the application is made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> .	<p>\$22,000</p> <p>(plus an additional fee of \$100,000 in connection with an application described in any of Rows B1 to B6 that</p> <p>(a) reflects a merger of an exchange or clearing agency,</p> <p>(b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or</p> <p>(c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).</p>
C1	<p><b>C. Registration-Related Activity</b></p> <p>New registration of a firm in one or more categories of registration</p>	\$1,300
C2	Addition of one or more categories of registration	\$700
C3	<p>Registration of a new individual to trade or advise on behalf of the registrant firm</p> <p><i>Note: If an individual is registering as both a dealer and an adviser, the individual is required to pay only one activity fee.</i></p>	<p>\$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.</p>

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

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

**APPENDIX C—  
DOCUMENTS TO WHICH FEES FOR LATE FILING OR DELIVERY APPLY  
(Part ~~3A.14~~)**

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



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

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2. The completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
3. IIROC members must complete Part 4a of this form. All other registrant firms must complete Part II.
4. IIROC members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
5. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the designated financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a designated financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.
6. All figures must be expressed in Canadian dollars.
7. Information reported on this form must be certified by an individual specified in section ~~2.44~~ of the Rule to attest to its completeness and accuracy.
8. If the firm has no "designated financial year", as defined in section ~~1.11~~ of the Rule, do not complete Part 4 of this form.



9.

**Certification**

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

(s) \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**PART 1: Firm Information**

Firm NRD number: \_\_\_\_\_

Firm legal name: \_\_\_\_\_

**PART 2: Contact Information for Chief Compliance Officer**

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

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

~~3.~~ **PART 3: Financial Information**

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

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

**PART 4: Participation Fee Calculation**

**Part 4(a) — IIROC Members**

1. Total revenue for designated financial year from Statement E of the \_\_\_\_\_

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

**Part 4(b) – Other Registrants:**

**Notes:**

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

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1. Total gross revenue for designated financial year (note 1)	\$
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**Less the following items in respect of the designated financial year:**

2. Gross revenue not attributable to CFA activities	\$
3. Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 2)	\$
4. Revenue subject to participation fee (line 1 less lines 2 and 3)	\$
5. Ontario percentage for designated financial year (See definition of "Ontario percentage" in the Rule)	%
6. Specified Ontario revenues (line 4 multiplied by line 5)	\$
7. Participation fee (From Appendix A of the Rule, select the participation fee beside the specified Ontario revenues from line 6)	\$
3.	

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**ANNEX G**

*This document sets out approved Companion Policy to Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees. This new Companion Policy becomes effective on April 3, 2023 and replaces the existing Companion Policy to Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees.*

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**PART 1  
PURPOSE OF COMPANION POLICY**

**Purpose of Companion Policy**

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

**PART 2  
PURPOSE AND GENERAL APPROACH OF THE RULE**

**Purpose and general approach of the Rule**

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

**Participation fees**

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

**Application of participation fees**

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

**Registered individuals**

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

**Activity fees**

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

**Registrants under the CFA and the Securities Act**

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

**Refunds**

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

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

#### Indirect avoidance of rule

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

#### Confidentiality of forms

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

### PART 3 PARTICIPATION FEES

#### Liability for participation fees

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

#### Late fees

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

#### "CFA activities"

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

#### Permitted deductions

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

### PART 4 ACTIVITY FEES

#### Concurrent application by permitted individual

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

**Affiliates**

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

**Withdrawal of application**

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

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

**Late fees under Part 4 of the Rule for registrant firms**

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

**Late fee for covered documents – after April 2, 2023**

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

**Affiliated registrants**

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

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

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

**ANNEX H**

**Annex H – Companion Policy 13-503CP (*Commodity Futures Act*) Fees (blackline)** is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

## Annex H

This document is a clean version of proposed changes to the Companion Policy to Ontario Securities Commission Rule 13-503. Because of the extent of the proposed changes, it is proposed that the entire Companion Policy be replaced as of April 3, 2023, which would result in further changes to the numbering of the document. Due to the proposed elimination of various sections, the present document contains numbering gaps which will be addressed if the entire Companion Policy is replaced.

### ~~ONTARIO SECURITIES COMMISSION~~

*This document sets out approved Companion Policy to Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees. This new Companion Policy becomes effective on April 3, 2023 and replaces the existing Companion Policy to Ontario Securities Commission Rule 13-503 (Commodity Futures Act) Fees.*

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

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

**PART 1—  
PURPOSE OF COMPANION POLICY**

**~~1.1~~ Purpose of Companion Policy—**

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

**PART 2—  
PURPOSE AND GENERAL APPROACH OF THE RULE**

**~~2.1~~ Purpose and general approach of the ~~rule~~Rule**

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

~~(+)~~(2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

**~~2.2~~ Participation fees**

~~(+)~~3. (1) Registrant firms are generally required to pay participation fees annually.

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

**~~2.3~~ Application of participation fees—**

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

**~~2.4~~ Registered individuals—**

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

**~~2.5~~**

**Activity fees**

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

## **2.6 Registrants under the CFA and the Securities Act**

~~(+)~~ 7. (1) A registrant firm that is registered both under the CFA and the *Securities Act* is exempted by section ~~2.12~~ of the Rule from the requirement to pay a participation fee under the Rule if it is current in paying its participation fees under the OSA Fees Rule. The registrant firm will include revenues derived from CFA activities as part of its revenues for purposes of determining its participation fee under the OSA Fees Rule.

~~(+)~~ (2) A registrant firm that is registered both under the CFA and the *Securities Act* must pay activity fees under the CFA Rule even though it pays a participation fee under the OSA Fees Rule.

## **2.7 Refunds**

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

~~(+)~~ (2) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid. Filers should contact OSC staff with regard to the mechanics of how to deliver such a request.

~~(+)~~ (3) Filers are expected to file correct information in a form. Correct information is important not only to reflect the filer's particular circumstances but also for more general data collection and analysis by the Commission. If a filer becomes aware that information in a previously filed form is incorrect, the filer should contact OSC staff about addressing the incorrect information on a timely basis (whether or not the correction would result in the determination of a different fee amount).

## **2.8 Indirect avoidance of rule —**

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

## **2.9 Confidentiality of forms —**

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

## **PART 3 — PARTICIPATION FEES**

### **3.1 Liability for participation fees —**

11. (1) Participation fees are payable annually by registrant firms as defined in section ~~1.11~~ of the Rule.

- (2) For registrants filing Form 13-503F1s for a year, the capital participation fee is based on their audited financial statements for the “designated financial year”, as defined in ~~subsection 1.1~~section 1 of the Rule. If the registrant has no financial statement for a designated financial year available, there is no fee.

### ~~3.3~~ Late fees—

12. Section ~~2.55~~ of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm.

### ~~3.4~~ "CFA activities"—

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

### ~~3.5~~ Permitted deductions —

14. Section ~~2.77~~ of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for registrant firms. The purpose of these deductions is to prevent the “double counting” of revenues that would otherwise occur.

## ~~PART 4~~ ACTIVITY FEES

### ~~4.1~~ Concurrent application by permitted individual—~~Item~~

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

### ~~4.2~~ Affiliates—

16. Subsection ~~3.3~~~~(10(1))~~ of the Rule provides for only one activity fee to be paid for an application, in respect of a joint activity, made jointly by applicants affiliated with each other. Subsection ~~3.3~~~~(210(2))~~ ensures that this measure applies to affiliates jointly applying for exemptive relief.

### ~~4.3~~ Withdrawal of application—

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

## ~~PART 5~~ FEES FOR LATE FILING OR DELIVERY

### ~~5.1~~ Late fees under Part ~~3A4~~ of the Rule for registrant firms—

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

**~~5.2~~ Late fee for covered documents – after April 2, 2023—**

19. Late fees for covered documents, as defined in Appendix C of the Rule, that are incurred after April 2, 2023 are calculated in accordance with sections 3A.212 and 3A.313. The late fee is \$100 per day, subject to an annual cap for all covered documents submitted in a year of \$5,000. The annual cap is increased to \$10,000 for a person or company that has specified Ontario revenues greater than or equal to \$500 million.

**~~5.3~~ Affiliated registrants—Subsections 3A.3(4)**

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

**~~5.4~~ Transition – Certain forms and documents required to be filed or delivered before April 3, 2023—**

21. Late fees for forms and documents listed in Appendix C as the Rule read on April 2, 2023 were calculated based on the number of business days that the form or document was late. Section 3A.414 provides that late fees incurred prior to April 3, 2023 will continue to be charged on this basis. Late fees incurred after that date are charged based on calendar days in accordance with sections 3A.212 and 3A.313.

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## ANNEX I

## Summary of Comments and OSC Responses

Section Reference z (Rule 13-502 of the replaced Main Fee Rule)	Issue/Comment	Response
General Comment	One commenter is supportive of the consultation period and is very supportive of the lower participation and activity fees, simplification of fee calculations and elimination of outside activity late filing fee.	We appreciate the commenters review and feedback of the proposed amendments.
General Comment	One commenter supports the reduction in participation and activity fees impacting their members and the elimination of the outside (business) activity late filing fee.	We appreciate the commenters review and feedback of the proposed amendments.
General Comment	One commenter requested further information on the resourcing and funding strategy of the Office of Economic Growth and Innovation (Innovation Office) and whether the establishment required a reallocation of resources away from regulatory activities.	The formation and establishment of the Innovation Office did not require a reallocation of resources away from regulatory activities. Instead, an increase in the OSC's staffing complement was necessary to establish and operationalize the Innovation Office. Subject to Ministerial approval, the OSC plans to fund the Innovation Office using funds held pursuant to designated settlements and orders.
Part 6	<p>One commenter suggested that derivatives dealers responsible for a majority of derivatives transactions in Ontario are not a significant source of potential operational and systemic risk.</p> <p>This commenter wrote that many of the largest OTC transactions conducted in Ontario represent hedging activity run in a matched book and, as such, help reduce systemic risk rather than increase it. Accordingly, this commenter suggested that the derivatives participation fee does not take into account the fact that many large OTC derivatives transactions also reduce systemic risk and that high transaction volumes may actually be a sign of systemic stability in the OTC derivatives market in Ontario.</p> <p>This commenter asks that the OSC reconsider the proposed fee structure in favour of a model that is more proportionate to the systemic risks posed by market participants, and fairer and more equitable between various market participants.</p>	<p>No change. We do not agree with this comment. Large, interconnected derivatives dealers introduce significant potential systemic risk in Ontario's derivatives market.</p> <p>Among the CSA's derivatives rules, the rule that relates most closely to systemic risk mitigation is NI 94-101 <i>Mandatory Central Counterparty Clearing of Derivatives</i>. As previously requested by this same commenter, NI 94-101 is calibrated to apply to larger entities that pose potential systemic risk.<sup>1</sup> The fee rule is consistent with this approach because the higher fee tiers align with greater potential systemic risk associated with these participants in the Ontario derivatives market and accordingly higher costs of oversight.</p> <p>The fee payers that we estimate to be in the higher fee tiers have generally been designated as global systemically important banks or domestic systemically important banks. The elevated potential for systemic risk in Ontario's derivatives market arises in part due to the interconnected nature of these dealers and their important role in the derivatives market. Risks arising in or transmitted through these dealers have the potential to spread to many other market participants and the financial system.</p>

<sup>1</sup> "The goal of implementing a mandatory clearing regime is to mitigate systemic risk in derivatives markets. CMIC submits that goal is achievable by limiting the regime to large financial entities." Letter from the Canadian Market Infrastructure Committee dated May 13, 2015, available at [https://www.osc.ca/sites/default/files/pdfs/irps/comments/com\\_20150513\\_94-101\\_canadian-market-infrastructure-committee.pdf](https://www.osc.ca/sites/default/files/pdfs/irps/comments/com_20150513_94-101_canadian-market-infrastructure-committee.pdf)



		<p>A dealer that attempts to operate a balanced portfolio or “matched book” enters into offsetting transactions to mitigate market risk, to the extent feasible given the bespoke nature of over-the-counter derivatives transactions, and subject to the dealer’s market risk tolerance. However, this practice does not reduce other risks, such as counterparty default risk and operational risk, which have an increased potential to be systemic due to the interconnected nature of these entities and their concentration in the market. Counterparty defaults could lead to significant losses, and would also result in unbalanced portfolios, exposing counterparties to additional market risk.</p> <p>At the time of the 2008 financial crisis, many large dealers likewise sought to operate matched books, but this did not prevent significant systemic impact when they or their counterparties defaulted or obtained bailouts to mitigate this impact.</p> <p>We also note that clearing agencies run perfectly matched books, but this alone is not sufficient to mitigate the potential systemic risk associated with their positions, which necessitates additional safeguards and oversight.</p> <p>In addition to systemic risk, the OSC monitors other risks in the market, including market abuse. While this risk may arise in relation to any market participant, the cost of oversight is greater in relation to dealers with more significant activity and that serve a market making function and transact with a larger population of counterparties. In addition, any misconduct involving large dealers has the potential to impact a more significant number of market participants, and therefore the risks to other market participants of such potential abuse are proportionately greater.</p> <p>The use of notional thresholds to establish fee tiers is an equitable approach that is proportionate to the cost of regulatory oversight and facilitates fee administration and predictability. Notional amounts are reported to trade repositories and are used by regulators globally in many areas of derivatives regulation to calibrate requirements as they apply to market participants.<sup>2</sup></p>
<p>Part 6</p>	<p>One commenter wrote that the decision to impose significantly higher fees on the largest OTC derivatives dealers risks creating distortions in the market and may affect the ability of participants to compete on a level playing field.</p> <p>This commenter suggested that the fee may disincentivize derivatives dealing activity, which is important in reducing systemic risk. The commenter is concerned that increasing regulatory burden by imposing higher fees in this important</p>	<p>No change. The fee tiers are designed to ensure a level playing field, so that reporting counterparties engaging in a similar level of notional activity in the Ontario derivatives market are charged the same fee. The fee has been designed to be neutral as to different circumstances, such as whether transactions are cleared or uncleared, or the asset class of the transaction.</p> <p>Many of the institutions that will be subject to the derivatives participation fee are already accustomed to paying fees to support regulation of their activities.</p>

<sup>2</sup> Examples of notional amount thresholds include mandatory clearing thresholds in Australia, Canada, the European Union, Hong Kong, Singapore and the United Kingdom, trade execution requirements in the European Union, Japan, Singapore and United Kingdom, and global margin requirements for uncleared derivatives. Basel III also includes notional amount as one of the metrics in global systemically important bank methodology.

	<p>market could have negative unintended consequences for hedging activity in Ontario.</p> <p>This commenter also noted that increased regulatory costs imposed on dealers lead to higher transaction costs for end user clients.</p> <p>Another commenter indicated that while investors ultimately bear the cost of fees levied by the OSC, notwithstanding the market participants on whom the fees are actually levied, it is appropriate that investors shoulder these costs to the extent that the OSC contributes to a more fair and safe environment for investors.</p>	<p>For instance, the Office of the Superintendent of Financial Institutions collected \$181,394,011 in assessments for the regulation and supervision of financial institutions for 2020-21.<sup>3</sup> The National Futures Association in the U.S. also levies membership dues on swap dealers and collected US \$42,494,583 in membership dues for 2020-21.<sup>4</sup> We estimate that the OSC's derivatives participation fee will result in \$13.5 million in assessments.</p> <p>Although the commenter did not specify the nature of potential distortions that it is concerned about, the OSC will continue to monitor the fee rule as it is introduced to assess any potential negative impact on the market.</p> <p>We share concerns regarding transaction costs. The OSC has adopted many measures in the last few years to reduce regulatory burden and costs on market participants, including through recent proposed amendments to OSC Rule 91-507 <i>Trade Repositories and Derivatives Data Reporting</i>. The fee is a balanced approach that reflects the long-term benefit of maturing and developing regulatory oversight in the derivatives market to ensure that we continue to meet Canada's G20 commitments in this area.</p>
Part 6	<p>One commenter requests more information regarding the specific uses by the OSC on the additional \$13.5 million annual fee revenue earmarked for OTC derivatives oversight.</p>	<p>The \$13.5 million revenue target was established by determining direct costs to oversee OTC derivatives entities and a recovery of a proportionate share of the OSC's indirect costs.</p> <p>Specific uses to directly oversee OTC derivatives entities include 28 dedicated permanent positions who will be responsible for OTC derivatives policy development, compliance audits, systemic risk monitoring and data analysis.</p> <p>A portion of the OSC's enforcement, advisory and back-office functions, including occupancy charges, are necessary to support core regulatory functions, including oversight of OTC derivatives entities. These functions are charged back on a proportionate basis, utilizing specific cost drivers to determine a fair and appropriate allocation method by sector.</p>
Part 6	<p>Two commenters request that the OSC calculate the derivatives participation fee, and in turn levy the fee on each payer.</p>	<p>No change. This process is consistent with fee calculation requirements imposed on all other market participants.</p>
s. 30	<p>Two commenters note that the calculation of the average daily notional amount outstanding would require extensive technology builds that would require a significant investment in time and resources, including internal processes to generate, maintain and audit reports of the</p>	<p>Change made. We have significantly reduced the potential for regulatory burden by requiring fee payers to determine their outstanding notional amounts on a quarterly basis, rather than a daily basis.</p> <p>All three trade repositories that have been designated by the OSC produce position reports that are</p>

<sup>3</sup> See <https://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/uf/Pages/fees2021.aspx>

<sup>4</sup> Includes membership dues received from members other than swap dealers. While the CFTC has delegated certain functions to the NFA, the fees levied by the NFA only relate to the NFA's oversight and do not include costs relating to the CFTC's swaps oversight. See <https://www.nfa.futures.org/members/ib/regulatory-obligations/membership-dues-revenue-structure.html> and [https://www.nfa.futures.org/about/annual-reviews-files/2021\\_AnnualReview.pdf](https://www.nfa.futures.org/about/annual-reviews-files/2021_AnnualReview.pdf)

	<p>information required to calculate the fee, which would impose an increased regulatory burden.</p> <p>These commenters indicated that the regulatory burdens imposed on dealers by the new fee, including the increased costs of calculating the fee, should be carefully evaluated to ensure sustainability of the Ontario market in the long term.</p> <p>These commenters suggested a quarterly calculation, rather than a daily calculation. One commenter noted that figures are more accessible on a quarterly, rather than a daily, basis. The commenter believes that a quarterly calculation would provide similar results to a daily calculation with respect to determining the applicable fee tier, but without the unnecessary additional regulatory burden.</p>	<p>available to their participants. These reports indicate, for each asset class, as of a particular day, the notional amount of each of the participant's outstanding transactions that are reported under OSC Rule 91-507. This is the same data that is required to calculate a fee payer's fee.</p> <p>For a fee payer that is not an Ontario local counterparty (such as a foreign bank), the reports can identify transactions with Ontario local counterparties, which are relevant to the fee calculation for these fee payers.</p> <p>As a result, even where outstanding notional may not be readily available on a fee payer's internal systems, this information is available from the trade repositories. These reports, together with the change to a quarterly calculation, significantly mitigate any regulatory burden associated with the fee.</p>
s. 30	<p>Two commenters suggested the quarterly calculation be determined as at the end of the last day of each of the four most recent fiscal quarters of the firm, so that it could be folded into the normal quarter end financial reporting for each firm.</p>	<p>No change. Fee payers have a variety of financial year-end dates. We are not able to tailor the derivatives fee year for each fee payer to align with their respective fiscal year, as this would increase the burden of administering the fee rule. Receiving revenue from the fee at different times during the calendar year would also not facilitate predictability of cost recovery and budgetary needs. We also note that fee payers' accounting requirements for quarterly financial statements may not align with trade reporting data that is required to determine the fee. Finally, we note that other notional calculations in derivatives rules (for instance, prudential margin rules and notional thresholds in NI 94-101) are not aligned with fiscal quarters.</p> <p>We have not altered the timing of the derivatives fee year (which commences July 1 each year) set out in the proposed amendments, which was chosen to meet OSC funding requirements. Therefore, quarter-end notional calculations will be as of the last business day in September, December, March, and June.</p>
s. 30	<p>One commenter expressed a view that, if the new fee is required to be calculated based on daily notional amounts, a transition period of at least one calendar year would be appropriate between the date the adoption of the fee in final form and the first day of the first derivatives fee year under the amended fee rule</p>	<p>Change made.</p> <p>The requested two-year delay before the first derivatives participation fee payment is unnecessary because the calculation is quarterly and notional data is available from trade repositories.</p> <p>As previously indicated, the fee rule amendments are scheduled to take effect in April 2023. Therefore, the first derivatives participation fee will be due on August 29, 2023.</p> <p>We are mindful of the potential for regulatory burden in requiring fee payers to determine notional amounts in respect of quarter-ends that pre-date publication of the final amendments. The availability of position reports from designated trade repositories as of these prior dates should mitigate this concern. In order to further alleviate this potential burden, we have</p>

		<p>provided fee payers with the option, only in respect of the first derivatives fee year, either:</p> <p>(a) to calculate the fee payment based on the four quarter-ends during the first derivatives fee year (i.e. the last business day in September 2022, December 2022, March 2023 and June 2023), or</p> <p>(b) to calculate the fee payment based solely on the last business day in June 2023.</p> <p>Subsequent derivatives fee years must be calculated based on all four quarter-ends in the derivatives fee year.</p>
para. 30(2)(a)	<p>One commenter suggests that the following changes be considered to this paragraph (assuming quarter end amounts are used):</p> <p><u>Current Wording:</u> “for each day in the derivatives fee year, determine the total of the notional amounts of the fee payer’s outstanding positions, as reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507.”</p> <p><u>Proposed Changes:</u> “for the last day of the fee payer’s four most recent fiscal quarters, determine the notional amounts of the fee payer’s outstanding positions as at the end of such day, in respect of transactions reported under OSC Rule 91-507, referenced in the currency of the outstanding position, as reported under OSC Rule 91-507.”</p>	Change made. We have revised this language to improve clarity and reflect the change to quarterly notional amounts.
para. 30(2)(e)	One commenter is seeking the OSC’s confirmation that the denominator in Section 5A.2(3)(e) of the draft fee rule is the number of calendar days in the year (365 or 366, as applicable).	This comment is no longer applicable as a result of the change to quarterly notional amounts.
s. 31	One commenter raised concerns that if a firm miscalculated its fee under a lower fee tier, late fees could accumulate at a significant rate.	No change. This concern should be mitigated by only requiring reporting counterparties to calculate their notional outstanding four times per year, which reduces the likelihood of miscalculation. As the new fee is implemented, we will work with market participants to address potential discrepancies between the notional data reported under OSC Rule 91-507 and the fee payer’s fee calculation.
Companion Policy s. 25	One commenter suggests alternate introductory language in section 5A.2 of the draft Companion Policy to improve clarity.	Change made. We have revised the introductory language to improve clarity and reflect the change to quarterly notional amounts.
Companion Policy s. 25	One commenter suggests that the three references to “cumulative” amounts in section 5A.2 of the draft Companion Policy be replaced by references to “aggregate” amounts for consistency with the draft wording of Section 5A.2 of the draft fee rule.	Change made. We have removed the references to “cumulative”.
s. 40(2)	One commenter suggested that OSC make it clear in Rule 13-502 that late filing fees for exempt distribution filings of investment funds, which have	Change made. We acknowledge that late filing fees can be overly burdensome for investment fund families and affiliated registrants and address this by

	the same investment fund manager, are treated as one "person or company" for purposes of late fee calculation.	extending the relief from late fees for investment fund families and affiliated registrants to the filing of Form 45-106F1 in s. 40(2).
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**List of Commenters:**

1. Bridgehouse Asset Managers
2. Canadian Market Infrastructure Committee
3. Canadian Bankers Association
4. Harvey S. Naglie
5. Portfolio Management Association of Canada
6. Private Capital Markets Association of Canada

## ANNEX J

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

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

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

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

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

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

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