

FORM 13-502F4
CAPITAL MARKETS PARTICIPATION FEE CALCULATION

General Instructions

1. This form must be completed and returned to the Ontario Securities Commission by December 1 each year, as per section 3.2 of OSC Rule 13-502 *Fees* (the Rule), except in the case where firms register after December 1 in a calendar year or provide notification after December 1 in a calendar year of their status as exempt international firms. In these exceptional cases, this form must be filed as soon as practicable after December 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 exempt international firms relying on section 8.18 [international dealer] and 8.26 [international adviser] of NI 31-103, as well as by firms that are unregistered investment fund managers (as defined in the Rule).
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 I of this form and MFDA members must complete Part II. Exempt international firms, unregistered investment fund managers and registrant firms that are not IIROC or MFDA members must complete Part III.
5. The components of revenue reported in each Part 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.
6. IIROC Members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
7. MFDA members may refer to Statement D of the MFDA Financial Questionnaire and Report for guidance.
8. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario for the firm's reference fiscal year. A firm's reference fiscal year is generally its last fiscal year ending before May 1, 2012. For further detail, see the definition of "reference fiscal year" in section 1.1 of the Rule.
9. 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 capital markets activities in Ontario.

10. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.
11. 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.

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 (one selection)

- The firm is a member of the Mutual Fund Dealers Association (MFDA).
- The firm is a member of the Investment Industry Regulators Organization of Canada (IIROC).
- The firm does not hold membership with the MFDA nor IIROC.

6. Participation fee
(From Appendix B of the Rule, select the participation fee
opposite the specified Ontario revenues calculated above) _____

Part II — MFDA Members

1. Total revenue for reference fiscal year from Statement D of the MFDA
Financial Questionnaire and Report _____
2. Less revenue not attributable to capital markets activities _____
3. Revenue subject to participation fee (line 1 less line 2) _____
4. Ontario percentage for reference fiscal year
(See definition of “Ontario percentage” in the Rule) _____ %
5. Specified Ontario revenues (line 3 multiplied by line 4) _____
6. Participation fee
(From Appendix B of the Rule, select the participation fee
opposite the specified Ontario revenues calculated above) _____

Part III – Advisers, Other Dealers, and Unregistered Capital Markets Participants

Notes:

1. Gross revenue is defined as the sum of all revenues reported on the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection 3.4(4) or (5) of the Rule. Audited financial statements should be 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.
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 gross revenue 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 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 described in note 4 are permitted as a deduction on this line to the extent they are otherwise included in gross revenues.

1. Gross revenue for reference fiscal year (note 1)

Less the following items:

2. 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 exempt international firms (note 4)

6. Trailer fees paid to registrant firms (note 5)

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

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

9. Ontario percentage for reference fiscal year
(See definition of "Ontario percentage" in the Rule)

%

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

11. Participation fee
(From Appendix B of the Rule, select the participation fee beside 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.	_____	_____	_____