

The Ontario Securities Commission

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

The Ontario Securities Commission

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A. Capital Markets Tribunal

A.2 Other Notices

A.2.1 TeknoScan Systems Inc. et al.

FOR IMMEDIATE RELEASE
April 10, 2024

**TEKNOSCAN SYSTEMS INC.,
H. SAMUEL HYAMS,
PHILIP KAI-HING KUNG AND
SOON FOO (MARTIN) TAM,
File No. 2022-19**

TORONTO – Additional merits hearing dates are scheduled for April 15, 2024 at 12:00 p.m. and April 19, 2024 at 9:30 a.m. in the above-named matter.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto. Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at www.capitalmarketstribunal.ca/en/hearing-schedule.

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A.2.2 Aimia Inc. and Mithaq Capital SPC

FOR IMMEDIATE RELEASE
April 11, 2024

**AIMIA INC. AND
MITHAQ CAPITAL SPC,
File No. 2024-2**

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

The previously scheduled days of May 1 and May 2, 2024 will not be used for the hearing of the application.

A copy of the Order dated April 11, 2024 is available at capitalmarketstribunal.ca.

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**A.2.3 Fawad Ul Haq Khan carrying on business as
Forex Plus**

**FOR IMMEDIATE RELEASE
April 15, 2024**

**FAWAD UL HAQ KHAN
carrying on business as
FOREX PLUS,
File No. 2024-6**

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

A copy of the Order dated April 15, 2024 is available at capitalmarketstribunal.ca.

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A.2.4 TeknoScan Systems Inc. et al.

**FOR IMMEDIATE RELEASE
April 16, 2024**

**TEKNOSCAN SYSTEMS INC.,
H. SAMUEL HYAMS,
PHILIP KAI-HING KUNG AND
SOON FOO (MARTIN) TAM,
File No. 2022-19**

TORONTO – The merits hearing on April 19, 2024 scheduled to commence at 9:30 a.m. will instead commence at 10:00 a.m.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto. Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at www.capitalmarketstribunal.ca/en/hearing-schedule.

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A.2.5 Mark Edward Valentine

FOR IMMEDIATE RELEASE
April 16, 2024

MARK EDWARD VALENTINE,
File No. 2022-7

TORONTO – The case management hearing in the above-named matter scheduled to be heard on April 19, 2024 will not proceed as scheduled.

The hearing with respect to sanctions and costs is scheduled to be heard on July 3, 2024 at 10:00 a.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at www.capitalmarketstribunal.ca/en/hearing-schedule.

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A.3 Orders

A.3.1 Aimia Inc. and Mithaq Capital SPC – s. 104

IN THE MATTER OF
AIMIA INC.

AND

IN THE MATTER OF
MITHAQ CAPITAL SPC

File No. 2024-2

Adjudicators: Timothy Moseley (chair of the panel)
Andrea Burke
Dale R. Ponder

April 11, 2024

ORDER

(Section 104 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on April 10, 2024, the Capital Markets Tribunal held a hearing by videoconference, regarding Mithaq Capital SPC's motion to dismiss this application;

ON READING the application record, the motion records of each of Mithaq Capital SPC and Aimia Inc., and the written submissions of each of Mithaq Capital SPC, Aimia Inc. and the Ontario Securities Commission, and on hearing the submissions of the representatives of each party;

IT IS ORDERED, for reasons to follow, that Mithaq Capital SPC's motion to dismiss this application is granted, and this application is dismissed.

"Timothy Moseley"

"Andrea Burke"

"Dale R. Ponder"

A.3.2 Fawad Ul Haq Khan carrying on business as
Forex Plus

IN THE MATTER OF
FAWAD UL HAQ KHAN
carrying on business as
FOREX PLUS

File No. 2024-6

Adjudicator: Sandra Blake

April 15, 2024

ORDER

WHEREAS on April 15, 2024, the Capital Markets Tribunal held a hearing by videoconference;

ON HEARING the submissions of the representative for the Ontario Securities Commission (the **Commission**) and the respondent appearing on behalf of himself;

IT IS ORDERED THAT:

1. by May 27, 2024 at 4:30 p.m., the respondent shall serve and file a motion, if any, regarding the Commission's disclosure or seeking disclosure of additional documents;
2. by May 30, 2024 at 4:30 p.m., the Commission shall:
 - a. serve and file a witness list,
 - b. serve a summary of each witness's expected testimony, and
 - c. indicate any intention to call an expert witness, including providing the expert's name and the issues on which the expert will be testifying; and
3. a further case management hearing in this matter is scheduled for June 6, 2024 at 10:00 a.m. by videoconference, or as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

"Sandra Blake"

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B. Ontario Securities Commission

B.1 Notices

B.1.1 CSA Staff Notice 21-334 Next Steps to Facilitate Access to Real-Time Market Data



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA STAFF NOTICE 21-334 NEXT STEPS TO FACILITATE ACCESS TO REAL-TIME MARKET DATA

April 18, 2024

Item 1 - Introduction and background

On November 10, 2022, the Canadian Securities Administrators (the **CSA** or **we**) published for comment CSA Consultation Paper 21-403 *Access to Real-Time Market Data* (the **Consultation Paper**). The purpose of the Consultation Paper was twofold:

1. to present the results of our fact-finding review regarding the concerns raised by Canadian market participants in relation to accessing real-time market data (**RTMD**); and
2. to seek feedback on proposed initial and longer-term options that, if undertaken, could potentially alleviate some of the inefficiencies introduced by fragmentation and other concerns raised by market participants in relation to accessing RTMD.

The Consultation Paper proposed the following initial and longer-term options:

Initial Options for Addressing Staff Considerations (1 to 2 years)	Longer-term Options for Addressing Staff Considerations (Over 2 years)
1. Enhance transparency of the fee changes proposed by marketplaces	1. Improve access to consolidated RTMD by leveraging the current information processor (IP) model
2. Retain external assistance to review the use of the data fees methodology (DFM) and the reference points used to allocate fees, as well as improve transparency of the DFM by publishing each marketplace's fee ranges	2. Introduce a new model for data consolidation to improve access to consolidated RTMD
3. Create an industry group to help standardize key terms and definitions for access to and use of RTMD between marketplaces and market participants	

We received twenty comment letters to the Consultation Paper and thank the commenters for their feedback.

As stated in the Consultation Paper, RTMD provides vital information about equity securities markets. In particular, consolidated RTMD contains information about orders sent to and trades executed on all Canadian marketplaces, both exchanges and alternative trading systems (**ATSS**). The multi-marketplace environment in Canada allows marketplaces to compete for trading in the same securities and, as a result, order and trade information is fragmented across multiple venues. Access to consolidated RTMD provides increased transparency and improves price discovery of Canadian equities on Canadian marketplaces. As a result, we remain of the view that access to consolidated RTMD is key for market participants, investors, and their advisers to make informed investment, routing, and execution decisions.

Securities regulators from around the globe are considering regulatory changes to ensure that market participants are able to access RTMD, including consolidated RTMD, at a reasonable cost. Despite these regulatory efforts, concerns about the accessibility and increasing cost of RTMD in a fragmented trading environment remain.

Item 2 – Purpose and scope

The purpose of this CSA Staff Notice is twofold:

1. to summarize the comments received to the Consultation Paper; and
2. to advise stakeholders of the CSA's next steps to address the access to and use of RTMD.

Item 3 – Comments received

We received twenty comment letters¹ from a wide range of stakeholders, including industry associations, advocacy groups, marketplaces, dealers, and individuals. Copies of these comment letters are publicly available on the websites of the securities regulatory authorities (SRAs). Appendix A provides a summary of the comments received, along with responses prepared by the CSA Staff.

In analyzing the feedback received from stakeholders and developing the next steps to enhance transparency and improve the regulation of the fees charged by marketplaces for RTMD products and services,² we considered factors that included:

- the intended goals of the options we had proposed;
- the complexity of achieving these goals in a reasonable, cost effective, and timely manner for both the SRAs and industry stakeholders;
- the adequacy of the current Canadian regulatory framework to address industry's concerns with respect to the fees and other charges to access RTMD; and
- developments in other jurisdictions that may impact or influence our approach in choosing the best way forward from a regulatory perspective.

The comments received demonstrate that the views of commenters continue to be very diverse, especially between producers (i.e., marketplaces) and consumers (i.e., market participants, such as dealers, buy-side, etc.) of RTMD products and services. In general, consumers of RTMD were more supportive of some of the proposed options set out in the Consultation Paper. Despite different views expressed, overall, there was positive feedback for the initial options proposed. In light of this and following additional analysis, we have decided to move forward with these initial options.

With respect to the longer-term options, although some commenters supported certain elements of each of the two options, others emphasized the deficiencies and potential challenges with adopting these options. With either of these longer-term options, significant resources would need to be engaged for an extended period of time to achieve the objectives. Ultimately, it was not clear to the CSA that the costs involved in pursuing either of these options justified the benefits, at this time. Instead, the CSA is of the view that addressing some of the concerns through the initial options may help address the impact of the cost of access to RTMD for market participants. The CSA will continue to monitor developments in this area.

A suggestion made by a number of commenters was to consider facilitating access to consolidated RTMD products for retail investors and their advisers. Retail access to consolidated RTMD is not a new concept and was explored during the interviews conducted by CSA Staff with stakeholders prior to the publication of the Consultation Paper. At that time, none of the stakeholders interviewed clearly expressed the view that retail investors and their advisers require more access to consolidated RTMD. Rather, the feedback gathered indicated that access is provided based on balancing the need and costs of such access. Following publication of the Consultation Paper, we received feedback to indicate that *“these users would be better served by having access to consolidated RTMD to make informed decisions.”*³

To this end, we have determined that regulatory action to improve access to consolidated RTMD for retail investors and their advisers should be further explored. As a result, we are proposing to undertake a consultation to determine whether the introduction of consolidated RTMD products for retail investors and their advisers will benefit the Canadian capital markets.

¹ The list of commenters is: National Bank, TD Securities, Scotia Global Banking and Markets, BMO Capital Markets, CIBC Capital Markets, Virtu Financial, Select Vantage Canada, Wealthsimple, BlackRock, Tradelogiq Markets Inc., Nasdaq Canada, TMX Datalinx, Canadian Securities Exchange, Cboe Global Markets, Investment Industry Association of Canada, Canadian ETF Association, Canadian Security Traders Association, WAR Room Consulting, Ian Bandeen, and the Canadian Advocacy Council.

² RTMD fees include fees related to a service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed, including, but not limited to, fees charged for top-of-book (Level 1), depth-of-book (Level 2), distribution, display, non-display, and applicable connectivity services that are associated with the access to and use of RTMD.

³ See page 11 of the Consultation Paper.

Item 4 – Next steps

After considering all the comments received and conducting our own analysis, the CSA is taking the following next steps:

Area of immediate action – Transparency
1. Implementation of an enhanced transparency regime for any fee proposals by requiring marketplaces to publish proposals relating to RTMD products and services
Areas for further study through industry committees – DFM, Retail Access to RTMD, and Standardization
2. Reconsider the DFM
3. Assess facilitating access to RTMD products and services by retail investors and their advisers
4. Standardization of key terms and definitions to consolidated RTMD agreements

Each of these steps is discussed in detail below.

4.1. Implementation of an enhanced transparency regime for any fee proposals related to RTMD products and services

Under the current regulatory regime, most marketplaces are subject to a process for the review and approval of fee changes (the **Protocol**). For exchanges that are subject to it, the Protocol is appended to their recognition orders, while for ATSS, they are subject to an Ontario Securities Commission (**OSC**) Order.⁴ These orders require that marketplace fee changes be published for comment where, in Staff of the applicable SRA(s)' view, they may have a significant impact on the marketplace, its market structure, members, issuers, investors, or the Canadian capital markets, or otherwise raise regulatory or public interest concerns and should be subject to public comment.⁵

To enhance transparency related to RTMD fees, we have introduced an enhanced version of the Protocol. Appendix B - Local Matters, includes the OSC Variation Order that introduces these changes, as well as blacklined versions of the Protocol applicable in Ontario that show what changes were made. The order is dated April 5, 2024 and takes effect on April 18, 2024. The Alberta Securities Commission and British Columbia Securities Commission expect to review whether to pursue a similar approach for the TSX Venture Exchange.

The first change made to the Protocol is to introduce a subset of fee changes, called RTMD fee changes. We define a RTMD Fee Change as a Fee Change that, in Staff's view, relates to a product or service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed. RTMD Fee Changes include, but are not limited to, changes proposed to top-of-book (Level 1), depth-of-book (Level 2), distribution, display, non-display and applicable connectivity services.

The next set of changes to the Protocol set out the publication process for RTMD Fee Changes, including the information to be included. Marketplaces are required to submit the Notice of Publication or Request for Feedback and all relevant materials to the SRAs at least 30 business days prior to the expected implementation date of a RTMD fee change. Further, within two business days of the submission date, marketplaces are required to publish RTMD Fee Changes on their websites, where they can be easily accessible to interested stakeholders, and/or through a communication to market data customers. The SRAs will also publish the proposed fee change on their websites as soon as practically possible after receipt of the Notice of Publication or Request for Feedback from marketplaces.

The information required to be published about a proposed fee change to a RTMD product or service includes, but is not limited to, the following:

- (a) how the proposed fee change complies with the regulatory requirements set out in ss. 5.1(1) and 5.1(3)(a) of National Instrument 21-101 *Marketplace Operation* (also known as the fair access requirements) and in Part 10 of the exchange recognition criteria, where applicable, including reasonability, fairness, appropriateness, and transparency; and
- (b) a description and analysis of the proposed RTMD fee change that includes the current information submitted with a proposed fee change, as well as some additional information, including, but not limited to:
 - i. a description of the fee change being proposed,
 - ii. the expected date of implementation,

⁴ Please see <https://www.osc.ca/en/securities-law/orders-rulings-decisions/bloomberg-tradebook-canada-company-et-al-s-2101> for an example of the Protocol. Note that the OSC is the lead regulator for all ATSS, which is why there is only an OSC order to ensure their compliance with the Protocol.

⁵ This reflects the current practice in Ontario and the expected practice in British Columbia and Alberta.

- iii. the rationale for the proposed fee change and any analysis in support of it,
- iv. a description of the methodology used to set the proposed fees,
- v. an analysis of the impact on stakeholders,
- vi. an overview of any alternatives considered,
- vii. any analysis conducted to determine how the proposed fee compares to fees charged for similar services by other marketplaces in Canada and abroad, and
- viii. the costs of producing the product or service, where relevant.

In Ontario, the Notice of Publication must provide market participants with an opportunity to provide comments to Staff of the SRAs and to the marketplace within 15 business days from the date the Notice of Publication appears on the SRA's website. Staff of the SRAs will consider feedback submitted by market participants as part of their review and approval process.

If the RTMD Fee Change is approved, the marketplace and the SRAs will publish, promptly after the approval, on their respective websites, a notice indicating that the proposed change is approved.

If the RTMD Fee Change is withdrawn, the marketplace and the SRAs will publish an applicable notification.

In addition, where, in Staff's view, the RTMD Fee Change may have a significant impact on the Canadian capital markets, marketplaces might also be required to publish a summary of public comments and responses prepared by the marketplace.

Marketplaces and market participants alike commented that requiring disclosure of costs may ultimately harm marketplaces as this information may be commercially sensitive. We would like to point out that s. 7(a)(ii) of the Exchange Protocol and s. 6(a)(ii) of the ATS Protocol provides, in part, that the Notice of Publication does not need to include the information discussed above if it "would result in public disclosure of sensitive information or confidential or proprietary financial, commercial or technical information." We are of the view that this provision addresses commenters' concerns about cost disclosure or other information of that nature.

These changes to the Protocol will be reviewed after 18 months. After this time, Staff of the SRAs will conduct an analysis to assess if the changes achieved the intended objective to enhance the transparency of proposed RTMD Fee Changes.

4.2 Areas for further study through industry committees

4.2.1 Reconsider DFM

We are proposing to establish an industry committee (the **DFM Committee**) that would be chaired by a consultant retained by the CSA and include various stakeholders, as proposed by commenters. The mandate of the DFM Committee is to prepare a report (the **DFM Report**) that will present recommendations to the CSA regarding potential solutions to the questions identified in the DFM Committee's Mandate, which is attached at Appendix C.

As outlined in the DFM Committee Mandate, the DFM Committee will consider a number of issues including, but not limited to:

- whether the DFM continues to be an appropriate tool for assessing professional RTMD fees in the current competitive landscape;
- the pre- and post-trade metrics included in the DFM formulas as well as other inputs (e.g., inclusion of crosses, inclusion of auction data, etc.) to determine what changes are necessary to improve the fairness of the DFM application to different types of RTMD products sold by each marketplace; and
- the overall reference points (i.e., benchmarks) used to allocate fees to each marketplace's RTMD products.

The DFM Committee's analysis and recommendations will be set out in the DFM Report, which will be published.

In parallel to the work of the DFM Committee, Staff of the SRAs will conduct their own review of the DFM. The CSA will consider both this review and the recommendations set out in the DFM Report in determining whether to continue to use the DFM going forward, along with any changes required to the framework. Any proposed changes to the DFM will be published for comment in the normal course.

4.2.2 Assess facilitating access to consolidated RTMD by retail investors and their advisers

We are proposing to establish an industry committee (the **Retail Committee**) to further explore the creation of a commercial, legal, and possibly technical framework that would provide incentives or at least remove barriers for dealers to offer consolidated RTMD product(s) to retail investors and their advisers.

The Retail Committee will be chaired by a consultant retained by the CSA. The mandate of the Retail Committee is to prepare a report (the **Retail Report**) that will:

- provide analysis, quantitative or otherwise, aggregated at the level considered appropriate by the Retail Committee, that shows the gaps in access to consolidated data by retail clients and their advisers; and
- identify barriers to access to consolidated market data products by retail investors and their advisers as well as the best approach to minimize or, where possible, remove these barriers.

If the Retail Committee concludes that there is sufficient rationale for introducing retail-focused consolidated RTMD product(s), then the Retail Committee should recommend a consolidated RTMD retail product(s) framework that would set out, among other things:

- what RTMD products are to be included;
- a method to establish the fees to be charged;
- a method of revenue collection;
- a method to allocate revenues; and
- the best ways to enable access by retail investors and their advisers.

The mandate of the Retail Committee is attached at Appendix D.

As with the other industry reports, the recommendations included in the Retail Report will be considered by the CSA in reaching a decision on whether to develop consolidated RTMD product(s) for retail investors and their advisers. The Retail Report will be published in due course.

4.2.3 Standardization of key terms and definitions to consolidated RTMD agreements

We are proposing to establish an industry committee (the **Standardization Committee**) that would be chaired by a consultant retained by the CSA and include various stakeholders, such as market participants' data experts who have experience accessing and using RTMD products and services, as well as marketplace staff with expertise in administering RTMD agreements. The mandate of the Standardization Committee is to prepare a report (the **Standardization Report**) that will present recommendations to the CSA regarding the terms and definitions that should be standardized and propose an adoption and implementation plan.

The Standardization Report should also discuss the advantages and disadvantages to both marketplaces and market participants relating to the adoption and implementation of the proposed terms and definitions. In drafting the Standardization Report, the Standardization Committee should consider the undertaking by the information processor's Governance Committee – which includes representatives of all marketplaces in Canada – to standardize terms and definitions for access to consolidated RTMD products. The Standardization Committee's Mandate is attached at Appendix E.

The recommendations included in the Standardization Report will be considered by the CSA in reaching a decision on whether to mandate the adoption of key terms and definitions proposed by the Standardization Committee. The Standardization Report will be published in due course.

Item 5 – Getting involved

Considering the substantial work required to be completed by each industry committee and the possibility that stakeholders may want to participate in multiple industry committees, CSA Staff has staggered the approach to the areas for further study into three phases, as follows:

- Phase 1 – Reconsider DFM – to begin three to six months after the publication of this Notice, to allow for the retaining of a consultant to chair the DFM Committee and to gather committee members;
- Phase 2 – Assess facilitating access to consolidated RTMD by retail investors – to begin when Phase 1 is completed; and

B.1: Notices

- Phase 3 – Standardization of key terms and definitions to consolidated RTMD agreements – to begin when Phase 2 is completed.

Depending on the interest of potential committee members and their resources, it is possible that phases 2 and 3 may proceed together.

If you are interested in participating in the DFM Committee, please submit your intention in writing, indicating any additional industry committee(s) you may be interested in joining following the DFM work and providing a description of your related experience to date. Please send your applications to marketdata_committees@osc.gov.on.ca. Applications should be submitted by no later than May 31, 2024.

Item 6 – Questions

If you have any comments or questions, please contact any of the CSA Staff listed below.

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APPENDIX A

**SUMMARY OF COMMENTS AND CSA RESPONSES FOR
EACH OPTION PROPOSED IN CSA CONSULTATION PAPER 21-403**

A. List of Commenters

1. Wendy Rudd (WAR Room Consulting)
2. Ian Bandeen
3. TD Securities
4. Select Vantage Canada
5. Tradelogiq
6. Wealthsimple
7. Canada ETF Association
8. Canadian Security Trader's Association, Inc.
9. BMO Capital Markets
10. Investment Industry Association of Canada
11. National Bank
12. CIBC Capital Markets
13. Scotiabank Global Banking and Markets
14. Nasdaq
15. Blackrock
16. Canadian Securities Exchange
17. TMX Datalinx
18. Cboe Global Markets
19. Virtu Canada Corp.
20. The Canadian Advocacy Council of CFA Societies Canada

B. Summary of Comments and CSA responses

Summary of Comments	Responses
<p>Option 1: Enhance transparency of any fee proposals related to RTMD by requiring marketplaces, as part of the regulatory review and approval process, to publish proposed changes when they are filed for approval</p>	
<p>Most commenters who addressed this topic supported enhanced transparency with the exception of the marketplaces.</p> <p>Market Participants Market participants⁶ were very supportive⁷ of a more transparent fee approval process for RTMD products and services as it would enable them to express concerns about the impact of these fee changes on their ability to access market data while strengthening the governance process for the review and approval of these fee changes.</p> <p>These commenters also indicated that an enhanced transparency regime may introduce certain risks for marketplaces. In this context, one commenter mentioned that marketplaces might be sensitive to publicly disclosing information about their costs to competitors, especially before the implementation of a new product or service. Another commenter pointed out that this public disclosure could have the unintended consequence of providing marketplaces with insight into their competitors' proposals that receive regulatory approval. This commenter indicated that this may not necessarily be a negative consequence but did not expand on its view.</p> <p>Marketplaces Most marketplaces were of the view that additional transparency would not benefit stakeholders. They instead expressed support for the current regulatory review process as: (i) it strikes a balance between seeking comments on significant fee changes and not burdening the public with routine fee proposals, and (ii) it provides full transparency regarding proposed fee changes.</p> <p>All marketplaces expressed concerns about the proposed enhanced transparency regime in that:</p> <ul style="list-style-type: none"> - it would be unduly burdensome, especially on those marketplaces that offer extensive RTMD products and services, to publish proposed fee changes for comment; - it could result in a self-selection bias among those market participants that choose to raise issues and may make it more difficult for smaller marketplaces to obtain value for their services when they receive only negative public comments; - it would burden one category of exchange products relative to other products, which could lead to a misallocation of resources; and - it would make the process, and the resulting review by SRAs, vastly more complex, introducing delays and inefficiencies. <p>One marketplace was of the view that the introduction of more transparency in relation to proposed fee changes for RTMD products and services and their review process could assist the SRAs in carrying out their marketplace oversight responsibilities. However, this commenter indicated that to do so, an appropriate framework should be put into place to govern the review process, including the elimination of the requirements to publicly provide</p>	<p>We acknowledge that the comments received were mixed, with dealers, buy-side, and industry associations supporting the proposal and marketplaces holding the opposite view.</p> <p>As noted in the Consultation Paper, under the current regulatory regime, the process for the review and approval of fee changes is part of the exchange recognition orders as well as an order applicable to ATSS. Marketplace fee changes are published for comment where, in Staff of the SRAs' view, they may have a significant impact on the marketplace, its market structure, members, issuers, investors, or the Canadian capital markets, or otherwise raise regulatory or public interest concerns and should be subject to public comment.⁸</p> <p>We remain of the view that consumers of RTMD products and services should have access to information about changes to these fees and the opportunity to raise issues regarding the impact these fee changes may have on their operations, including any barriers to access they may experience because of these changes. For this reason and after analyzing the feedback received and weighing the pros and cons of this option, we decided to propose, on a pilot basis, an enhanced transparency regime for RTMD fee changes which will be implemented through the Protocol and assessed after a period of 18 months.</p>

⁶ We grouped here dealers, buy-side, trade associations, and the Canadian Advocacy Counsel.

⁷ Commenters supporting enhanced transparency include dealers, buy-side, trade associations, and the Canadian Advocacy Counsel.

⁸ This reflects the current practice in Ontario.

cost disclosure and summarize and respond to public comments. This commenter further indicated that the standards for the approval of proposed fee changes needs to be both clear and objective, and that an effective and efficient mechanism for marketplaces to appeal non-approval decisions needs to be created.

Option 2: Retain external assistance to review the DFM and its relevance in the context of domestic and international developments in equity markets. The review should include an examination of reference points that could be used by CSA Staff to allocate the share of fees chargeable by marketplaces under the DFM. The fee ranges assigned to each marketplace should be made transparent.

Most commenters expressed support for the CSA’s efforts to address concerns related to the cost of accessing RTMD products and services, including the use of a prescribed approach to assess the fees charged by marketplaces to professional users (i.e., the DFM). However, they expressed several concerns with the current DFM. With some exceptions, most commenters supported retaining external assistance and/or organizing roundtables or an industry committee to tackle the issues with the current DFM and to assess its potential expansion.

Market Participants

Commenters in this group provided suggestions to improve or revisit the current DFM. Overall, commenters suggested that the DFM could be improved by:

- grouping RTMD subscribers based on how they consume data rather than by type of subscriber;
- setting a fee level that market data subscribers would pay if they accessed RTMD from all marketplaces, which should be lower than the current cost of access;
- recalculating the baseline RTMD costs to better understand the true costs of market data administration and distribution;
- introducing a DFM for both the senior and venture markets and using separate formulas for large and small cap securities; and
- establishing a cost-based pricing model or extending the application of the DFM to most market data fees, including senior and venture market data.

These commenters also indicated that the current DFM does not indicate whether the fees charged by marketplaces to professional users are fair and reasonable because it calculates fee ranges on a relative basis which provides incentives for marketplaces to gradually raise their fees together. In addition, there is no public disclosure of the calculated fee ranges. Most commenters in this group supported the public disclosure of the calculated fee ranges and generally did not believe there were any material risks in doing so. However, one commenter was concerned that this transparency could result in marketplaces charging the maximum fees permitted under the DFM, leading to continuous marginal fee increases.

With respect to expanding the application of the DFM, the views of commenters in this group varied. One commenter stated that there should be a DFM applicable to non-professional subscribers to ensure that cost is not a barrier for these users to access such data. This commenter also indicated that the professional user category should be further fragmented to likewise allow for retail advisers to have reasonable access to RTMD. Other commenters indicated that, if a new information processor model were to be

We acknowledge that the views regarding continued use of the DFM varied. While most commenters support the continued use of the DFM albeit with some changes, a few marketplaces suggested that the DFM should be discontinued. We understand the need to reassess the DFM, but we remain of the opinion that the DFM has helped control the cost of RTMD. We intend to establish an industry committee, chaired by a consultant, to re-examine the DFM.

adopted, the DFM should include a methodology for the fees charged to non-professional as well as professional subscribers.

Marketplaces

Marketplaces' views ranged from discontinuing use of the DFM, to addressing issues related to the input metrics of the current DFM, to supporting a new, simpler DFM that cannot be artificially gamed. Specifically, they commented that the current DFM is inconsistent, applying different pricing methodologies to similar products across different marketplaces and not differentiating between senior and venture markets. However, on this latter point, only two marketplaces recommended different DFMs for the senior and venture markets. The others were concerned that this approach could add additional complexity to the fee review process.

Two marketplaces stated that the current DFM should be discontinued because: (i) it artificially distorts prices, (ii) it discourages innovation, (iii) there is no ability to calibrate it to international standards given that use of the DFM is limited to Canada, and (iv) it has brought a significant degree of unfairness in that it disadvantages growing marketplaces whose securities are being increasingly traded on away markets.

The marketplaces that supported the continued use of a DFM provided several recommendations for improving the current DFM. These included eliminating intentional cross trades or, at the very least, reducing their weight in the ranking calculations. They also suggested reducing the weight of trades executed during the opening and closing auctions and eliminating the impact of pegging, in addition to other recommendations to be considered in any follow-up work.

With one exception, the marketplaces that submitted responses supported a more transparent DFM, including the publication of any formulas used to determine fees, all datapoints used in the DFM, and the public disclosure of the calculated fee ranges. One marketplace indicated that this approach would increase accountability and provide certainty about the accuracy and fairness of the DFM. Another marketplace was not supportive of making the results of the more granular input metrics public due to the risk of their being misinterpreted or misapplied stemming from their complexity.

Option 3: Create an industry group to help standardize key terms and definitions for access to and use of RTMD between marketplaces and market participants.

Only two commenters did not support this option.

Market Participants

These commenters supported the creation of an industry committee to standardize key terms and definitions. Several commenters indicated that standardized terms and definitions have multiple benefits for market participants, including (i) clarifying marketplace products and services which could reduce the administrative burden of reviewing and executing marketplace agreements, (ii) allowing firms to compare products across marketplaces, and (iii) ensuring protections aimed at certain user classes are more uniformly applied. One market participant was opposed to standardizing terms and definitions because of the difficulty in doing so and the potential for any errors to lead to future regulatory arbitrage.

We agree with the commenters that standardization of key terms and definitions can help reduce barriers to accessing RTMD by reducing the administrative burden on consumers. As a result, we are proposing to establish an industry committee to recommend the terms and definitions that should be standardized.

<p>With respect to the terms and definitions that should be targeted, several market participants outlined the need to properly define professional and non-professional subscribers. One commenter indicated that doing so could result in reduced fees for non-professional subscribers and improved access to Canadian markets, since their data needs are less than professional subscribers.</p> <p>In terms of how to structure the industry committee, participants' views varied. Some suggested that the industry committee should be comprised of subject matter experts representing marketplaces, vendors, the legal community, and various subsets of data users. Others suggested that the dominant stakeholders should be dealers as this would give them the ability to negotiate key contractual terms as a group.</p> <p>Marketplaces Marketplaces provided mixed feedback. Two commenters agreed that standardizing key terms could lessen the administrative burden of maintaining data agreements, but they indicated that: (i) standardization should be limited to key foundational terms and not all terms across all categories, and (ii) standardization of terms should not be done in isolation, outside of the context of a specific contract, but through an administrative information processor in the context of access to consolidated RTMD.</p> <p>One marketplace expressed the view that under the existing model, standardizing terms would be burdensome on marketplaces and dealers and without substantial benefits. This commenter indicated that the resources involved in standardizing terms would outweigh any benefits. Further, this commenter stated that without fundamental change to the RTMD access model in Canada, standardization will not assist retail investors with easier or more direct access to RTMD.</p>	
<p>Option 4: Leverage the current information processor (IP) model by introducing a Technical IP+ (TIP+) Model.</p>	
<p>Only a few commenters expressed direct support for leveraging the current IP model. Comments largely focused on feedback regarding the approach proposed in the Consultation Paper with respect to setting caps for the fees charged for consolidated RTMD. Commenters also discussed whether such caps would incentivize consumption and whether having one or multiple TIPs would create competition for the consolidated products disseminated by these TIPs.</p> <p>Market Participants Market participants indicated that:</p> <ul style="list-style-type: none"> - the current IP model is out of date and is not required where participants consume data through vendors; - the current IP model should be eliminated and replaced with a utility type organization to reduce the costs and mark-ups by vendors; - a TIP+ model would allow high costs of RTMD to be passed onto the users; - capping the fees charged by marketplaces for their RTMD consumed through the consolidated TIP products would not in any way impact the consumption and use of RTMD; - caps would reduce costs commensurate with the level of these caps; 	<p>We acknowledge the wide range of views with respect to the proposed TIP+ model. While some commenters supported certain elements of this approach, they were not convinced that as proposed, this option would impact the cost of access to and use of consolidated RTMD products. In addition, there were many commenters that raised concerns about the impact of the TIP+ model on Canadian producers and consumers of consolidated RTMD. As a result, we have decided to defer any changes to the current IP model until after the next steps discussed above. We want to ensure that the time and resources involved in making changes to the current IP model will result in the desired effect on the access to and use of consolidated RTMD in Canada.</p>

<ul style="list-style-type: none"> - a third-party which is free of conflicts of interest should be engaged to determine the distribution of the collected fees; - there should be fee caps for all the fees associated with the consumption of market data, such as display and non-display and distribution fees; - fee caps should be cost-based; - the CSA should set a fee level that data users would pay if they subscribe to all marketplaces; - calibration on cap levels should be premised on achieving a comparable cost experience between Canada and the US; and - the CSA should mandate the use of consolidated RTMD to ensure widespread adoption of its use, which would allow the TIP to increase the quantity of users and have the leverage to negotiate lower fees per user. <p>Marketplaces Marketplaces did not support leveraging the current IP model. They indicated that:</p> <ul style="list-style-type: none"> - there is no effective mechanism to create fee caps; - fee caps will reduce incentives by marketplaces to propose new and innovative products; - caps on TIP products lead to a cumulative fee for the TIP products; - imposing caps on TIP products could potentially result in savings for regulatory data users, but may not be passed on to consumers of RTMD; - information vendors will weigh the relative costs and latency needs of their clients, as they currently do, in determining the method of access to RTMD, whether via a TIP, direct from the marketplaces, or from a third-party vendor; and - exchange operators are best positioned to determine the cost and value of their market data. While Level 1 data merits careful regulatory review, data beyond this core does not. 	
<p>Option 5: Introduce a new model for data consolidation through the use of an Admin IP.</p>	
<p>Commenters' views varied on whether the introduction of an Admin IP would be appropriate in the context of the Canadian market. No commenters supported having multiple TIPs under an Admin IP model and took the position that a single TIP would be essential to implementation of the Admin IP model in Canada.</p> <p>Market Participants Market participants indicated that:</p> <ul style="list-style-type: none"> - the costs of establishing and implementing an Admin IP in Canada would not present a net benefit for the investment community; - the TIP model should be maintained, but with enhancements; - an Admin IP model would only add value if it addressed the need to access consolidated RTMD for non-execution users or indicative users; and - an Admin IP would be the best long-term solution for Canada because it could reduce the administrative burden of having multiple agreements with the different marketplaces and control the costs of RTMD for subscribers. 	<p>As discussed with respect to the TIP+ option, we have decided to defer any changes to the current IP model until after the next steps discussed above. We want to ensure that the time and resources involved in making changes to the current IP model will result in the desired effect on the access to and use of consolidated RTMD in Canada.</p>

<p>Marketplaces Marketplaces did not support the creation of an Admin IP because:</p> <ul style="list-style-type: none"> - it would be an outsized response for the Canadian market that is approximately 1/10th of the US market; - it would be a long, costly, and burdensome process for participants that may not justify the outcomes; - it would require a meaningful and thorough cost-benefit analysis involving public review; - performing the functions of an Admin IP involves both technical and administrative costs which are currently fulfilled by the TMX IP without the added cost of a separate Admin IP that would impose substantial administrative costs and burden; and - the answer to cost containment, administrative consistency, and the availability of RTMD from all marketplaces participating in the price discovery processes is the appointment of one or more administrators for each listing exchange's data. 	
<p>Other Comments</p> <p>In addition to the comments made in response to the questions posed in the Consultation Paper, commenters made other suggestions and recommendations for how to improve access to RTMD, as follows:</p> <ul style="list-style-type: none"> - create industry committees (i.e., creating an advisory board to guide this review and/or the creation of a Blue-Ribbon Panel) made up of qualified experts without any material conflicts of interest; - retain external assistance, such as a consultant, academic, or industry expert, to review the DFM and, in conjunction with an industry committee, consider its relevance and competitiveness in Canada and internationally as it pertains to the equity markets; - revisit the data consolidation regime to require access to consolidated RTMD from all marketplaces for the benefit of all market participants, advisers, investors and their discount trading platforms, and other users; - consider that without fundamental change to the RTMD model in Canada, retail investors will not receive easier and more direct access to RTMD; - ensure that retail investors and retail investment advisers have ready access to consolidated Level 1 core RTMD, which was identified as being one of "...the most pressing issue related to the existing market data regulatory framework in Canada"; - enhance the regulation of market data fees to facilitate retail investors' access to the market data that they require to make informed investment decisions. It was noted that it is essential for retail investors to have access to a consolidated market data feed to foster trust in the Canadian market and for clients to understand that they are getting best execution; - consider the fees charged to retail investors in any discussions of cost, accessibility, and fairness of access; - ensure that retail investors are being provided with consolidated real-time price and volume information when making investment and trading decisions; - ensure that the information processor provides a consolidated market data feed at a price that makes it accessible to the retail investing community; 	<p>We agree with the commenters that we need to assess how best to facilitate access to RTMD by retail investors and their advisers. As a result, we are proposing to further explore the creation of a commercial, legal, and possibly technical framework that would provide incentives, or at least remove barriers, for dealers to offer consolidated RTMD product(s) to retail investors and their advisers.</p>

B.1: Notices

- | | |
|---|--|
| <ul style="list-style-type: none">- consider a RTMD regime that includes all RTMD used in the ecosystem, including its delivery costs; and- reevaluate fees based on the actual costs to provide services as this approach would dramatically reduce the cost of RTMD in Canada. | |
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APPENDIX B

Variation Order Implementing Process for the Review and Approval of
the Information Contained in Forms 21-101F1 and 21-101F2 and the Exhibits Thereto

Headnote

Subsection 144(1) of the Securities Act (Ontario) – application for an order varying the Commission's orders recognizing exchanges and requiring ATs to comply with the ATS Protocol – variation required to make market data fee changes transparent – requested order granted.

Applicable Legislative Provisions

Securities Act, RSO 1990, c S.5 as am., ss. 21, 21.0.1, 144

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5
AS AMENDED
(The OSA)

AND

IN THE MATTER OF
ALPHA EXCHANGE INC.,
BLOOMBERG TRADEBOOK CANADA COMPANY,
CANDEAL MARKETS INC.,
CBOE CANADA INC.,
CBOE GLOBAL MARKETS, INC.,
CNSX MARKETS INC.,
COINSQUARE CAPITAL MARKETS LTD.,
ENSOLEILLEMENT INC.,
INSTINET CANADA CROSS LIMITED,
LIQUIDNET CANADA INC.,
MARKETAXESS CANADA COMPANY,
NASDAQ CXC LIMITED,
PERIMETER MARKETS INC.,
TMX GROUP LIMITED,
TRADELOGIQ MARKETS INC.,
AND
TSX INC.
(each a Marketplace)

ORDER
(Section 144 of the OSA)

WHEREAS each Marketplace is either an exchange or an alternative trading system (**ATS**) carrying on business in Ontario;

AND WHEREAS the Ontario Securities Commission (**Commission**) has issued exchange recognition orders pursuant to section 21 of the OSA requiring each exchange to comply with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* (the **Exchange Protocol Orders**);

AND WHEREAS the Commission has issued an order pursuant to section 21.0.1 of the OSA requiring each ATS to comply with the *Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto* (the **ATS Protocol Order**);

AND WHEREAS the Chief Executive Officer of the Commission made an application under section 144 of the OSA to temporarily vary the Exchange Protocol Orders and the ATS Protocol Order to increase the transparency of market data fee changes;

AND WHEREAS the Marketplaces received proper notice of the application, were offered an opportunity to be heard, and either consented or took no position;

AND WHEREAS after eighteen months, the Commission intends to evaluate whether to extend the increased transparency of market data fee changes;

B.1: Notices

AND WHEREAS the Commission has determined that it would not be prejudicial to the public interest to vary the Exchange Protocol Orders and the ATS Protocol Order as requested in the application, to increase the transparency of market data fee changes;

AND WHEREAS on April 3, 2024, the Commission approved the form of this Order and authorized Board Directors Mary Anne De Monte-Whelan and Hari Panday to finalize and execute this Order;

IT IS HEREBY ORDERED by the Commission pursuant to section 144 of the OSA that, from April 18, 2024 until October 23, 2025:

- (a) the exchange recognition order for Alpha Exchange Inc., TMX Group Limited, and TSX Inc. issued May 12, 2023 is varied by replacing the text of Schedule 6 with the text of Appendix A of this order;
- (b) the exchange recognition order for CBOE Canada Inc. and CBOE Global Markets, Inc. issued December 1, 2023 is varied by replacing the text of Schedule 4 with the text of Appendix A of this order;
- (c) the exchange recognition order for CNSX Markets Inc. issued May 12, 2023 is varied by replacing the text of Schedule 3 with the text of Appendix A of this order;
- (d) the exchange recognition order for Ensoleillement Inc. and Nasdaq CXC Limited issued May 12, 2023 is varied by replacing the text of Schedule 5 with the text of Appendix A of this order; and
- (e) the ATS Protocol Order for Bloomberg Tradebook Canada Company, CanDeal Markets Inc., Coinsquare Capital Markets Ltd., Instinet Canada Cross Limited, Liquidnet Canada Inc., MarketAxess Canada Company, Perimeter Markets Inc., and Tradelogiq Markets Inc. issued March 21, 2024 is varied by replacing the text of Appendix A with the text of Appendix B of this order.

DATED April 5, 2024

“Mary Anne De Monte-Whelan”
Board Director

“Hari Panday”
Board Director

APPENDIX A

PROCESS FOR THE REVIEW AND APPROVAL OF
RULES AND THE INFORMATION CONTAINED IN
FORM 21-101F1 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

- (a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.
 - (b) *Director* means "Director" as defined in subsection 1(1) of the Securities Act (Ontario).
 - (c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.
 - (d) *Fee Change subject to Public Comment* means a Fee Change that, in Staff's view, may have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.
 - (e) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that
 - (i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
 - (f) *Housekeeping Rule* means a new Rule or an amendment to a Rule that
 - (i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
 - (g) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.
 - (h) *Real-Time Market Data Fee Change* means a Fee Change that, in Staff's view, relates to a service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed, including, but not limited to, top-of-book (level 1) and depth of book (level 2), distribution, display, non-display, and applicable connectivity fees.
 - (i) *Rule* includes a rule, policy and other similar instrument of the Exchange.
 - (j) *Significant Change* means an amendment to the information in Form 21-101F1 other than
 - (i) a Housekeeping Change,
 - (ii) a Fee Change, or
 - (iii) a Rule,
- and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.
- (k) *Significant Change subject to Public Comment* means a Significant Change that
 - (i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

- (ii) in Staff's view, may have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

- (a) The Exchange may submit a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.
- (b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:
 - (i) written notice that Staff object to granting the waiver or variation; or
 - (ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Submitted and Timelines

- (a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will provide Staff with the following materials:
 - (i) a cover letter that, together with the notice for publication submitted under paragraph (a)(ii), if applicable, fully describes:
 - (A) the proposed Fee Change, Public Interest Rule or Significant Change;
 - (B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;
 - (C) the rationale for the proposal and any relevant supporting analysis;
 - (D) the expected impact, including the quantitative impact, of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;
 - (E) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law requirements and in particular requirements for fair access and maintenance of fair and orderly markets;
 - (F) a summary of any consultations, including consultations with external parties, undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, and the internal governance process followed to approve the Rule or Change;
 - (G) for a proposed Fee Change:
 - 1. the expected number of marketplace participants likely to be subject to the new fee, along with a description of the costs they will incur; and
 - 2. if the proposed Fee Change applies differently across types of marketplace participants, a description of this difference, how it impacts each class of affected marketplace participant, including, where applicable, numerical examples, and any justification for the difference in treatment.

3. In the case of a proposed Real-Time Market Data Fee Change:
 - a. a description of the methodology used to determine the proposed fee;
 - b. any analysis conducted to determine how the proposed fee compares to fees charged for similar services by other marketplaces in Canada and internationally; and
 - c. the costs of producing the product or service to which the proposed fee relates, where relevant.
- (H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with an estimate of the amount of time needed to perform the necessary work and how the estimated amount of time was deemed reasonable in light of the expected impact of the Public Interest Rule or Significant Change on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets;
- (I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;
- (J) a discussion of any alternatives considered; and
- (K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;
- (ii) for a proposed Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, a notice for publication that generally includes the information required under paragraph (a)(i), except information that, if included in the notice, would result in the public disclosure of sensitive information or confidential or proprietary financial, commercial or technical information;
- (iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and
- (iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.
- (b) The Exchange will submit the materials set out in subsection (a)
 - (i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change;
 - (ii) at least fifteen business days prior to the expected implementation date of a proposed Fee Change, other than a Real-Time Market Data Fee Change; and
 - (iii) at least 30 business days prior to the expected implementation date of a Real-Time Market Data Fee Change.
- (c) For a Housekeeping Rule, the Exchange will provide Staff with the following materials:
 - (i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;
 - (ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;
 - (iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and
 - (iv) a notice for publication on the OSC website or in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

- (d) For a Housekeeping Change, the Exchange will provide Staff with the following materials:
 - (i) a cover letter that indicates that the change was classified as a Housekeeping Change and, for each Housekeeping Change, provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and
 - (ii) blacklined and clean copies of Form 21-101F1 showing the Change.
- (e) The Exchange will submit the materials set out in subsection (d) by the earlier of
 - (i) the Exchange's close of business on the 10th calendar day after the end of the calendar quarter in which the Housekeeping Change was implemented; and
 - (ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

- (a) Within 5 business days of the receipt of the notice and materials submitted by the Exchange relating to a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a resubmission of the notice and/or materials.
- (b) Where the notice and/or materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and/or materials accordingly, and the date of resubmission will serve as the submission date for the purposes of this Protocol.
- (c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule, Significant Change Subject to Public Comment, Fee Change Subject to Public Comment, or Real-Time Market Data Fee Change

- (a) As soon as practicable after the receipt of the notice and materials submitted by the Exchange relating to a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and/or on the OSC website, the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.
- (b) Staff will publish all Real-Time Market Data Fee Changes on the OSC website as soon as practicable following receipt of the notice and materials submitted by the Exchange. The Exchange will publish the notice and materials for Real-Time Market Data Fee Changes on its website and/or through a communication to market data customers within two business days following submission to Staff. The notice must provide market participants with an opportunity to provide feedback to Staff and to the Exchange within 15 business days from the date the notice appears on the OSC website.
- (c) If public comments or feedback are received
 - (i) the Exchange will forward copies of the comments promptly to Staff; and
 - (ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period, except in the case of a Real-Time Market Data Fee Change, where the Exchange need only respond to feedback upon Staff's request.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

- (a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within
 - (i) 45 days from the date of submission of a proposed Public Interest Rule or Significant Change;
 - (ii) fifteen business days from the date of submission of a proposed Fee Change, other than a Real-Time Market Data Fee Change; and
 - (iii) 30 business days from the date of submission of a proposed Real-Time Market Data Fee Change.

B.1: Notices

- (b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).
- (c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, and promptly after the receipt of the materials submitted under section 7 for all other Changes.
- (d) The Exchange will respond to any comments received from Staff in writing.
- (e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.
- (f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:
 - (i) for a Public Interest Rule, Significant Change subject to Public Comment, or Fee Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;
 - (ii) for any other Significant Change, the later of 45 days from the date of submission of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange;
 - (iii) for a Real-Time Market Data Fee Change, the later of 30 business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or
 - (iv) for any other Fee Change, the later of fifteen business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.
- (g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),
 - (i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;
 - (ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or
 - (iii) in any other situation where, in Staff's view, Commission approval is appropriate.
- (h) Staff will promptly notify the Exchange of the decision.
- (i) If a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and/or on the OSC website promptly after the approval:
 - (i) a notice indicating that the proposed Rule or Change is approved;
 - (ii) the summary of public comments and responses prepared by the Exchange, if applicable; and
 - (iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.
- (j) If a Real-Time Market Data Fee Change is approved, the Exchange and Staff will publish a notice indicating that the proposed Change is approved on the Exchange and the OSC websites, respectively, promptly after the approval.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

- (a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard for the purposes of the *Securities Act* (Ontario) (Act) as set out in section 1.1 of the Act. The factors that Staff will consider in making their determination also include whether:
- (i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;
 - (ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;
 - (iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and
 - (iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

- (a) A Public Interest Rule or Significant Change will be effective on the later of:
- (i) the date that the Exchange is notified that the Change or Rule is approved;
 - (ii) if applicable, the date of publication of the notice of approval on the OSC website;
 - (iii) if applicable, the implementation date established by the Exchange's Rules, agreements, practices, policies or procedures; and
 - (iv) the date designated by the Exchange.
- (b) The Exchange must not implement a Fee Change unless the Exchange has provided stakeholders, including marketplace participants, issuers and vendors, as applicable, with notice of the Fee Change at least five business days prior to implementation.
- (c) Where a Significant Change involves a material change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.
- (d) In determining what constitutes a reasonable period of time for purposes of implementing a Significant Change under paragraph (c), Staff will consider how the Significant Change will impact the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns.
- (e) The Exchange must notify Staff promptly following the implementation of a Public Interest Rule, Significant Change or Fee Change that becomes effective under subsections (a) and (b).
- (f) Where the Exchange does not implement a Public Interest Rule, Significant Change or Fee Change within 180 days of the effective date of the Fee Change, Public Interest Rule or Significant Change, as provided for in subsections (a) and (b), the Public Interest Rule, Significant Change or Fee Change will be deemed to be withdrawn.

13. Significant Revisions and Republication

- (a) If, subsequent to its publication for comment or feedback, as applicable, the Exchange revises a Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period, or an additional 15 business days for feedback for a Real-Time Market Data Fee Change.
- (b) If a Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change is republished under subsection (a), the request for comments or feedback, as applicable, will include a blacklined version marked to the originally published version, a summary of comments or, where applicable, feedback, and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

- (a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.
- (b) If the notice of withdrawal relates to a Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, Staff will publish the notice of withdrawal in the OSC Bulletin and/or on the OSC website as soon as practicable.
- (c) If a Public Interest Rule, Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

- (a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of
 - (i) the date of the publication of the notice to be published on the OSC website or in the OSC Bulletin, in accordance with subsection (e), and
 - (ii) the date designated by the Exchange.
- (b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.
- (c) Staff will review the materials submitted by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange submitted the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.
- (d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, submit the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment, if applicable.
- (e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin or on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

- (a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.
- (b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible, but in any event, at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must follow within five business days following the Exchange receiving notice that Staff agree with immediate implementation of the Public Interest Rule or Significant Change.
- (c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following submission of the notice under subsection (b). If the disagreement is not resolved, the Exchange will submit the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

APPENDIX B

PROCESS FOR THE REVIEW AND APPROVAL OF
THE INFORMATION CONTAINED IN
FORM 21-101F2 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures an alternative trading system (ATS) must follow for any Change, as defined in section 2 below, and describes the procedures for its review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an ATS may begin operations following registration by the Commission.

2. Definitions

For the purposes of this Protocol:

- (a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.
- (b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).
- (c) *Fee Change* means any new fee or fee model of the ATS and any amendment to a fee or fee model.
- (d) *Fee Change subject to Public Comment* means a Fee Change that, in Staff's view, may have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.
- (e) *Housekeeping Change* means an amendment to the information in Form 21-101F2 that
 - (i) does not have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
- (f) *Real-Time Market Data Fee Change* means a Fee Change that, in Staff's view, relates to a service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed, including, but not limited to, top-of-book (level 1) and depth of book (level 2), distribution, display, non-display, and applicable connectivity fees.
- (g) *Significant Change* means an amendment to the information in Form 21-101F2 other than
 - (i) a Housekeeping Change, or
 - (ii) a Fee Change,and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.
- (h) *Significant Change subject to Public Comment* means a Significant Change that
 - (i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or
 - (ii) in Staff's view, may have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The ATS and Staff will follow the process for review and approval set out in this Protocol for all Changes.

4. Waiving or Varying the Protocol

- (a) The ATS may submit a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.
- (b) Staff will use their best efforts to provide to the ATS within five business days of receipt of its request either:

- (i) written notice that Staff object to granting the waiver or variation; or
- (ii) written notice that the waiver or variation has been granted by Staff.

5. Commencement of ATS Operations

The ATS must not begin operations until a reasonable period of time after the ATS is notified that it has been registered by the Commission.

6. Materials to be Submitted and Timelines

(a) Prior to the implementation of a Fee Change or Significant Change, the ATS will provide Staff with the following materials:

(i) a cover letter that, together with the notice for publication submitted under paragraph (a)(ii), if applicable, fully describes:

- (A) the proposed Fee Change or Significant Change;
- (B) the expected date of implementation of the proposed Fee Change or Significant Change;
- (C) the rationale for the proposal and any relevant supporting analysis;
- (D) the expected impact, including the quantitative impact, of the proposed Fee Change or Significant Change on the market structure, subscribers and, if applicable, on investors and the capital markets;
- (E) the expected impact of the Fee Change or Significant Change on the ATS's compliance with Ontario securities law requirements and in particular requirements for fair access and maintenance of fair and orderly markets;
- (F) a summary of any consultations, including consultations with external parties, undertaken in formulating the Fee Change or Significant Change, and the internal governance process followed to approve the Change;
- (G) for a proposed Fee Change:
 - 1. the expected number of marketplace participants likely to be subject to the new fee, along with a description of the costs they will incur; and
 - 2. if the proposed Fee Change applies differently across types of marketplace participants, a description of this difference, how it impacts each class of affected marketplace participant, including, where applicable, numerical examples, and any justification for the difference in treatment.
 - 3. In the case of a proposed Real-Time Market Data Fee Change:
 - a. a description of the methodology used to determine the proposed fee;
 - b. any analysis conducted to determine how the proposed fee compares to fees charged for similar services by other marketplaces in Canada and internationally; and
 - c. the costs of producing the product or service to which the proposed fee relates, where relevant.
- (H) if the Significant Change will require subscribers or service vendors to modify their systems after implementation of the Change, the expected impact of the Change on the systems of subscribers and service vendors together with an estimate of the amount of time needed to perform the necessary work and how the estimated amount of time was deemed reasonable in light of the expected impact of the Significant Change on the ATS, its market structure, subscribers, investors or the Canadian capital markets;
- (I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;
- (J) a discussion of any alternatives considered; and

- (K) if applicable, whether the proposed Fee Change or Significant Change would introduce a fee model or feature that currently exists in other markets or jurisdictions;
 - (ii) for a proposed Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, a notice for publication that generally includes the information required under paragraph (a)(i), except information that, if included in the notice, would result in the public disclosure of sensitive information or confidential or proprietary financial, commercial or technical information;
 - (iii) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F2 showing the proposed Change.
- (b) The ATS will submit the materials set out in subsection (a)
 - (i) at least 45 days prior to the expected implementation date of a proposed Significant Change;
 - (ii) at least fifteen business days prior to the expected implementation date of a proposed Fee Change, other than a Real-Time Market Data Fee Change; and
 - (iii) at least 30 business days prior to the expected implementation date of a Real-Time Market Data Fee Change.
- (c) For a Housekeeping Change, the ATS will provide Staff with the following materials:
 - (i) a cover letter that fully describes the Change and indicates that it was classified as a Housekeeping Change and, for each Housekeeping Change, provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and
 - (ii) blacklined and clean copies of Form 21-101F2 showing the Change.
- (d) The ATS will submit the materials set out in subsection (c) by the earlier of
 - (i) the ATS's close of business on the 10th calendar day after the end of the calendar quarter in which the Housekeeping Change was implemented; and
 - (ii) the date on which the ATS publicly announces a Housekeeping Change, if applicable.

7. Review by Staff of notice and materials to be published for comment

- (a) Within 5 business days of the receipt of the notice and materials submitted by the ATS relating to a Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with paragraph 6(a)(ii), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the ATS of any deficiency requiring a resubmission of the notice and/or materials.
- (b) Where the notice and/or materials are considered by Staff to be deficient, the ATS will amend and resubmit the notice and/or materials accordingly, and the date of resubmission will serve as the submission date for the purposes of this Protocol.
- (c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 8.

8. Publication of a Significant Change Subject to Public Comment, Fee Change Subject to Public Comment, or Real-Time Market Data Fee Change

- (a) As soon as practicable after the receipt of the notice and materials submitted by the ATS relating to a Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with paragraph 6(a)(ii), Staff will publish in the OSC Bulletin and/or on the OSC website, the notice prepared by the ATS, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the ATS within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.
- (b) Staff will publish all Real-Time Market Data Fee Changes on the OSC website as soon as practicable following receipt of the notice and materials submitted by the ATS. The ATS will publish the notice and materials for Real-Time Market Data Fee Changes on its website and/or through a communication to market data customers within two business days following submission to Staff. The notice must provide market participants with an opportunity to provide feedback to Staff and to the ATS within 15 business days from the date the notice appears on the OSC website.
- (c) If public comments or feedback are received

- (i) the ATS will forward copies of the comments promptly to Staff; and
- (ii) the ATS will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period, except in the case of a Real-Time Market Data Fee Change, where the ATS need only respond to feedback upon Staff's request.

9. Review and Approval Process for Proposed Fee Changes and Significant Changes

- (a) Staff will use their best efforts to complete their review of a proposed Fee Change or Significant Change within
 - (i) 45 days from the date of submission of a proposed Significant Change;
 - (ii) fifteen business days from the date of submission of a proposed Fee Change, other than a Real-Time Market Data Fee Change; and
 - (iii) 30 business days from the date of submission of a proposed Real-Time Market Data Fee Change.
- (b) Staff will notify the ATS if they anticipate that their review of the proposed Fee Change or Significant Change will exceed the timelines in subsection (a).
- (c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change or Significant Change, Staff will use best efforts to provide the ATS with a comment letter promptly by the end of the public comment period for a Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, and promptly after the receipt of the materials submitted under section 6 for all other Changes.
- (d) The ATS will respond to any comments received from Staff in writing.
- (e) Unless Staff agree to an extension of time, if the ATS fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the ATS will be deemed to have withdrawn the proposed Fee Change or Significant Change. If the ATS wishes to proceed with the Fee Change or Significant Change after it has been deemed withdrawn, the ATS will have to re-submit it for review and approval in accordance with this Protocol.
- (f) Upon completion of Staff's review of a Fee Change or Significant Change, Staff will submit the Change to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:
 - (i) for a Significant Change subject to Public Comment or Fee Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the ATS;
 - (ii) for any other Significant Change, the later of 45 days from the date of submission of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS;
 - (iii) for a Real-Time Market Data Fee Change, the later of 30 business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS; or
 - (iv) for any other Fee Change, the later of fifteen business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS.
- (g) A Fee Change or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),
 - (i) if the proposed Fee Change or Significant Change introduces a novel feature to the ATS or the capital markets;
 - (ii) if the proposed Fee Change or Significant Change raises significant regulatory or public interest concerns; or
 - (iii) in any other situation where, in Staff's view, Commission approval is appropriate.
- (h) Staff will promptly notify the ATS of the decision.
- (i) If a Significant Change subject to Public Comment or Fee Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and/or on the OSC website promptly after the approval:
 - (i) a notice indicating that the proposed Change is approved;

- (ii) the summary of public comments and responses prepared by the ATS, if applicable; and
 - (iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the ATS and a blacklined copy of the revised Change highlighting the revisions made.
- (j) If a Real-Time Market Data Fee Change is approved, the ATS and Staff will publish a notice indicating that the proposed Change is approved on the ATS and the OSC websites, respectively, promptly after the approval.

10. Review Criteria for a Fee Change and Significant Change

- (a) Staff will review a proposed Fee Change or Significant Change to assess whether it is in the public interest for the Director or the Commission to approve the Change. In making this determination, Staff will have regard for the purposes of the *Securities Act* (Ontario) (Act) as set out in section 1.1 of the Act. The factors that Staff will consider in making their determination also include whether:
- (i) the Change would impact the ATS's compliance with Ontario securities law;
 - (ii) the ATS followed its established internal governance practices in approving the proposed Change;
 - (iii) the ATS followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Change; and
 - (iv) the ATS adequately addressed any comments received.

11. Effective Date of a Fee Change or Significant Change

- (a) A Fee Change or Significant Change will be effective on the later of:
- (i) the date that the ATS is notified that the Change is approved;
 - (ii) if applicable, the date of publication of the notice of approval on the OSC website;
 - (iii) if applicable, the implementation date established by the ATSs' rules, agreements, practices, policies or procedures; and
 - (iv) the date designated by the ATS.
- (b) The ATS must not implement a Fee Change unless the ATS has provided stakeholders, including marketplace participants, issuers and vendors, as applicable, with notice of the Fee Change at least five business days prior to implementation.
- (c) Where a Significant Change involves a material change to any of the systems, operated by or on behalf of the ATS, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the ATS is notified that the Significant Change is approved.
- (d) In determining what constitutes a reasonable period of time for purposes of implementing a Significant Change under paragraph (c), Staff will consider how the Significant Change will impact the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns.
- (e) The ATS must notify Staff promptly following the implementation of a Significant Change or Fee Change that becomes effective under subsections (a) and (b).
- (f) Where the ATS does not implement a Significant Change or Fee Change within 180 days of the effective date of the Fee Change or Significant Change, as provided for in subsections (a) and (b), the Significant Change or Fee Change will be deemed to be withdrawn.

12. Significant Revisions and Republication

- (a) If, subsequent to its publication for comment or feedback, as applicable, the ATS revises a Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change in a manner that results in a material change to the proposed substance or effect of the Change, Staff will, in consultation with the ATS, determine whether or not the revised Change should be published for an additional 30-day comment period, or an additional 15 business days for feedback for a Real-Time Market Data Fee Change.
- (b) If a Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change is republished under subsection (a), the request for comments or feedback, as applicable, will include a

blacklined version marked to the originally published version, a summary of comments or, where applicable, feedback, and responses prepared by the ATS, and an explanation of the revisions and the supporting rationale for the revisions.

13. Withdrawal of a Fee Change or Significant Change

- (a) If the ATS withdraws a Fee Change or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.
- (b) If the notice of withdrawal relates to a Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, Staff will publish the notice of withdrawal in the OSC Bulletin and/or on the OSC website as soon as practicable.
- (c) If a Significant Change subject to Public Comment, Fee Change subject to Public Comment, or Real-Time Market Data Fee Change is deemed to have been withdrawn as provided in subsection 9(e), Staff will prepare and publish a notice informing market participants that the ATS did not proceed with the Change.

14. Effective Date of a Housekeeping Change

- (a) Subject to subsections (b) and (c), a Housekeeping Change will be effective on the date designated by the ATS.
- (b) Staff will review the materials submitted by the ATS for a Housekeeping Change to assess the appropriateness of the categorization of the Change as housekeeping within five business days from the date that the ATS submitted the documents in accordance with subsections 6(c) and 6(d). The ATS will be notified in writing if there is disagreement with respect to the categorization of the Change as housekeeping.
- (c) If Staff disagree with the categorization of the Change as housekeeping, the ATS will immediately repeal the Change, submit the proposed Change as a Significant Change, and follow the review and approval process described in this Protocol as applying to a Significant Change, including those processes applicable to a Significant Change subject to Public Comment, if applicable.

15. Immediate Implementation of a Significant Change

- (a) The ATS may need to make a Significant Change effective immediately where the ATS determines that there is an urgent need to implement the Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the ATS, its subscribers, other market participants or investors.
- (b) When the ATS determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible, but in any event, at least five business days prior to the proposed implementation of the Significant Change. The written notice will include the expected effective date of the Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must follow within five business days following the ATS receiving notice that Staff agree with immediate implementation of the Significant Change.
- (c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the ATS, in writing, of the disagreement no later than the end of the third business day following submission of the notice under subsection (b). If the disagreement is not resolved, the ATS will submit the Significant Change in accordance with the timelines in section 6.

16. Review of a Significant Change Implemented Immediately

A Significant Change that has been implemented immediately in accordance with section 15 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 9, with necessary modifications. If the Director or the Commission does not approve the Significant Change, the ATS will immediately repeal the Change and inform its subscribers of the decision.

17. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under section 21.0.1 of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Change having been approved under this Protocol.

**PROCESS FOR THE REVIEW AND APPROVAL OF
RULES AND THE INFORMATION CONTAINED IN
FORM 21-101F1 AND THE EXHIBITS THERETO**

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

- (a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.
 - (b) *Director* means "Director" as defined in subsection 1(1) of the Securities Act (Ontario).
 - (c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.
 - (d) *Fee Change subject to Public Comment* means a Fee Change that, in Staff's view, may have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.
 - (e) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that
 - (i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
 - (f) *Housekeeping Rule* means a new Rule or an amendment to a Rule that
 - (i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
 - (g) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.
 - (h) *Real-Time Market Data Fee Change* means a Fee Change that, in Staff's view, relates to a service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed, including, but not limited to, top-of-book (level 1) and depth of book (level 2), distribution, display, non-display, and applicable connectivity fees.
 - (i) ~~(h)~~ *Rule* includes a rule, policy and other similar instrument of the Exchange.
 - (j) ~~(i)~~ *Significant Change* means an amendment to the information in Form 21-101F1 other than
 - (i) a Housekeeping Change,
 - (ii) a Fee Change, or
 - (iii) a Rule,
- and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.
- (k) ~~(j)~~ *Significant Change subject to Public Comment* means a Significant Change that
 - (i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or
 - (ii) in Staff's view, may have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

- (a) The Exchange may submit a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.
- (b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:
 - (i) written notice that Staff object to granting the waiver or variation; or
 - (ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Submitted and Timelines

- (a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will provide Staff with the following materials:
 - (i) a cover letter that, together with the notice for publication submitted under paragraph (a)(ii), if applicable, fully describes:
 - (A) the proposed Fee Change, Public Interest Rule or Significant Change;
 - (B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;
 - (C) the rationale for the proposal and any relevant supporting analysis;
 - (D) the expected impact, including the quantitative impact, of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;
 - (E) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law requirements and in particular requirements for fair access and maintenance of fair and orderly markets;
 - (F) a summary of any consultations, including consultations with external parties, undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, and the internal governance process followed to approve the Rule or Change;
 - (G) for a proposed Fee Change:
 - 1. the expected number of marketplace participants likely to be subject to the new fee, along with a description of the costs they will incur; and
 - 2. if the proposed Fee Change applies differently across types of marketplace participants, a description of this difference, how it impacts each class of affected marketplace participant, including, where applicable, numerical examples, and any justification for the difference in treatment.
- [3. In the case of a proposed Real-Time Market Data Fee Change:](#)
- [a. a description of the methodology used to determine the proposed fee:](#)

- (ii) blacklined and clean copies of Form 21-101F1 showing the Change.
- (e) The Exchange will submit the materials set out in subsection (d) by the earlier of
 - (i) the Exchange's close of business on the 10th calendar day after the end of the calendar quarter in which the Housekeeping Change was implemented; and
 - (ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

- (a) Within 5 business days of the receipt of the notice and materials submitted by the Exchange relating to a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a resubmission of the notice and/or materials.
- (b) Where the notice and/or materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and/or materials accordingly, and the date of resubmission will serve as the submission date for the purposes of this Protocol.
- (c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule, Significant Change Subject to Public Comment ~~or~~, Fee Change Subject to Public Comment, or Real-Time Market Data Fee Change

- (a) As soon as practicable after the receipt of the notice and materials submitted by the Exchange relating to a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and/or on the OSC website, the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) Staff will publish all Real-Time Market Data Fee Changes on the OSC website as soon as practicable following receipt of the notice and materials submitted by the Exchange. The Exchange will publish the notice and materials for Real-Time Market Data Fee Changes on its website and/or through a communication to market data customers within two business days following submission to Staff. The notice must provide market participants with an opportunity to provide feedback to Staff and to the Exchange within 15 business days from the date the notice appears on the OSC website.

(c) ~~(b)~~ If public comments or feedback are received

- (i) the Exchange will forward copies of the comments promptly to Staff; and
- (ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period, except in the case of a Real-Time Market Data Fee Change, where the Exchange need only respond to feedback upon Staff's request.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

- (a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within
 - (i) 45 days from the date of submission of a proposed Public Interest Rule or Significant Change; ~~and~~
 - (ii) fifteen business days from the date of submission of a proposed Fee Change, other than a Real-Time Market Data Fee Change; and
 - (iii) 30 business days from the date of submission of a proposed Real-Time Market Data Fee Change.
- (b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).
- (c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule, Significant Change subject to Public

Comment-~~or~~_z Fee Change subject to Public Comment, or Real-Time Market Data Fee Change, and promptly after the receipt of the materials submitted under section 7 for all other Changes.

- (d) The Exchange will respond to any comments received from Staff in writing.
- (e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.
- (f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:
 - (i) for a Public Interest Rule, Significant Change subject to Public Comment_z or Fee Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;
 - (ii) for any other Significant Change, the later of 45 days from the date of submission of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange;
 - (iii) for a Real-Time Market Data Fee Change, the later of 30 business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or
 - (iv) ~~(iii)~~ for any other Fee Change, the later of fifteen business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.
- (g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),
 - (i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;
 - (ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or
 - (iii) in any other situation where, in Staff's view, Commission approval is appropriate.
- (h) Staff will promptly notify the Exchange of the decision.
- (i) If a Public Interest Rule, Significant Change subject to Public Comment or Fee Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and/or on the OSC website promptly after the approval:
 - (i) a notice indicating that the proposed Rule or Change is approved;
 - (ii) the summary of public comments and responses prepared by the Exchange, if applicable; and
 - (iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.
- (j) If a Real-Time Market Data Fee Change is approved, the Exchange and Staff will publish a notice indicating that the proposed Change is approved on the Exchange and the OSC websites, respectively, promptly after the approval.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

- (a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard for the purposes of the *Securities Act* (Ontario) (Act) as set out in section 1.1 of the Act. The factors that Staff will consider in making their determination also include whether:
 - (i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

- (ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;
- (iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and
- (iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

- (a) A Public Interest Rule or Significant Change will be effective on the later of:
 - (i) the date that the Exchange is notified that the Change or Rule is approved;
 - (ii) if applicable, the date of publication of the notice of approval on the OSC website;
 - (iii) if applicable, the implementation date established by the Exchange's Rules, agreements, practices, policies or procedures; and
 - (iv) the date designated by the Exchange.
- (b) The Exchange must not implement a Fee Change unless the Exchange has provided stakeholders, including marketplace participants, issuers and vendors, as applicable, with notice of the Fee Change at least five business days prior to implementation.
- (c) Where a Significant Change involves a material change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.
- (d) In determining what constitutes a reasonable period of time for purposes of implementing a Significant Change under paragraph (c), Staff will consider how the Significant Change will impact the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns.
- (e) The Exchange must notify Staff promptly following the implementation of a Public Interest Rule, Significant Change or Fee Change that becomes effective under subsections (a) and (b).
- (f) Where the Exchange does not implement a Public Interest Rule, Significant Change or Fee Change within 180 days of the effective date of the Fee Change, Public Interest Rule or Significant Change, as provided for in subsections (a) and (b), the Public Interest Rule, Significant Change or Fee Change will be deemed to be withdrawn.

13. Significant Revisions and Republication

- (a) If, subsequent to its publication for comment or feedback, as applicable, the Exchange revises a Public Interest Rule, Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment or Real-Time Market Data Fee Change in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period or an additional 15 business days for feedback for a Real-Time Market Data Fee Change.
- (b) If a Public Interest Rule, Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment or Real-Time Market Data Fee Change is republished under subsection (a), the request for comments or feedback, as applicable, will include a blacklined version marked to the originally published version, a summary of comments or, where applicable, feedback, and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

- (a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.
- (b) If the notice of withdrawal relates to a Public Interest Rule, Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment or Real-Time Market Data Fee Change, Staff will publish the notice of withdrawal in the OSC Bulletin and/or on the OSC website as soon as practicable.
- (c) If a Public Interest Rule, Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment or Real-Time Market Data Fee Change is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

- (a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of
 - (i) the date of the publication of the notice to be published on the OSC website or in the OSC Bulletin, in accordance with subsection (e), and
 - (ii) the date designated by the Exchange.
- (b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.
- (c) Staff will review the materials submitted by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange submitted the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.
- (d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, submit the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment, if applicable.
- (e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin or on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

- (a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.
- (b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible, but in any event, at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must follow within five business days following the Exchange receiving notice that Staff agree with immediate implementation of the Public Interest Rule or Significant Change.
- (c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following submission of the notice under subsection (b). If the disagreement is not resolved, the Exchange will submit the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

**PROCESS FOR THE REVIEW AND APPROVAL OF
THE INFORMATION CONTAINED IN
FORM 21-101F2 AND THE EXHIBITS THERETO**

1. Purpose

This Protocol sets out the procedures an alternative trading system (ATS) must follow for any Change, as defined in section 2 below, and describes the procedures for its review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an ATS may begin operations following registration by the Commission.

2. Definitions

For the purposes of this Protocol:

- (a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.
- (b) *Director* means "Director" as defined in subsection 1(1) of the *Securities Act* (Ontario).
- (c) *Fee Change* means any new fee or fee model of the ATS and any amendment to a fee or fee model.
- (d) *Fee Change subject to Public Comment* means a Fee Change that, in Staff's view, may have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.
- (e) *Housekeeping Change* means an amendment to the information in Form 21-101F2 that
 - (i) does not have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets, or
 - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
- (f) [Real-Time Market Data Fee Change means a Fee Change that, in Staff's view, relates to a service which impacts the access to order and trade information that is distributed immediately after an order has been entered, amended, or cancelled or a trade has been executed, including, but not limited to, top-of-book \(level 1\) and depth of book \(level 2\), distribution, display, non-display, and applicable connectivity fees.](#)
- (g) ~~(g)~~ *Significant Change* means an amendment to the information in Form 21-101F2 other than
 - (i) a Housekeeping Change, or
 - (ii) a Fee Change,and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.
- (h) ~~(h)~~ *Significant Change subject to Public Comment* means a Significant Change that
 - (i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or
 - (ii) in Staff's view, may have a significant impact on the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The ATS and Staff will follow the process for review and approval set out in this Protocol for all Changes.

4. Waiving or Varying the Protocol

- (a) The ATS may submit a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.
- (b) Staff will use their best efforts to provide to the ATS within five business days of receipt of its request either:
 - (i) written notice that Staff object to granting the waiver or variation; or

- (ii) written notice that the waiver or variation has been granted by Staff.

5. Commencement of ATS Operations

The ATS must not begin operations until a reasonable period of time after the ATS is notified that it has been registered by the Commission.

6. Materials to be Submitted and Timelines

- (a) Prior to the implementation of a Fee Change or Significant Change, the ATS will provide Staff with the following materials:
 - (i) a cover letter that, together with the notice for publication submitted under paragraph (a)(ii), if applicable, fully describes:
 - (A) the proposed Fee Change or Significant Change;
 - (B) the expected date of implementation of the proposed Fee Change or Significant Change;
 - (C) the rationale for the proposal and any relevant supporting analysis;
 - (D) the expected impact, including the quantitative impact, of the proposed Fee Change or Significant Change on the market structure, subscribers and, if applicable, on investors and the capital markets;
 - (E) the expected impact of the Fee Change or Significant Change on the ATS's compliance with Ontario securities law requirements and in particular requirements for fair access and maintenance of fair and orderly markets;
 - (F) a summary of any consultations, including consultations with external parties, undertaken in formulating the Fee Change or Significant Change, and the internal governance process followed to approve the Change;
 - (G) for a proposed Fee Change:
 - 1. the expected number of marketplace participants likely to be subject to the new fee, along with a description of the costs they will incur; and
 - 2. if the proposed Fee Change applies differently across types of marketplace participants, a description of this difference, how it impacts each class of affected marketplace participant, including, where applicable, numerical examples, and any justification for the difference in treatment.
 - 3. [In the case of a proposed Real-Time Market Data Fee Change:](#)
 - a. [a description of the methodology used to determine the proposed fee;](#)
 - b. [any analysis conducted to determine how the proposed fee compares to fees charged for similar services by other marketplaces in Canada and internationally; and](#)
 - c. [the costs of producing the product or service to which the proposed fee relates, where relevant.](#)
 - (H) if the Significant Change will require subscribers or service vendors to modify their systems after implementation of the Change, the expected impact of the Change on the systems of subscribers and service vendors together with an estimate of the amount of time needed to perform the necessary work and how the estimated amount of time was deemed reasonable in light of the expected impact of the Significant Change on the ATS, its market structure, subscribers, investors or the Canadian capital markets;
 - (I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;
 - (J) a discussion of any alternatives considered; and

- (K) if applicable, whether the proposed Fee Change or Significant Change would introduce a fee model or feature that currently exists in other markets or jurisdictions;
 - (ii) for a proposed Significant Change subject to Public Comment ~~or~~, Fee Change subject to Public Comment, [or Real-Time Market Data Fee Change](#), a notice for publication that generally includes the information required under paragraph (a)(i), except information that, if included in the notice, would result in the public disclosure of sensitive information or confidential or proprietary financial, commercial or technical information;
 - (iii) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F2 showing the proposed Change.
- (b) The ATS will submit the materials set out in subsection (a)
- (i) at least 45 days prior to the expected implementation date of a proposed Significant Change; ~~and~~
 - (ii) at least fifteen business days prior to the expected implementation date of a proposed Fee Change, [other than a Real-Time Market Data Fee Change; and](#)
 - [\(iii\) at least 30 business days prior to the expected implementation date of a Real-Time Market Data Fee Change.](#)
- (c) For a Housekeeping Change, the ATS will provide Staff with the following materials:
- (i) a cover letter that fully describes the Change and indicates that it was classified as a Housekeeping Change and, for each Housekeeping Change, provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and
 - (ii) blacklined and clean copies of Form 21-101F2 showing the Change.
- (d) The ATS will submit the materials set out in subsection (c) by the earlier of
- (i) the ATS's close of business on the 10th calendar day after the end of the calendar quarter in which the Housekeeping Change was implemented; and
 - (ii) the date on which the ATS publicly announces a Housekeeping Change, if applicable.

7. Review by Staff of notice and materials to be published for comment

- (a) Within 5 business days of the receipt of the notice and materials submitted by the ATS relating to a Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with paragraph 6(a)(ii), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the ATS of any deficiency requiring a resubmission of the notice and/or materials.
- (b) Where the notice and/or materials are considered by Staff to be deficient, the ATS will amend and resubmit the notice and/or materials accordingly, and the date of resubmission will serve as the submission date for the purposes of this Protocol.
- (c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 8.

8. Publication of a Significant Change Subject to Public Comment ~~or~~, Fee Change Subject to Public Comment, [or Real-Time Market Data Fee Change](#)

- (a) As soon as practicable after the receipt of the notice and materials submitted by the ATS relating to a Significant Change subject to Public Comment or Fee Change subject to Public Comment, in accordance with paragraph 6(a)(ii), Staff will publish in the OSC Bulletin and/or on the OSC website, the notice prepared by the ATS, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the ATS within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

[\(b\) Staff will publish all Real-Time Market Data Fee Changes on the OSC website as soon as practicable following receipt of the notice and materials submitted by the ATS. The ATS will publish the notice and materials for Real-Time Market Data Fee Changes on its website and/or through a communication to market data customers within two business days following submission to Staff. The notice must provide market participants with an opportunity to provide feedback to Staff and to the ATS within 15 business days from the date the notice appears on the OSC website.](#)

[\(c\) ~~\(b\)~~ If public comments \[or feedback\]\(#\) are received](#)

- (i) the ATS will forward copies of the comments promptly to Staff; and
- (ii) the ATS will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period, [except in the case of a Real-Time Market Data Fee Change, where the ATS need only respond to feedback upon Staff's request.](#)

9. Review and Approval Process for Proposed Fee Changes and Significant Changes

- (a) Staff will use their best efforts to complete their review of a proposed Fee Change or Significant Change within
 - (i) 45 days from the date of submission of a proposed Significant Change; ~~and~~
 - (ii) fifteen business days from the date of submission of a proposed Fee Change, [other than a Real-Time Market Data Fee Change; and](#)
 - ~~(iii)~~ [30 business days from the date of submission of a proposed Real-Time Market Data Fee Change.](#)
- (b) Staff will notify the ATS if they anticipate that their review of the proposed Fee Change or Significant Change will exceed the timelines in subsection (a).
- (c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change or Significant Change, Staff will use best efforts to provide the ATS with a comment letter promptly by the end of the public comment period for a Significant Change subject to Public Comment ~~or~~, Fee Change subject to Public Comment, [or Real-Time Market Data Fee Change](#), and promptly after the receipt of the materials submitted under section 6 for all other Changes.
- (d) The ATS will respond to any comments received from Staff in writing.
- (e) Unless Staff agree to an extension of time, if the ATS fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the ATS will be deemed to have withdrawn the proposed Fee Change or Significant Change. If the ATS wishes to proceed with the Fee Change or Significant Change after it has been deemed withdrawn, the ATS will have to re-submit it for review and approval in accordance with this Protocol.
- (f) Upon completion of Staff's review of a Fee Change or Significant Change, Staff will submit the Change to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:
 - (i) for a Significant Change subject to Public Comment or Fee Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the ATS;
 - (ii) for any other Significant Change, the later of 45 days from the date of submission of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS;
 - ~~(iii)~~ [for a Real-Time Market Data Fee Change, the later of 30 business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS;](#) or
 - ~~(iv)~~ [for any other Fee Change, the later of fifteen business days from the date of submission of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the ATS.](#)
- (g) A Fee Change or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),
 - (i) if the proposed Fee Change or Significant Change introduces a novel feature to the ATS or the capital markets;
 - (ii) if the proposed Fee Change or Significant Change raises significant regulatory or public interest concerns; or
 - (iii) in any other situation where, in Staff's view, Commission approval is appropriate.
- (h) Staff will promptly notify the ATS of the decision.
- (i) If a Significant Change subject to Public Comment or Fee Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and/or on the OSC website promptly after the approval:
 - (i) a notice indicating that the proposed Change is approved;

- (ii) the summary of public comments and responses prepared by the ATS, if applicable; and
- (iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the ATS and a blacklined copy of the revised Change highlighting the revisions made.

[\(j\) If a Real-Time Market Data Fee Change is approved, the ATS and Staff will publish a notice indicating that the proposed Change is approved on the ATS and the OSC websites, respectively, promptly after the approval.](#)

10. Review Criteria for a Fee Change and Significant Change

- (a) Staff will review a proposed Fee Change or Significant Change to assess whether it is in the public interest for the Director or the Commission to approve the Change. In making this determination, Staff will have regard for the purposes of the *Securities Act* (Ontario) (Act) as set out in section 1.1 of the Act. The factors that Staff will consider in making their determination also include whether:
 - (i) the Change would impact the ATS's compliance with Ontario securities law;
 - (ii) the ATS followed its established internal governance practices in approving the proposed Change;
 - (iii) the ATS followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Change; and
 - (iv) the ATS adequately addressed any comments received.

11. Effective Date of a Fee Change or Significant Change

- (a) A Fee Change or Significant Change will be effective on the later of:
 - (i) the date that the ATS is notified that the Change is approved;
 - (ii) if applicable, the date of publication of the notice of approval on the OSC website;
 - (iii) if applicable, the implementation date established by the ATSs' rules, agreements, practices, policies or procedures; and
 - (iv) the date designated by the ATS.
- (b) The ATS must not implement a Fee Change unless the ATS has provided stakeholders, including marketplace participants, issuers and vendors, as applicable, with notice of the Fee Change at least five business days prior to implementation.
- (c) Where a Significant Change involves a material change to any of the systems, operated by or on behalf of the ATS, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the ATS is notified that the Significant Change is approved.
- (d) In determining what constitutes a reasonable period of time for purposes of implementing a Significant Change under paragraph (c), Staff will consider how the Significant Change will impact the ATS, its market structure, subscribers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns.
- (e) The ATS must notify Staff promptly following the implementation of a Significant Change or Fee Change that becomes effective under subsections (a) and (b).
- (f) Where the ATS does not implement a Significant Change or Fee Change within 180 days of the effective date of the Fee Change or Significant Change, as provided for in subsections (a) and (b), the Significant Change or Fee Change will be deemed to be withdrawn.

12. Significant Revisions and Republication

- (a) If, subsequent to its publication for comment [or feedback, as applicable](#), the ATS revises a Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment [or Real-Time Market Data Fee Change](#) in a manner that results in a material change to the proposed substance or effect of the Change, Staff will, in consultation with the ATS, determine whether or not the revised Change should be published for an additional 30-day comment period, [or an additional 15 business days for feedback for a Real-Time Market Data Fee Change](#).
- (b) If a Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment [or Real-Time Market Data Fee Change](#) is republished under subsection (a), the request for comments [or feedback, as applicable](#), will include

a blacklined version marked to the originally published version, a summary of comments [or, where applicable, feedback](#), and responses prepared by the ATS, and an explanation of the revisions and the supporting rationale for the revisions.

13. Withdrawal of a Fee Change or Significant Change

- (a) If the ATS withdraws a Fee Change or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.
- (b) If the notice of withdrawal relates to a Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment, [or Real-Time Market Data Fee Change](#), Staff will publish the notice of withdrawal in the OSC Bulletin and/or on the OSC website as soon as practicable.
- (c) If a Significant Change subject to Public Comment ~~or~~ Fee Change subject to Public Comment, [or Real-Time Market Data Fee Change](#) is deemed to have been withdrawn as provided in subsection 9(e), Staff will prepare and publish a notice informing market participants that the ATS did not proceed with the Change.

14. Effective Date of a Housekeeping Change

- (a) Subject to subsections (b) and (c), a Housekeeping Change will be effective on the date designated by the ATS.
- (b) Staff will review the materials submitted by the ATS for a Housekeeping Change to assess the appropriateness of the categorization of the Change as housekeeping within five business days from the date that the ATS submitted the documents in accordance with subsections 6(c) and 6(d). The ATS will be notified in writing if there is disagreement with respect to the categorization of the Change as housekeeping.
- (c) If Staff disagree with the categorization of the Change as housekeeping, the ATS will immediately repeal the Change, submit the proposed Change as a Significant Change, and follow the review and approval process described in this Protocol as applying to a Significant Change, including those processes applicable to a Significant Change subject to Public Comment, if applicable.

15. Immediate Implementation of a Significant Change

- (a) The ATS may need to make a Significant Change effective immediately where the ATS determines that there is an urgent need to implement the Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the ATS, its subscribers, other market participants or investors.
- (b) When the ATS determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible, but in any event, at least five business days prior to the proposed implementation of the Significant Change. The written notice will include the expected effective date of the Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must follow within five business days following the ATS receiving notice that Staff agree with immediate implementation of the Significant Change.
- (c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the ATS, in writing, of the disagreement no later than the end of the third business day following submission of the notice under subsection (b). If the disagreement is not resolved, the ATS will submit the Significant Change in accordance with the timelines in section 6.

16. Review of a Significant Change Implemented Immediately

A Significant Change that has been implemented immediately in accordance with section 15 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 9, with necessary modifications. If the Director or the Commission does not approve the Significant Change, the ATS will immediately repeal the Change and inform its subscribers of the decision.

17. Application of Section 21 of the *Securities Act* (Ontario)

The Commission's powers under section 21.0.1 of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Change having been approved under this Protocol.

APPENDIX C

Mandate of the Industry Committee on Data Fees Methodology

I. Background

The Data Fees Methodology (DFM) is used to assess marketplace compliance with the fair access requirements set out in section 5.1 of National Instrument 21-101 *Marketplace Operation (NI 21-101)* when setting or changing the fees charged to professional users for access to and use of real-time market data products (i.e., Level 1 and Level 2 products). It was formalized in 2016 and is applied on an annual and ad-hoc basis (when there are fee changes submitted) to review these fees.

II. Mandate⁹

The Mandate of the Industry Committee on DFM (the **DFM Committee**) is to prepare a report (the **DFM Report**) that answers the following questions:

1. *Should a DFM continue to be used to assess the Level 1 and Level 2 real-time market data fees charged by marketplaces to professional users?* If the DFM Committee determines that the DFM should no longer be used, it should provide to the CSA an alternative approach to assessing the fairness and reasonability of these fees in the context of the Canadian market and international developments.
2. *Are the pre- and post-trade metrics currently used by the DFM appropriate given ongoing market developments?* The DFM Committee should reevaluate the pre- and post-trade metrics included in the DFM formulas, as well as other inputs to determine what changes, if any, are necessary to improve the fairness of the DFM, focusing on Level 1 and Level 2 products.
3. *Are the formulas currently used to rank marketplaces (i.e., based on their contribution to price discovery and trading activity) appropriate given ongoing market developments?* The DFM Committee should reevaluate the formulas used by the DFM to determine whether the weightings allocated to the pre- and post-trade metrics used in each formula continues to be appropriate or should be adjusted due to the addition or deletion of certain pre- and post-trade metrics or changes to the original formulas.
4. *Is the calculation of the reference points (i.e., benchmarks by listing market) appropriate? Should the DFM continue to rely on domestic reference points, or are international reference points more appropriate?* The DFM Committee should consider whether the current approach should be carried forward or adjusted. If the DFM Committee proposes to adjust the approach, then a method of calculation should be proposed, in line with the current fee structure of the Canadian market and considering international developments.
5. *Should the CSA introduce different DFMs for senior and junior markets?* The DFM Committee should consider, discuss, and explain why these markets should or should not be treated differently. If the DFM Committee concludes that senior and junior markets should have different DFMs, the Committee should advise what different pre- and post-trade metrics should be used, along with any differences in the formulas to be applied, and any other considerations.

We also welcome the DFM Committee to identify additional questions or issues for their analysis for CSA Staff's consideration.

In addition to the answers pertaining to the questions about DFM, we welcome the DFM Committee's views on whether,

- *Marketplaces should be permitted to charge different fees to non-Canadian real-time market data subscribers than those charged to Canadian subscribers for the same market data?* In this context, the DFM Committee should provide its views on why charging different fees based on the geographical location of the subscriber should be permitted going forward.
- *Additional methodologies should be created to assess other fees (i.e., display, non-display, distribution, connectivity, colocation and other fees) that are associated with the access to and use of RTMD?* In this context, the DFM Committee should provide its views on what approach could be taken to develop additional methodologies to review these fees. If the DFM Committee agrees that the DFM should apply to other RTMD fees, then the CSA may consider setting this up as an additional project going forward.

III. Considerations

- The report of the DFM committee will be considered by the CSA in reaching a decision regarding the use of the DFM;

⁹ We note that CSA Staff may choose to send additional questions or issues to the DFM Committee throughout the period of this mandate.

B.1: Notices

- The securities regulatory authorities (**SRAs**) will conduct their own assessment of the DFM in parallel with the DFM Committee to explore and test changes to the DFM using regulatory data;
- The SRAs may conduct additional work, separately from the DFM committee, that may result in interim changes to the DFM or its application, pending the CSA's decision regarding the continued use of the DFM; and
- Any DFM(s) generated either by the proposals of the DFM Committee or the regulatory assessment will be published for comment in the normal course.

IV. *Process*

The DFM Report should be presented to the CSA by no later than [enter date] and will be published in due course.

The DFM Report will present recommendations to the CSA regarding potential solutions to the questions identified in the mandate.

We expect the recommendations to be determined by a majority of the members of the DFM Committee, with the opportunity to include dissenting opinion(s) in the DFM Report, if applicable.

Meetings by the DFM Committee will be led by a consultant retained by the CSA who will act as the Chair of the DFM Committee and will cover the following topics:

1. Introduction of the issues
2. Discussion of the mandate
3. Propose recommendations
4. Finalizing the DFM Report and presentation to the CSA

V. *The DFM Committee Members*

APPENDIX D

Mandate of the Industry Committee on Facilitating Access to Consolidated Real-Time Market Data Products by Retail Investors and Retail Investor Advisers

I. Background

The securities regulatory authorities (**SRAs**) in Canada are of the view that retail investors and their advisers should have access to consolidated real-time market data (**RTMD**) products to make informed investment and trading decisions. This view is supported by several market participants that indicated either in comments submitted to CSA Consultation Paper 21-403 *Access to Real-Time Market Data* (the **Consultation Paper**) or through discussions with CSA Staff, that they would support the access to and use of consolidated RTMD products, at a reasonable cost, to retail clients and investment advisers.

This concept was explored during interviews conducted by CSA Staff with stakeholders prior to the publication of the Consultation Paper. Interviewees generally indicated at that time that they did not believe that retail investors and their advisers lack access to consolidated market data. Their responses instead suggested that access to consolidated data is provided based on balancing the needs and costs of such access.

Given feedback obtained more recently following publication of the Consultation Paper and the ongoing view of the SRAs, CSA Staff is proposing to create an industry committee to further explore the creation of a commercial, legal and possibly technical framework that would provide incentives or at least remove barriers for dealers to offer consolidated RTMD product(s) to retail investors and their advisers.

II. Mandate¹⁰

The Mandate of the Industry Committee on Facilitating Access to Consolidated RTMD Products by Retail Investors and Their Advisers (the **Retail Committee**) is to prepare a report (the **Retail Report**) that will:

- Provide analysis, quantitative or otherwise, aggregated at the level considered appropriate by the Retail Committee, that shows the gaps in access to consolidated data by retail clients and their advisers; and
- Identify barriers to access to consolidated market data products by retail investors and their advisers as well as the best approach to minimize or, where possible, remove these barriers.

If the Retail Committee concludes that there is sufficient rationale for introducing a retail focused consolidated RTMD product, the committee should, among other things:

1. Recommend and provide a rationale for what information should be included in the Consolidated RTMD Retail Product(s);
2. Recommend a method to establish the fees to be charged for the Consolidated RTMD Retail Product(s), including a review process or a mechanism to allow for future adjustments, as the case may be. Provide supporting analysis for the recommended method and describe any alternatives considered and why they were ultimately rejected;
3. Recommend a method to allocate revenues collected from the distribution and use of Consolidated RTMD Retail Product(s), as well as how the collection and allocation of revenues to marketplaces should be managed; and
4. Recommend how best to promote access by retail investors and their advisers to the Consolidated RTMD Retail Product(s) and whether such availability should be mandated.

We also welcome the Retail Committee to identify additional questions and/or issues for their analysis for CSA Staff's consideration.

III. Considerations

- The Retail Report provided by the Retail Committee will be used by CSA Staff to determine the industry's views regarding the creation, adoption, and implementation of the Consolidated RTMD Retail Product(s);
- The decision on whether to defer or continue the work on the implementation of the Retail Committee's recommendations is that of the CSA; and
- If the CSA decides to move forward with the Retail Committee's recommendations, the implementation of the recommendations will be published for comment in the normal course.

¹⁰ We note that CSA Staff may choose to send additional questions or issues to the Retail Committee throughout the period of this mandate.

B.1: Notices

IV. Process

The Retail Report is to be presented to the CSA by no later than [enter date] and will be published in due course.

The Retail Report will present analysis and recommendations to the CSA regarding the items identified in the Retail Committee mandate.

We expect the recommendations to be supported by a majority of the members of the Retail Committee, with the opportunity to include dissenting opinion(s) in the Retail Report, if applicable.

Meetings by the Retail Committee will be led by a consultant retained by the CSA who will act as Chair of the Retail Committee and will cover the following topics:

1. Introduction of expectations
2. Debate of the issues
3. Discuss recommendations for each of the themes identified in the mandate
4. Propose recommendations
5. Finalizing the Retail Report and presentation to the CSA

V. The Retail Committee Members

APPENDIX E

Mandate of the Industry Committee on Standardization of Terms and Definitions to Consolidated Data Agreements

I. Background

Concerns have been raised by market participants about the increasing costs and inefficiency of managing and administering contractual relationships with multiple marketplaces to gain and maintain access to consolidated and non-consolidated real-time market data (**RTMD**). In addition, market participants have raised concerns about the variation in the language used in data access contracts and the differences in interpretation of similar language.

Inconsistencies between the definitions of key terms in the application of data policies or in the application of product bundles and packages can and does have implications for participants' costs and the market data that they choose to consume. Inconsistencies may be present both between marketplaces and even by the same marketplace from year to year.

II. Mandate¹¹

The Mandate of the Industry Committee on Standardization of Terms and Definitions to Consolidated Data Agreements (the **Standardization Committee**) is to:

1. Identify the terms and definitions that should be standardized in the context of access to and use of consolidated and non-consolidated RTMD products. The Standardization Committee should review all marketplace data agreements that provide access to each marketplace's RTMD products and compare the terms and definitions used in these contracts to identify those which may cause issues from an implementation perspective (i.e., use cases);¹²
2. Examine any standardized terms and definitions that are used internationally with regard to RTMD and determine if such terminology would be appropriate for the Canadian marketplaces;
3. Propose standardized definitions for all terms identified to be harmonized. The description of these defined terms should include examples of use cases and means of reporting by market participants, as well as justification for how the term was determined;
4. Propose an adoption and implementation plan for the standardized definitions (i.e., assess whether such terminology should be mandated or implemented voluntarily through industry contracts); and
5. The information provided in steps 3 and 4 should be set out in a report (the **Standardization Report**) to be provided to the CSA and made publicly available.

We also welcome the Standardization Committee to identify additional questions and/or issues for their analysis for CSA Staff's consideration.

III. Considerations

- The Standardization Committee should focus on identifying those key terms and definitions directly related to the receipt and use of RTMD products;
- The recommendations of the Standardization Committee will be considered by the CSA in reaching a decision on whether to mandate the adoption of the key terms and definitions proposed by the Standardization Committee; and
- Mandating the adoption and implementation of standardized terms and definitions does not mean that marketplaces must charge fees in each category.

IV. Process

The Standardization Report is to be presented to the CSA by [enter date] and published in due course.

The Standardization Report will present recommendations to the CSA regarding the terms and definitions that should be standardized and propose an adoption and implementation plan. It should also discuss the advantages and disadvantages to both marketplaces and market participants relating to the adoption and implementation of the proposed terms and definitions.

¹¹ We note that CSA Staff may choose to send additional questions or issues to the Standardization Committee throughout the period of this mandate.

¹² In CSA Consultation Paper 21-403 *Access to Real-Time Market Data*, CSA Staff indicated that in scope terms and definitions could include the terms used for: (i) end-use categories (e.g., pro- and non-pro subscribers), (ii) non-display use categories, (iii) internal versus external distribution, and (iv) real-time versus delayed data. The Standardization Committee may propose additional terms and definitions for review.

B.1: Notices

We expect the recommendations to be determined by majority of the members of the Standardization Committee, with the opportunity to include dissenting opinion(s) in the Standardization Report, if applicable.

Meetings by the Standardization Committee will be led by a consultant retained by the CSA who will act as the Standardization Committee Chair and will cover the following topics:

1. Introduction of the issues
2. Identification of key terms and definitions
3. Proposal of new definitions for the identified key terms
4. Discussion of proposed definitions, including use cases
5. Finalizing the Standardization Report and presentation to the CSA

V. *The Standardization Committee Members*

B.1.2 OSC Notice of Publication – Amendment of OSC Rule 13-502 Fees and OSC Rule 13-503 (Commodity Futures Act) Fees

OSC NOTICE OF PUBLICATION

**AMENDMENT OF
ONTARIO SECURITIES COMMISSION RULE 13-502 FEES AND
ONTARIO SECURITIES COMMISSION RULE 13-503 (COMMODITY FUTURES ACT) FEES**

April 18, 2024

Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) made amendments to:

- Ontario Securities Commission Rule 13-502 Fees (the **Fee Rule**) under the Securities Act (Ontario) (the OSA), and
- OSC Rule 13-503 (Commodity Futures Act) Fees (the **CFA Rule**), under the Commodity Futures Act (Ontario) (the CFA).

Annex A of this Notice sets out the amendments to OSC Rule 13-502 (the 13-502 Amendments). Annex B of this Notice sets out the amendments to OSC Rule 13-503 (the 13-503 Amendments). In this Notice, we refer to the 13-502 Amendments and 13-503 Amendments collectively as the “Rule Amendments”.

The Rule Amendments reflect the increase in funding required to address the additional regulatory costs required to onboard restricted dealers when compared to most existing market participants. The OSC has been supporting registration by providing a tailored regulatory regime to support restricted dealers, which include Crypto-Asset Trading Platforms (**CTPs**); however, in taking this leadership role in dealing with emerging sectors, additional resources have been dedicated to support the significant regulatory activity. The Rule Amendments introduces two targeted incremental fees towards restricted dealers:

- an additional fee of \$24,500 at the time of OSC registration; and
- an additional exemptive relief application (**ERA**) fee of \$24,500 for restricted dealers operating as a marketplace.

The Rule Amendments also include a change to the definition of “registrant firm” in each of the Fee Rule and the CFA Fee Rule that will extend the application of the participation fee and late fee requirements:

- in the Fee Rule, to unregistered persons or companies that are required to be registered as dealers, advisers, or investment fund managers, under the *Securities Act* (Ontario) (the **OSA**)
- in CFA Fee Rule, to unregistered persons or companies that are required to be registered as dealers or advisers, under the *Commodity Futures Act* (the **CFA**).

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 carrying out 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.

These Rule Amendments are being brought forward at this time (and off the regular three-year fee cycle) to align fees to the higher costs being incurred by the OSC to onboard restricted dealers when compared to onboarding other market participants. Furthermore, as the fees are sector neutral, they aim to proactively address an evolving cross-subsidization risk of regulatory costs associated with the new and emerging sectors.

Novel businesses, which include CTPs, require significant resource efforts to initiate compliance discussions, including understanding these entities’ novel business models and imposing detailed obligations to mitigate investor protection risk. These businesses are typically registered as restricted dealers, subject to specific requirements or conditions as they are exempt from various aspects of the OSA.

B.1: Notices

The guiding principles used by the OSC to establish any fee rule amendments are as follows:

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

Current registration and ERA fees for dealers and marketplaces, are minimal compared to the costs being incurred by OSC staff during the onboarding stage. Significant OSC staff time is dedicated to understanding these entities' business models and assessing detailed obligations to mitigate investor protection risk.

Substance and Purpose

Restricted Dealers

The Rule Amendments are aimed at better aligning fees to costs, reflective of the evolution of the regulatory landscape. This section provides information on fees required to manage the increased costs to support the regulatory activities for registration and ERA for restricted dealers and marketplaces, respectively.

The OSC has and continues to observe higher onboarding costs, that is, to register and exempt restricted dealers and restricted dealers performing marketplace functions. Activity fees are relevant in this proposal given OSC staff perform specific regulatory functions that directly benefit the firms applying for registration/exemption.

There is an estimated additional \$24,500 in costs to register CTPs with terms and conditions compared to typical firm registrations. The additional work is required in order to assess the appropriate regulatory framework considering business models that are complex, as typically seen with most restricted dealers. Historically, the average registration fees paid by a CTP amounted to approximately \$2,600. Accordingly, the OSC proposes an additional \$24,500 registration fee for restricted dealers, to better align fees with costs.

Once registered, restricted dealers are subject to annual participation fees within the OSC's existing fee structure.

Restricted Dealers Performing Marketplace Functions

Under the interim approach¹, a CTP performing marketplace functions would need to register as a restricted dealer. Firms will file an ERA to obtain an exemption from operating as a recognized Alternative Trading System. OSC staff estimate that they spend on average \$24,500 more on ERAs for platforms that perform marketplace functions as compared to a typical ERA. Accordingly, the OSC proposes an additional \$24,500 exemption fee in addition to existing ERA fees which is \$4,800 or \$7,000 depending on if relief is sought from one or two (or more) sections of the OSA at the same time, respectively.

Firms that operate a marketplace platform will incur total additional onboarding fees of \$49,000: \$24,500 to apply as a restricted dealer and \$24,500 for those restricted dealers performing marketplace functions.

Summary of Fees for Restricted Dealers and Restricted Dealers Performing Marketplace Functions

The table below summarizes the total one-time and ongoing fee implications for restricted dealers and restricted dealers performing marketplace functions:

	Restricted Dealer	Restricted Dealer who also performs marketplace functions
One-time fees		
Registration fee *	\$ 2,600	\$ 2,600
ERA fee **	7,000	7,000
NEW: Additional registration fee for restricted dealer	24,500	24,500
NEW: Additional ERA fee for restricted dealer who also performs marketplace functions	-	24,500
Total	\$ 34,100	\$ 58,600

¹ As described in CSA Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*

B.1: Notices

* Fee begins at \$1,300 per firm, increasing based on number of categories of registration and representatives. \$2,600 represents average historical fee paid by registered CTPs.

** ERA fees are either \$4,800 or \$7,000, depending on whether one or two or more sections of the OSA are requested from exemption. Most CTPs require relief from two or more sections of the OSA, which means most CTPs are required to pay the \$7,000 ERA fee.

Approximate one-time fees are estimated to be \$34,100 and \$58,600 for restricted dealers and restricted dealers performing marketplace functions, respectively.

Detailed Listing of Fee Amendments

New Fees	
Stakeholders	Description
Restricted dealer	New additional registration fee for restricted dealer - \$24,500 (Fee Rule: Appendix F)
Restricted dealer who also performs marketplace functions	New additional registration fee for restricted dealer - \$24,500 (Fee Rule: Appendix F) New additional exemptive relief application (ERA) fee for restricted dealer who also performs marketplace functions - \$24,500 (Fee Rule: Appendix F)

Change to the definition of “registrant firm”

As indicated above, the 13-502 Amendments and 13-503 Amendments include changes to the definition of “registrant firm” in each of the Fee Rule and CFA Fee Rule to extend the application of the participation fee and late fee requirements to unregistered firms that are required to be registered. These changes better align the definition of “registrant firm” in the Fee Rule and the CFA Fee Rule with the respective definitions of “registrant” in the OSA and CFA.

In the OSA, requirements that are made applicable to a “registrant” apply to “a person or company registered or *required to be registered*”. Similarly, in the CFA, requirements that are made applicable to a “registrant” apply to “a person or company registered or *required to be registered*”.

The changes to the definitions of “registrant firm” in the Fee Rule and the CFA Fee Rule are intended to achieve a more equitable allocation of regulatory costs among participants in Ontario’s capital markets, and are consistent with the principles guiding our formulation of fee rule amendments that are referred to above.

The changes to the definition of “registrant firm” in each of the Fee Rule and the CFA Fee Rule will mean that, after the coming into force of these changes: unregistered firms that participate in Ontario’s capital markets in non-compliance with the relevant dealer, adviser and investment fund manager requirements in either the OSA or the CFA - as a result of their failure to obtain registration - will become responsible under the corresponding fee rule for paying the participation fees applicable to other registered firms that are now included within the definition of a registrant firm.

Coming-into-Force

The Rule Amendments and other required materials were delivered to the Minister of Finance on or about April 15, 2024. 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 by May 15, 2024, the Amendments will come into force on July 2nd, 2024.

Content of Annexes

The following annexes form part of this Notice:

Annex A – Amendments to OSC Rule 13-502 Fees

Annex B – Amendments to OSC Rule 13-503 Fees (*Commodity Futures Act*)

Questions

Please refer your questions to:

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ANNEX A
AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 13-502 FEES

1. **Ontario Securities Commission Rule 13-502 Fees is amended by this Instrument.**

2. **Section 1 is amended by:**

(a) **replacing the definition of “registrant firm” with the following:**

“registrant firm” means a person or company registered or required to be registered as a dealer, adviser or investment fund manager under the Act;

(b) **adding the following definition:** “restricted dealer” has the same meaning as in NI 31-103;

3. **Subsection 17(2)(d) is amended by:**

(a) **replacing** “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; **with the following:**

advisory or sub-advisory fees paid during the designated financial year by it to (i) a registered dealer, registered adviser or registered investment fund manager, under the *Securities Act*; or (ii) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; or (iii) an unregistered exempt international firm;

4. **Appendix F is amended by:**

(a) **adding** “, other than in the registration category of restricted dealer” **after** “registration” **in Row 11.**

(b) **adding the following row after Row 11:**

11.1	Additional fee for new registration of a firm in the registration category of restricted dealer	\$24,500
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(c) **adding the following row after Row L4:**

L5	An application referred to in Row L1 or L2 if the application is by a restricted dealer or a firm that has applied for registration in the category of restricted dealer and involves an exemption from one or more requirements of National Instrument 21-101 <i>Marketplace Operation</i> , National Instrument 23-101 <i>Trading Rules</i> , or National Instrument 23-103 <i>Electronic Trading and Direct Electronic Access to Marketplaces</i>	The amount in Row L1 or L2 is increased by \$24,500
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5. **The General Instructions of Form 13-502F4 are amended by replacing subsection (2) with the following:**

2. This form is to be completed by “registrant firms” (as defined in the Rule) or by firms that are “registrant firms” under both the Rule and OSC Rule 13-503 (*Commodity Futures Act*) Fees. This form is also to be completed by unregistered capital markets participants.

6. **The Notes of Form 13-502F4 are amended by replacing 4. with the following:**

4. Where the advisory services of a (i) a registered dealer, registered adviser or registered investment fund manager, under the *Securities Act*; or (ii) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; or (iii) 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.

7. **Part 5(c) Advisers, Other Dealers, and Unregistered Capital Markets Participants of Form 13-502F4 is amended by replacing line 5 with:**

Advisory or sub-advisory fees paid during the designated financial year by it to (i) a registered dealer, registered adviser or registered investment fund manager, under the *Securities Act*; or (ii) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; or (iii) an unregistered exempt international firm.

8. This Instrument comes into force on July 2, 2024.

ANNEX B

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

1. **Ontario Securities Commission Rule 13-503 Fees (*Commodity Futures Act*) is amended by this Instrument.**
2. **Section 1 is amended by replacing the definition of “registrant firm” with the following:**

“registrant firm” means a person or company registered or required to be registered as a dealer or an adviser under the CFA;.
3. **Subsection 7(2) is amended by:**
 - (a) **replacing** (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 **with the following:**

advisory or sub-advisory fees paid during the designated financial year by; (i) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; (ii) a registered dealer or a registered adviser, under the *Securities Act* or (iii) an unregistered exempt international firm;
4. **The General Instructions of Form 13-503F1 are amended by replacing subsection (1) with the following:**
 1. This form must be completed by “registrant firms” as defined in this Rule that are not also “registrant firms” as defined in Rule 13-502 Fees under the *Securities Act*. It must be returned to the Ontario Securities Commission by November 1 each year, as required by section 3 of this 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.
5. **The Notes of Form 13-503F1 are amended by replacing 2. with the following:**
 2. Where the advisory services of (i) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; or (ii) a registered dealer, registered adviser or registered investment fund manager, under the *Securities Act*; or (iii) 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.
6. **Part 4(b) - Other Registrants is amended by replacing line 3 with:**

Advisory or sub-advisory fees paid during the designated financial year by it to (i) a person or company registered as a dealer or an adviser under the *Commodity Futures Act*; or (ii) a registered dealer or registered adviser under the *Securities Act*; or (iii) an unregistered exempt international firm
7. This Instrument comes into force on July 2, 2024.

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B.2 Orders

B.2.1 Major Precious Metals Corp.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Section 144 of the Securities Act (Ontario) – application for a partial revocation of a cease trade order – issuer cease traded due to failure to file audited annual financial statements – issuer has applied for a partial revocation of the cease trade order to permit the issuer to proceed with a private placement under prospectus exemptions – issuer will use proceeds from private placement to prepare and file continuous disclosure documents and pay related fees – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

Citation: 2024 BCSECCOM 107

PARTIAL REVOCATION ORDER
MAJOR PRECIOUS METALS CORP.
UNDER THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Legislation)

Background

- ¶ 1 Major Precious Metals Corp. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator or securities regulatory authority in each of British Columbia (the Principal Regulator) and Ontario (each a Decision Maker) respectively on January 12, 2023.
- ¶ 2 The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

- ¶ 4 Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 5 This decision is based on the following facts represented by the Issuer:
- a. The Issuer was incorporated under the provisions of the Business Corporations Act (British Columbia) on June 5, 2006. On September 30, 2021, the Company's common shares began trading on the Neo Exchange Inc. ("NEO") under the symbol "SIZE." On October 7, 2022, pursuant to shareholder approval obtained at its annual general and special shareholders' meeting held on September 13, 2022, the Company voluntarily delisted from the NEO and the Company became an unlisted reporting issuer.
 - b. The Issuer's head office is located in Vancouver, British Columbia.
 - c. The Issuer is reporting in British Columbia, Alberta and Ontario.
 - d. The Issuer's authorized capital consists of an unlimited number of common shares without par value (the Common Shares), of which a total of 236,406,556 Common Shares are issued and outstanding. In addition, the

Issuer has 6,559,483 share purchase warrants outstanding which are exercisable into 6,559,483 Common Shares of the Issuer and 8,825,327 stock options exercisable into 8,825,327 Common Shares.

- e. The Issuer is not listed for trading on a Canadian stock exchange; however, the common shares are listed for trading on the OTC Expert Market.
- f. The FFCTO was issued by the Decision Makers due to the failure of the Issuer to file its annual financial statements, its annual management's discussion and analysis, annual information form for the year ended September 30, 2022, and certification of annual filings for the year ended September 30, 2022 (collectively, the Unfiled Documents).
- g. The Issuer's failure to file the Unfiled Documents arose as a consequence of financial difficulties.
- h. The Issuer's current assets are \$230,497 in cash. The Issuer's business is the exploration and development of mineral properties more particular is the Skaergaard Project located in Southeastern Greenland.
- i. Subsequent to the failure to file the Unfiled Documents, the Issuer also failed to file the following documents: the Issuer's annual financial statements, its annual management's discussion and analysis for the year ended September 30, 2023, and certification of annual filings for the year ended September 30, 2023, and the Issuer's interim financial statements and management's discussion and analysis for the three months ended December 31, 2023 and certification of interim filings for the three months ended December 31, 2023. The Issuer's SEDAR+ and SEDI profiles are up to date.
- j. The Issuer is seeking a partial revocation of the FFCTO in order to complete a private placement of up to 30,000,000 units issued at a price of \$0.025 per unit (Unit) for gross proceeds of up to \$750,000. Each Unit will be comprised of one common share and one transferable common share purchase warrant (Warrant). Each Warrant will entitle the holder thereof to purchase one additional Common Share for a period of five years from closing the Private Placement at a price of \$0.05 per Common Share (the Private Placement). The Private Placement is to raise funds to prepare and file all outstanding financial statements and continuous disclosure records, to resolve outstanding fees and ongoing general and administrative expenses, and obtain sufficient funds to ensure the continuity of the Issuer during the period that the FFCTO remains in effect, in each case until the Issuer is in a position to raise capital from other sources upon the issuance of a full revocation order in respect of the FFCTO.
- k. It is anticipated that the Private Placement will be conducted on a prospectus exempt basis to one or more investors who are accredited investors, family, friends or business associates (as defined in National Instrument 45-106 Prospectus Exemptions).
- l. The Issuer intends to use the proceeds of the Private Placement to allow the Issuer to accomplish the items as follows:

Description	Estimated Amount
Amounts past due	\$500,000
Legal and transfer agent fees related to Private Placement	\$20,000
Audit, legal fees and other professional fees related to preparation and completion of Unfiled Documents	\$150,000
Filing fees and penalties to securities regulators	\$50,000
Unallocated Working Capital	\$30,000
Total	\$750,000

- m. The Issuer reasonably believes that the proceeds from the Private Placement will be sufficient to bring its continuous disclosure obligations up to date, pay all related outstanding fees, and provide it with sufficient working capital to continue its business.
- n. The Private Placement would involve a trade of securities of the Issuer and acts in furtherance of trades in securities of the Issuer, as such, neither can be completed without a Partial Revocation of the FFCTO.
- o. Within a reasonable time following the completions of the Private Placement, the Issuer intends to apply for and obtain a full revocation of the FFCTO.

- p. Since the issuance of the FFCTO, there have been no material changes in the business, operations or affairs of the Issuer which have not been disclosed by news release and/or material change report and filed on the Issuer's Sedar+ profile.
- q. Upon issuance of a Partial Revocation Order, the Issuer will issue a press release announcing the Partial Revocation Order and the intention to complete the Private Placement. Upon completion of the Private Placement, the Issuer will issue a press release and file a material change report. As other material events transpire, the Issuer will issue appropriate press releases and material change reports as applicable.

Order

- ¶ 6 Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 7 The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Private Placement provided that:
 - a. Prior to completion of the Private Placement, each of the potential investors will receive:
 - i) a copy of the FFCTO and a copy of this Partial Revocation Order,
 - ii) a copy of his Partial Revocation Order, and
 - iii) written notice from the Issuer, to be acknowledged, signed, and dated by each investor in writing, that all of the Issuer's securities, including the securities issued in connection with the Private Placement, will remain subject to the FFCTO until such orders are revoked and the issuance of the partial revocation order does not guarantee the issuance of a full revocation in the future.
 - b. The Issuer undertakes to make available a copy of the written acknowledgement to staff of the Decision Makers on request.

¶ 8 April 8, 2024

"Allan Lim"
CPA, CA
Manager, Corporate Disclosure
Corporate Finance

OSC File #: 2024/0053

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B.3 Reasons and Decisions

B.3.1 Innovation Credit Union

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Dual application for Exemptive Relief – Exemption from the prospectus requirement for a credit union that continued federally to distribute membership shares to prospective customers – Filer is continuing as a federal credit union subject to a comprehensive scheme of regulation and supervision as a Schedule 1 bank under the Bank Act (Canada) – in order to provide savings deposit services to customers, the customers must become members of the credit union by acquiring a membership share – Filer cannot rely on existing provincial credit union exemption under local securities legislation – Exemptive relief is analogous to existing exemption available to provincial credit unions under local securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1), 74(1) and 147.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

June 8, 2023

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
SASKATCHEWAN
AND
ONTARIO
(the Jurisdictions)
AND
IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS
AND
IN THE MATTER OF
INNOVATION CREDIT UNION
(the Filer)
DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that grants the Filer an exemption from (a) the prospectus requirement for the continuing distribution of the Filer's membership shares (**Membership Shares**) to members of the Filer; and (b) the dealer registration requirement under the Legislation, except in Ontario, with respect to its continuing trades in Membership Shares to members of the Filer following the Filer's continuation as a federal credit union under the *Bank Act* (Canada) as described herein (collectively, the **Exemption Sought**).

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

- (a) the Financial and Consumer Affairs Authority of Saskatchewan is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI11-102**) is intended to be relied upon in each of British Columbia, Alberta, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut; and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. The Filer is a credit union incorporated under *The Credit Union Act, 1998* (Saskatchewan) and its head office is in Swift Current, Saskatchewan.
2. The Filer is subject to *The Credit Union Act, 1998* (Saskatchewan) and *The Credit Union Regulations 1999* (Saskatchewan), and is regulated by The Credit Union Deposit Guarantee Corporation of Saskatchewan (CUDGC). The Filer must also comply with *The Standards of Sound Business Practice* and other applicable provincial and federal laws. The Filer provides regular reporting to CUDGC and is subject to periodic risk-based examinations.
3. The Filer is a member-owned financial co-operative with a business focused on day-to-day banking, investments, and personal and business lending in the Province of Saskatchewan.
4. The Filer is one of the largest credit unions in Saskatchewan with over 400 employees and more than \$4.047 billion in managed assets.
5. As of April 30, 2023, there are 59,761 members of the Filer (**ICU Members**). This includes both individuals and legal entities.
6. The majority of ICU Members reside in Saskatchewan, although membership is not restricted to Saskatchewan residents. Currently 4,311 ICU Members reside outside of Saskatchewan across all Canadian provinces and territories. Of those ICU Members currently residing outside of Saskatchewan, 1,813 became members of the Filer when they resided in Saskatchewan.
7. ICU intends to continue as a federal credit union under the *Bank Act* (Canada) (the **Bank Act**) and the rights and obligation of the Membership Shares will remain the same post-continuance.
8. ICU Members receive documentation regarding the rights and obligations associated with being a member of the Filer, including:
 - (a) general information about the rights and obligations that arise out of the member's relationship with the Filer in relation to the banking services the Filer provides;
 - (b) disclosure of product and service information at the time of inquiry and/or at the time of acquisition;
 - (c) deposit insurance information;
 - (d) regular account statements showing account activity;
 - (e) notice of service fee changes and/ or account structure changes;
 - (f) notice of branch closure; and
 - (g) notice of changes to terms and conditions.
9. In addition, the Filer has information available for ICU Members on its website and in print, including:
 - (a) member notices;
 - (b) annual reports;
 - (c) audited financial statements;
 - (d) bylaws;
 - (e) codes of conduct; and

B.3: Reasons and Decisions

- (f) a privacy code.
10. When the Filer continues as a federal credit union, its authorized share capital will consist of three classes of shares, as follows:
 - (a) an unlimited number of Membership Shares without par value;
 - (b) an unlimited number of non-voting Class A preferred shares without par value; and
 - (c) an unlimited number of non-voting Class B preferred shares without par value.
 11. Persons seeking to become a member of the Filer may subscribe for one Membership Share. Currently, it is the Filer's practice that each ICU Member shall hold only one Membership Share.
 12. Membership Shares are issued at a price equal to the aggregate book value of the total number of issued and outstanding membership shares as of the date of issuance, divided by the total number of issued and outstanding membership shares as of the date of issuance (currently \$5.00 per Membership Share).
 13. Certificates denoting Membership Shares need not be issued to ICU Members.
 14. Membership Shares may only be assigned or transferred with the approval of the board of directors of the Issuer.
 15. Each holder of a Membership Share is entitled to one vote on a resolution at an annual meeting of ICU Members. When the Filer continues as a federal credit union under the Bank Act, subject to the prior rights of Class A preferred shares and Class B preferred shares, each holder of a Membership Share will be entitled to receive dividends, as declared at the discretion of the Board, and to receive the remaining property of ICU upon a liquidation, dissolution or winding up of ICU.
 16. Each holder of a Membership Share is required to open a member rewards account (**Member Rewards Account**) and deposit the subscription price for the Membership Share (currently \$5.00) into their Member Rewards Account. The Member Rewards Account enables ICU Members to receive membership allocations, cash dividends and equity payments.
 17. An ICU Member retains membership in the Filer so long as the membership of that holder is not withdrawn or terminated.
 18. An ICU Member may withdraw from membership in ICU at any time by giving ICU such notice as may be prescribed by the Board from time to time.
 19. When an ICU Member's membership is withdrawn or terminated, their Member Rewards Account is closed and the subscription price for their Membership Share (currently \$5.00) is returned to the ICU Member not later than one year after the effective date of withdrawal or termination.
 20. ICU Members also have the option to "opt out" of being an ICU Member at any time. If an ICU Member chooses to "opt out" of being an ICU Member, the subscription price for their Membership Share (currently \$5.00) is returned to them.
 21. Any closed or terminated Member Rewards Account will not qualify for any dividend or patronage returns declared by the board of directors of the Filer at a subsequent date.
 22. Except as described in paragraph 33, the Filer is not in default under applicable securities legislation in any jurisdiction of Canada.
 23. Historically, credit unions in Canada have been incorporated and regulated provincially with their operations limited to the territory of the incorporating province.
 24. Currently, the Filer relies on the exemption from the prospectus and registration requirements set out in General Ruling/Order 45-912 *Exemption for Co-operatives and Credit Unions*, issued by the Financial and Consumer Affairs Authority of Saskatchewan (the **Saskatchewan Exemption**) in order to distribute its Membership Shares.
 25. Securities legislation in Saskatchewan, Ontario and other jurisdictions of Canada contain local exemptions from the prospectus requirement that are only available to credit unions organized and regulated under the legislation of that jurisdiction.
 26. The Government of Canada enacted legislation under the Bank Act allowing credit unions to continue federally and operate nationally.

B.3: Reasons and Decisions

27. The federal credit union provisions of the Bank Act enable a provincially organized credit union, such as the Filer, to continue as a federal credit union under the Bank Act and operate nationally under the supervision and oversight of the Office of the Superintendent of Financial Institutions, the federal financial institutions regulator.
28. Under the Bank Act, a federal credit union, like provincial credit unions, must be organized and carry on business on a co-operative basis and provide financial services primarily to its members. Ownership of Membership Shares is a requirement for membership in a federal credit union.
29. The Filer wishes to continue as a federal credit union under the Bank Act to conduct its operations throughout Canada.
30. Upon continuance, the Filer will change its name to "Innovation Federal Credit Union".
31. Upon continuance, the Filer will be a Schedule I bank under the Bank Act.
32. The Filer's capital structure includes Membership Shares. A holder of Membership Shares may become a member of the Filer. Each member is entitled to one vote on a resolution at a general meeting of the Filer. When the Filer continues as a federal credit union under the Bank Act, subject to the prior rights of Class A preferred shares and Class B preferred shares, each holder of a Membership Share will be entitled to receive dividends, as declared at the discretion of the Board, and to receive the remaining property of the Filer upon a liquidation, dissolution or winding up of the Filer.
33. The Filer is currently in default of securities law requirements outside Saskatchewan in relation to prospectus and dealer registration requirements as it is not a credit union organized and regulated under the legislation of those jurisdictions outside Saskatchewan.
34. After continuance as a federal credit union under the Bank Act, the Filer will be able to rely on the dealer registration exemption in subsection 35.1(1) of the *Securities Act* (Ontario).
35. After continuance as a federal credit union under the Bank Act:
 - (a) the Filer will no longer be able to rely on the dealer registration and prospectus exemption in the Saskatchewan Exemption; and
 - (b) absent the Exemption Sought, the Filer would be required to comply with: (a) the prospectus requirements under the applicable securities legislation in each jurisdiction of Canada, and (b) with the dealer registration requirements under the applicable securities legislation in each jurisdiction of Canada except Ontario.
36. The Filer, upon its continuance, will carry on a similar business to other credit unions in the Jurisdictions, is subject to similar controls (including capital, liquidity and investor protection measures) as credit unions in the Jurisdictions, and as such, should be afforded the same treatment as other credit unions in the Jurisdictions in relation to its issuance of Membership Shares.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer continues as a federal credit union under the Bank Act and remains regulated as a federal credit union by the Office of the Superintendent of Financial Institutions.

"Dean Murrison"
Executive Director, Securities Division
Financial and Consumer Affairs
Authority of Saskatchewan

OSC File #: 2023/0133

B.3.2 Highlander Silver Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The issuer intends to make a significant acquisition by acquiring numerous holding companies that hold interests in an operating company. At the time the significant acquisition is completed, the holding companies will not have any material assets, liabilities or business operations, other than interests in the operating company. The financial statements of the holding companies do not exist. The business acquisition report will contain audited financial statements of the operating company and sufficient alternative information about the significant acquisition.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from the requirement to include certain financial statements in a BAR – the issuer made a significant acquisition of a company – the necessary information to prepare the required financial statements is unavailable – the BAR will contain sufficient alternative information about the acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4 and 13.1.

Citation: 2024 BCSECCOM 136

April 9, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
HIGHLANDER SILVER CORP.
(the Filer)**

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirement in section 8.4(8) of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to include in the acquiror's business acquisition report (BAR) audited financial statements for all related businesses that a company acquires in a transaction does not apply to the Filer's BAR with respect to the financial statements of San Luis Resource (BVI) Inc and Silver Standard Peru (BVI) Inc., shares of which the Filer is acquiring in a share purchase transaction (the Exemption Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. the Filer was incorporated under the British Columbia *Business Corporations Act* (the BCBCA); the Filer's head office is located in British Columbia;
 2. the Filer is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario; the Filer is not in default of securities legislation in any jurisdiction;
 3. the Filer is authorized under its articles to issue an unlimited number of common shares;
 4. as at February 29, 2024, the date of the Filer's most recent interim financial statements, the Filer had 60,460,434 common shares, 30,000,000 common share purchase warrants and 1,462,500 stock options issued and outstanding;
 5. the Filer's common shares are listed for trading on the Canadian Securities Exchange under the symbol "HLSV";
 6. the Filer is a mineral exploration company focused on the discovery of silver-gold-polymetallic projects in Peru, and in South America more widely;
 7. on November 29, 2023, the Filer entered into a share purchase agreement (the Agreement) with SSR Mining Inc. (the Vendor), under which the Filer has agreed to purchase, from the Vendor, shares of the following entities (the Transaction):
 - (a) 176,419,888.40 common shares of Reliant Ventures S.A.C. (Reliant), being 98.377% of the issued and outstanding shares of Reliant;
 - (b) 1,001 ordinary shares of San Luis Resource (BVI) Inc. (San Luis Resource), being 100% of the issued and outstanding shares of San Luis Resource; and
 - (c) 3,000 ordinary shares of Silver Standard Peru (BVI) Inc. (SSP BVI), being 100% of the issued and outstanding shares of SSP BVI(the shares of Reliant, San Luis Resource and SSP BVI are collectively referred to as the Purchased Shares).
 8. Reliant holds all of the interests in the San Luis silver-gold project (the San Luis Project), a group of silver-gold mining concessions located in central Peru;
 9. San Luis Resource has one wholly-owned subsidiary, San Luis Minerals (BVI) Inc. (San Luis Minerals); San Luis Minerals and SSP BVI hold 1.481% and 0.142% of outstanding shares of Reliant, respectively;
 10. the Filer is purchasing the Purchased Shares for initial consideration of: (i) US\$5,000,000 in cash, (ii) US\$7,500,000 in common shares of the Filer, or (iii) a combination thereof; the Filer may pay up to an additional US\$37,500,000 in cash to the Vendor as contingent consideration upon completion of certain milestones in relation to the San Luis Project;
 11. once the Transaction is complete, the Filer will own all of the issued and outstanding shares of Reliant and all interests in the San Luis Project;
 12. the Transaction will be a "significant acquisition" of the Filer for purposes of NI 51-102; on completion of the Transaction, the Filer will therefore be required to file a BAR in accordance with Part 8 of NI 51-102; the Transaction is also an acquisition of related businesses, as defined in section 8.1(1) of NI 51-102, as:
 - (a) San Luis Resource, SSP BVI and Reliant are under the common control of the Vendor; and
 - (b) the acquisition of the shares of the companies is contingent on purchasing the shares of each other company.

B.3: Reasons and Decisions

13. management of the Vendor has represented to the Filer in writing that each of San Luis Resource, San Luis Minerals and SSP BVI (the BVI Companies):
 - (a) does not have, and has never had, any active operations;
 - (b) does not have, and has never had, any employees;
 - (c) does not have, and has never had, any assets or investments other than their respective shares in Reliant;
 - (d) does not have, and has never had, decision making ability respecting Reliant or the San Luis Project (other than in their capacity as minor shareholders of Reliant);
 - (e) does not currently have, and did not have as at December 31, 2022 or 2023, any outstanding liabilities; and
 - (f) does not have, and has never had, any pending litigation.
14. management of the Vendor has further represented to the Filer that stand-alone financial statements for the BVI Companies do not exist;
15. the financial year-end for the Filer is September 30, and the financial year-end for Reliant is December 31;
16. apart from the Exemption Sought, the Filer is otherwise able to prepare and file the BAR and financial statements incorporated therein in accordance with NI 51-102; and
17. except for the Exemption Sought, the BAR and financial statements incorporated therein will comply with NI 51-102; all revenue producing and operational activities of the San Luis Project occurred within Reliant, the only financial statements that will be of relevance for the public are the financial statements of Reliant, which will be included in the BAR, and the Filer's pro-forma financial statements after giving effect to the Transaction, prepared based upon the financial statements of the Filer and Reliant and will be filed by the Filer after the closing of the Transaction in accordance with NI 51-102; such financial statements of Reliant, audit reports thereon, and the pro-forma financial statements will reflect 100% of the active operations of the San Luis Project and provide the public with the necessary disclosure required to understand the impact of the Transaction on the Filer and its operations.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2024/0094

B.3.3 ST & T Capital Management Ltd. and Ning Wang – s. 31

**IN THE MATTER OF
STAFF'S RECOMMENDATIONS TO
SUSPEND THE REGISTRATIONS OF
ST & T CAPITAL MANAGEMENT LTD.
AND
NING WANG**

**OPPORTUNITY TO BE HEARD BY
THE DIRECTOR UNDER SECTION 31 OF
THE SECURITIES ACT**

Decision

1. For the reasons outlined below, following an opportunity to be heard (**OTBH**) under section 31 of the *Securities Act* (Ontario), my decision is that:
 - a. the registration of ST & T Capital Management Ltd. (**ST&T**) in the categories of portfolio manager (**PM**), exempt market dealer (**EMD**) and investment fund manager (**IFM**) is suspended; and
 - b. the registration of Ning Wang (**Wang**) as ultimate designated person (**UDP**), chief compliance officer (**CCO**), advising representative and dealing representative is suspended.
2. The suspension of ST&T and Wang (collectively, the **Registrants**) shall be effective at 5:00 p.m. on the 30th calendar day after the date of this decision for the purpose of facilitating an orderly transfer of client accounts to a different registered firm.

Overview

3. By letter dated December 18, 2023, staff (**Staff**) of the Ontario Securities Commission (the **Commission** or the **OSC**) advised the Registrants that Staff had recommended to the Director that their registrations be suspended.
4. The primary issues of the OTBH were:
 - a. Have the Registrants failed to comply with Ontario securities law, specifically, the conflicts of interest requirements, the know-your-client and suitability determination obligations, and the requirement to deal fairly, honestly and in good faith with clients?
 - b. Are the Registrants not suitable for registration?
5. ST&T has been registered as a PM, an IFM and an EMD in Ontario since September 2018.
6. Wang is registered as UDP, CCO, advising representative and dealing representative with ST&T. Wang is ST&T's sole advising representative and one of two dealing representatives.
7. ST&T is owned equally by Wang and Aaron Zhouzt (**Zhouzt**). Zhouzt is not registered in any capacity.
8. ST&T offers separately managed accounts (**SMA**) which it manages on a discretionary basis. As of March 6, 2024, ST&T managed approximately US\$4.8 million for ten SMA clients. ST&T is registered as an IFM but has not yet launched any funds.
9. ST&T earned management fees of \$53,236 in 2020, \$63,353 in 2021, and \$218,326 in 2022. ST&T reported losses of \$11,351 in 2020, \$76,674 in 2021 and \$839,156 in 2022.

Issues

Conflicts of interest

10. The conflicts of interest requirements are set out in Division 2 of Part 13 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**). Among other requirements, sections 13.4 and 13.4.1 of NI 31-103 requires a registered firm and a registered individual, respectively, to take reasonable steps to identify existing and reasonably foreseeable material conflicts of interest, and to address those conflicts of interest in the best interest of clients or to avoid the conflicts of interest where the conflict is not or cannot be addressed in the best interest of clients.

B.3: Reasons and Decisions

11. From January 2020 to January 2023, ST&T sold \$1.9 million of Class B non-voting shares (the **Class B shares**) of ST&T to eight investors.
12. Two of the investors who were sold the Class B shares were SMA clients of ST&T. Another investor, CR was sold \$500,000 Class B shares.
13. The purpose of the capital raised through the issuance of the Class B shares was to fund ST&T's operating expenses, such as renting office space, paying salaries, and legal and compliance consulting.
14. From December 2022 to February 2023, ST&T issued US\$1.3 million in promissory notes. A US\$700,000 promissory note was issued to XY, an existing SMA client. A US\$300,000 promissory note was issued to a former SMA client. Another US\$300,000 promissory note was issued to a client whose SMA account was closed by Interactive Brokers on January 30, 2023 and who subsequently reopened an SMA account in July 2023 with ST&T.
15. The funds from the promissory notes were deposited in ST&T's proprietary account. The primary purpose of the proprietary account is to apply and showcase ST&T's proprietary quantitative space-time trading system, with the view of eventually marketing the proprietary account to institutional investors. The purpose of the loans was to increase the assets under management in ST&T's proprietary account to show an increase in the proprietary account balance and to attract institutional investors. Prior to the deposit of the funds from the loans, the proprietary account held approximately US\$45,014.40.
16. The proprietary accounts and SMA accounts were held at Interactive Brokers. Wang was informed by Interactive Brokers on January 18, 2023 that they believed the deposits to the proprietary trading account from XY's SMA was contrary to IIROC regulations against personal financial dealings with clients and borrowing from clients. On January 26, 2023, Interactive Brokers advised Wang that it was closing the proprietary account and SMA accounts.
17. At the time the Class B shares were sold and the loans were made, Wang did not believe that there were any conflicts of interest. Wang understood the issues related to conflicts of interest after Staff brought them to his attention.

Know your client (KYC) and suitability determination obligations

18. A registered firm is required to know the client under section 13.2 of NI 31-103 and to determine before taking an action that the action is suitable for and is in the best interest of the client under section 13.3 of NI 31-103.
19. ST&T did not collect and document KYC information for six of the eight investors who were sold the Class B shares of ST&T and as such, Wang could not make a suitability determination.
20. XY and MW opened their SMA accounts in July 2020 and December 2021, respectively.
21. XY and MW were each sold \$100,000 of Class B shares on October 18, 2021 and December 29, 2022, respectively.
22. Wang had XY and MW sign suitability waivers subsequent to the sale of the Class B shares. Wang had XY and MW sign suitability waivers on June 30, 2023 and on July 10, 2023, respectively.
23. MW's KYC information indicated a moderate risk tolerance yet Wang sold her the Class B shares that he had concluded were a high risk investment.

Dealing with clients fairly, honestly and in good faith

24. Section 2.1 of Ontario Securities Commission Rule 31-505 *Conditions of Registration* requires a registered dealer or adviser, and a representative of a registered dealer or adviser, to deal fairly, honestly and in good faith with clients.
25. The documentation for the sale of the Class B shares consisted of a three-sentence subscription agreement and a share certificate.
26. ST&T and Wang did not view the issuance of the promissory notes or the sale of Class B shares to SMA clients as raising conflicts of interest. Wang only acknowledged the conflicts of interest only after staff brought them to his attention.
27. The Registrants did not collect KYC or make suitability determination in respect of the sale of the Class B shares for all eight investors.
28. The purpose of the promissory notes was to increase the amount of the proprietary account to be able to attract additional investors to grow ST&T.
29. XY loaned the firm US\$700,000 on December 15, 2022. XY advanced the US\$700,000 to Wang by withdrawing the funds from XY's separately managed account at ST&T.

Reasons for decision

30. For the reasons set out below, my decision is to impose the sanctions requested by Staff as set out in paragraph 1 of this decision. My decision is based on the:
- a. written submissions of Mark Skuce (Senior Legal Counsel, Registrations, Inspections and Examinations (previously known as the Compliance and Registrant Regulation Branch)) and of Natalia Vandervoort (counsel to both Registrants),
 - b. the affidavit of Trevor Walz, (Senior Accountant, Registrations, Inspections and Examinations), and
 - c. the affidavit of Ning Wang.
31. In my view, Staff has proven its allegations that ST&T and Wang have failed to comply with the conflicts of interest requirements, the know your client and suitability determination requirements, and the requirement to deal fairly, honestly and in good faith with clients, and that ST&T and Wang are not suitable for registration.
32. Section 28 of the Act provides that the registration of a person or company may be suspended if it is determined that the person or company is not suitable for registration (i.e., the person or company does not possess the requisite integrity, proficiency and solvency), or has failed to comply with Ontario securities law, or that their registration is otherwise objectionable.
33. Integrity is not defined by statute, but the term's meaning has been explained in case law. In *Re Sawh and Trkulja* (2012), 35 OSCB 7431 *affirmed* 2013 ONSC 4018(Div. Ct.) the Hearing Panel said
- While integrity is not defined under the Act, the Commission in *Istanbul* stated that an assessment of integrity should be “guided by the criteria set out in paragraph 2.1(1)(iii) of the Act. This provision states that an important principle that the Commission shall consider in pursuing the purposes of the Act is “the maintenance of *high standards of fitness and business conduct* to ensure *honest and responsible* conduct by market participants” [Emphasis in original] (*Istanbul, supra*, at para. 68). In *Istanbul, supra*, at para. 66, the Commission cited an earlier decision by the Director in *Wall, Re* (2007), 30 O.S.C.B. 7521 (Ont. Securities Comm.) which addresses the issue of integrity. The latter decision explains that:
- OSC staff look at the honesty and the character of the applicant when analyzing integrity. In particular, staff examines the applicant’s dealings with clients, compliance with Ontario securities law and other applicable laws, and the use of prudent business practices.
34. Based on the principle reiterated in *Re Sawh and Trkulja*, integrity encompasses more than dishonesty or fraud, it includes honest and responsible conduct.
35. In my view, there was a clear material conflict of interest between the Registrants and its clients when the Registrants sold the Class B shares of ST&T and issued the promissory notes. The stated purpose of the sale of the Class B shares was to help fund the ongoing operations of ST&T, which was incurring ongoing losses from operations, and the issuance of the promissory notes was to increase the amount in the proprietary account from US\$45,014.40 and attract institutional investors. Both of these actions were for the benefit of the Registrants. The Registrants have admitted that they did not identify the conflicts of interest at the time of the sale of the Class B shares and issuance of the promissory notes. Since the Registrants did not identify the material conflicts of interest, they could not have addressed the conflicts of interest in the best interest of the client and disclosed the conflicts of interest, or could not have avoided the conflicts of interest where the conflict is not or cannot be addressed in the best interest of the client. I find that the Registrants failed to comply with section 13.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* and section 2.1 of OSC Rule 31-505 *Conditions of Registration*.
36. The Registrants stated in their submissions that the prohibition from borrowing from clients in section 13.12 of NI 31-103 only applies to registered individuals and not the registered firm. It is concerning that the Registrants emphasize this point of form over substance. Although in form the borrowing was made by the firm, in substance, Wang owns 50% of ST&T and would ultimately benefit from the loan. Regardless of whether the prohibition only applies to registered individuals and not registered firm, as discussed above, there are clear conflicts of interest in borrowing from clients.
37. I do not believe that the failure of ST&T and Wang to comply with the conflicts of interest requirements are only about a lack of proficiency given the nature of the transactions, but demonstrates a failure to act fairly, honestly and in good faith with clients. ST&T had incurred increasing losses from operations over several years, and the sale of the Class B shares to clients with little information provided to the clients was done with the objective of using the funds received to pay for operating expenses of ST&T. The issuance of the promissory notes to clients was made with the objective of using the funds received to attract institutional investors to the proprietary account. As a 50% shareholder of ST&T, Wang stood to benefit.

B.3: Reasons and Decisions

38. I find that the Registrants also failed to comply with the know your client obligations of section 13.2 of NI 31-103 and the suitability determination requirements of section 13.3 of NI 31-103. The Registrants had an obligation to determine that an action is suitable for a client and the action puts the client's interests first.
39. Despite being registered as an EMD, the Registrants did not collect and document KYC information and, therefore, could not make a suitability determination for the six non-SMA purchasers of the Class B shares. The fact that Wang may have certain personal knowledge of the investors does not lessen the KYC or suitability determination obligation.
40. The Registrants did not consider their know your client and suitability determination obligations to CR, an administrative assistant with a salary of \$30,000 per year when they proceeded with the sale of \$500,000 of Class B shares to CR. The Registrants stated that CR was from an independently wealthy family and was known to them. Having financial wealth is not a substitute for making a suitability determination. Given the lack of documentation, I am not convinced that the suitability determination obligation or the KYC obligations were met.
41. The Registrants have suggested that the sale of the Class B shares of ST&T was limited activity which did not require registration because these investors were angel investors. I do not agree with this position. The Registrants are required to comply with their registrant obligations under securities laws. The Registrants were registered to sell securities and, as registrants, were required to comply with securities laws when selling securities.

Conclusion

42. Based on the foregoing, I accept Staff's recommendation to suspend the registration of the Registrants and I direct Staff to take the necessary steps to implement the decision.
43. If the Registrants apply for registration at some point in the future, each will need to demonstrate through their actions that they are suitable for registration. In the Director's decision *Re Sawh* (2016), 39 OSCB 2477, there are six factors that must be considered in making a determination on the applicant's suitability for registration after a finding by the Director or the Commission that the applicant was not suitable for registration. If they can provide evidence to support these factors, then their suitability for registration can be reassessed.

"Felicia Tedesco"
Deputy Director, Registration, Inspections and Examinations
Ontario Securities Commission

Dated: April 10, 2024

B.3.4 Toronto Cleantech Capital Inc.

to be relied upon in British Columbia and Alberta.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.3(1)(a)(i) and 5.1 – An issuer requires relief from the requirement that financial statements required by securities legislation to be audited must be accompanied by an auditor’s report that expresses an unmodified opinion.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 3.3(1)(a)(i).

April 15, 2024

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

AND

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

AND

**IN THE MATTER OF
TORONTO CLEANTECH CAPITAL INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the requirement in Section 3.3(1)(a)(i) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards (NI 52-107)* that financial statements required to be audited must be accompanied by an auditor’s report that expresses an unmodified opinion does not apply to the auditor’s report that accompanies the audited consolidated financial statements of THS L.P. (**THS LP**), being the parent company of Turkey Hill Sugarbush Limited (**Turkey Hill**), as at November 30, 2022 (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the laws of the Province of British Columbia and a “Capital Pool Company” pursuant to Policy 2.4 - *Capital Pool Companies (Policy 2.4)* of the TSX Venture Exchange (the **TSXV**). The Filer was formed for the purpose of effecting a “Qualifying Transaction” pursuant to Policy 2.4.
2. On July 2, 2021, the Filer completed its initial public offering of common shares pursuant to a final long-form prospectus dated June 3, 2021.
3. The Filer’s common shares are listed and posted for trading on the TSXV under the symbol “YAY.P”.
4. On September 8, 2023, the Filer entered into a business combination agreement with THS LP, THS Genpar Inc. (**THS GP**), limited partners of THS LP (the **Limited Partners**), and the shareholders of THS GP (the **GP Shareholders** and together with the Limited Partners, the **THS Securityholders**) pursuant to which THS LP would be indirectly acquired by the Filer, which transaction would constitute the Filer’s Qualifying Transaction.
5. THS LP is a limited partnership formed under the laws of the Province of Ontario. THS GP a corporation incorporated under the laws of the Province of Ontario and is the general partner of THS LP.
6. The operating subsidiary of THS LP was incorporated under the *Business Corporations Act* (Ontario) and Turkey Hill was incorporated under the *Canada Business Corporations Act*. Turkey Hill is a wholly-owned subsidiary of THS LP and is a leader in the maple syrup industry supplying high quality pure maple syrup and maple syrup related products since 1976. Turkey Hill’s business is not a seasonal business. THS LP is a holding company created solely to hold the securities of Turkey Hill.
7. Neither THS LP, THS GP, nor Turkey Hill is a reporting issuer in any jurisdiction nor is any class of its securities listed on a stock exchange.
8. Neither the Filer, THS LP, THS GP nor Turkey Hill are in default of securities legislation in any jurisdiction of Canada.

9. Pursuant to Policy 2.4, the Filer is required to file a Filing Statement on TSXV Form 3B2 (the **Filing Statement**) providing disclosure on the business or businesses being acquired pursuant to the Qualifying Transaction and the business of the resulting issuer from the Qualifying Transaction.
10. In accordance with Item 45 of the Filing Statement, the Filing Statement must include financial statement disclosure concerning Turkey Hill in accordance with National Instrument 41-101 - *General Prospectus Requirements (NI 41-101)*, which includes two years of audited financial statements as well as comparative interim financial statements for the most recently completed interim period and MD&A related thereto (similar to what is required for an IPO venture issuer).
11. In accordance with the disclosure requirements for a Filing Statement and section 3.3(1)(a)(i) of NI 52-107, the financial statements included in the Filing Statement that are required to be audited must be accompanied by an auditor's report that expresses an unmodified opinion.
12. As THS LP and Turkey Hill were not previously audited prior to entering into the proposed Qualifying Transaction, the auditors of THS LP and Turkey Hill (the **Auditors**) are unable to express an unmodified audit opinion specific to inventory balances for the year ended November 30, 2022 (and the year beginning December 1, 2021) as they were not physically present as of that date to complete an inventory count. As a result, the Auditor's report for THS LP's audited consolidated financial statements for the year ended November 30, 2022 contains a modified opinion (scope limitation) relating to the physical verification of inventory (the **Inventory Qualification**). The only modification in the Auditor's report is the Inventory Qualification. Subsequently, the Auditors were on-site to perform a physical inventory count for the year-ended November 30, 2023, as well as completed a physical inventory count on June 30, 2023 and the Auditor's report for the audited consolidated financial statements for the year-ended November 30, 2023 therefore contains an unmodified opinion.
13. Subsection 5.8(2) of Companion Policy 41-101CP to NI 41-101 contemplates that relief may be granted to non-reporting issuers in appropriate circumstances to permit the auditor's report on financial statements to contain a modified opinion relating to opening inventory if there is a subsequent audited period of at least six months on which the auditor's report expresses an unmodified opinion and the business is not seasonal.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer includes in the Filing Statement the audited consolidated annual financial statements of THS LP for the years ended November 30, 2022 and November 30, 2023; and
- (b) the only modification in the Auditor's report on the audited consolidated annual financial statements of THS LP for the year ended November 30, 2022 is the Inventory Qualification.

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

OSC File #: 2024/0160

B.3.5 First West Credit Union

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Dual application for Exemptive Relief Applications – Exemption from the prospectus requirement for a federally regulated credit union to distribute membership shares to prospective customers – Filer is a federal credit union subject to a comprehensive scheme of regulation and supervision as a Schedule 1 bank under the Bank Act (Canada) – In order to provide services to customers, the customers must become members of the credit union by acquiring a set number of membership shares – Filer cannot rely on existing provincial credit union exemption under local securities legislation – Exemptive relief is analogous to existing exemption available to provincial credit unions under local securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 73.1(6) and 74(1).

April 12, 2024

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA
AND
ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
FIRST WEST CREDIT UNION
(the Filer)**

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption (the Exemption Sought) from the prospectus requirement for the distribution of the Filer's membership shares (Membership Shares) to prospective members of the Filer (Members), which exemption would be available to the Filer after its continuance as a federal credit union under the *Bank Act* (Canada) as described herein.

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

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. the Filer is a credit union incorporated under the *Credit Union Incorporation Act* (British Columbia) (the CUIA) and its head office is located in Langley, British Columbia;
 2. the Filer is not in default under applicable securities legislation in any jurisdiction in Canada;
 3. the Filer is a member-owned financial co-operative with a business focused on day-to-day banking, investments, and personal and business lending in the Province of British Columbia;
 4. historically, credit unions in Canada have been incorporated and regulated provincially with their operations limited to the territory of the incorporating province;
 5. currently, the Filer relies on the exemption from the prospectus requirements set out in BC Instrument 45-531 – *Exemptions for shares or deposits of a credit union* (BCI 45-531) in order to distribute its Membership Shares; the term “credit union” is defined in the *Interpretation Act* (British Columbia) to mean a credit union authorized to carry on business under the *Financial Institutions Act* (British Columbia);
 6. securities legislation in British Columbia, Ontario and other jurisdictions of Canada contain local exemptions from the prospectus requirements that are only available to credit unions organized and regulated under the laws of the applicable local jurisdiction;
 7. in 2010, the Government of Canada enacted legislation allowing provincial credit unions to continue federally and operate under the *Bank Act (Canada)* (the Bank Act); the Filer wishes to continue as a federal credit union to the Bank Act from the CUIA;
 8. the federal credit union provisions of the Bank Act enable a provincially organized credit union, such as the Filer, to continue as a federal credit union under the Bank Act and operate nationally under the supervision and oversight of the Office of the Superintendent of Financial Institutions, the federal financial institutions regulator;
 9. under the Bank Act, a federal credit union, like provincial credit unions, must be organized and carry on business on a co-operative basis and provide financial services primarily to its members; ownership of membership shares is a requirement for membership in a federal credit union;
 10. the Filer wishes to continue as a federal credit union under the Bank Act in order to have the ability to conduct its operations throughout Canada;
 11. upon continuance, the Filer will change its name to “First West Federal Credit Union”;
 12. upon continuance, the Filer will be a Schedule I bank under the Bank Act;
 13. the Filer's capital structure includes Membership Shares; a holder of Membership Shares that holds the requisite Membership Shares may become a Member of the Filer; each Member is entitled to one vote on a resolution at a general meeting of the Filer no matter how many Membership Shares they hold; each holder of a Membership Share is entitled to receive dividends, as declared at the discretion of the Board, and to receive the remaining property of the Filer upon a liquidation, dissolution or winding up of the Filer;
 14. each new customer of the Filer is required to purchase five Membership Shares in order to become a Member of the Filer and conduct business with the Filer; these shares are a membership requirement and are issued only at the start of the customer relationship; as of the date of this application, the issue price is \$1.00 per Membership Share; the current total cost per customer is therefore a minimum of \$5.00; and
 15. after continuance as a federal credit union under the Bank Act, the Filer will no longer be able to rely on the exemptions from the prospectus requirement set out in Canadian securities legislation available to provincially organized credit unions.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

B.3: Reasons and Decisions

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Filer continues as a federal credit union under the Bank Act; and
- (b) the Filer continues to be subject to regulation, examination and supervision by Office of the Superintendent of Financial Institutions as a federal credit union.

“John Hinze”
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2024/0004

B.4 Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Global Hemp Group Inc.	April 15, 2024	
Canadian Overseas Petroleum Limited	April 8, 2024	
Avarone Metals Inc.	April 8, 2024	April 9, 2024
PepCap Resources, Inc.	February 2, 2024	April 9, 2024
Intellabridge Technology Corporation	May 6, 2022	April 12, 2024

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Biovaxys Technology Corp.	February 29, 2024	
Helix BioPharma Corp.	March 25, 2024	

B.4: Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Payfare Inc.	April 3, 2024	
Perk Labs Inc.	April 4, 2024	

B.7 Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

GC One Equity Portfolio
GC One Fixed Income Portfolio
Guardian Canadian Bond Fund
Guardian Canadian Equity Fund
Guardian Canadian Equity Income Fund
Guardian Canadian Equity Select Fund
Guardian Canadian Focused Equity Fund
Guardian Canadian Growth Equity Fund
Guardian Canadian Short-Term Investment Fund
Guardian Directed Equity Path Portfolio
Guardian Directed Premium Yield Portfolio
Guardian Emerging Markets Equity Fund
Guardian Fixed Income Select Fund
Guardian Fundamental Global Equity Fund
Guardian i3 Global Dividend Growth Fund
Guardian i3 Global Quality Growth Fund
Guardian i3 International Quality Growth Fund
Guardian International Equity Select Fund
Guardian Investment Grade Corporate Bond Fund
Guardian Managed Balanced Portfolio
Guardian Managed Growth Portfolio
Guardian Managed Income & Growth Portfolio
Guardian Managed Income Portfolio
Guardian Risk Managed Conservative Portfolio
Guardian Short Duration Bond Fund
Guardian Strategic Income Fund
Guardian U.S. Equity All Cap Growth Fund
Guardian U.S. Equity Fund
Guardian U.S. Equity Select Fund
Sustainable Balanced 40/60 Fund
Sustainable Balanced 60/40 Fund
Sustainable Growth 100 Fund
Sustainable Growth 80/20 Fund
Sustainable Income 100 Fund
Sustainable Income 20/80 Fund
Principal Regulator – Ontario

Type and Date

Final Simplified Prospectus dated Apr 12, 2024

NP 11-202 Final Receipt dated Apr 12, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06095024

Issuer Name:

Tangerine Balanced ETF Portfolio
Tangerine Balanced Growth ETF Portfolio
Tangerine Balanced Growth Portfolio
Tangerine Balanced Growth SRI Portfolio
Tangerine Balanced Income ETF Portfolio
Tangerine Balanced Income Portfolio
Tangerine Balanced Income SRI Portfolio
Tangerine Balanced Portfolio
Tangerine Balanced SRI Portfolio
Tangerine Dividend Portfolio
Tangerine Equity Growth ETF Portfolio
Tangerine Equity Growth Portfolio
Tangerine Equity Growth SRI Portfolio
Principal Regulator – Ontario

Type and Date

Amendment #1 to Final Simplified Prospectus dated Apr 1, 2024

NP 11-202 Final Receipt dated Apr 11, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06027036

Issuer Name:

Tangerine Money Market Fund
Principal Regulator – Ontario

Type and Date

Amendment #1 to Final Simplified Prospectus dated Apr 1, 2024

NP 11-202 Final Receipt dated Apr 11, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing #06044569

Issuer Name:

Canoe Premium Income Fund
Principal Regulator – Alberta

Type and Date

Amendment #2 to Final Simplified Prospectus dated Apr 5, 2024

NP 11-202 Final Receipt dated Apr 11, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 03538116

Issuer Name:

Purpose Credit Opportunities Fund
Principal Regulator – Ontario

Type and Date

Amendment #1 to Final Simplified Prospectus dated Mar 31, 2024

NP 11-202 Final Receipt dated Apr 11, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06001218

Issuer Name:

Addenda Global Balanced Fund
Addenda Global Diversified Equity Fund
Addenda Income Focus Fund
Principal Regulator – Quebec

Type and Date

Final Simplified Prospectus dated Apr 10, 2024

NP 11-202 Final Receipt dated Apr 15, 2024

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Filing # 06091370

NON-INVESTMENT FUNDS

Issuer Name:

Vitalhub Corp.
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated Apr 9, 2024
NP 11-202 Final Receipt dated Apr 9, 2024

Offering Price and Description:

\$35,004,000.00 - 5,834,000 Common Shares
Price: \$6.00 per Common Share

Filing # 06103034

Issuer Name:

Clear Sky Capital Land Lease Communities Fund I
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated April 11, 2024
NP 11-202 Final Receipt dated April 12, 2024

Offering Price and Description:

Minimum: \$35,000,000.00 of Class A Units, Class F Units
and/or Class U Units
Maximum: \$60,000,000.00 of Class A Units, Class F Units
and/or Class U Units

Filing # 06113025

Issuer Name:

Inceptus Capital Ltd.
Principal Regulator – British Columbia

Type and Date:

Preliminary Long Form Prospectus dated April 12, 2024
NP 11-202 Preliminary Receipt dated April 12, 2024

Offering Price and Description:

Total Offering \$500,000.00
Per Unit \$0.20

Filing # 06113303

Issuer Name:

Chicane Capital II Corp.
Principal Regulator – Ontario

Type and Date:

Final CPC Prospectus TSXV dated April 5, 2024
NP 11-202 Final Receipt dated April 9, 2024

Offering Price and Description:

Minimum Offering: \$200,000.00 (2,000,000 Common Shares)
Maximum Offering: \$250,000.00 (2,500,000 Common Shares)
Price: \$0.10 per Common Share

Filing # 06084406

Issuer Name:

LQWD Technologies Corp.
Principal Regulator – Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated April 11,
2024
NP 11-202 Final Receipt dated April 12, 2024

Offering Price and Description:

\$50,000,000.00 - Common Shares, Warrants, Subscription
Receipts, Units, Debt Securities

Filing # 06096852

Issuer Name:

Zefiro Methane Corp.
Principal Regulator – British Columbia

Type and Date:

Final Long Form Prospectus dated April 8, 2024
NP 11-202 Final Receipt dated April 10, 2024

Offering Price and Description:

Total Offering: \$3,000,000.00 - 2,000,000
Price: \$1.50 per Common Share

Filing # 06082311

Issuer Name:

Sherritt International Corporation
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated April 8, 2024
NP 11-202 Final Receipt dated April 9, 2024

Offering Price and Description:

\$200,000,000.00 - Common Shares, Preference Shares,
Debt Securities, Subscription Receipts, Warrants, Units

Filing # 06082761

Issuer Name:

Nano One Materials Corp.
Principal Regulator – British Columbia

Type and Date:

Preliminary Long Form Prospectus dated April 10, 2024
NP 11-202 Final Receipt dated April 10, 2024

Offering Price and Description:

\$175,000,000.00 - Common Shares, Debt Securities,
Subscription Receipts, Convertible Securities, Warrants,
Units

Filing # 06112488

Issuer Name:

Cybin Inc.
Principal Regulator – Ontario

Type and Date:

Amendment #2 to the Short Form Shelf dated April 8, 2024
NP 11-202 Final Receipt dated April 9, 2024

Offering Price and Description:

\$400,000,000.00 - Common Shares, Warrants, Units, Debt
Securities, Subscription Receipts

Filing # 03550875

Issuer Name:

Ayr Wellness Inc.
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated April 11, 2024
NP 11-202 Final Receipt dated April 12, 2024

Offering Price and Description:

US\$250,000,000 - Subordinate Voting Shares, Restricted
Voting Shares,
Limited Voting Shares, Warrants, Subscription Receipts,
Debt Securities, Convertible Securities, Units

Filing # 06099955

B.9: IPOs, New Issues and Secondary Financings

Issuer Name:

Spin Master Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated April 12, 2024
NP 11-202 Preliminary Receipt dated April 15, 2024

Offering Price and Description:

Subordinate Voting Shares, Preferred Shares, Debt
Securities

Subscription Receipts, Warrants, Units

Filing # 06113312

Issuer Name:

Satellos Bioscience Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated April 7, 2024
NP 11-202 Final Receipt dated April 8, 2024

Offering Price and Description:

\$100,000,000.00 - Common Shares, Preferred Shares,
Warrants, Units, Subscription Receipts, Debt Securities

Filing # 06077155

B.10 Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Centurion One Capital Corp.	Exempt Market Dealer	April 10, 2024
Voluntary Surrender	J.C. HOOD INVESTMENT COUNSEL INC.	Portfolio Manager	April 11, 2024

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B.11

CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 CIRO

B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Rule Consolidation Project – Phase 3 – Request for Comment

REQUEST FOR COMMENT

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

RULE CONSOLIDATION PROJECT – PHASE 3

CIRO is publishing for comment Phase 3 of its Rule Consolidation Project rule proposals. The Rule Consolidation Project will bring together the two member regulation rule sets currently applicable to investment dealers (**IDPC Rules**) and to mutual fund dealers (**MFD Rules**) into one set of member regulation rules applicable to both categories of CIRO Dealer Members.

The objective of Phase 3 of the Rule Consolidation Project (**Phase 3 Proposed DC Rules**) is to adopt rules that are common to the IDPC Rules and MFD Rules and have been assessed as not having a material impact on stakeholders.

The Phase 3 Proposed DC Rules involve the adoption of rules relating to:

- membership and member business activity approval matters,
- clearing and settlement of trades and trade delivery standards, and
- examination, investigation, and enforcement rules.

A copy of the CIRO Bulletin, including the text of the Phase 3 Proposed DC Rules, is also available on the Commission's website at www.osc.ca. The comment period ends on July 17, 2024.

B.11.2 Marketplaces

B.11.2.1 Cboe Canada Inc. – Housekeeping Rule Amendment to the Trading Policies and Listing Manual – Notice

CBOE CANADA INC.

NOTICE OF HOUSEKEEPING RULE AMENDMENT TO THE TRADING POLICIES AND LISTING MANUAL

Introduction

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Cboe Canada Inc. (“**Cboe Canada**” or the “**Exchange**”) is proposing to adopt certain amendments to its trading rules (the “**Trading Policies**”) and its listing rules (the “**Listing Manual**”) that are of a housekeeping nature (collectively, the “**Housekeeping Rule Amendment**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendment comprises the amendments described below.

Housekeeping Rule Amendment and Rationale for Classification

The Housekeeping Rule Amendment is reflected in amendments to:

- the Trading Policies: Sections 5.06(4), 5.06(5) (commentary only), 13.03(1) and 13.03(2); and
- the Listing Manual: Sections 6.01(2), 6.02(2), 6.02(4), 7.09(4), and 7.15(2).

Please note that the Housekeeping Rule Amendment includes certain typographical corrections (in the commentary under Section 5.06(5) and in Section 13.03 of the Trading Policies).

A blackline of the above-listed amendments to the Trading Policies and Listing Manual is provided as Appendix A.

The Housekeeping Rule Amendment is being made in response to the industry shift to a cycle where settlement occurs one trading day after the trade date (“**T+1**”). See, e.g., CSA Staff Notice 24-318 – *Preparing for the Implementation of T+1 Settlement*. As such, it is “necessary to conform to applicable regulatory or other legal requirements” as contemplated in subparagraph 6.1(5)(b)(iv) of the Companion Policy to National Instrument 21-101 *Marketplace Operation* and, therefore, it is considered to be of a “housekeeping” nature.

The Housekeeping Rule Amendment will be effective on May 27, 2024.

Once the amendments have become effective, the amended Trading Policies and Listing Manual will be available at: <https://www.cboe.ca/en/resources>.

APPENDIX A
BLACKLINE OF
HOUSEKEEPING RULE AMENDMENT

Cboe Canada Trading Policies**5.06 Cancellation, Amendment, and Corrections of Trades by the Exchange**

[...]

- (4) *Requests for trade cancellations or amendments on T+1 ~~and T+2~~*. Members must send requests for trade cancellations or amendments on T+1 ~~or T+2~~, for trades executed on T, directly to the Clearing Corporation, with a copy to the Exchange. The Exchange cannot process these requests but must be made aware of them.
- (5) The Exchange assumes no responsibility or liability for trades that are cancelled, amended, or corrected.

Commentary

Decisions may require consultation with and instructions by the Market Regulator, the Clearing Corporation, and/or other marketplaces and the counterparties of the trade.

It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from the Market Regulator regarding whether the latter will permit a cancellation or amendment in accordance with the time limits prescribed by its rules or guidance.

13.03 Settlement of the Exchange Trades of Listed Securities

- (1) Unless otherwise provided by the Exchange or the parties to the trade by mutual agreement, trades of Listed Securities on the Exchange must settle on the ~~second~~first sSettlement ~~d~~Day following the trade.
- (2) Notwithstanding Section 13.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:
- (a) trades in Listed Securities made on a when issued basis:
- (i) prior to the ~~second~~ trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and
- (ii) on ~~or after~~ the ~~second~~ trading day before the anticipated date of issue of the security must settle on the ~~second~~first sSettlement ~~d~~Day after the trade date,
- provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;
- (b) trades in Listed Securities that are rights, warrants, and instalment receipts:
- ~~(i) on the second trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;~~
- (i) ~~(ii)~~ on the ~~first~~ trading day before the expiry or payment date, must be made as cash trades for ~~next~~same day settlement,
- (ii) ~~(iii)~~ on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and
- (iii) ~~(iv)~~ selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;
- (c) cash trades in Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first sSettlement ~~d~~Day following the trade; and

[...].

Cboe Canada Listing Manual

6.01 Dividends or Other Distributions

[...]

- (2) The Exchange may use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., ~~one trading day before~~ the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date. See section 6.02.

6.02 Due Bill Trading

[...]

- (2) Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence ~~one trading day prior to~~ the Record Date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

[...]

- (4) The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., ~~one trading day before~~ the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

7.09 Rights Offerings

[...]

- (4) A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities regulatory authorities at least seven trading days prior to the Record Date for a rights offering. "Ex" trading will begin ~~two trading days prior to~~ on the Record Date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of "ex" trading in the Listed Securities. If insufficient notice is given, the Exchange will require the Listed Issuer to delay the Record Date. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See section 6.02.

7.15 Stock Subdivisions (Stock Splits)

[...]

- (2) Subject to section 7.15(3), the securities will begin trading on a split basis ~~one trading day prior to~~ the Record Date for a stock subdivision accomplished by stock dividend.

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