

**5.1.3 Amendments to OSC Rule 13-503 (Commodity Futures Act) Fees**

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

- 1. Ontario Securities Rule 13-503 (Commodity Futures Act) Fees is amended by this Instrument.**
- 2. Section 2.3 is repealed and substituted by the following:**
  - 2.3 Disclosure of Fee Calculation**
  - (1) By December 1, a registrant firm must file a completed Form 13-503F1 showing the information required to determine the participation fee due on December 31.
  - (2) Despite subsection (1), if at a particular time after December 1 and in a calendar year, a firm becomes registered, the completed Form 13-503F1 must be filed as soon as practicable after the particular time.
- 3. Paragraph 2.5(2)(b) is repealed and substituted by the following:**
  - (b) advisory or sub-advisory fees paid during the previous fiscal year by the registrant firm to
    - (i) a person or company registered as a dealer or an adviser under the CFA or under the *Securities Act*,  
or
    - (ii) an unregistered exempt international firm, as defined in Rule 13-502 Fees under the *Securities Act*.
- 4. Paragraph 2.6(1)(a) is repealed and the following substituted:**
  - (a) by the time in that calendar year specified in section 2.3, file a completed Form 13-503F1 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and

5. *Appendix A is repealed and substituted by the following:*

**APPENDIX A — PARTICIPATION FEES**

<b>Specified Ontario Revenues for the Previous Fiscal Year</b>	<b>Participation Fee</b>
under \$500,000	\$870
\$500,000 to under \$1 million	\$2,725
\$1 million to under \$3 million	\$6,100
\$3 million to under \$5 million	\$13,725
\$5 million to under \$10 million	\$27,800
\$10 million to under \$25 million	\$56,700
\$25 million to under \$50 million	\$85,000
\$50 million to under \$100 million	\$170,000
\$100 million to under \$200 million	\$282,300
\$200 million to under \$500 million	\$572,250
\$500 million to under \$1 billion	\$739,000
\$1 billion to under \$2 billion	\$932,000
\$2 billion and over	\$1,564,000

6. *Appendix A, as enacted by section 5, is repealed and substituted by the following:*

**APPENDIX A — PARTICIPATION FEES**

<b>Specified Ontario Revenues for the Previous Fiscal Year</b>	<b>Participation Fee</b>
under \$500,000	\$945
\$500,000 to under \$1 million	\$2,970
\$1 million to under \$3 million	\$6,650
\$3 million to under \$5 million	\$14,975
\$5 million to under \$10 million	\$30,300
\$10 million to under \$25 million	\$61,800
\$25 million to under \$50 million	\$92,650
\$50 million to under \$100 million	\$185,300
\$100 million to under \$200 million	\$307,700
\$200 million to under \$500 million	\$623,750
\$500 million to under \$1 billion	\$805,500
\$1 billion to under \$2 billion	\$1,015,900
\$2 billion and over	\$1,704,800

7. **Appendix A, as enacted by section 6, is repealed and substituted by the following:**

**APPENDIX A — PARTICIPATION FEES**

Specified Ontario Revenues for the Previous Fiscal Year	Participation Fee
under \$500,000	\$1,035
\$500,000 to under \$1 million	\$3,240
\$1 million to under \$3 million	\$7,250
\$3 million to under \$5 million	\$16,325
\$5 million to under \$10 million	\$33,000
\$10 million to under \$25 million	\$67,400
\$25 million to under \$50 million	\$101,000
\$50 million to under \$100 million	\$202,000
\$100 million to under \$200 million	\$335,400
\$200 million to under \$500 million	\$679,900
\$500 million to under \$1 billion	\$878,000
\$1 billion to under \$2 billion	\$1,107,300
\$2 billion and over	\$1,858,200

8. **Appendix B is amended by**

- a. **striking out “\$3,000” in item 1 of section A and substituting “\$3,250”, and**
- b. **adding the following after section E:**

<p><b>F. Pre Filings of Applications</b></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>The fee for each pre-filing of an application is equal to the applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.</p>
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9. **Form 13-503F1 is repealed and substituted by the following:**

**FORM 13-503F1  
(COMMODITY FUTURES ACT)**

**PARTICIPATION FEE CALCULATION**

**General Instructions**

1. This form must be completed by firms only registered under the *Commodity Futures Act* and returned to the Ontario Securities Commission by December 1 each year pursuant to section 2.3 of Rule 13-503, except in the case where firms register late in a calendar year (after December 1). In this exceptional case, this Form must be filed as soon as practicable after December 1.
2. The completion of this form will serve as an application for the renewal of your firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
3. IIROC members must complete Part I of this Form. All other registrant firms must complete Part II. Everyone completes Part III.
4. The components of revenue reported in this Form should be based on accounting standards pursuant to which an entity's financial statements are prepared under Ontario securities law ("Accepted Accounting Standards"), except that revenues should be reported on an unconsolidated basis.
5. IIROC Members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
6. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario for the firm's most recently completed fiscal year, which is generally referred to the Rule as its "previous fiscal year".
7. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for a fiscal year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a fiscal 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 fiscal 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.
8. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.
9. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy. However, it is acceptable to provide certification of this nature by only one member of senior management in cases of firms with only one officer and director.
10. There are a number of references in this form to "relevant fiscal year". The "relevant fiscal year" is generally a firm's last completed fiscal year. However, if good faith estimates for a fiscal year are provided in this Form pursuant to section 2.6 of the Rule, the relevant fiscal year is the fiscal year for which the good faith estimates are provided.

**1. Firm Information**

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

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

**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. Membership Status**

The firm is a member of the Investment Industry Regulators Organization of Canada (IIROC).

The firm does not hold membership with IIROC.

**4. Financial Information**

Is the firm providing a good faith estimate under section 2.6 of the Rule?

Yes       No

If no, end date of last completed fiscal year:  $\frac{\quad}{\text{yyyy}} / \frac{\quad}{\text{mm}} / \frac{\quad}{\text{dd}}$

If yes, end date of fiscal year for which the good faith estimate is provided:

$\frac{\quad}{\text{yyyy}} / \frac{\quad}{\text{mm}} / \frac{\quad}{\text{dd}}$

*Note: The fiscal year identified above is referred to below as the relevant fiscal year.*

**5. Participation Fee Calculation**

**Relevant  
Fiscal Year  
\$**

*Note: Dollar amounts stated in thousands, rounded to the nearest thousand.*

**Part I — IIROC Members**

- |   |       |
|---|-------|
| 1. Total revenue for relevant fiscal year from Statement E of the Joint Regulatory Financial Questionnaire and Report | _____ |
| 2. Less revenue not attributable to CFA activities  | _____ |
| 3. Revenue subject to participation fee (line 1 less line 2)  | _____ |

**Part II — Other Registrants**

**Notes:**

1. Gross Revenue is defined as the sum of all revenues reported on a gross basis as per the audited financial statements prepared in accordance with Accepted Accounting Standards, except that revenues should be reported on an unconsolidated basis. Items reported on a net basis must be adjusted for purposes of the fee calculation. Gross revenues are reduced by amounts not attributable to CFA activities.
  
2. Where the advisory or sub-advisory services of another registrant firm, or of an exempt international firm under Rule 13-502 *Fees* of the *Securities Act*, are used by the registrant firm to advise on a portion of its assets under management, such advisory or sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in gross revenues.
  1. Gross revenue for relevant fiscal year (note 1) \_\_\_\_\_

Less the following items:

  2. Amounts not attributable to CFA activities \_\_\_\_\_
  3. Advisory or sub-advisory fees paid to other registrant firms or to exempt international firms under Rule 13-502 (*Fees*) of the *Securities Act* (note 2) \_\_\_\_\_
  
4. Revenue subject to participation fee (line 1 less lines 2 and 3) \_\_\_\_\_

**Part III — Calculating Specified Ontario Revenues**

- 1. Gross revenue for relevant fiscal year subject to participation fee  
(line 3 from Part I or line 4 from Part II)
- 2. Ontario percentage for relevant fiscal year  
(See definition of "Ontario percentage" in the Rule) \_\_\_\_\_ %
- 3. Specified Ontario revenues  
(line 1 multiplied by line 2) \_\_\_\_\_
- 4. Participation fee  
(From Appendix A of the Rule, select the participation fee  
opposite the specified Ontario revenues calculated above) \_\_\_\_\_

**Part IV — Management Certification**

Where available, we have examined the financial statements on which the participation fee calculation is based and certify that, to the best of our knowledge, the financial statements present fairly the revenues of the firm for the period ended as noted under **Financial Information** above, and that the financial statements have been prepared in agreement with the books of the firm.

We certify that the reported revenues of the firm are complete and accurate and in accordance with generally accepted accounting principles.

	Name and Title	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____

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- 10. (1) **Subject to subsections (2) and (3), this Instrument comes into force on April 5, 2010.**
- (2) **Section 6 comes into force on April 4, 2011.**
- (3) **Section 7 comes into force on April 2, 2012.**