

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

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

1. **National Instrument 13-503 Fees is amended by this Instrument.**

2. **Section 1.1 is amended by**

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

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

(b) **adding the following definition:**

“reference fiscal year” of a registrant firm in respect of a participation fee means,

(a) the participant's last fiscal year ending before May 1, 2012, if the firm was a registrant firm at the end of the fiscal year, and

(b) in any other case, the previous fiscal year in respect of the participation fee;

3. **Section 2.2 is replaced by the following:**

2.2 **Participation Fee** – On December 31 of each calendar year, a registrant firm must pay the participation fee shown in Appendix A opposite the registrant firm's specified Ontario revenues for its reference fiscal year, as that revenue is calculated under section 2.4 or 2.5.

4. **Section 2.4 and subsection 2.5(1) are amended by replacing each of “previous fiscal year” and “previous year” with “reference fiscal year”, wherever they occur.**

5. **Subsection 2.5(2) is replaced by the following:**

(2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items otherwise included in gross revenues for the reference fiscal year:

(a) revenue not attributable to CFA activities,

(b) advisory or sub-advisory fees paid during the reference fiscal year by the registrant firm to

(i) a person or company registered as a dealer or an adviser under the CFA or under the *Securities Act*, or

(ii) an unregistered exempt international firm, as defined in Rule 13-502 Fees under the *Securities Act*.

6. **Subsection 2.6(1) is replaced by the following:**

2.6 Estimating Specified Ontario Revenues for Late Fiscal Year End

(1) If the reference fiscal year of a registrant firm in respect of a participation fee under subsection 3.1(1) coincides with the previous fiscal year in respect of the participation fee and the annual financial statements of a registrant firm for the previous fiscal year have not been completed by December 1 in the calendar year in which the previous fiscal year ends, the registrant firm must,

(a) on or before December 1 in that calendar year, file a completed Form 13 503F1 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and

(b) on December 31 in that calendar year, pay the participation fee shown in Appendix A opposite the specified Ontario revenues estimated under paragraph (a).

7. **Part 3 is amended by adding the following:**

3.1.1 Information Request -- Section 3.1 does not apply with regard to requests to the Commission under section E of Appendix B but the Commission must only fulfill a request under that section upon full payment of the applicable fee.

8. **Appendix A is replaced by the following:**

APPENDIX A – PARTICIPATION FEES

Specified Ontario Revenues for the Reference Fiscal Year	Participation Fee
under \$250,000	\$800
\$250,000 to under \$500,000	\$1,035
\$500,000 to under \$1 million	\$3,390
\$1 million to under \$3 million	\$7,590
\$3 million to under \$5 million	\$17,100
\$5 million to under \$10 million	\$34,550
\$10 million to under \$25 million	\$70,570
\$25 million to under \$50 million	\$105,750
\$50 million to under \$100 million	\$211,500
\$100 million to under \$200 million	\$351,200
\$200 million to under \$500 million	\$711,650
\$500 million to under \$1 billion	\$947,360
\$1 billion to under \$2 billion	\$1,195,000
\$2 billion and over	\$2,000,000

9. *Appendix A, as amended by section 8, is replaced by the following:*

APPENDIX A – PARTICIPATION FEES

Specified Ontario Revenues for the Reference Fiscal Year	Participation Fee
under \$250,000	\$835
\$250,000 to under \$500,000	\$1,085
\$500,000 to under \$1 million	\$3,550
\$1 million to under \$3 million	\$7,950
\$3 million to under \$5 million	\$17,900
\$5 million to under \$10 million	\$36,175
\$10 million to under \$25 million	\$74,000
\$25 million to under \$50 million	\$110,750
\$50 million to under \$100 million	\$221,500
\$100 million to under \$200 million	\$367,700
\$200 million to under \$500 million	\$745,300
\$500 million to under \$1 billion	\$962,500
\$1 billion to under \$2 billion	\$1,213,800
\$2 billion and over	\$2,037,000

10. *Appendix A, as amended by section 9, is replaced by the following:*

APPENDIX A – PARTICIPATION FEES

Specified Ontario Revenues for the Reference Fiscal Year	Participation Fee
under \$250,000	\$875
\$250,000 to under \$500,000	\$1,135
\$500,000 to under \$1 million	\$3,715
\$1 million to under \$3 million	\$8,325
\$3 million to under \$5 million	\$18,745
\$5 million to under \$10 million	\$37,875
\$10 million to under \$25 million	\$77,475
\$25 million to under \$50 million	\$115,955
\$50 million to under \$100 million	\$232,000
\$100 million to under \$200 million	\$385,000
\$200 million to under \$500 million	\$780,000
\$500 million to under \$1 billion	\$1,008,000
\$1 billion to under \$2 billion	\$1,271,000
\$2 billion and over	\$2,133,000

11. **Appendix B is amended**

(a) **by replacing Item A(1) with the following:**

<p>1. Any application for relief, regulatory approval or recognition under an eligible CFA section, being for the purpose of this item any provision of the CFA or any Regulation or OSC Rule made under the CFA not listed in item A.2, A.3 or A.4 nor section A.1.</p> <p><i>Note: The following are included in the applications that are subject to a fee under this item:</i></p> <ul style="list-style-type: none"> (i) <i>recognition of a self-regulatory organization under section 16 of the CFA;</i> (ii) <i>approval of the establishment of a council, committee or ancillary body under section 18 of the CFA;</i> (iii) <i>applications by a person or company under subsection 78(1) of the CFA; and</i> (iv) <i>except as provided in section A.1, exemption applications under section 80 of the CFA.</i> 	<p>\$4,500 for an application made under one eligible CFA section and \$7,000 for an application made under two or more eligible CFA sections (plus \$2,000 if none of the following is not subject to, or is not reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-502 under the <i>Securities Act</i>:</p> <ul style="list-style-type: none"> (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary; (iii) the investment fund manager of the applicant) <p>(plus an additional fee of \$100,000 in connection with each particular application by a person or company under subsection 78(1) of the CFA in respect of an application described in section A.1 that is not in conjunction with a corresponding application under subsection 144(1) of the <i>Securities Act</i> if the particular application</p> <ul style="list-style-type: none"> (a) reflects a merger of an exchange or clearing house, (b) reflects an acquisition of a major part of the assets of an exchange or clearing house, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing house, or (d) reflects a major reorganization or restructuring of an exchange or clearing house.) <p>Despite the above, the fee under this Item for a recognition described in Note (i) of the first column, an approval described in Note (ii) of the first column or an application described in Note (iii) of the first column does not apply where the recognition, approval or application is in conjunction with a recognition, approval or application under the <i>Securities Act</i>.</p>
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(b) by replacing Item A(3) with the following:

3.	An application for relief from this Rule.	\$1,750
4.	An application for relief from any of the following:	\$1,500
	(a) OSC Rule 31-509 (<i>Commodity Futures Act</i>) <i>National Registration Database</i> ;	
	(b) OSC Rule 33-505 (<i>Commodity Futures Act</i>) <i>Registration Information</i> ;	
	(c) Subsection 37(7) of the Regulation to the CFA.	

(c) by adding the following section:

A.1	Market Regulation Recognitions and Exemptions	
(a)	Application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is not made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$100,000
(b)	Application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$20,000
(c)	Application for exemption from registration of an exchange under section 80 of the CFA if the application is not made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$75,000
(d)	Application for exemption from registration of an exchange under section 80 of the CFA if the application is made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$20,000
(e)	Application for recognition of a clearing house under section 17 of the CFA if the application is not made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> ;	\$100,000
(f)	Application for recognition of a clearing house under section 17 of the CFA if the application is made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> .	\$20,000
		<p>(plus, in connection with each such application described in paragraph (a), (c) or (e) of this Item, an additional fee of \$100,000 if the application</p> <p>(a) reflects a merger of an exchange or clearing house,</p>

	<p>(b) reflects an acquisition of a major part of the assets of an exchange or clearing house,</p> <p>(c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing house, or</p> <p>(d) reflects a major reorganization or restructuring of an exchange or clearing house).</p>
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- (d) in Item B(1) by replacing “\$600” with “\$1,200”;
- (e) in Item B(2) by replacing “\$600” with “\$700”;
- (f) in Item B(5) by replacing “\$2,000” with “\$1,000”;
- (g) by replacing section C as follows:

<p>C. Application for Approval of the Director under Section 9 of the Regulation to the CFA</p> <p><i>Note: No fee for an approval under subsection 9(3) of the Regulation to the CFA is payable if a notice covering the same circumstances is required under section 11.9 or 11.10 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Requirements.</i></p>	<p>\$3,500</p>
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- (h) by replacing section E as follows:

E.	Requests of the Commission	
	1. Request for a copy (in any format) of Commission public records	\$0.50 per image
	2. Request for a search of Commission public_records	\$7.50 for each 15 minutes search time spent by any person
	3. Request for one’s own individual registration form.	\$30

12. Appendix C is amended by deleting “or Form 7” in paragraph (d) in the first column.

13. Form 13-503F1 is amended

- (a) by replacing items 1 to 10 of General Instructions with the following:

1. This form must be completed by firms registered under the *Commodity Futures Act* but not under the *Securities Act*. It must be returned to the Ontario Securities Commission by December 1 each year pursuant to section 2.3 of Rule 13-503, except in the case where firms register late in a calendar year (after December 1). In this exceptional case, this form must be filed as soon as practicable after December 1.
2. The completion of this form will serve as an application for the renewal of your firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
3. IIROC members must complete Part I of this form. All other registrant firms must complete Part II. Everyone completes Part III.

4. The components of revenue reported in this form should be based on accounting standards pursuant to which an entity's financial statements are prepared under Ontario securities law ("Accepted Accounting Standards"), except that revenues should be reported on an unconsolidated basis.
5. IIROC Members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
6. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario for the firm's reference fiscal year, which is generally referred to the Rule as its "previous fiscal year". A firm's reference fiscal year is generally its last fiscal year ending before May 1, 2012. For further detail, see the definition of "reference fiscal year" in section 1.1 of the Rule.
7. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for a fiscal year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a fiscal year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same fiscal year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.
8. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.
9. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy. However, it is acceptable to provide certification of this nature by only one member of senior management in cases of firms with only one officer and director.

(b) in section 4 by

(i) replacing "last completed" with "reference", and

(ii) deleting "Note: The fiscal year identified above is referred to below as the relevant fiscal year";

(c) after section 4, by replacing "Relevant Fiscal Year" with "Reference Fiscal Year"; and

(d) after section 4, by replacing "relevant fiscal year" with "reference fiscal year", wherever it occurs.

14. Form 13-503F2 is amended by

(a) replacing "Fiscal Year End" with "End Date of Last Completed Fiscal Year"; and

(b) replacing "that this Form" with "that this form".

15. (1) Except as provided by subsections (2) and (3), this Instrument comes into force on April 1, 2013.

(2) Section 9 comes into force on April 7, 2014.

(3) Section 10 comes into force on April 6, 2015.