

OSC

ONTARIO
SECURITIES
COMMISSION

For the fiscal years ending
2025-2027
OSC Business Plan



Ontario

Table of Contents

Introduction	2
Background	2
Vision, Mandate, and Operating Principles	3
The Environment	5
Economic Conditions.....	5
Technological Evolution	5
Changing Investor Needs	6
Confidence, Cooperation and Coordination	6
Securities Regulation	7
Enforcement.....	11
Governance	12
The Ontario Securities Commission.....	12
Operations	15
Organization, Structure and Resources to Meet Objectives.....	15
Strategic Direction	21
Current and Future Programs and Activities	21
Core Regulatory Operations	21
Key Priorities	23
Details of Key Priorities	24
1 Develop and Publish OSC Strategic Plan	24
2 Advance Work on Environmental, Social, and Governance Disclosures for Reporting Issuers	24
3 Consider Broader Diversity on Boards and in Executive Roles at Reporting Issuers	26
4 Assess implementation of Client Focused Reforms and Consider Impact of Limited Product Shelves	27
5 Advance Initiatives to Strengthen the Short Selling Framework	27
6 Study the Limitation of Advice in the Order-Execution Only Channel.....	28
7 Advance Cooperation with Indigenous Peoples and Work to Understand and Integrate their Perspectives and Interests.....	29
8 Enhance Information Sharing with the Canadian Public Accountability Board	29
9 Conduct Initiatives for Retail Investors Through Specific Education, Policy, Research and Behavioural Science Activities.....	30
10 Strengthen the Dispute Resolution Framework of the Ombudsman for Banking Services and Investments and Modernize OSC's Disgorgement Framework	31
11 Strengthen Oversight and Enforcement in the Crypto Asset Sector.....	32
12 Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers.....	33
13 Facilitate Financial Innovation	34
14 Further Initiatives that Promote Capital Formation and Foster Competition	35
15 Execute OSC's Inclusion and Diversity Strategy	37
16 Integrate Digital and Data Capabilities and Processes to Support Effective Decision Making, Risk Monitoring and Streamlined Operations	37
Key Risks and Mitigation Strategies	39

Key Components of the OSC Risk Management Framework.....	39
Key Risk Inventory – Key Risks and Mitigating Controls	40
Human Resources	43
Human Resources Plan	43
Initiatives Involving Third Parties	46
Domestic Engagement.....	46
International Engagement.....	48
OSC Advisory Committees	49
Communications Plan	52
Strategic Focus.....	52
External Outreach and Communication.....	52
Stakeholder Engagement.....	53
Public Affairs	53
Internal Communications.....	54
Metrics.....	55
Performance Measurement.....	55
Budget	56
2024 – 2025 Budget Summary.....	56
2023 – 2024 Forecast Summary	56
Three Year Financial Summary.....	58
Fee Rule Amendments.....	59
Appendix A - Service Commitments.....	60

Introduction

Background

The Ontario Securities Commission (OSC or Commission) is a self-funded Crown agency responsible for overseeing Ontario's capital markets.

We contribute to the health and performance of Ontario's economy by using our regulatory and enforcement powers to help safeguard investors, deterring financial misconduct, and overseeing participants involved in capital markets in Ontario. We regulate market participants, including firms and individuals who sell securities and derivatives, firms that provide investment advice in Ontario, and public companies. We also regulate marketplaces and exchanges.

The Ontario Securities Commission administers and enforces the Ontario *Securities Act* and the *Commodity Futures Act* and carries out the powers, duties, and functions given to it under the *Securities Commission Act, 2021* and any other act, including the *Business Corporations Act*.

The Capital Markets Tribunal (the Tribunal) is an independent division of the Ontario Securities Commission established by the *Securities Commission Act, 2021*. The Tribunal has exclusive jurisdiction to exercise the powers conferred on it under the Ontario *Securities Act* and the *Commodity Futures Act* (together, the Acts) and to determine all questions of fact or law in any proceeding before it under those Acts.

The OSC is accountable to the Ontario Legislature through the Minister of Finance. A memorandum of understanding (MOU) with the Minister of Finance establishes the accountability relationship between the OSC and the Minister. The Minister, in turn, is accountable to the Legislature for the Commission's fulfilment of its mandate and its compliance with government directives and policies, and for reporting to the Legislature on the affairs of the Commission.

The OSC is required under the Agencies and Appointments Directive (AAD), a key government directive setting out agency governance and accountability, to provide an annual multi-year business plan to the Minister of Finance. This OSC Business Plan for the fiscal years ending 2025-2027 (the Business Plan or Plan) sets out the OSC's core strategy for the fiscal years 2024-2025, 2025-2026, and 2026-2027 including the initiatives for the upcoming year that will be undertaken toward this strategy. The financial summary in this Plan outlines forecasted costs and revenues over the three-year period.

Looking ahead at fiscal 2024-2025, the OSC will focus most of our resources on sustaining our fundamental core regulatory operations, continuing to invest in key areas including our multi-year digital transformation plan and advancing key policy initiatives and established multi-year programs. As business needs evolve, the OSC may take on additional priorities or reprioritize initiatives during the year in response to emerging issues and changing market conditions.

Over the last several years, the OSC has undergone significant change, including the separation of the regulatory and adjudicative functions, as well as responding to several recommendations from the Value for Money Audit by the Ontario Auditor General (2021) and the Ontario Government's Capital Markets Modernization Taskforce (2021). Together, these changes have prompted the need for a new and refreshed Strategic Plan to ensure that we are well-positioned for the future. The Strategic Plan will inform our priorities over the next six years, and we look forward to finalizing and publishing it in the Spring of 2024.

The information about the OSC included in this Business Plan is reflective of the organization as of February 8, 2024.

Vision, Mandate, and Operating Principles

Our Vision

The vision of the OSC is to be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

An updated vision statement will be included in our refreshed Strategic Plan to be published in the Spring of 2024.

Mandate and Operating Principles

The mandate of the OSC is to provide protection to 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.

Consistent with the Ontario *Securities Act*, all components of the OSC's mandate are assessed on a holistic basis. This allows us to balance the mandate components in any decision or recommendation. This balancing exercise is tailored to the facts and circumstances of each initiative under consideration.

The principal means for achieving this mandate consist of:

- Setting/defining requirements for timely, accurate and efficient disclosure of information necessary for investors to make informed decisions
- Establishing restrictions on fraudulent and unfair market practices and procedures
- Establishing requirements for the maintenance of high standards of fitness and business conduct for market participants
- Embedded focus on reducing unnecessary regulatory burden on market participants while providing investor protection
- Timely, open and efficient administration of enforcement, compliance and adjudication activities
- Delegation of specific functions to Self-Regulatory Organizations (SROs) (subject to appropriate OSC supervision)
- Responsible harmonization and coordination of regulatory practices with other jurisdictions (e.g., through the Canadian Securities Administrators (CSA), Heads of Regulatory Agencies (HoA) and the International Organization of Securities Commissions (IOSCO))
- Facilitating innovation in Ontario's capital markets

The OSC is committed to fostering confidence in Ontario's capital markets, promoting a competitive environment across those markets, supporting capital formation, streamlining regulation with a strengthened focus on reducing regulatory burden without compromising investor protection, and maintaining Ontario's financial services sector as a world leader and significant contributor to the province's economy.

The OSC will continue to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from domestic and global systemic events.

Response to Expectations Set Out in the Annual Letter of Direction

As required under the AAD, the OSC's Business Plan must demonstrate our plans in fulfilling the expectations set out in the Annual Letter of Direction. In response to these expectations, the action plan to achieve these priorities is included in the detailed business plans of the relevant OSC branches and supported by our strategic goals and priority initiatives identified in the OSC Business Plan. The OSC attests annually to the Ministry of Finance that it complies with the requirements of the AAD and that the Business Plan includes our plans to fulfill government priorities set out in the Annual Letter of Direction.

The OSC will continue to work closely with the Ministry of Finance pursuant to the November 2023 Annual Letter of Direction from the Minister of Finance to the Chair of the OSC and will coordinate with stakeholders as appropriate to deliver on expectations.

The Environment

Ontario's capital markets play a crucial role in fostering growth across all sectors of the economy and providing opportunities for investors to build financial wealth through savings. In supporting investment and capital allocation in our markets, we must monitor, assess, and respond to changes in the regulatory environment in which we operate.

That regulatory environment is influenced by many factors, including economic conditions, technological evolution, changing investor needs, and changes in the regulation of the broader domestic and global financial system. Below are some of the developments that we have considered in preparing this Business Plan.

Economic Conditions

Changing macro-economic conditions will continue to be a central driver in financial decisions for firms and investors for the coming year. The post-COVID surge in economic activity was spurred on by a combination of the reopening of the economy and strong consumer spending. That led to much higher inflation than had been experienced in recent memory. In response, the Bank of Canada, and its global peers, increased interest rates significantly as a way of restraining rising prices.

For the coming period, tighter financial conditions are likely to slow capital raising activity. Higher interest rates are expected to last for some time, and this will impact financial decisions by firms and households. For example, already indebted firms may have challenges in refinancing that debt in the coming years and households with variable rate borrowing may need to reduce discretionary spending (and investing) to make ends meet.

Technological Evolution

The expanding and evolving offerings of financial products and services brought on by technological change is a focus for the OSC and other securities regulators. As market participants embrace innovative practices, the potential benefits of further innovation and more efficient markets need to be balanced with an understanding that there are potential risks that should be mitigated. The OSC continues to implement new approaches, invest resources and support a testing environment around new technologies to support responsible innovation and modernize our compliance oversight activities.

Despite volatile valuations and liquidity and several notable firm failures, crypto asset markets continue to be a focus for investors and therefore, regulators. In 2023, the OSC found that 10% of Canadians held crypto assets or crypto funds¹ and we have seen an expansion in the availability of retail investment funds that provide crypto-asset exposure. The continued interest in this asset class emphasizes the need for the OSC to ensure that participants in this market follow appropriate investor protection standards and that crypto asset markets are fair and efficient.

¹ https://www.osc.ca/sites/default/files/2023-12/inv-research_20231129_crypto-asset-survey-2023.pdf

The discussion of technological evolution has recently been dominated by Artificial Intelligence (AI) and, more specifically, generative AI applications (e.g., ChatGPT and others). As the OSC’s research shows ([Artificial Intelligence in Capital Markets](#)), while adoption of these technologies in our capital markets remains at an intermediate stage, they have the potential for transformative change. Firms are looking to unlock value from efficiency gains by automating previously manual tasks and developing entirely new products and services. However, AI also has the potential for misuse in deceptive practices and fraud. Globally, regulators, industry and government are examining this technology to promote responsible adoption and assess the need for regulatory change, and we are active participants in those discussions.

Changing Investor Needs

The make-up of investors in Ontario is also evolving. By the end of this fiscal year, Ontario’s population is expected to reach 16 million people. Net migration will account for 85% of population growth and the share of seniors will soon surpass 20% of all Ontarians.² These changing demographics remain important factors in our research, education and outreach activities that inform our regulatory approach.

We also continue to see evolving investor demands in terms of the information used in their investment decision making. We continue to focus on the information investors receive about their investment products, the sales practices to which they are subject and their ability to make informed decisions about competing products and services.

Institutional and retail investor interest in environmental, social and governance (ESG) investing continues to grow. The OSC remains focused on promoting adoption of standards and increasing the extent of information disclosure in areas such as climate-related disclosure and corporate diversity.

Confidence, Cooperation and Coordination

Expectations of stakeholders on market regulators are heightened in the face of innovation and evolving risks to market integrity and investors. The landscape of risks – both within our regulatory perimeter and on the horizon – is always changing, with challenges including cyber security threats, geopolitical risks and threats to data privacy.

Trust-building with Ontario investors continues to be a key driver of OSC practices that support our credibility as an innovative, modern, and agile regulator. Effective cooperation and coordination with other agencies and across jurisdictions are key to consistent standards and practices while addressing common challenges. The OSC contributes to and shapes policy discussions among domestic and international counterparts on issues relevant to our regulatory remit.

² <https://www.ontario.ca/page/ontario-demographic-quarterly-highlights-first-quarter>

Securities Regulation

The OSC has overall accountability for the effective administration and enforcement of the *Securities Act* (Ontario) (the Act) as well as the *Commodity Futures Act* (Ontario) (together, the Acts). While the OSC oversees securities regulation for Ontario, capital markets in Canada are highly integrated. Accordingly, much of the OSC's activity is coordinated with that of other provincial and territorial securities regulators, primarily through the CSA. Coordinating with the CSA helps to reduce regulatory complexity and burden faced by market participants.

The Role of the CSA

The CSA's key objective is to coordinate and harmonize regulation of the Canadian capital markets. CSA members work cooperatively to develop and implement harmonized securities laws, and to administer, monitor and enforce laws in a consistent and coordinated manner to minimize regulatory duplication.

The CSA has achieved a significant level of harmonization and uniformity in securities laws and the implementation of those laws across Canada. Currently most regulatory requirements are set out in national instruments that are adopted with virtually uniform wording in all jurisdictions. In addition to harmonized instruments, the passport system and accompanying interface with the OSC provide a streamlined filing and review procedure for prospectuses and exemptive relief applications among multiple securities regulators across Canada resulting in reduced regulatory burden on market participants. The system is designed to enable one CSA jurisdiction to rely on the analysis and review undertaken by the staff of another. The OSC is not a member of the passport system but collaborates with the other CSA jurisdictions to support a streamlined and efficient interface.

Self-Regulatory Organizations (SROs) and Investor Protection Fund (IPFs)

Recognized SROs play a significant role in promoting investor protection and market integrity. They have prescriptive rules, compliance staff and an enforcement function which includes the authority to impose sanctions on their dealer members and their individual representatives and approved persons – i.e., fines, reprimands, suspensions and permanent membership bans. The Act enables SROs to pursue the collection of disciplinary fines directly through the courts. As front-line regulators, SROs discharge their responsibilities, subject to oversight by the applicable provincial securities regulatory authorities known as “recognizing regulators”.

Following extensive public consultations, the CSA published CSA Position Paper 25-404 – *New Self-Regulatory Organization Framework* in 2021 recommending amalgamation of the two existing SROs, Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA), into a single SRO, known as the Canadian Investment Regulatory Organization (CIRO) in order to provide a framework for efficient and effective regulation in the public interest, including an enhanced governance structure, improved investor protection and education, and strengthened industry proficiency. The CSA also recommended to amalgamate the two existing investor protection funds, the Canadian Investor Protection Fund (CIPF) and the MFDA Investor Protection Corporation (MFDA IPC), into a single investor protection fund (new CIPF) that will be independent from the CIRO. The CIRO and the new CIPF launched with an effective date of January 1, 2023, marking the completion of the CSA's plan to create a new, single self-regulatory organization and an integrated

investor protection fund. The CIRO is continuing its efforts at implementing a common rule book and other integration efforts.

CSA jurisdictions rely on CIRO to conduct the day-to-day regulation of mutual fund dealers and investment dealers, and to monitor trading on equity and debt marketplaces in Canada. The new CIPF is the sole investor protection fund approved for the CIRO members authorized to provide protection within prescribed limits to eligible clients of member firms suffering losses in the event of an SRO member insolvency.

The recognizing regulators have an oversight program, consisting of regular reporting on activities, oversight reviews, processes to review proposed rule and by-law amendments and regular meetings with the CIRO to discuss issues and emerging trends. A similar program is in place for the new CIPF. Since multiple jurisdictions are involved in the CIRO / new CIPF oversight, the programs are coordinated. A coordinating regulator model is used for this purpose; each recognizing jurisdiction is actively involved in oversight, but two regulators (i.e., the coordinating regulators) coordinate the process. The OSC and British Columbia Securities Commission (BCSC) are the coordinating regulators for the CIRO and the new CIPF.

The CSA CIRO/new CIPF Oversight Committees are responsible for dealing with issues and initiatives that affect the CIRO/new CIPF.

Exchanges

Exchanges that have been recognized in various jurisdictions in Canada are the TMX Group Inc. (and TSX Inc. that operates the exchange), TSX Venture Exchange, Canadian Securities Exchange (CSE), TSX Alpha Exchange (Alpha), Cboe Canada (Cboe), Nasdaq CXC Limited (Nasdaq), Natural Gas Exchange (NGX) and the Bourse de Montréal. These exchanges offer services in multiple provinces and territories and are subject to regulation by the securities regulatory authorities in the jurisdictions in which they operate. The CSA generally relies on a “lead” regulator model for the oversight of each recognized exchange, whereby one jurisdiction recognizes the exchange while the others exempt the exchange from recognition based on principles of reliance.

The OSC is the lead regulator for TSX Inc., Alpha, Cboe, and Nasdaq, and is co-lead regulator of CSE with the BCSC. The Alberta Securities Commission (ASC) and the BCSC are joint lead regulators for the TSX Venture Exchange. On the derivatives side, the Autorité des marchés financiers (AMF) is the lead regulator for the Bourse de Montréal and the ASC for NGX.

Clearing Agencies

Since March 1, 2011, clearing agencies carrying on business in Ontario have been required to be recognized by the OSC or to have obtained an exemption from the requirement to be recognized as clearing agencies in Ontario. Clearing agencies which have been recognized by the OSC for operation in Ontario are Canadian Depository for Securities Limited (CDS), Canadian Derivatives Clearing Corporation (CDCC), FundSERV Inc., and LCH Limited.

Trade Repositories

The OSC has designated Chicago Mercantile Exchange Inc., DTCC Data Repository (U.S.) LLC, and ICE Trade Vault, LLC as trade repositories operating in Ontario. An additional trade repository, KOR Financial, applied for designation in Ontario, which was published for comment in October 2023. As part of Canada’s commitment to the G20 initiative to reform the practices in the over-the-counter (OTC) derivatives markets, the OSC has

implemented OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting to improve transparency in the OTC derivatives market by requiring participants in the market to report certain transaction data to a designated Trade Repository and to impose certain minimum standards on designated Trade Repositories to ensure that they operate in a manner that promotes the public interest. Market participants began reporting their OTC derivatives transaction data in October 2014.

Designated Rating Organizations

The OSC has designated DBRS Limited, Fitch Ratings, Inc., Kroll Bonding Rating Agency, LLC (Kroll), Moody's Canada Inc. and S&P Global Ratings Canada as designated rating organizations (DROs) under National Instrument 25-101 *Designated Rating Organizations*. Kroll has only been designated as a DRO for the purposes of the alternative eligibility criteria in section 2.6 of National Instrument 44-101 *Short Form Prospectus* and section 2.6 of National Instrument 44-102 *Shelf Distributions* for issuers of asset-backed securities to file a short-form prospectus or shelf prospectus, respectively. In Canada, the OSC is the principal regulator of these DROs.

The regulatory oversight regime for DROs recognizes and responds to the role of credit rating agencies (CRAs) in our credit markets, and the role of the CRA-issued ratings which are referred to in securities rules and policies. Under the regime, the OSC has the authority to designate a CRA as a DRO, to impose terms and conditions on a DRO, and to revoke a designation order, or changes its terms and conditions, where the OSC considers it in the public interest to do so.

Benchmarks

Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* establishes a comprehensive regime for the designation and regulation of financial and commodity benchmarks and those that administer them.

In Canada, the OSC and the AMF have designated:

- the Canadian Dollar Offered Rate (CDOR) (which will cease to be published after June 28, 2024) as a designated critical benchmark and a designated interest rate benchmark and Refinitiv Benchmark Services (UK) Limited as its designated benchmark administrator), and
- term Canadian Overnight Repo Rate Average (CORRA) as a designated interest rate benchmark and CanDeal Benchmark Administration Services Inc. as its designated benchmark administrator.

The OSC and the AMF are co-lead authorities and administrators of these designated benchmarks.

Regulation of Issuers – Offerings and Continuous Disclosure

Disclosure of complete, accurate and timely information is the cornerstone of investor protection and efficient capital markets. Subject to certain specified exemptions, issuers are required to prepare and file a preliminary and final prospectus prior to any distribution of securities to the public. The prospectus must contain full, true and plain disclosure of all material facts relating to the securities offered under the prospectus and must be received by the Commission.

Public companies (referred to as reporting issuers) must comply with ongoing disclosure obligations. Those obligations include periodic financial reporting (annual and interim), as well as event-driven filings such as material change reports, and business acquisition reports. Requirements that contribute to fair and efficient

markets, such as insider trade reporting, corporate governance requirements, and minority shareholder protection requirements, also form part of public company regulation.

Issuers that rely on a prospectus exemption must comply with the applicable conditions. Depending on the exemption, conditions relate to the nature of the purchasers, limits on the amounts that may be distributed, prescribed disclosure, public float of the issuer and limited ongoing reporting.

Oversight reviews of reporting issuers' offering documents are conducted using a risk-based approach, both when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace, to assess compliance with securities law requirements.

Prospectus-exempt distributions do not require prior approval or staff review. The OSC's oversight of issuers in the exempt market is focused on creating awareness of our requirements, monitoring the use of the prospectus exemptions and identifying material non-compliance that may require regulatory intervention.

Investment funds that offer securities to the public must prepare and file a preliminary and final prospectus before distributing their securities. In addition, conventional mutual funds must prepare a Fund Facts document that is required to be delivered to a purchaser prior to the purchase of mutual fund securities. The document provides key information about a fund in plain language and cannot exceed two pages in length. Similarly, exchange-traded funds (ETFs) are required to deliver an ETF Facts document to investors who purchase ETF securities on an exchange.

Publicly offered investment funds are subject to continuous disclosure obligations similar to those applicable to public companies. These investment funds must also comply with product regulations that contribute to investor protection, including investment restrictions, asset custody requirements and security holder voting requirements. Investor protection is further promoted by requiring every publicly offered investment fund to have a fully independent body, an Independent Review Committee (IRC), whose role is to consider all decisions referred to the IRC by the fund manager involving an actual or perceived conflict of interest faced by the fund manager in the operation of the fund.

The OSC also regulates structured products that are securities and sold to retail investors. These structured products are also known as linked notes. Linked notes generally provide investment exposure to public indices and can have various degrees of downside protection and pay-out. Linked note issuers file base-shelf prospectuses and prospectus supplements to distribute these notes. Any novel linked note is subject to the OSC's review before distribution of the note.

Regulation of Dealers, Advisers, and Investment Fund Managers

The regulation of dealers, advisers and investment fund managers is based on registration and ongoing registrant obligations. Registration entails demonstrating that the person or company is suitable for registration with regard to fundamental requirements of integrity, proficiency and solvency. Once registered, a dealer, adviser or investment fund manager must meet ongoing registrant obligations. For example, registered firms must meet certain requirements relating to business conduct (including know-your-client (KYC), know-your-product (KYP), suitability, conflict of interest management and client relationship), and to financial reporting, working capital, insurance and bonding.

Unless an exemption is available, or a discretionary exemption is granted, firms must register in each jurisdiction where they are:

- In the business of trading
- In the business of advising
- Holding themselves out as being in the business of trading or advising
- Acting as an underwriter
- Acting as an investment fund manager

The OSC registers firms in all categories of registration (this function is not delegated to CISO in Ontario).

Individuals must become registered with the OSC if they trade, underwrite or advise on behalf of a registered dealer or adviser, or act as the ultimate designated person or chief compliance officer of a registered firm.

The OSC has delegated to CISO the registration of their investment dealer dealing representatives. To facilitate registration and filing in multiple jurisdictions, the CSA developed the National Registration Database and has harmonized the registration regime. Oversight reviews of registrants and derivatives market participants are conducted to assess compliance with applicable securities legislation and rules. Registrants are selected for reviews using a risk-based approach for issue-specific compliance reviews, or when registrant-specific concerns are identified.

Enforcement

Our Enforcement Branch is responsible for investigating and litigating breaches of the Acts and seeking orders in the public interest before the Commission and the courts. Effective enforcement of Ontario securities laws is fundamental to our mission to protect investors and instill confidence in the capital markets. As part of our ongoing activities, we will be implementing a tougher, and more visible response to capital markets misconduct.

The activities of the Enforcement branch include the following:

- Assessment of matters that may constitute a breach of Ontario securities law and referrals for possible investigation and/or disruption activities
- Investigation and prosecution of regulatory enforcement matters, including market abuse matters
- Through the Quasi-Criminal Serious Offences Team (QSOT), and in cooperation with policing partners, prosecute matters involving fraudulent behaviour and recidivism
- Administration of the Whistleblower Program to incentivize the submission of timely, specific and credible tips that lead to impactful regulatory outcomes
- Executing alternative enforcement measures to disrupt alleged ongoing and future misconduct by engaging directly with various stakeholders including subjects, investors, service providers and law enforcement partners. Such measures include issuing warnings and collaborating with domestic and international partners for information sharing and implementing disruption strategies.

The Enforcement branch has a partnership with the Ontario Provincial Police Anti-Rackets branch, as well as working relationships with the RCMP Toronto Integrated Market Enforcement Teams (IMET) and municipal police services to assist with investigating and prosecuting serious violations of the law under Ontario's *Securities Act* and Canada's Criminal Code.

The OSC also works with other securities regulators to share intelligence and provide assistance in investigations of alleged cross-border misconduct. The IOSCO MMOU, signed by more than 120 other securities commissions and governmental bodies, is a key instrument in advancing international co-operation on enforcement matters.

Governance

The Ontario Securities Commission

The *Securities Commission Act, 2021* continued the Commission as a corporation without share capital and established the Board of Directors and the separate positions of Chief Executive Officer (CEO), Chair of the Board, and Board Director. It also established the Capital Markets Tribunal as a division of the Commission, with an independent Chief Adjudicator and Adjudicators. The Capital Markets Tribunal is the administrative tribunal that is assigned the power to conduct hearings under the *Securities Act* and the *Commodity Futures Act*. The Chief Adjudicator is responsible for supervising and directing the operations of the Tribunal.

Governance Framework

Although structured as a corporation, the Commission is a regulatory body, and its purpose is mandated by statute. The Commission, unlike a business corporation, does not have shareholders to whom the Board of Directors report. Instead, the Commission is accountable to the Minister of Finance and, through the Minister, to the Ontario Legislature. The *Securities Commission Act, 2021* outlines the basic governance and accountability structure for the Commission. It requires the Commission to provide the Minister with any information about its activities, operations and financial affairs that the Minister requests, including an Annual Report.

The AAD requires the Ontario Securities Commission to enter into an MOU with the Minister of Finance that reflects the accountability framework and sets out roles and responsibilities. The MOU remains in effect until it is renewed, usually every five years. When there is a change in the Minister or the Chair, both parties must agree to either affirm the current MOU or to revise it and sign a new MOU within six months of the appointment.

The Board of Directors

Composition

The Commission may have a maximum of twelve Board Directors. The *Securities Commission Act, 2021*, together with By-Law No. 1, provide that the Board be composed of at least three and not more than eleven individuals appointed by the Lieutenant Governor in Council, plus the full-time Chief Executive Officer.

As of December 15, 2023, the Board is composed of nine Board Directors: Kevan Cowan (Board Chair), Mary Anne De Monte-Whelan, Jennifer Fang, Dieter Jentsch, Frances Kordyback, David Lewis, Hari Panday, Elizabeth Cynthia (Cindy) Tripp, and D. Grant Vingoe (Chief Executive Officer).

Functions of the Board

The Board of Directors oversees adherence to the principles established by the Government of Ontario, the MOU, the *Public Service of Ontario Act, 2006* and the OSC's Code of Conduct relating to ethical behaviour, accountability, excellence in management, wise use of public funds, high-quality service to the public, and fairness in the marketplace. The Board is responsible for the overall stewardship of the Commission, including strategic planning and annual budgets, financial review, reporting and disclosure, risk assessment and internal controls, and board governance.

The Board holds regulatory and governance meetings with management and staff of the Commission. Through regular and special regulatory meetings, the Board reviews and approves regulatory initiatives, policies and rules, and discusses general oversight of the capital markets. Through quarterly and special governance meetings, the Board manages or supervises the management of the OSC's priorities and affairs, other than matters relating to the Capital Markets Tribunal's adjudicative functions. At both regulatory and governance meetings, the Board holds closed sessions with and without the Chief Executive Officer and the Corporate Secretary.

The Board of Directors does not have any oversight of the Capital Markets Tribunal's adjudicative functions. The adjudicative functions of the Capital Markets Tribunal include presiding over, deciding, and issuing reasons and orders in Capital Markets Tribunal proceedings, and the Chief Adjudicator's related functions. These related functions include:

- Adjudicator recruitment, orientation, training and education
- assigning Adjudicators to hearings
- overseeing, monitoring, and evaluating Adjudicator performance
- setting service standards relating to Tribunal proceedings
- ensuring an appropriate orientation and training framework is in place for Governance & Tribunal Secretariat staff who support the Tribunal

Appointment of Board Directors

The Board of Directors, other than the CEO, are independent of management and are appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance. Though they are part-time appointees, they devote as much time as necessary to perform their duties. The Chair is designated by the Lieutenant Governor in Council from among those independent Board Directors.

Candidates for appointment are recommended to the Minister by the Chair following a recruitment process led by the Governance and Nominating Committee of the Board. The Committee regularly reviews the qualifications, attributes, skills and experience of the Board Directors to ensure that Board Directors, individually and collectively, meet the standards necessary to exercise their responsibilities effectively. The Committee applies a competency matrix to identify any gaps in attributes, skills and qualifications that may arise due to an upcoming vacancy on the Board.

Appointments and reappointments are made in accordance with the AAD, the MOU and the procedures of the Public Appointments Secretariat of the Government of Ontario. In accordance with the AAD, government appointments will respect the needs of the entity to which they have been appointed but will also reflect the diversity of the people in Ontario and the need to deliver services and decisions in a professional, ethical and competent manner.

The AAD provides that a person appointed to a regulatory agency will serve an initial appointment for a period of up to two years and may be eligible for reappointment for a second term of up to three years and a third term of up to five years. The Board has adopted a practice to recommend the reappointment of eligible independent Board Directors for additional terms that result in an overall term of no more than six years.

Capital Markets Tribunal

Composition

The *Securities Commission Act, 2021* provides that the Capital Markets Tribunal be composed of at least nine Adjudicators appointed by the Lieutenant Governor in Council. On recommendation of the Minister of Finance, the Lieutenant Governor in Council designates a Chief Adjudicator from among the appointed Adjudicators. The Chief Adjudicator reports to the Board of Directors of the Ontario Securities Commission about operational and administrative matters of the Tribunal. In order to maintain the Tribunal's independence, that reporting does not include matters related to the Tribunal's adjudicative functions. Neither the Chief Adjudicator nor any other of the Adjudicators holds any other position within the Commission.

As of December 15, 2023, there are 12 Adjudicators, including the Chief Adjudicator, Tim Moseley. The other 11 Adjudicators are: Sandra Blake; Andrea Burke; Mary Condon; Geoffrey D. Creighton; James D.G. Douglas; William Furlong; Hon. Russell G. Juriansz; Dale R. Ponder; Cathy Singer; Jane Waechter, and M. Cecilia Williams.

Functions of the Tribunal

The Capital Markets Tribunal is an independent division of the Ontario Securities Commission established by the *Securities Commission Act, 2021*. The Tribunal has exclusive jurisdiction to exercise the powers conferred on it under the Ontario *Securities Act* and the *Commodity Futures Act*, and to determine all questions of fact or law in any proceeding before it under those Acts.

Appointment of Adjudicators

Adjudicators, including the Chief Adjudicator, are appointed by the Lieutenant Governor in Council on recommendation of the Minister of Finance.

The Chief Adjudicator oversees Adjudicators and monitors their performance, as appropriate and in a manner consistent with best practices for Ontario's adjudicative agencies. The Chief Adjudicator is responsible for providing advice or recommendation to the Minister on candidates for appointment or reappointment to the Tribunal.

The *Securities Commission Act, 2021* provides that the initial term of an Adjudicator's appointment shall not exceed five years. Adjudicator appointments and reappointments are also subject to the AAD, which provides that a person appointed to an adjudicative tribunal or regulatory agency will serve an initial appointment for a period of up to two years and may be eligible for reappointment for a second term of up to three years and a third term of up to five years.

Corporate Secretary and Director of the Governance & Tribunal Secretariat

Under By-law No. 1, the Board appoints the Corporate Secretary in consultation with the CEO and the Chief Adjudicator. The Corporate Secretary is responsible for oversight and leadership of the governance framework and reports to the CEO and separately to the Chief Adjudicator for matters relating to the Capital Markets Tribunal's adjudicative functions.

Operations

Organization, Structure and Resources to Meet Objectives

The CEO is responsible for the management and administration of the OSC, other than matters relating to the Capital Markets Tribunal's adjudicative functions. The CEO reports to the Board. The OSC is supported by the two Executive Directors (ED) and the Chief Administrative Officer (CAO) who report to the CEO. The EDs have responsibility for the oversight and leadership of the regulatory operations. The CAO is responsible for the oversight of business operations.

Regulatory Operations Branches reporting to the EDs include:

- Compliance and Registrant Registration
- Corporate Finance
- Derivatives
- Enforcement
- Investment Funds and Structured Products
- Office of Mergers and Acquisitions
- Market Regulation
- Investor Office
- Office of the Chief Accountant
- Office of Economic Growth and Innovation
- Regulatory Strategy and Research

Business Operations Branches reporting to the CAO include:

- Financial Management and Reporting
- Human Resources and Corporate Services
- Digital Solutions
- Information Security
- Information Services
- Enterprise Risk Management

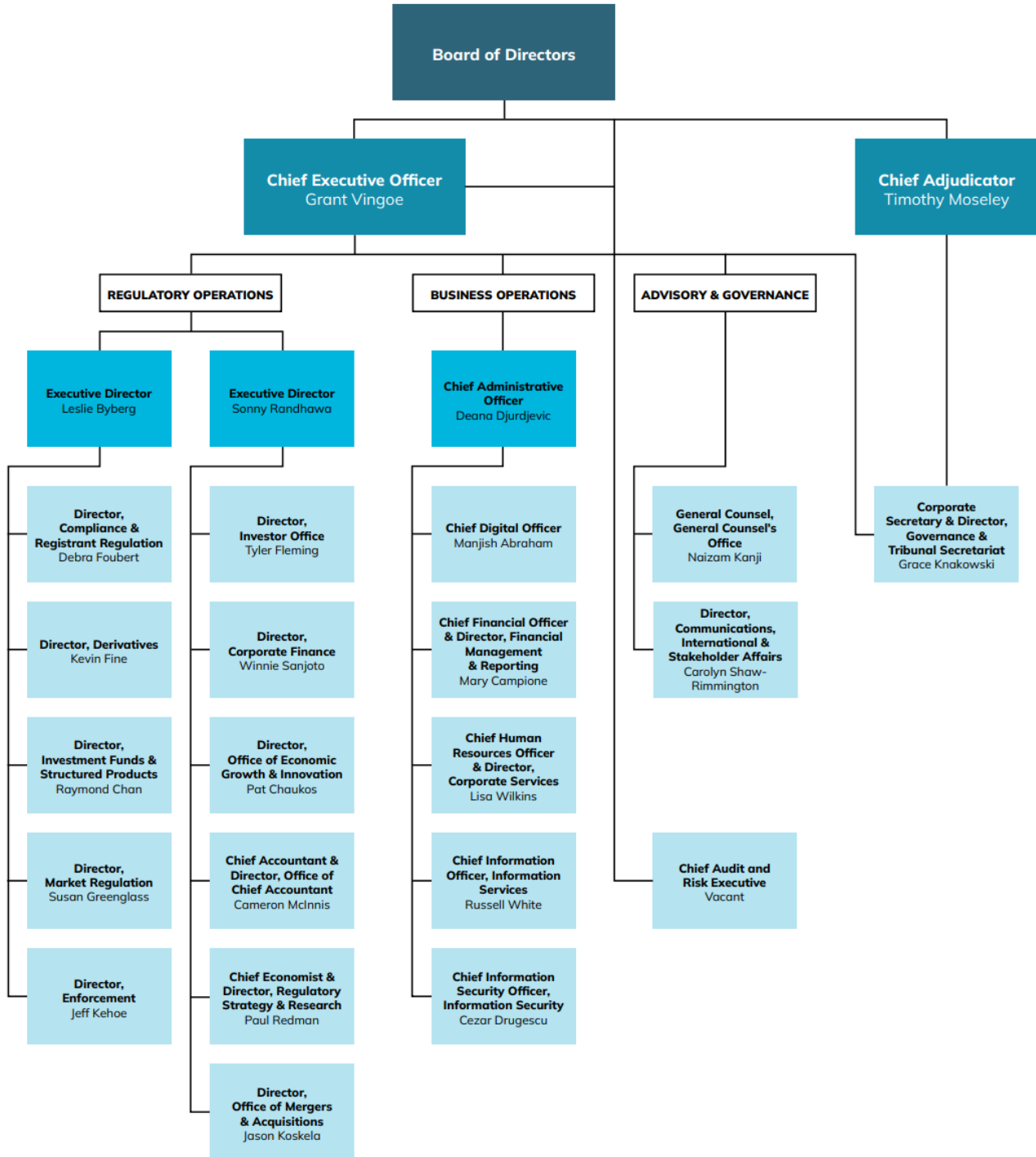
Advisory and Governance Branches reporting to the CEO include:

- Communications, International & Stakeholder Affairs
- General Counsel's Office
- Governance & Tribunal Secretariat

Internal Audit reports functionally to the Audit and Finance Committee and administratively to the CEO.

The Capital Markets Tribunal, a division of the OSC, has full independence with respect to its adjudicative functions. The Chief Adjudicator, who is responsible for supervising and directing the operations of the Tribunal, does not hold any other position with the OSC. The Chief Adjudicator is accountable to the Chair of the Board for the Tribunal's performance in fulfilling the Board's administrative directions. The Board does not have any oversight of the Tribunal's adjudicative functions.

The Corporate Secretary & Director, Governance & Tribunal Secretariat reports to the Chief Executive Officer and separately to the Chief Adjudicator for matters relating to the Capital Markets Tribunal's adjudicative functions.



Note: The above represents the OSC organizational structure as at February 8, 2024. The most current OSC organizational structure can be found at <https://www.osc.ca/en/about-us/role-osc/our-structure>.

Regulatory Operations Branches and Offices

Compliance and Registrant Regulation – responsible for regulating firms and individuals who are in the business of advising or trading in securities or commodity futures, and firms that manage investment funds in Ontario, as well as developing policy relating to registrants and their obligations.

Corporate Finance – responsible for regulating issuers (other than investment funds) in the public and exempt markets. The branch reviews public distributions of securities, exempt market activities and continuous disclosure of reporting issuers, and leads issuer-related policy initiatives. The branch is also responsible for supervising insider reporting, designation and oversight of credit rating agencies, designation and oversight of benchmarks and benchmark administrators and overseeing the listed issuer function for OSC recognized exchanges.

Derivatives – responsible for developing a regulatory framework for over-the-counter derivatives trading in Ontario, implementing and operating a compliance program on that framework and contributing to systemic risk monitoring of the Ontario capital markets.

Enforcement – responsible for investigating and litigating breaches of the Acts and seeking orders in the public interest before the Commission and the courts.

Investment Funds and Structured Products – responsible for regulating investment products that offer securities for sale to the public in Ontario, including mutual funds, exchange-traded funds, structured products and scholarship plans.

Investor Office – sets the strategic direction and leads the OSC's efforts in investor engagement, education, outreach and research. The office develops investor policy, plays a key role in oversight of the Ombudsman for Banking Services and Investments (OBSI), and provides leadership at the OSC in the area of behavioural insights and improving the investor experience.

Market Regulation – responsible for regulating market infrastructure entities (including exchanges, alternative trading systems, self-regulatory organizations, clearing agencies and trade repositories) in Ontario and for developing policy relating to market structure, trading, clearing and settlement.

Office of the Chief Accountant (OCA) – supports the OSC in creating and promoting a high-quality framework for financial reporting by market participants. The OCA provides expert advisory services relating to accounting, auditing, and policy initiatives to the OSC and to external stakeholders, including providing joint internal support for domestic and international climate related disclosure standards and their interconnections to financial reporting.

Office of Economic Growth and Innovation (Innovation Office) – responsible for leading the OSC's efforts to support innovation and economic growth in Ontario's capital markets. The Innovation Office focuses on initiatives that foster innovation and capital formation, modernize regulation and reduce burden, and strengthen outreach and engagement, including collaborating with businesses and other regulators to support innovation, through OSC TestLab and LaunchPad, and promoting the implementation of technology to reduce costs and accelerate innovation in financial services.

Office of Mergers and Acquisitions – responsible for matters relating to take-over bids, issuer bids, business combinations, related party transactions and significant acquisitions of securities of reporting issuers.

Regulatory Strategy and Research – responsible for the delivery of economic, regulatory, and financial research and analysis that supports the development of OSC regulatory strategy and policy recommendations. The branch advises on and informs the OSC’s strategy, priorities, regulatory operations decisions and discussions with other regulatory bodies and agencies concerned with financial stability. The branch also supports both investors and market participants through the Inquiries and Contact Centre.

Business Operations Branches

Digital Solutions – leads the digital transformation of OSC business: developing data-driven business solutions leveraging novel technologies; modernization of business platforms and processes; digitization of business operations and development of user-centric service models; establishing service analytics and supporting reporting needs across branches; and ensuring data accessibility, quality and standardization with fit-for-purpose data governance.

Financial Management and Reporting – provides financial management and analysis, reporting, treasury, procurement and contract management services to allow the OSC to continue carrying out its regulatory responsibilities. Assurance over financial reporting is provided through the design and maintenance of effective controls.

Human Resources and Corporate Services – establishes and sustains a foundation for the responsible stewardship of OSC resources supporting organizational effectiveness and productivity through: enterprise wide business planning; monitoring and reporting on corporate performance; strategic workforce management; enterprise emergency response and business continuity planning (ERBCP), records and information management, corporate project coordination; knowledge management, workplace design and facilities management; staff health, safety and security; and the overall design and implementation of a positive employee experience.

Information Services – responsible for establishing, monitoring and maintaining the information technology systems and services for the OSC in support of its mandate.

Information Security – responsible for the design, implementation and ongoing maintenance of the OSC’s information security program to achieve and sustain the organization’s target security posture.

Executive, Governance and Regulatory Advisory Branches and Offices

Communications, International & Stakeholder Affairs (CISA) – works to uphold public confidence in the OSC’s work and Ontario’s capital markets by facilitating strong relationships with stakeholders and regulatory partners, alignment with government priorities and international standards, and the effective communication of OSC priorities, policies and actions. The team engages internal, external, and international stakeholders through direct outreach, policy forums, executive thought leadership, corporate reporting materials, website and enterprise social media channels. CISA supports the Commission’s accountability to the Government of Ontario and the Minister of Finance, advises on key developments in other jurisdictions, promotes regulatory cooperation and information-sharing to improve cross-border supervision, and supports the development of global regulatory standards.

General Counsel’s Office (GCO) – an in-house legal, policy, strategy and risk-management resource to the OSC, and is also responsible for the collection of unpaid monetary sanctions and leads the defence of proceedings brought against the Commission. The GCO also supports the OSC Ethics Executive in the oversight of organizational integrity and ethical conduct. The GCO provides advice and support to the OSC in its dealings with the Ministry of Finance, other regulators and governments.

Internal Audit – provides independent, objective assurance and advisory services to the Board and to management, designed to add value by conducting risk-based internal audits to evaluate the quality and effectiveness of OSC processes and systems, including compliance with policies and procedures.

Enterprise Risk Management – performs an advisory and risk oversight role and maintains the framework and tools to guide the risk management process.

Governance and Tribunal Secretariat – provides support, advice and education to the Commission’s Board Directors and separately to Adjudicators of the Capital Markets Tribunal. The Secretariat administers the OSC’s governance framework and the Capital Markets Tribunal.

Total Permanent Positions for Fiscal 2024-2025

Branches and Offices	# of Staff
Regulatory Operations Branches/Offices	
Compliance and Registrant Regulation	105
Corporate Finance	66
Derivatives	18
Enforcement	168
Investment Funds and Structured Products	34
Investor Office	20
Market Regulation	33
Office of the Chief Accountant	7
Office of Economic Growth and Innovation	15
Office of Mergers and Acquisitions	8
Regulatory Strategy and Research	24
Business Operations Branches/Offices	
Digital Solutions	25
Financial Management and Reporting	17
Human Resources & Corporate Services	46
Information Services	69
Information Security Office	3
Executive, Governance & Regulatory Advisory Branches/Offices	
Communications, International & Stakeholder Affairs	28
General Counsel's Office	21
Governance and Tribunal Secretariat	16
Executive Offices	
Offices of the Chief Executive Officer, Executive Director, Chief Audit Executive, Chief Administrative Officer	12
Strategic Development & Execution	
Positions Earmarked to Support the Execution of OSC's Strategic Plan	8
Capital Markets Tribunal	2
Total Approved Permanent Positions as of April 1, 2024	745

Strategic Direction

As part of the annual business planning process, the OSC sets the strategic direction, including the identification of initiatives for the upcoming year that will be undertaken toward this strategy, and activities to sustain our day-to-day regulatory and operational activities. All detailed initiatives and activities are included in the detailed business plans of relevant branches and supported by our strategic goals and priority initiatives.

As mentioned in the introduction, the OSC has undergone significant change over the last several years, prompting the need for a new and refreshed strategic plan.

Through consideration of current and potential future trends in capital markets and securities regulation, we are exploring options for our strategic direction, and defining our priorities for the next six years.

To gain a breadth and depth of perspective, we have consulted with key external stakeholders, including representation from market participants, industry organizations, investor advocacy groups and government bodies. Their valuable input is an essential part of shaping our strategy and ensuring that we stay well-connected and aligned with our industry.

While the strategic plan is not yet finalized, the analysis and critical thinking we have done throughout the strategic planning process has enabled us to establish our priorities, including our Statement of Priorities (SoP), published for comment in November 2023, with a view to the future.

Stakeholder comments provided on our SoP were considered in finalizing the strategic plan. We look forward to finalizing and publishing the Strategic Plan in the Spring of 2024.

We will continue to integrate strategic initiatives within our future Statements of Priorities and Business Plans as appropriate.

Current and Future Programs and Activities

Core Regulatory Operations

The vast majority of OSC staff resources continue to be committed to its fundamental core regulatory operations, providing stability, transparency, and continuity in the regulation of Ontario's capital markets.

Our core regulatory operations encompass three main categories of activities:

Authorizations (receipting, registration, and recognition)

- Review and receipting of prospectuses in connection with corporate finance and investment funds and structured products public offerings
- Registration of firms and individuals in the categories of dealers, portfolio managers, investment fund managers and commodity categories

- Recognition, designation and exemption of market infrastructure entities, credit rating organizations and benchmark administrators
- Exemptive relief applications by a range of market participants including issuers, investment funds, registrants, and market infrastructure entities.

Compliance/Oversight/Supervision

- Compliance reviews of registrants, including pre-registration reviews, topical sweeps and for cause reviews
- Registrant conduct oversight including denials of registration, the imposition of terms and conditions and suspensions of registrations in appropriate cases and subject to first providing the applicant or registrant with an opportunity to be heard
- Outreach to market participants
- Continuous disclosure review programs for both corporate finance reporting issuers and investment fund issuers
- Ongoing compliance and monitoring of investment funds operational requirements
- Real time review programs to assess disclosures and compliance with applicable requirements for take-over bids and related party transactions, as well as staff participation in contested merger and acquisition (M&A) hearings before the Capital Markets Tribunal when necessary
- Compliance oversight of derivatives dealers and trade repositories
- Compliance reviews of issuer offering documents and registrants participating in the exempt market, including syndicated mortgages
- Oversight of designated credit rating organizations
- Ongoing monitoring and compliance reviews of periodic filings with the OSC including insider reports on SEDI and reports of exempt distribution
- Activities to support systemic risk management and contribute to financial stability
- Market infrastructure oversight, including recognition, designation, exemption and ongoing oversight of various entities including self-regulatory organizations, exchanges, alternative trading systems, clearing agencies and designated entities that comprise the market infrastructure ecosystem
- Oversight of the listed issuer function for OSC-recognized exchanges
- Oversight of designated benchmarks and benchmark administrators
- Oversight of the Ombudsman for Banking Services and Investments (OBSI) to assess whether it continues to meet expected standards concerning, among other things, governance and transparency obligations.

Enforcement

- Assessment of matters that may constitute a breach of Ontario securities law and referrals for possible investigation and/or disruption activities
- Investigation and prosecution of regulatory enforcement matters, including market abuse matters
- Through the Quasi-Criminal Serious Offences Team (QSOT), and in cooperation with policing partners, prosecute matters involving fraudulent behaviour and recidivism
- Administration of the Whistleblower program and coordinating international cooperation efforts with other regulators, including developing international disruption methods.

Key Priorities

The Plan sets out the priority initiatives on which the OSC intends to focus its resources and actions in fiscal 2024-2025, above and beyond the core regulatory operations mentioned above.

Many of these priority initiatives span multiple years. As certain prior year initiatives are completed or move to the implementation phase, they are no longer separately reflected as priority initiatives but are considered part of our core regulatory and operational work. This includes supporting the implementation of the total cost reporting amendments and monitoring the ongoing transition relating to the order-execution-only (OEO) ban and deferred sales charge ban.

All detailed initiatives and activities are included in the detailed business plans of relevant branches.

The following are the key priorities identified in the SoP³:

1. Develop and publish OSC Strategic Plan
2. Advance Work on Environmental, Social, and Governance Disclosures for Reporting Issuers
3. Consider Broader Diversity on Boards and in Executive Roles at Reporting Issuers
4. Assess implementation of Client Focused Reforms and consider impact of limited product shelves
5. Advance Initiatives to Strengthen the Short Selling Framework
6. Study the Limitation of Advice in the Order-Execution Only Channel
7. Advance Cooperation with Indigenous Peoples and Work to Understand and Integrate their Perspectives and Interests
8. Enhance Information Sharing with the Canadian Public Accountability Board
9. Conduct Initiatives for Retail Investors Through Specific Education, Policy, Research and Behavioural Science Activities
10. Strengthen the Dispute Resolution Framework of the Ombudsman for Banking Services and Investments and Modernize OSC's Disgorgement Framework
11. Strengthen Oversight and Enforcement in the Crypto Asset Sector
12. Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers
13. Facilitate Financial Innovation
14. Further Initiatives that Promote Capital Formation and Foster Competition
15. Execute OSC's Inclusion and Diversity Strategy
16. Integrate Digital and Data Capabilities and Processes to Support Effective Decision Making, Risk Monitoring and Streamlined Operations

These priorities are set out in detail below.

³ This order of presentation does not indicate an order of priority or timing.

Details of Key Priorities

1 Develop and Publish OSC Strategic Plan

As described above, our initial analysis undertaken as part of the development of our strategic plan has been considered when developing our SoP. In the next year, we will focus our efforts on activities to launch our strategic plan. To support the launch of our six-year strategic plan we will focus our efforts on foundational and organizational enablers and early activities to ready us for implementation.

Actions in 2024-2025 will include:

- Publish OSC Strategic Plan
- Assess and align core organizational enablers to ensure organizational programs, including a talent strategy, the investment in technology and data analytics, and operating models are designed to support the implementation of the strategic plan
- Develop performance measurement frameworks with relevant KPIs to track progress against strategic goals and outcomes
- Finalize a detailed prioritization framework for strategic initiatives and begin implementing initiatives identified as first phase priorities.

Planned Outcomes:

- The OSC implements its six-year strategic plan and is positioned to deliver against our expanded statutory mandate within the evolving capital market and securities regulation ecosystem.

2 Advance Work on Environmental, Social, and Governance Disclosures for Reporting Issuers

The Spring 2021 Ontario Budget included a commitment for the government to publicly consult on ESG disclosures and consider the recommendations of the Ontario Capital Markets Modernization Taskforce. The Taskforce recommended mandating disclosure by public companies of material ESG information, specifically climate-related disclosure that is compliant with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The Taskforce’s final report highlighted that, globally and in Ontario, there is increased investor interest in issuers reporting on ESG-related information and creating a uniform standard of disclosure to level the playing field for all issuers.

In October 2021, the CSA published proposed [National Instrument 51-107 Disclosure of Climate-related Matters](#) (NI 51-107) for comment. The proposed instrument would require reporting issuers (other than investment funds) to disclose certain climate-related information in compliance with the TCFD recommendations (subject to certain modifications). Since publication of the CSA’s proposed climate-related disclosure rule, important international developments have occurred. In March 2022, the United States Securities and Exchange Commission (SEC) proposed amendments to rules that would require registrants to provide certain climate-related information in their registration statements and annual reports.

In January 2022, the CSA published [CSA Staff Notice 81-334 ESG-Related Investment Fund Disclosure](#) (CSA Staff Notice 81-334) on the disclosure practices of investment funds as they relate to ESG considerations, particularly

funds whose investment objectives reference ESG factors and other funds that use ESG strategies. The Notice also provides guidance on the types of investment funds that may market themselves as being focused on ESG. The OSC has also co-led IOSCO's Sustainable Finance Taskforce workstream aimed at promoting good practices among asset managers and ESG ratings and data providers.

On June 26, 2023, the International Sustainability Standards Board (ISSB) published IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (the ISSB Standards). In addition, the Canadian Sustainability Standards Board (CSSB), which will support the uptake of the ISSB Standards in Canada and facilitate interoperability between the ISSB Standards and any forthcoming CSSB standards, announced achieving operational status on June 26, 2023, having appointed a quorum of members.

As announced on July 5, 2023, the CSA intends to conduct further consultations to adopt disclosure standards based on the ISSB Standards, with any necessary modifications for the Canadian context, and also looks forward to engaging and collaborating with the CSSB with respect to the ISSB Standards. OSC Staff have also been involved in the work of the IOSCO's Sustainable Finance Taskforce, including the Corporate Reporting Workstream, which assessed the ISSB Standards, leading to IOSCO's endorsement of the final ISSB Standards on July 25, 2023.

The OSC is completing a focused review of ESG disclosures by investment funds in accordance with CSA Staff Notice 81-334 and anticipate publishing an updated CSA Staff Notice 81-334 by March 2024.

Actions in 2024-2025 will include:

- Continue development of a revised climate-related disclosure rule for reporting issuers (other than investment funds), based on the ISSB Standards with any modifications considered necessary and appropriate in the Canadian context
- Develop a better understanding of the needs of, and the regulatory impacts on, Indigenous Peoples in relation to the climate-related disclosures initiative through engagement with Indigenous organizations
- Conduct further targeted consultations with stakeholders to support this work
- Continue leadership role on IOSCO's Sustainable Finance Taskforce's steering group, including co-leading the workstream on promoting good practices in the asset management industry and for ESG ratings and data providers.

Planned outcomes:

- Investors have access to the ESG information needed to inform their investment and voting decisions
- Reporting issuers have clarity on their ESG disclosure requirements.

3 Consider Broader Diversity on Boards and in Executive Roles at Reporting Issuers⁴

The OSC, together with other participating CSA jurisdictions, adopted disclosure requirements in 2014 related to the representation of women on boards and in executive officer positions at TSX-listed companies and other non-venture issuers. The objective of these disclosure requirements is to increase transparency for investors and other stakeholders on the representation of women on boards and in executive officer positions, and the approach that issuers take in respect of such representation. Since that time, there have been significant events in the U.S., Canada and around the world that have intensified the focus on racism, and that includes a heightened focus on the issue of racial diversity on boards and in executive roles.

In May 2020, the CSA announced further research and consultations in consideration of broader diversity on boards and in executive roles, including the representation of people who self-identify as Black, Indigenous, persons of colour, persons with disabilities, or LGBTQ2SI+. Work completed since that time included consultations with a wide range of stakeholders, research on the approaches taken in other jurisdictions, further reviews of the disclosures currently being provided by TSX-listed companies and a virtual OSC roundtable in October 2021 to discuss broader diversity (beyond gender) on boards and in executive officer positions, with a specific focus on targets, term limits and diversity data.

On April 13, 2023, the CSA published a [notice and request for comment](#) which set out proposed amendments to the corporate governance disclosure requirements in Form 58-101F1 *Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate Governance Practices* and changes to the corporate governance guidelines in National Policy 58-201 *Corporate Governance Guidelines* pertaining to board nominations, board renewal and diversity. The proposed amendments would require disclosure on aspects of diversity beyond the representation of women, while retaining the current disclosure requirements with respect to women.

Work completed since the publication of the proposed amendments include further one-on-one consultations with a wide range of stakeholders and a public OSC roundtable held in September 2023 to seek additional stakeholder input. Consistent with the OSC's commitment to broaden its engagement with Indigenous Peoples, the OSC developed a unique Indigenous engagement strategy to obtain feedback from Indigenous organizations in the fall of 2023.

Actions in 2024-2025 will include:

- Consider the feedback received on the proposed amendments (including those through our engagements), and work with the CSA to find an approach that meets the needs of Canadian investors and reporting issuers (other than investment funds)
- Consider approaches taken by other regulators with the goal of minimizing market fragmentation in this area.

⁴ For Corporate Finance Reporting Issuers only

Planned outcomes:

- Investors have access to the diversity, director nomination and board renewal information needed to inform their investment and voting decisions.

4 Assess implementation of Client Focused Reforms and Consider Impact of Limited Product Shelves

In August 2023, the CSA and CIRO published joint [Staff Notice 31-363 Client Focused Reforms: Review of Registrants' Conflicts of Interest Practices and Additional Guidance](#), a report on its sweep to determine the level of understanding and compliance with the conflict of interest provisions of the Client Focused Reforms (CFRs).

All material conflicts of interest are required to be identified and either avoided completely or their impact mitigated in the best interests of a firm's clients. As we have previously stated, additional measures will be considered if the CFRs are not attaining the desired outcomes for investors. Additionally, we are concerned about what impact predominantly proprietary products shelves may have on client outcomes (e.g., potentially higher fees and inferior performance) and what other possible negative outcomes may result if financial institutions offer predominantly proprietary products and independent products are not readily available for investors and their advisors to consider.

Actions in 2024-2025 will include:

- Conduct further investigation, in conjunction with CIRO and the CSA, to consider the shelf formulation approaches taken by registrants and any decisions to rely on predominantly proprietary products
- Conduct additional CFR sweeps, in conjunction with CIRO and the CSA, to determine understanding and compliance with the Know Your Client, suitability and Know Your Product requirements of the CFRs and communicate the outcome to stakeholders.

Planned Outcomes:

- Heightened awareness by firms of their CFR obligations including consequences for identified deficiencies
- Consideration of the need for additional measures to protect the goals of the CFRs and to enhance the competitive landscape for investment products, as required.

5 Advance Initiatives to Strengthen the Short Selling Framework

We have recently completed our review of comments in response to the notice issued by the CSA and CIRO regarding regulation of short selling activity in Canada ([Joint CSA/IIROC Staff Notice 23-329 Short Selling in Canada](#)) and published [CSA/CIRO Staff Notice 23-332 Summary of Comments and Responses to CSA/IIROC Staff Notice 23-329 Short Selling in Canada](#) on November 16, 2023. CIRO is actively considering ways to strengthen and clarify its requirements to have a reasonable expectation to settle a short sale trade on settlement date. Additionally, Canada today lacks an affirmative investment dealer obligation to buy-in customers who "fail to deliver" securities to their firms or make arrangements to borrow the securities after a defined period of time. We will continue to consider initiatives with CIRO and the CSA to strengthen the regulation of short selling, including whether mandatory close-out or buy-in requirements to address short sale

settlement failures may be appropriate in the Canadian context. Additional accelerated “fail to deliver” reporting will also need to be considered.

Actions in 2024-2025 will include:

- Explore, together with the CSA and CIRO, the introduction of a mandatory buy-in requirement and enhanced fail to deliver reporting in Canada
- Support CIRO, with the CSA, in clarifying and strengthening the obligation to have a reasonable expectation to settle a short sale on the settlement date.

Planned Outcomes:

- Promote fair and efficient markets, and investor confidence that market developments are considered and responses are developed as appropriate
- Investor confidence that the regulatory regime governing short sales continues to be effective and appropriate.

6 Study the Limitation of Advice in the Order-Execution Only Channel

There is an increasing consensus that the present limitations on advice being provided by OEO firms are preventing important information from being provided to do-it-yourself (DIY) investors who are increasingly seeking advice from unregistered channels, including social media platforms. Information that is shared online may be incomplete or misleading, and in some cases may not comply with securities laws. In addition, these limitations may impede the communication of important warnings to investors concerning products or services, including leveraged products, meme stocks, options trading and margin.

Actions in 2024-2025 will include:

- Consider, in conjunction with CIRO, whether OEO firms can provide non-tailored advice to meet the needs of DIY investors while not diluting the value of robust established advice channels so the two are not confused.

Planned Outcomes:

- Investor protection is enhanced through access to quality information from verified sources.

7 Advance Cooperation with Indigenous Peoples and Work to Understand and Integrate their Perspectives and Interests

As part of our phased approach to develop an action plan for truth and reconciliation, the OSC will continue to work collaboratively with Indigenous Peoples and organizations. The OSC will work to understand and integrate their perspectives and interests, as appropriate, in relevant areas of securities regulation and policy work, and improve engagement with Indigenous Peoples and organizations.

Our work on truth and reconciliation is also linked to our broader internal inclusion and diversity priority.

Actions in 2024-2025 will include:

- Develop an OSC action plan for truth and reconciliation
- Integrate learnings to more meaningfully engage with Indigenous Peoples, including as part of its work on the climate-related disclosures and corporate diversity initiatives
- Work with the government to engage Indigenous communities and organizations on issues relevant to Indigenous participation in capital markets
- Contribute to the CSA Taskforce on Indigenous Peoples in the Capital Markets.

Planned outcomes:

- Establish and maintain mutually beneficial relationships with Indigenous Peoples and organizations
- OSC better understands the way its regulatory activities impact Indigenous Peoples
- Truth and reconciliation are promoted by the OSC by developing an action plan for truth and reconciliation in collaboration with Indigenous Peoples and organizations in Ontario.

8 Enhance Information Sharing with the Canadian Public Accountability Board

Information sharing between regulatory bodies, such as the Canadian Public Accountability Board (CPAB), helps enable the OSC to effectively oversee market participants, resulting in increased investor confidence. Currently the OSC and CPAB are updating their MOU concerning mutual cooperation and information sharing to identify additional information the two parties will share under existing legislation. The OSC and CPAB are continuing to discuss further opportunities to improve information sharing practices, which could include proposals that would need to be supported by amendments to the Ontario *CPAB Act* and/or amendments to CPAB's rules.

Actions in 2024-2025 will include:

- Continue discussion on potential improvements in information sharing protocols and, if required, propose amendments to the Ontario *CPAB Act* and/or CPAB rules to address information sharing restrictions
- Continue consultations with CPAB and CSA staff to finalize enhanced protocols for information sharing
- Develop systems and processes for receiving information from CPAB as part of the enhanced protocols for information sharing.

Planned Outcomes:

- Information sharing practices that improve the quality and timeliness of information sharing between CPAB and the OSC
- Protect investors from the risk of improper financial reporting practices by public companies.

9 Conduct Initiatives for Retail Investors Through Specific Education, Policy, Research and Behavioural Science Activities

Capital markets are evolving and becoming increasingly complex, with new investment opportunities and products continually being introduced. Investors are the lifeblood of our capital markets, and their interests must be top of mind to ensure that appropriate protections are in place, that they have the information needed to make informed financial decisions and that confidence in the capital markets is maintained. The OSC undertakes a broad range of operational and policy activities for the benefit of investors and to accomplish these outcomes.

In addition, the OSC will continue to identify ways to improve investor education and protection, responding to changing demographic profiles of investors and shifts in investing behaviour. The OSC will also continue expanding its applications of behavioural science to policy making and operations, to improve regulatory effectiveness and produce better investor outcomes. Through the Investor Office Research and Behavioural Insights Team (IORBIT), the OSC will continue applying the methods and techniques of behavioural science to policy and operational activities. The OSC will also continue to support the OSC's independent Investor Advisory Panel in fulfilling its mandate. Collectively, these and other efforts are intended to lead to greater investor protection and confidence in capital markets. A range of initiatives will be completed in support of this priority.

Actions in 2024-2025 will include:

- Continue programs to enhance investor education and financial literacy, including through the recently relaunched website [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca) that introduced artificial intelligence, enhanced accessibility, innovative design and behavioural science tools and insights
- Continue implementation and evolution of the [OSC Seniors Strategy](#), including exploring enhancements to the regulatory framework to protect older investors and engaging with the newly-reconstituted Seniors Expert Advisory Committee on strategies, resources and initiatives to support older investors
- Conduct and publish timely and responsive investor research
- Pursue policy and regulatory initiatives that are responsive to investor research findings, such as with respect to the influence of gamification and other digital engagement practices.

Planned Outcomes:

- Investors continue to make more informed decisions using of the OSC's financial education resources and channels such as [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)
- Enhance protection of seniors and vulnerable investors
- Improve effectiveness of OSC policies and programs through the application of behavioural science

- More policy projects incorporate behavioural science, improving policy effectiveness and resulting in better investor outcomes and registrant conduct
- Policy initiatives are evidence-based and reflect thoughtful consideration of research findings and investor perspectives
- Better informed investment decisions through continued investor education.

10 Strengthen the Dispute Resolution Framework of the Ombudsman for Banking Services and Investments and Modernize OSC's Disgorgement Framework

Investors can be at risk for potential loss, damage or harm because of an act or omission of a registered firm or individual. The OSC strives to improve investor access to redress in these types of situations, including by strengthening dispute resolution services. A fair, efficient and accessible dispute resolution service is an essential element of an investor protection framework. On November 30, 2023, the OSC, together with our CSA partners, published a proposal for comment that contemplates providing an independent dispute resolution service, anticipated to be OBSI, with the authority to make binding compensation decisions. The proposal is intended to be responsive to reports and consultations that considered the benefits of, and recommended, granting OBSI binding authority, including the independent evaluations of OBSI, the Capital Markets Modernization Taskforce final report, and the International Monetary Fund's Financial Sector Assessment Program review of Canada in 2019.

On December 4, 2023, the Ontario government's legislation to provide a new statutory process for the distribution of money received by the OSC under disgorgement orders made under the *Securities Act* and *Commodity Futures Act* received Royal assent. The new statutory process is intended to streamline the OSC's ability to distribute disgorged funds to eligible investors who have suffered direct financial losses in prescribed circumstances. The legislation remains subject to proclamation by the Ontario Legislature. If proclaimed, it is expected to come into force after the OSC develops and makes rules setting out additional conditions of eligibility and the details of the distribution process. The legislation and associated OSC rules would implement recommendations of the Ontario Auditor General and the Capital Markets Modernization Taskforce.

Actions in 2024-2025 will include:

- Consider stakeholder feedback in the development of a final framework and contemplated legislative amendments to provide an independent dispute resolution service, such as OBSI, with the authority to make binding compensation decisions
- With other members of the Joint Regulators Committee and OBSI, continue to review, discuss and support progress of activities in response to the independent evaluation of OBSI's investment mandate
- Publish a proposed rule for public comment governing the distribution of disgorged amounts collected by the OSC and consider the feedback received on the proposed rule.

Planned Outcomes:

- Better results for retail investors in obtaining redress and dispute resolution, and enhanced oversight of an independent dispute resolution service, such as OBSI, which will foster investor confidence

- Investors do not experience undue pressure to accept offers to settle claims for less than they are entitled to receive
- Retail investors' need for an accessible procedure is balanced with the need for fairness, proportionality, efficiency and finality for all parties to an investment-related dispute
- Closer alignment of dispute resolution services in Canada with the services available to parties in many other comparable international jurisdictions which have implemented a binding ombudservice regime for investment-related disputes
- A more transparent and efficient framework for distributing disgorged funds to harmed investors designed to support better and timelier investor redress
- Enhance retail investor confidence in the capital markets.

11 Strengthen Oversight and Enforcement in the Crypto Asset Sector

The OSC continues to see a number of crypto asset trading platforms with different business models that offer a broad range of crypto assets to their clients in Ontario, including retail investors. Given the considerable risks of investing in this market segment, it is important to continue efforts to bring crypto asset trading platforms into compliance with securities laws. Appropriate regulatory oversight is critical for building investor confidence in this market segment.

Recent insolvencies involving several crypto asset firms have highlighted the significant investor protection risks of trading crypto assets, particularly where such trading is conducted through unregistered platforms based outside of Canada.

The OSC continues to work with the CSA and CIRO (previously IIROC), to strengthen its approach to oversight of crypto asset trading platforms and to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws, as set out in both [Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements](#) published in March 2021, and in [Joint CSA/IIROC Staff Notice 21-330 Guidance for Crypto-Trading Platforms: Requirements relating to Advertising, Marketing and Social Media Use](#) published in September 2021. Further to these Staff Notices, [CSA Staff Notice 21-332 Crypto Asset Trading Platforms: Pre-Registration Undertakings Changes to Enhance Canadian Investor Protection](#) (CSA Staff Notice 21-332) was published in February 2023, notifying firms that wish to continue to operate in Canada, while they seek registration, to file a Pre-Registration Undertaking (PRU) with the CSA. The PRU includes certain provisions including, but not limited to, requirements on custody and segregation of crypto assets held on behalf of Canadian clients; restrictions on offering margin, credit and leverage; restrictions on value-referenced crypto assets and proprietary tokens; and investment limits. In addition, the OSC has commenced compliance reviews of the registered crypto asset trading platforms.

In CSA Staff Notice 21-332, the CSA also reaffirmed its view that value-referenced crypto assets, some of which are commonly referred to as stablecoins, may constitute securities and/or derivatives. [CSA Staff Notice 21-333 Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients](#) was published in October 2023, setting out an interim framework for crypto asset trading platforms to continue trading certain value-referenced crypto assets with Canadian clients, as the CSA continues its work in this area.

In addition, in July 2023, [CSA Notice 81-336 Guidance on Crypto Asset Investment Funds](#) was published to help fund managers understand and comply with securities law requirements for public investment funds holding crypto assets.

On January 18, 2024, the CSA published [CSA Notice and Request for Comment – Proposed Amendments to National Instrument 81-102 Investment Funds Pertaining to Crypto Assets](#) seeking comments on proposed amendments in the second phase of a project to implement a Canadian regulatory framework for public investment funds holding crypto assets. The 90-day comment period ends on April 17, 2024.

Actions in 2024-2025 will include:

- Apply regulatory obligations to crypto firms that provided a PRU, pending completion of the registration or approval process
- Coordinate with CIRO in facilitating crypto firms becoming members
- Continue implementing and refining the program for ongoing oversight of crypto asset trading platforms, including conducting compliance reviews of registered firms
- Identify and address non-compliance with securities laws, including bringing enforcement actions in appropriate cases
- Further develop internal capabilities, including technology tools, and specialized skills in crypto asset trading platform oversight
- When warranted, continue to add crypto firms to investor warning lists
- Finalize amendments to codify key operational safeguards when investment funds invest in crypto assets
- Help investors make informed decisions about investing in crypto assets by continuing to provide educational resources across all digital and social media channels, including [GetSmarterAboutCrypto.ca](#)
- Continue development of a regulatory framework for value-referenced crypto assets that is informed by international standards and input from Canadian crypto market participants.

Planned Outcomes:

- Crypto asset trading platforms operate with appropriate regulatory oversight and enforcement action is taken in appropriate cases
- Reduce misleading information in crypto asset trading platform advertising, marketing and social media
- Achieve an appropriate balance in supporting novel businesses and fostering innovation and competitive capital markets while promoting investor protection
- Increase public awareness of these complex products, platforms, and potential frauds/scams
- Provide a balanced and transparent framework for public investment funds to offer crypto asset exposure.

12 Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers

Electronic access to documents facilitates more efficient communication with investors, reduces regulatory burden for issuers, and modernizes the way documents are made available for the benefit of investors and issuers.

In April 2022, the CSA published for comment [CSA Notice Proposed Amendments and Proposed Changes to Implement an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers](#) to implement an access model for corporate finance issuers in connection with certain prospectuses, annual financial statements, interim financial reports and their related Management Discussion and Analysis. Under the proposed access model, investors retain the ability to receive paper copies of these documents on request or pursuant to standing instructions. To support proper implementation of the proposed access model in Ontario, the Act was amended in the fall of 2022 to permit a document that is required to be delivered, forwarded, distributed or sent to a person or company under certain provisions of the Act to be made available in another way instead.

The proposed access model for prospectuses of corporate finance issuers was generally well received by commenters. In January 2024, the CSA [published final amendments to implement an access model for prospectuses, generally](#). In response to stakeholder feedback, the CSA is considering ways to enhance the access model for continuous disclosure documents of corporate finance reporting issuers to address investor protection concerns, including potential negative effects on retail investors, and anticipates publishing for comment a revised access model for continuous disclosure documents in 2024.

The OSC also published [proposed amendments in September 2022](#) to replace the current investment fund delivery requirements for financial statements and management reports of fund performance, with an access instead of delivery model. The proposed model for investment funds requires investment funds to i) have a designated website for posting filings, ii) issue, file, and post a news release when filings are made, and iii) deliver filing documents to investors upon their request or based on their standing instructions. Fund Facts and ETF Facts will continue to be delivered to investors in accordance with current requirements. The comment period ended in December 2022 and 21 comment letters were received.

Actions in 2024-2025 will include:

- Publish proposed amendments to implement an access model for certain continuous disclosure documents of corporate finance reporting issuers
- Consider stakeholder feedback in the development of the final amendments to implement an access model for certain continuous disclosure documents of corporate finance reporting issuers
- Consider stakeholder feedback in the development of the proposed access model for investment funds continuous disclosure filings.

Planned Outcomes:

- Provide alternate delivery models for corporate finance reporting issuers and investment fund issuers that modernize the way certain documents are made available to investors, reduces undue regulatory burden and related costs for issuers, and promotes a more environmentally friendly manner of communicating information, with paper delivery remaining optional.

13 Facilitate Financial Innovation

Innovation offers economic opportunities and choice for investors. The OSC aims to foster innovative and globally competitive capital markets in Ontario that put investors first, help innovative businesses succeed and attract investments from around the world. The OSC will continue to be proactive in responding to ongoing change and evolution in our capital markets through the work of our various branches.

The Innovation Office is a dedicated office within the OSC with a mandate to foster innovation and growth in Ontario’s capital markets through its business support, modernizing regulation, and outreach and engagement initiatives. Through OSC LaunchPad and OSC TestLab, the OSC creates onramps for responsible innovation in our markets. Our modernizing regulation initiatives help us evaluate the impacts of new technology and capital market trends and collaborate with other regulators to research, adopt and advance leading practices. We use outreach and engagement with the innovation ecosystem to align our initiatives with evolving technology and capital market trends, and the needs of entrepreneurs, investors, innovators, and market participants in Ontario.

Actions in 2024-2025 will include:

- Facilitate testing that supports capital formation for startups and small to medium sized business in Ontario through OSC TestLab
- Conduct research and engage with stakeholders for input into how we can better support innovation and modernize our regulations
- Develop testing theme(s) for future OSC TestLab cohort(s)
- Engage with stakeholders, including entrepreneurs, investors and entities that can support Ontario’s innovation ecosystem such as innovation hubs and accelerators, academic institutions, and other regulators
- Support the responsible adoption of AI systems in Ontario’s capital markets through consulting stakeholders and contributing to international and national initiatives.

Planned Outcomes:

- Responsive and timely support for innovative businesses and business models
- Business support and modernizing regulation initiatives aligned with stakeholder priorities
- New relationships and strategic partnerships with key stakeholders in Ontario’s innovation ecosystem
- Announce future testing theme(s) for OSC TestLab.

14 Further Initiatives that Promote Capital Formation and Foster Competition

In April 2021, the Ontario government amended the OSC’s legislative mandate to include fostering competitive capital markets and capital formation. This expanded mandate provides additional areas of focus for the OSC’s operational and policy development activities, as well as our approach to regulatory decisions. In pursuing this expanded mandate, the OSC remains committed to all the components of the OSC’s mandate which are assessed in totality to ensure their significance in any decision or recommendation is balanced. This balancing exercise is tailored to the facts and circumstances of each situation.

In particular, investor protection and fostering confidence in capital markets remain at the forefront to ensure that high standards of fitness and business conduct are in place and observed.

To demonstrate the OSC’s efforts to promote capital formation and foster competition in our capital markets, we have undertaken various multiyear initiatives, including:

- The creation of the Innovation Office, which is dedicated to fostering innovation, supporting economic growth, and reducing regulatory barriers, fees, anti-competitive behaviour, and response times

- In October 2022, the OSC issued [Ontario Instrument 45-507 Self-Certified Investor Prospectus Exemption \(Interim Class Order\)](#) (OI 45-507) for an 18-month pilot ending on April 25, 2024. OI 45-507 provides a time-limited prospectus exemption that allows purchasers in Ontario, who may not meet the financial thresholds or other criteria required to qualify as an accredited investor, to invest in Ontario issuers provided that they meet other criteria intended to demonstrate financial knowledge, investment knowledge or relevant industry-specific experience
- In November 2022, the CSA issued a [consultation paper on Access to Real Time Market Data](#) seeking feedback on the overall feasibility and effectiveness of the proposed options for access to consolidated real-time market data (RTMD). Consolidated RTMD is key for market participants, investors, and their advisors to make informed investment, routing, and execution decisions
- In March 2023, the OSC published OSC Rule 44-502 Extension to Ontario Instrument 44-501 *Certain Prospectus Requirements for Well-known Seasoned Issuers*, which came into force in July 2023. The Rule extends the blanket relief to maintain a temporary well-known seasoned issuer (WKSII) regime in Canada
- Introduced the Listed Issuer Financing Exemption (LIFE) prospectus exemption aimed at providing issuers listed on a Canadian stock exchange with a more efficient way to raise capital.

Actions 2024-2025 will include:

- Monitor use of OI 45-507 and consider potential rule amendments that introduce a prospectus exemption based on relevant educational and business experience
- Consider need to issue a rule to extend OI 45-507 for an additional interim period
- Finalize recommendations for policy changes, based on the feedback obtained in response to consultation paper on access to RTMD
- Continue to support new entrants, innovation and novel business models
- Advance work to consider reducing the length of the hold period applicable to securities distributed under the accredited investor exemption by seasoned reporting issuers
- Advance work to consider allowing exempt market dealers to participate as selling group members in prospectus offerings and be sponsors of reverse-takeover transactions, subject to reasonable conditions
- Advance work to consider exemptive relief for not-for-profit angel groups in order to support capital raising for startups and address the unique circumstances of angel groups, including a possible blanket order
- Advance work to consider registration regime and issues in connection with introducers/finders
- Consult on a potential framework for a Long-Term Asset Fund regime similar to the programs found in the United Kingdom and European Union.

Planned Outcomes:

- Enhance access for businesses and financial services providers to Ontario’s capital markets
- Enhance access for qualified investors to an enhanced range of investment opportunities
- Streamline regulatory requirements and processes to make it easier to participate in Ontario’s capital markets
- Growth in Ontario’s capital markets through increased capital formation and competition, which is carried out in a manner that is consistent with all components of our mandate.

15 Execute OSC's Inclusion and Diversity Strategy

The OSC is building and sustaining diversity in our OSC community and ensuring that the employee experience is equitable and inclusive for everyone. Ensuring an employee experience that is diverse, equitable, and inclusive contributes to recruitment, retention, and wellbeing at the OSC. By celebrating and recognizing our employees' uniqueness and individuality, we foster an inclusive and accountable culture where everyone can contribute while feeling safe and having a sense of belonging.

This priority is also linked to our priority to advance cooperation with Indigenous Peoples and work to integrate their perspectives and interests to develop an action plan for truth and reconciliation. In that regard, the OSC's vision is to build a culturally aware and inclusive workforce that reflects the diversity of Indigenous communities and peoples in Ontario. We will work collaboratively with Ontario Indigenous Peoples and organizations, investors, and market participants to foster a culture of integrity and investor confidence for the benefit of all.

Actions in 2024-2025 will include:

- End-to-end review of talent acquisition process to identify opportunities and relevant areas for Inclusion and Diversity (I&D) process and policy enhancement to create a bias-free selection process to ensure equal opportunity, both in the intermediate term and longer term
- Take actions outlined in the BlackNorth Initiative (BNI) CEO pledge, which include continuing to strengthen the organization's I&D Strategy through data and measurement for all stages of the employee lifecycle and expanding external partnerships for attracting diverse candidates
- Implementing OSC's Inclusion & Diversity Learning Pathway, including cultural awareness training to better understand how to work effectively with Indigenous Peoples and to help build a workplace that actively thinks about inclusion and consciously creates spaces that allows all to feel comfortable, honoured, and valued regardless of their identity.

Planned Outcomes:

- Policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- A workplace where employees experience inclusion, equality and engagement
- Achieve, measure and expand upon the goals and targets set out in the BNI CEO pledge
- Inclusion and Diversity policies and an OSC culture that reflect the spirit of truth and reconciliation, and greater engagement with and integration of ideas from Indigenous Peoples
- Build a culturally aware and inclusive workforce that reflects the diversity of Indigenous communities and peoples in Ontario
- Contributing to an inclusive workplace through attracting and retaining a diverse workforce.

16 Integrate Digital and Data Capabilities and Processes to Support Effective Decision Making, Risk Monitoring and Streamlined Operations

Ever increasing market complexity is generating greater reliance on data, analytics and digitally streamlined operations. It is important that the OSC has digital and data capabilities to operate in today's digital and data

first environment, with a focus on (a) achieving operational efficiencies through modern tools, technologies, and processes and (b) becoming a data driven regulator through data and analytics capabilities and an uncompromising data and analytics culture.

The OSC is investing in technology and infrastructure to enable the organization with the right digital and data capabilities. These capabilities will significantly improve our operational efficiencies, allowing for better identification of trends and risks to support decision-making, compliance and enforcement activities, systemic risk oversight and policy development.

With modern tools, technologies and a robust data and analytics framework, the OSC is prepared to deliver on our mandate and foster investors' confidence in the capital markets through innovative regulatory practices.

Actions in 2024-2025 will include:

- Continue to enhance and evolve OSC's enterprise data analytics and reporting capabilities to support core regulatory operations and policy work
- Continue to enhance our OTC Derivatives Datamart and analytics to support systemic risk monitoring and various policy objectives
- Continue the roll out of the platform supporting streamlined end-to-end regulatory activities and integrated case management
- Continue the roll out of OSC's external portal, to streamline participant's interaction with the OSC.

Planned Outcomes:

- Access to data that can be easily used for analysis and reporting purposes, supporting the OSC in data driven decision making and identification of emerging risks. Enable data driven policy development and regulatory responses
- Streamlined operations leading to efficient information sharing and increased collaboration between branches and industry stakeholders
- Effective systemic risk oversight supported by timely access and analysis of integrated derivatives OTC trade data to support risk identification and compliance.

Key Risks and Mitigation Strategies

Key Components of the OSC Risk Management Framework

The OSC must manage a wide range of risks arising from the pace of change and the increase in complexity of financial markets in Canada and globally. The OSC has adopted a Risk Management Framework to support the achievement of the OSC's objectives through the enterprise-wide acceptance and integration of risk management into decision-making, strategy and policy development, operations and business processes and transformation activities. The main components of the framework include:

- Risk management policy that provides guidance regarding the OSC's approach to risk management in supporting the achievement of its objectives, defines risk management roles and responsibilities and promotes a strong risk culture
- Risk management process to identify, assess, manage, monitor and report risks
- Common tools to enable risk informed decision-making such as risk registers maintained at the enterprise and Branch levels, where both levels of risk inform the OSC's risk profile.

Three Lines of Defense

The OSC employs a three-lines-of-defense model where management is responsible for managing risks while the Enterprise Risk Management (ERM) Function provides advisory and oversight services on the risk framework and its implementation, including the maintenance of the associated policies and tools.

OSC Internal Audit is an assurance and advisory service to the Board of Directors and to management. The internal audit function is governed by an Internal Audit Charter approved by the OSC's Board of Directors and by an annual internal audit plan that is approved by the Board. Quarterly reports and updates are prepared for the Board Audit and Finance Committee and an annual report on the results of all internal audit engagements is prepared for the Board of Directors.

Governance and Enterprise Risk Inventory

At the enterprise level, the OSC develops and maintains corporate governance structures such as the Board Risk Committee and Risk Steering Committee and organization-wide risk framework. The committees and management set the tone from the top. An Enterprise Risk Inventory is maintained by the ERM Function, in consultation with management, and includes key enterprise risks impacting the organization as a whole where risks are defined within the context of presenting uncertainty to the achievement of OSC objectives.

The Risk Steering Committee, comprised of OSC senior and executive management, reviews the risk profile quarterly including key, new or emerging risks. This information is reported to the Board Risk Committee and escalated to the Board of Directors, as appropriate.

The table below highlights key enterprise risks which the OSC is exposed to, along with the mitigating controls. The OSC continues to monitor the risk environment and to respond appropriately to ensure that risks are properly addressed.

Key Risk Inventory – Key Risks and Mitigating Controls

Risk	Risk Description	Mitigating Controls
Operational	Risks associated with people, processes and systems.	<p>The OSC undertakes regular reviews of, and provides updates to, its business continuity plans, business impact analysis, dependency analysis, and key program documentation. The OSC has reciprocal arrangements with other securities regulators to provide continuity on a number of regulatory services. In the event of a significant business continuity event, there is also a crisis communication plan in place to allow for ongoing communication with stakeholders.</p> <p>In the event of a crisis that poses a reputational risk, both the OSC and CSA have crisis communications plans that outline the processes to follow. The impact on reputation is incorporated into the risk management process.</p> <p>The OSC’s workforce plans include detailed actions to retain, develop, motivate and deploy human resources, including diversified strategies for filling critical positions and building talent pipelines.</p> <p>The OSC has a dedicated information security office with policies, procedures and controls, including a multi-year information security roadmap. Our information security program aligns with the National Institute of Standards and Technology (NIST) Cybersecurity Framework.</p> <p>Regular reviews of established information technology (IT) policy, procedures and controls are conducted: including annual Internal Controls over Financial Reporting (ICFR) audits and testing of IT key controls. On-going monitoring of OSC systems and fall-back plans and system back-ups are in place as required. The OSC has established digital transformation and IT modernization plans.</p>
Strategic	Risks associated with strategy selection, adaptation, prioritization and execution	<p>In establishing our priorities and completing our business plans, we incorporate the Ministry of Finance’s expectations (as stated in an Annual Letter of Direction) and consider other factors such as various environmental factors, government expectations and resource needs.</p> <p>On annual basis, the OSC publishes the SoP for stakeholder comment. Those comments are reviewed and considered prior to finalizing the SoP. These priority initiatives are tracked and monitored for progress throughout the year. In addition, our service standards and associated results on core operational function are monitored on quarterly basis and formally reviewed annually and adjusted as needed.</p>

Risk	Risk Description	Mitigating Controls
		<p>In addition, when policy proposals impact a large number of market participants, we develop a stakeholder engagement and outreach strategy.</p> <p>We also collaborate with our CSA partners and monitor international developments to assess whether they impact our regulatory agenda.</p>
Regulation & Supervision	Risks associated with the Commission's regulation and supervisory activities	<p>We use risk-based approaches to compliance oversight including registrant compliance programs, issuer and investment funds continuous disclosure and prospectus reviews and market infrastructure (exchanges, alternative trading systems, SROs, clearing agencies and trade repositories) oversight. We also have oversight of CIRO through a joint coordinator model with the CSA.</p> <p>Our ongoing monitoring and oversight (as discussed above) together with a robust registration process for registrants with pre-registration reviews, our risk-based approach to review offering documents, along with escalation of novel issues and high-risk files and our extensive review process for infrastructure entities, allows us to mitigate risks associated with access to/exit from the capital markets.</p> <p>Our enforcement branch has a centralized intake process to identify and assess matters as well as a separate intake process for the whistleblower program. We have multi-level review and approval processes from intake to investigation to litigation to identify and assess serious violations and employ appropriate enforcement tools in a timely and effective manner. We also have established frameworks, partnerships, and committees with local, national and international regulatory authorities and law enforcement.</p> <p>When engaging in policy development, there is oversight by CSA Steering Committees, the OSC Board and the CSA Policy Coordination Committee (PCC) which enables early identification and mitigation of risks. There are several project management controls, including regular reporting of progress of projects to the CSA Steering Committee, OSC Board and PCC.</p>

Risk	Risk Description	Mitigating Controls
Financial	Risks arising from mismanagement, misstatement of economic resources and/or from inability to meet overall financial budgets/commitments	<p>OSC has established, mature processes for monthly reviews of financial results, quarterly reviews of forecast developments and annual budget setting to ensure that financial constraints are managed.</p> <p>We have a reserve policy with the reserve target maintained and monitored by management.</p>
External	Risks associated with failure to identify, assess or monitor risks arising from external environment and/or systemic risks	<p>We oversee systemically important market infrastructure and monitoring compliance with rules designed to minimize systemic risks.</p> <p>We hold regular meetings of the internal OSC Systemic Risk Working Group and contribute to meetings of the CSA Systemic Risk Committee, and HoA Systemic Risk Surveillance Committee. We also participate in IOSCO working groups and committees to discuss domestic external and international developments.</p> <p>There is ongoing work to identify emerging regulatory issues related to the external environment including ad hoc meetings with other entities, and we perform ad hoc analysis of developing risks and vulnerabilities using internal and external resources.</p>

Human Resources

Human Resources Plan

The OSC's people strategy is to build an attractive, modern, high performing workplace where every manager is a great talent manager, and every employee is fully engaged.

Beginning in 2021, the talent market for many of the professions the OSC employs has become increasingly competitive, and that trend has continued. Wage gaps are continuing to widen between the OSC and the sectors from which we recruit, due to the effect of multiple years of Bill 124 restrictions. High inflation is also further impacting the value of OSC total compensation. Additionally, the increased in-office requirement is less attractive to prospective employees at a time when compensation restraint is already limiting our ability to attract and retain talent. The OSC continues to monitor, identify and report on related workforce risks that are impacting our ability to operate effectively and efficiently from a people perspective.

While our four areas of focus continue to guide our work, specific strategies and projects have been developed to support employee and organization needs in a work environment that is experiencing a significant amount of change and heightened workforce risk. Strategies and projects are responsive to the requirement to manage current workforce and current risks effectively, while enabling the organization the ability to attract, retain and develop the required talent through re-defining the OSC's Employee Value Proposition, Total Rewards Strategy and Compensation Philosophy, which will guide the work on the review of relevant programs and policies.

Area of Focus	Strategies/Plans
<p>Build an attractive, modern and high-performing workplace</p>	<ul style="list-style-type: none"> ▪ Continue to implement the OSC’s newly defined Employee Value Proposition, Compensation Philosophy and Total Rewards Strategy with prioritized attention to key strategic levers intended to mitigate workforce risk, enable effective competition in the talent market, which in turn will support the attraction and retention of employees with the skills and experience required to effectively regulate the capital markets and deliver on the OSC mandate and priorities. This includes establishing competitive compensation benchmarking against general industry (including public and private sector organizations) and also the financial sector, a critical source of talent for the OSC ▪ Sustain and build on strong employee engagement by providing regular workplace communications; implementing a multi-year employee engagement assessment strategy, including recurrent pulse surveys to gain insights into the employee experience ▪ Create an environment where all employees feel safe, valued, respected, and empowered by ensuring a culture of equity, inclusivity and diversity ▪ Aligning with the OPS Return to Office Policy including, increasing employee in-office time, while also continuing to offer employees a modern workplace, with a mix of workspaces that enable collaboration, focused work, and team engagement in a hybrid work environment. Model and continue to refine our approach to hybrid work as we learn through our shared experiences working in both the office and remote locations ▪ In alignment with the newly defined Employee Value Proposition and outcomes of the Total Rewards Strategy, complete and implement the outcome of the planned Benefits Review with an increased focus on employee choice and flexibility and continued prioritization of employee mental health and well-being. Provide employees with comprehensive benefits encompassing health, dental, short- and long-term disability insurance, and Employee and Family Assistance Programs.
<p>Develop great talent managers</p>	<ul style="list-style-type: none"> ▪ Prioritize development programs and resources that align with the OSC’s Strategic Plan by translating operational capability needs into people and talent requirements; respond to the expanding needs of current and emerging leaders and which focus on building competencies in personal effectiveness, team and organizational leadership. Program components include coaching, classroom training, self-directed learning, peer learning sessions, and management tools.

Area of Focus	Strategies/Plans
Support successful organizational change and continuity	<ul style="list-style-type: none"> ▪ Continuing to strengthen and build on succession planning and talent mapping practices to ensure a diverse and robust talent pipeline for critical roles across the organization ▪ Continue to develop a culture of learning and development that provides professional and career growth and enables delivery of effective regulation ▪ Provide employees with training and access to information, tools and resources that support them in adapting to and leading change.
Provide first class fundamental HR services	<ul style="list-style-type: none"> ▪ Design and deliver human resources policies, programs, and approaches that are responsive to emerging workforce and talent management risks ▪ Continue to monitor and report on an “OSC People” dashboard with metrics and analysis to guide decision-making and identify emerging risks to workforce and talent management objectives and guide the design of responsive risk mitigation strategies and tactics ▪ Continue to monitor emerging risk in the external talent market and adjust and apply targeted recruitment practices to source and compete effectively for diverse, qualified candidates for OSC positions.

Initiatives Involving Third Parties

Domestic Engagement

The OSC works closely with other Canadian securities regulators with a view to harmonizing our legislation and regulatory practices for the benefit of the Ontario and Canadian capital markets and their investors. We also work with various law enforcement agencies, sharing information and facilitating investigations across jurisdictions.

As required, we also co-ordinate our efforts with the Department of Finance Canada, the Office of the Superintendent of Financial Institutions Canada (OSFI) and the Bank of Canada when developing regulatory responses intended to promote financial stability in areas identified by the G20 and the Financial Stability Board (FSB).

Domestic Partners

Canadian Securities Administrators (CSA) – The OSC is an active member of the CSA, which is a forum comprised of the 13 securities regulators of Canada’s provinces and territories. The CSA works to foster a nationally coordinated and modernized securities regulatory framework. The CSA is currently chaired by the ASC Chair and CEO.

Canadian Public Accountability Board (CPAB) – CPAB is an organization that oversees public accounting firms that audit Canadian reporting issuers. CPAB promotes sustainable audit quality through proactive regulation, robust audit assessments, dialogue with domestic and international stakeholders, and practicable insights that inform capital market participants and contribute to public confidence in the integrity of financial reporting. The OSC and CPAB have an MOU in place to facilitate the exchange of information that supports collaboration on review and oversight matters.

Ombudsman for Banking Services and Investments (OBSI) – OBSI is a free and independent service for resolving banking and investment disputes between participating firms and their clients. The CSA and OBSI have an MOU in place which outlines an oversight framework for the CSA and OBSI to cooperate and communicate constructively to ensure that OBSI continues to meet the standards set by the CSA. The oversight framework includes a Joint Regulators Committee (JRC), which is composed of designated representatives of the Canadian Securities Administrators (CSA) and the two self-regulatory organization (SRO)s that amalgamated on January 1, 2023, and are predecessors to the Canadian Investment Regulatory Organization (CIRO), the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). The JRC provides oversight of OBSI and is chaired by the OSC CEO.

Policy Coordination Committee (PCC) – The CSA established the PCC which oversees the CSA’s policy development initiatives, facilitates decision making and provides timely resolution on policy development matters. Its members are the chairs of eight regulators (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, and Nova Scotia). The PCC is chaired by the OSC CEO.

CSA Standing and Project Committees – Through participation in CSA Committees (permanent and project committees), OSC staff work alongside CSA members on the development of policy and the delivery of regulatory programs. Standing committees include: Market Structure and Exchange Oversight, Clearing Agency

Oversight, Registrant Regulation, Investment Funds, Investor Education and Enforcement. The OSC participates in various project committees dealing with specific policy initiatives, including regulatory burden reduction efforts, crypto-assets and enhanced investor confidence and protection.

Heads of Regulatory Agencies (HoA) – The HoA serves as a federal-provincial forum for cooperation on financial sector issues. The HoA is chaired by the Governor of the Bank of Canada and includes the Department of Finance Canada, OSFI, the Québec Autorité des marchés financiers, the OSC, the Alberta Securities Commission, and the British Columbia Securities Commission. The OSC is also a member of the Systemic Risk Surveillance Committee which was created by the HoA to collaborate and share information on the assessment of vulnerabilities and risks to the Canadian financial system.

Self-Regulatory Organizations (SROs) – SROs are organizations that regulate the operations and the standards of practice and business conduct of their members and their representatives. The OSC oversees the operation of one recognized SRO, the Canadian Investment Regulatory Organization (CIRO). The two predecessor SROs, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (the MFDA), amalgamated to continue as the New Self-Regulatory Organization of Canada, effective January 1, 2023, which subsequently changed its name to CIRO on June 1, 2023.

Joint Forum of Financial Market Regulators – The CSA is a member of the Joint Forum of Financial Market Regulators through which pension, securities and insurance regulators seek to coordinate, harmonize, and streamline the regulation of financial products and services in Canada.

Law Enforcement Agencies - The Enforcement branch has a partnership with the Ontario Provincial Police Anti-Rackets branch, as well as working relationships with the RCMP Toronto Integrated Market Enforcement Teams (IMET) and municipal police services to assist with investigating and prosecuting serious violations of the law under Ontario's *Securities Act* and Canada's Criminal Code.

Domestic Memoranda of Understanding

The OSC has entered into a number of domestic MOUs, including an MOU with the Ontario Minister of Finance. This MOU establishes the OSC's accountability relationship with the Minister and sets out the roles and responsibilities of the Minister of Finance, OSC Chair, OSC CEO, Board, Executive Directors and Chief Administrative Officer, and Deputy Minister of Finance.

MOUs have also been entered into with other government agencies, regulators, and law enforcement agencies across Canada. The various MOUs may contain provisions that:

- describe accountability relationships as well as outline roles and responsibilities
- promote safety and efficiency within the securities market
- contribute to the management of systemic risk
- promote higher quality auditing and investor confidence
- reduce overlap between their respective mandates and acknowledge the significance of working with each other
- outline the manner in which each jurisdiction will cooperate and coordinate their enforcement efforts to oversee securities law
- outline the manner in which information is exchanged to assist each organization in fulfilling its respective mandate.

These MOUs reinforce relationships and foster collaboration in matters of mutual interest. The current list of Domestic MOUs can be found on the Commission's [website](#).

International Engagement

The OSC contributes to the international securities regulatory agenda by actively participating in international organizations and committees. The OSC's international activities are focused on developing financial stability and other standards, information sharing, and co-operation on cross-border supervision and enforcement initiatives. These are the key areas where collaboration with international partners is critical for protecting the interests of investors and the integrity of our markets.

International Partners

The OSC actively participates in international organizations such as the International Organization of Securities Commissions (IOSCO), the North American Securities Administrators Association (NASAA) and the Council of Securities Regulators of the Americas to better position the OSC regarding the detection, investigation and enforcement of securities offences, development of regulatory policy, and monitoring of emerging issues. Collaboration with international partners is critical for protecting the interests of investors and the integrity of our Canadian markets.

IOSCO Board, Committees and Working Groups – The OSC is a member of the IOSCO Board, which is an executive decision-making body representing key securities regulators from the world's developed and developing capital markets. The OSC participates on all major IOSCO committees. Our current contributions include:

- chairing the Committee on Derivatives
- acting as Vice-Chair of the Committee on Emerging Risks
- acting as Vice-Chair of the Committee on Issuer Accounting, Audit and Disclosure
- participating on the Screening Group which reviews applications from countries seeking to become signatories to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMOU) and the IOSCO Enhanced Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO Enhanced MMOU)
- participating on the Committee on Enforcement and the Exchange of Information which develops recommendations on securities crime prevention, enforcement, and cross-border information exchange among regulations
- participating on the Committee on Regulation of Secondary Markets, the Committee on Regulation of Market Intermediaries, the Committee on Investment Management, the Committee on Retail Investors, and the Assessment Committee, which is responsible for assessing the implementation of IOSCO's Objectives and Principles of Securities Regulation
- participating on the Sustainable Finance Task Force which is examining sustainability-related disclosures, green-washing, and the increasing activity of ESG data providers, credit rating agencies regarding ESG ratings and the development of a sustainability-related assurance framework

- participating on the Financial Stability Engagement Group which engages with the Financial Stability Board (FSB) on cross-cutting issues such as money market funds, open-ended investment funds, bond liquidity and margins
- participating on the Board-level Fintech Taskforce which develops, oversees, delivers, and implements IOSCO's regulatory agenda for emerging trends in Fintech. Current workstreams focus on Crypto and Digital Assets (CDA) and Decentralized Finance (DeFi).

Cross-Border Enforcement – The OSC works with other securities regulators to share intelligence and provide assistance in investigations of alleged cross-border misconduct. The IOSCO MMOU, signed by more than 120 other securities commissions and governmental bodies, is a key instrument in advancing international co-operation on enforcement matters.

In 2018, the OSC also entered into the IOSCO Enhanced MMOU. The IOSCO Enhanced MMOU expands on the forms of assistance available under the IOSCO MMOU.

Financial Sector Assessment Program (FSAP) – Established by the International Monetary Fund (IMF) and World Bank in 1999, FSAP teams conduct a thorough analysis of a country's financial sector, including banks, insurance companies, securities, and foreign exchanges. In addition, the FSAP teams analyze a country's payments system and the regulatory oversight that governs its financial institutions and markets. Canada underwent an FSAP analysis in 2019 and expects to begin the next one in 2024. Canada's Financial System Stability Assessment is available on the IMF website.

For the most current details on the OSC international participation and leadership, please see the Commission's [website](#).

International Memoranda of Understanding

The OSC has entered into a number of MOUs with international partners to foster cooperation and information-sharing on various matters, including enforcement. These MOUs strengthen relationships and foster collaboration in matters of mutual interest. The current list of International MOUs can be found on the Commission's [website](#).

OSC Advisory Committees

The Executive and staff of the OSC operating branches are supported by various third-party advisory committees that have been established for one or more of the following purposes:

- To provide a broad range of ideas and expertise as new policy initiatives are developed
- To help the OSC understand how a specific, recently implemented policy is affecting capital market participants
- To improve the OSC's understanding of the concerns and issues faced by a stakeholder group on an ongoing basis.

OSC advisory committees include:

Advisory Council to the CEO – The Advisory Council to the CEO provides advice to the CEO of the OSC on emerging issues impacting the industry, investors, and Ontario's capital markets.

Continuous Disclosure Advisory Committee (CDAC) – advises OSC staff on the development, implementation and review of continuous disclosure policies and practices.

Investment Funds Technical Advisory Committee (IFTAC) – advises OSC staff on technical compliance challenges in the investment funds product regulatory regime, and on opportunities for improving alignment between investor, industry, and regulatory goals.

Investor Advisory Panel (IAP) – is an independent advisory panel to the OSC. The IAP makes submissions in response to public requests for comment by the Commission on proposed rules, policies, concept papers and discussion drafts. The IAP also provides comments on the OSC’s proposed annual Statement of Priorities, brings forward policy issues for consideration, and advises on the effectiveness of the OSC’s investor protection initiatives.

Market Structure Advisory Committee (MSAC) – serves as a forum to discuss issues and policy and rule-making initiatives associated with market structure and marketplace operations in the Canadian and global capital markets.

Registrant Advisory Committee (RAC) – serves as a forum to discuss issues and challenges faced by registrants in interpreting and complying with Ontario securities law, including registration and compliance-related matters.

Securities Advisory Committee (SAC) – provides advice to the OSC on legislative and policy initiatives, and on capital market trends.

Seniors Expert Advisory Committee (SEAC) – serves as a forum to discuss issues and challenges faced by seniors. The committee provides OSC staff with expert opinions and input on securities-related policy, operational, educational and outreach activities that are designed to meet the needs of older investors.

Small Business Advisory Committee (SBAC) – advises OSC staff on current business practices and emerging trends affecting small businesses in both the public and private markets. SBAC also provides feedback on the effectiveness of Corporate Finance policies and initiatives as they relate to small businesses.

Capital Markets Tribunal advisory committee:

Securities Proceedings Advisory Committee (SPAC) – provides comments and advice on policy and procedural initiatives relating to proceedings before the Capital Markets Tribunal.

CSA advisory committees include:

CSA Investor Advisory Panel (CSA IAP) - is an independent advisory panel to the CSA. The CSA IAP provides feedback and written comments on existing and proposed CSA rules and policies, as well as ongoing concept papers and discussion drafts. The mandate is to represent the interests of retail investors across Canada by providing advice to the CSA on its policy and rulemaking initiatives that have an impact on retail investors.

Financial Reporting Advisory Committee (FRAC) – provides advice to the CSA’s Chief Accountants Committee on relevant policy initiatives and various technical accounting and auditing issues that relate to financial reporting requirements and guidance in securities legislation in Canada. The committee also serves as a forum to discuss financial reporting practices and trends in the Canadian and global capital markets.

Mining Technical Advisory and Monitoring Committee (MTAMC) – provides advice to the CSA on technical issues relating to disclosure requirements for the mining industry. The committee also serves as a forum for continuing communication between the CSA and the mining industry.

Communications Plan

Strategic Focus

We are guided by the following principles:

- Prioritize consultation and interaction with stakeholders about the OSC's ongoing work and priorities
- Build on current listening strategies to solicit and understand stakeholders' concerns, their preferred communications channels and develop tailored approaches in response
- Clearly and consistently articulate OSC priorities and outcomes to both internal and external audiences
- Focus on key priority topic areas (modernizing regulation, investor protection, supporting capital formation, facilitating innovation etc.) and ensure consistent delivery of key messages across all available channels
- Deliver transparent and measurable communications so that stakeholders understand what we do, how we do it and are actively engaged in our work
- Ensure maximum reach by delivering integrated communications strategies, leveraging all tools, resources, and channels (including digital communications and enterprise social media).

External Outreach and Communication

Our outreach strategy is designed to promote and enhance knowledge and information regarding the operation of the securities and financial markets. We work to ensure the investing public, market participants and interested stakeholders are familiar with our processes, points of contact, service standards and priorities.

The OSC prioritizes content development, executive thought-leadership and outreach that clearly articulate the OSC's key messages and priorities. The OSC communicates and engages with investors and other stakeholders regularly through publications and channels such as social media, newsletters, events, webinars, corporate reporting, and its digital properties. Further initiative-specific areas are set out below.

OSC Websites

Websites play a multi-faceted and essential role for any organization. At the OSC, our primary digital properties comprise of the following:

- [OSC.ca](https://www.osc.ca) for corporate news and publications,
- [CapitalMarketsTribunal.ca](https://www.capitalmarketstribunal.ca) for Tribunal information and resources,
- [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca) for retail investor education and resources, and
- [OSCIinnovation.ca](https://www.oscinnovation.ca) to support innovative businesses and Ontario's financial innovation ecosystem.

Each website serves as a dynamic platform, offering a wide array of functions and benefits. Our websites are a fundamental component of our digital identity. They represent our brand, mandate and values and serve as central information hubs for accessible and relevant content and offer a repository of data about our organization and our activities. Our websites enable direct interaction with our stakeholders, both domestically

and globally and provide an avenue for targeted communications, inquiries and feedback and contribute to the overall stakeholder experience with the OSC.

OSC Dialogue

OSC Dialogue is the Commission's signature annual conference that attracts more than 500 senior market participants and investors each year. The event showcases Ontario as a leading capital markets authority and features plenary discussions with internationally recognized thought leaders and prominent policy experts from around the world.

OSC Dialogue 2024 will convene business leaders, investors, senior regulators, and international policy experts to current and future trends in capital markets and securities regulation and steps underway to ensure our capital markets are best in class.

Corporate Reporting

The OSC also communicates with its stakeholders on its operational activities and other key highlights by:

- Reporting publicly on how we are tracking against our service commitment standards quarterly (see Appendix A)
- Reporting on our key accomplishments against our Statement of Priorities and providing statistics related to our core regulatory work in our Annual Report
- Publishing various branch specific summary or activity reports.

Stakeholder Engagement

The OSC encourages and is open to stakeholder feedback, emphasizing integrated communications and relationship development with industry, investors, and other stakeholder groups. Stakeholder engagement features thought leadership and proactive outreach to engage commentators in consultation and discussion around OSC priorities and strategic initiatives.

As part of policy and rule development, the OSC has established several advisory committees to gather input on regulatory issues and industry trends. Through these advisory committees, community, retail, and industry representatives advise on the development of new or amended securities regulation. As a guiding principle, the OSC welcomes applicants on its advisory committees who bring a diversity of thought and background.

The OSC also invites stakeholders to participate in various policy roundtables and to provide comments on proposed instruments, rules, and initiatives, including our SOP.

Investors are engaged through investor community seminars, telephone townhalls, and other events hosted by the OSC.

The OSC actively collaborates with businesses and other regulators to support innovation and modernizing regulation through the OSC's Innovation Office.

Public Affairs

The OSC develops and implements communications strategies to maximize awareness and understanding of our priorities and actions amongst market participants and interested stakeholders. The OSC also seeks

opportunities to proactively maximize visibility for OSC priorities, and more broadly, for the important role that Ontario plays in Canadian capital markets. We also develop communications strategies to mitigate issues that pose risks to public confidence in Ontario's capital markets.

Internal Communications

OSC internal communications focuses on continued improvements to staff engagement in connection with OSC priorities. This engagement is achieved via staff intranet, weekly newsletters, executive messaging, periodic in person or virtual town hall meetings and candid Q&A sessions.

Metrics

Performance Measurement

Effective performance measurement provides insights into operations, supports planning and decisions, promotes a culture of accountability and allows for the monitoring of performance.

Performance Measures

The OSC tracks performance against a series of measures. These measures include input, activity, output, and outcome measures (as noted in the Strategic Direction section of this Plan).

Examples of input, activity and output measures include volume measures such as the number of prospectus filings reviewed, number of compliance reviews completed, transaction turnaround times, service standards and project progress. Tracked over time, these measures support trend detection, identification of issues and emerging risks, project management, workload management and more effective resource allocation.

Outcome measures indicate whether the OSC's statutory objectives, strategies and goals have been achieved. The impact of regulation, supervisory activity and interventions are more complex to quantify as they occur over time and are often less tangible and the result of multiple factors. For market-facing activities, outcomes are measured in terms of compliance rates (e.g., as measured by the number of significant findings in compliance reviews and number and type of misconduct cases identified), number and type of investor complaints, changes in investor literacy rates and successful enforcement outcomes. For internal operations, the OSC measures outcomes, in terms of employee retention and satisfaction rates and adherence to budget. The OSC Statement of Priorities identifies specific activities and key planned outcomes for each priority. The key activities and planned outcomes from the 2024-2025 Statement of Priorities are found in the "Strategic Direction – Current and Future Programs and Activities" section of this Business Plan. We report on our key accomplishments against our Statement of Priorities in our Annual Report.

Performance Reporting

The OSC produces regular progress and performance reports both internally and externally. Internal quarterly reports are presented to the OSC Board and Executives. As highlighted in the Communications Plan section of this Business Plan, the OSC is also accountable to external stakeholders and uses various external reporting tools to ensure accountability and transparency.

Budget

2024 – 2025 Budget Summary

The OSC's fiscal 2024-2025 budget prioritizes spend in core operations, technology modernization and the execution of a new and refreshed strategic plan.

Budgeted revenues of \$166.9 million reflect a small decline of \$1.6 million (0.9%) from the fiscal 2023-2024 budget.

Budgeted operating expenses of \$181.6 million reflect an increase of \$20.3 million (12.6%) from the fiscal 2023-2024 budget. The primary drivers of the variance are as follows:

- \$11.3 million increase in salaries and benefits including 37 new permanent positions and compensation adjustments to ensure the organization remains competitive
- \$3.0 million increase towards the continuation of the digital transformation and workplace modernization programs and vendor inflationary adjustments
- \$3.9 million increase in amortization due to the implementation of new system platforms
- \$2.1 million towards external costs to support the execution of the OSC's refreshed strategic plan.

The 37 new permanent positions include:

- 15 permanent technology positions resulting from gradually insourcing external support providers
- 10 permanent positions supporting regulatory, business and advisory operations
- 8 permanent positions to support the execution of the strategic plan
- 4 permanent positions towards OTC derivatives oversight.

Capital expenditures are budgeted at \$12.2 million, reflecting a \$1.2 million (11.1%) increase from the fiscal 2023-2024 budget. The budget is comprised of the following:

- \$7.5 million towards leasehold improvements aligned with the multi-year workplace modernization program to transform office space
- \$1.9 million towards digital transformation projects
- \$1.0 million towards integrating local OSC systems with SEDAR+
- \$0.9 million towards the development of the OTC Derivatives Datamart
- \$0.9 million towards technology infrastructure refresh projects.

2023 – 2024 Forecast Summary

Total forecasted excess of revenues over expenses in fiscal 2023-2024 is \$2.6 million. Total forecasted revenues in fiscal 2023-2024 are \$166.8 million, representing a decrease of \$1.7 million (1.0%) from the fiscal 2023-2024 budget primarily from lower participation fees. Forecasted expenses in fiscal 2023-2024 are \$164.2 million, an increase of \$2.9 million (1.8%) from the fiscal 2023-2024 budget primarily due to a delay in the recovery of

Innovation Office costs from funds held pursuant to settlements and sanction orders. The ability to recover funds is dependent on the enactment of a proposed regulation under the *Securities Commission Act, 2021* (SCA).

Excess/Deficiency of Revenues over Expenses (in millions)	2023-2024 Budget	2024-2025 Budget	Change Favourable/ (Unfavourable)	Change Favourable/ (Unfavourable)
Revenues	\$168.5	\$166.9	(\$1.6)	(0.9%)
Expenses*	\$161.3	\$181.6	(\$20.3)	(12.6%)
Excess (Deficiency) of Revenues over Expenses	\$7.2	(\$14.7)	(\$21.9)	
Capital Expenditures	\$11.0	\$12.2	(\$1.2)	(10.9%)

* Net of recoveries from funds held pursuant to settlements and sanction orders.

	2023-2024 Budget	2024-2025 Budget	Change
Staff Resources	708	745	5.2%

OSC Operating Budget and Staff Allocation			
2024- 2025 Budget Expenses: \$181.6 Million			
Total 745 Staff (577 Front Office Staff)			
Regulatory Operations Budget - \$150.4 Million (498 staff)	Regulatory Advisory Budget - \$23.0 Million (65 staff)	Executive Offices Budget - \$5.7 Million (12 staff)	Capital Markets Tribunal** Budget - \$2.5 million (2 staff)

* Back-office costs and the provision for strategy resources have been re-allocated to front office activities.

**Direct costs for Capital Markets Tribunal are \$2.2 million.

Three Year Financial Summary

Three Year Surplus Forecast

(in millions)	2024-2025 Budget	2025-2026 Forecast	2026-2027 Forecast
Total Revenues	\$166.9	\$170.3	\$172.2
Total Expenses*	\$181.6	\$189.7	\$193.4
Surplus/(Deficit)	(\$14.7)	(\$19.4)	(\$21.2)
Opening Surplus	\$145.6	\$130.9	\$111.5
Closing Surplus	\$130.9	\$111.5	\$90.3

* Net of Recoveries from settlements and sanctions funds

Capital Expenditures Forecast

(in millions)	2024-2025 Budget	2025-2026 Forecast	2026-2027 Forecast
Leasehold Improvements	\$7.5	\$7.2	\$5.7
Digital Transformation	\$1.9	\$1.0	\$0.5
SEDAR+ Integration	\$1.0	\$0.9	\$1.2
Derivatives Datamart	\$0.9	-	-
IT Hardware and Infrastructure	\$0.9	\$2.2	\$2.2
Total	\$12.2	\$11.3	\$9.6

The OSC's closing surplus in fiscal 2023-2024 is forecasted to be \$145.6 million, projected to decrease to \$90.3 million in fiscal 2026-2027. The revenue forecast assumptions include a modest growth from fiscal 2024-2025 to fiscal 2026-2027. The OSC's revenues generated from participation fees (85% of total revenues) are directly tied to changes in firm, industry, and market growth. Given the lack of control over most revenues, an adequate cash reserve of approximately 6 months is necessary to continue to carry out the OSC mandate during capital market downturns.

The increase in forecasted expenses in fiscal 2024-2025 onwards is primarily driven by a modest growth in staffing levels to support core operations and delivery of the refreshed strategic plan.

Capital expenditures are forecasted to increase in fiscal 2024-2025 and decline in the following two years. Capital expenditures are forecasted to decline in future years due to the completion of the OTC Derivatives Datamart and the Enterprise Resource Plan projects. The workplace modernization project, included in leasehold improvements, is expected to progress with the transformation of further office space up to fiscal 2026-2027. The OSC's cash balance is forecasted to be \$137.9 million (including reserves) as of March 31, 2024. Furthermore, we forecast an ending cash position of \$82.9 million by March 2027. The decline in cash is expected as we continue to draw down on operating surplus to fund multi-year workplace modernization and digital transformation projects.

Funds held pursuant to settlements and sanction orders as of September 2023 was \$124.6 million. The inflow of settlements and sanction funds is completely dependent upon the nature of enforcement cases concluded from year to year and the Commission's ability to collect on any related orders. The SCA permits the OSC to allocate enforcement moneys received under settlements or orders towards (1) to or for the benefit of third parties (2) for use by the OSC for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets or (3) for any other purpose specified in the regulations. Enforcement moneys received by the OSC under orders or settlements issued following the introduction of the SCA must be allocated by the Board, at least once each fiscal year, for these uses or paid into the Consolidated Revenue Fund. The OSC allocates funds for investor education and outreach programs and other knowledge enhancement initiatives in accordance with established guidelines, and to or for the benefit of third parties, including harmed investors, whistleblowers and third parties that support one or more of the purposes of the Ontario Securities Act and/or the Commodity Futures Act. The 2024-2025 budget includes a recovery from settlements and sanction funds of Innovation Office costs and certain technology costs intended to address investor protection, systemic risk and capital markets integrity matters. The recovery of the aforementioned amounts is subject to the approval of a regulation in accordance with the SCA by the Lieutenant Governor in Council.

Fee Rule Amendments

Amendments to the OSC's Fee Rules (13-502 and 13-503) became effective on April 3, 2023. Fee Rule changes included new fees towards OTC derivatives market participants to fund the expansion of OTC derivatives regulatory oversight capabilities while reducing fees for most existing fee payers as we re-calibrate fees to reflect a fair allocation of costs across market segments.

In November of 2023, the OSC proposed fee amendments to address the regulatory cost disparity of onboarding restricted dealers, which include Crypto-Asset Trading Platforms (CTPs), compared to most existing market participants. The OSC's onboarding activities of restricted dealers include registration and application review activities, which require additional staff effort to tailor regulatory requirements and oversight activities. To address the increased effort, additional resources were hired towards onboarding functions of restricted dealers. The proposed amendments aim to reduce cross subsidization risk by aligning fees more closely to costs. The proposed amendments are out for public consultation until February 7, 2024.

Appendix A - Service Commitments

The [OSC Service Commitment](#) was established to provide investors, registrants, and market participants with transparency on the standards and timelines they can expect when interacting with the OSC. Each service standard has a corresponding performance target; this represents our commitment to the service level that stakeholders can expect when interacting with the OSC. These targets are in place for each year of this three-year business plan, however, the OSC undertakes an annual review of its service commitments to determine if the targets and timelines need to be adjusted based on market conditions and to maintain competitiveness with securities regulators in other leading jurisdictions.

The below represents the OSC Service Commitments as at February 8, 2024, and includes updates made as a result of the OSC's [2023 Annual Service Commitment Review](#) and subsequent [2023 Mid-Year Service Commitment Review](#). The most current listing of OSC service standards can be found on our [website](#) and the results of our service standards are [reported](#) quarterly.

When you have a general question or complaint

Description	Service Standard
Calling the OSC Inquires and Contact Centre	<p>1.1 Answer 95% or greater of telephone calls received.</p> <p><i>(Note: This target accounts for a 5% call abandonment rate which may include spam, robocalls, misdials and signal issues among other uncontrollable variables.)</i></p> <p>1.2 Answer 80% of calls received within 60 seconds.</p> <p>We will answer your questions or concerns on the spot. For more complex matters, we may ask you for more information or documentation or may let you know that we need more time.</p> <p>If you reach voice mail during business hours, we will get back to you the same day or by the end of the next working day.</p>
Written inquires or complaints received by e-mail, mail, fax, or online form	<p>1.3 We will respond to you on routine matters within 5 working days or less (target is 95% of all written inquiries and complaints received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time.</p>

When you contact us about investing and personal finance questions via InvestingQuestions.ca

Description	Service Standard
When asking a question through <i>InvestingQuestions.ca</i>	<p>2.1 We will respond to your question within 10 working days of receiving the question (target is for 80% of all questions received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time. For questions that fall outside of the mandate of the OSC, our response may not be published to the website, but we will respond by email.</p>

When you make a filing with us

Prospectus: Filing for a confidential prospectus pre-file, preliminary or pro forma prospectus

Description	Service Standard
Issuing comment letters for confidential prospectus pre-file, long form prospectus or simplified prospectus	<p>3.1 We will provide a first comment letter within 10 working days of the date of the preliminary receipt (for preliminary filings) or acknowledgment of receipt (confidential prospectus pre-file) and related materials in acceptable form (target is for 80% or more of all filings received).</p>
Issuing comment letters for short form prospectus or shelf prospectus	<p>3.2 We will provide a first comment letter within 3 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).</p>
Completion of review	<p>3.3 We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</p>
Filing your final prospectus	<p>3.4 For final prospectus materials <i>filed by 12:00 noon</i>: receipt will be issued by end of the same working day provided materials are in acceptable form.</p>

Prospectus Amendments: Filing an amendment to a preliminary or current prospectus

When filing a preliminary prospectus amendment before the OSC issues a comment letter relating to the preliminary prospectus materials:

Description	Service Standard
Long form prospectus or simplified prospectus	3.5 We will issue our comment letter on the later of the date that is 5 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 90% or more of all filings received).
Short form prospectus or shelf prospectus	3.6 We will issue our comment letter on the later of the date that is 3 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).

When filing an amendment to a prospectus after a final receipt has been issued by the OSC:

Description	Service Standard
Long form prospectus or simplified prospectus	3.7 We will issue our comment letter 5 working days after the date that related materials are received in acceptable form (target is for 85% or more of all filings received).
Short form prospectus or shelf prospectus	3.8 We will issue our comment letter 5 working days after the date that related materials are received in acceptable form (target is for 85% or more of all filings received).

Providing our decision on amendment filings:

Description	Service Standard
Completion of review	<p>3.9 We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for the preliminary filings) and receipt of related materials in acceptable form (target is for 85% or more of all routine filings received).</p> <p>Note: Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</p>

Exemption Application: Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)

Description	Service Standard
Issuing comment letters	4.1 We will issue a first comment letter within 10 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all applications received).
Providing our decision	4.2 We will make a decision on requests for routine exemptive relief within 40 working days of receiving a complete and adequate application (target is for 80% or more of all routine exemption applications received). Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i>

Management Information Circular: Filings for Conflict-of-Interest Transactions

Description	Service Standard
Conflict of Interest Transactions	5.1 We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 80% or more on all filings received).
Completion of review	5.2 We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).

Take-Over/Issuer Bid Circulars

Description	Service Standard
Filing a Take-Over Bid/Issuer Bid Circular	5.3 We will provide comments, if applicable, within 7 working days from the date of filing of the circular (target is 80% or more on all filings received).
Completion of review	5.4 We will complete our review within 21 working days from the date of filing of the circular (target is 80% or more of all filings received).

Dissident Proxy Circulars

Description	Service Standard
Filing a Dissident Proxy Circular	5.5 We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 80% or more on all filings received).
Completion of review	5.6 We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).

Registration Materials: New business submissions

Description	Service Standard
Our acknowledgement of your application	6.1 We will acknowledge your application within 5 working days after receipt of the application (target is for 95% or more of all filings received).
Our response to your application	6.2 We will provide our initial comments on your firm registration application within 45 ⁵ working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all filings received).
Providing our decision on applications for new business submissions that have met the prescribed conditions ⁶	<p>6.3 We will make a decision on routine applications and notify you within 120⁵ working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>

Registration Materials: Dealing representatives

Description	Service Standard
New applications and reactivations that have met the prescribed conditions ⁷ and are not part of a new business submission	<p>6.4 We will make a decision on routine applications within 10 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>

⁵ This service standard continues to follow an extended timeline, originating from the service extensions first [announced](#) on December 7, 2021. Following consideration during the OSC's [2023 Annual Service Commitment Review](#) and subsequent [2023 Mid-Year Service Commitment Review](#), the OSC decided to maintain this service extension to address the persistent and significant increase in registration filings. This service standard will be assessed again during the OSC's upcoming 2024 annual service commitment review.

⁶ Registration applications for firms applying to the OSC are subject to this service standard under the following conditions: all questions are answered with sufficient detail, all regulatory obligations are met, there are no concerns with your fitness for registration, and you respond to our request for information in a timely manner. If you are seeking membership with the Canadian Investment Regulatory Organization, your firm registration application is not subject to this service standard.

⁷ Registration applications for individuals applying to the OSC are subject to this service standard under the following conditions: all questions are answered with sufficient detail, all regulatory obligations are met, there are no concerns with your fitness for registration, and you respond to our request for information in a timely manner. If you are applying as a dealing representative or chief compliance officer of an investment dealer firm, where the registration function is delegated to the Canadian Investment Regulatory Organization, the application is not subject to this service standard.

Registration materials: Advising representatives, associate advising representatives and CCO's

Description	Service Standard
New applications and reactivations that have met the prescribed conditions ⁷ and are not part of a new business submission	<p>6.5 We will make a decision on routine applications within 30⁵ working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>

Notices of End of Individual Registration or Permitted Individual Status

Description	Service Standard
Where the individual left the former sponsoring firm in good standing	<p>6.6 We will complete our acknowledgement of a Notice of End of Individual Registration or Permitted Individual Status within 24 hours of receipt for routine filings (target is for 100% of all filings received).</p>

If you are selected for review⁸

Continuous Disclosure Reviews (Full Reviews)

Description	Service Standard
Issuing comment letters	<p>7.1 We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).</p>
Completion of review	<p>7.2 We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).</p> <p>Issue-oriented review times vary significantly based on the nature of the review. We will provide regular touchpoints to advise you of our progress at least every two weeks.</p>

Insider Reporting Reviews

Description	Service Standard
Issuing comment letters	<p>7.3 We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).</p>

⁸ Note: Complete information and timely responses will help facilitate a timely review. Reviews that are complex, raise new policy issues, that involve concurrent regulatory files, or require further regulatory action take longer for the OSC to complete. We will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

Description	Service Standard
Completion of review	7.4 We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).

Compliance Reviews: Registrants

Description	Service Standard
Risk-based assessment of the registrant's compliance with Ontario securities laws and commodity futures laws	<p>7.5 We will complete our review and communicate our findings for ordinary course compliance reviews within 14 weeks of the initial meeting with the registrant (target is for 80% or more of all reviews, excluding sweeps.)</p> <p>For reviews conducted as a sweep, the findings are coordinated across all firms selected for the sweep and, as a result, it will take longer for staff to communicate our findings.</p> <p>Note: <i>In general, the time spent on a review depends on the quality and effectiveness of your existing compliance program as well as the availability of key personnel and prompt responses to our requests for information.</i></p>

When you request OSC Records

Requesting OSC records: Calling or emailing Records and Information Management

Description	Service Standard
Requesting copies of company filings or Tribunal hearing materials ⁹ available to the public through Records and Information Management	<p>8.1 We will acknowledge receipt of your request by the end of the next working day.</p> <p>8.2 We will complete your request within 5 working days (target is 90% or more for all requests).</p> <p>For certain types of requests, including requests for historical company filings or Tribunal hearing materials, we may ask you for more information or let you know we need more time.</p>

Requesting copies of your OSC registration records and related forms: Calling or emailing Records and Information Management

Description	Service Standard
Registrants requesting copies of their own registration records and related forms	<p>8.3 We will acknowledge receipt of your request by the end of the next working day.</p> <p>8.4 We will complete your request within 5 working days (target is 90% or more for all requests).</p>

⁹ Does not include records related to current proceedings before the Tribunal. They are separately handled through the OSC Registrar.

If you request support from OSC LaunchPad

Requests for Support (RFS) Form

Description	Service Standard
Our acknowledgement of your RFS Form	9.1 We will acknowledge within 2 working days of receipt of your RFS form (target is for 100% of all RFS forms reviewed).
Eligibility review	<p>9.2 We will contact you within 10 working days of receipt of your complete RFS form (target is for 80% of all RFS forms received).</p> <p>If your business is eligible for OSC LaunchPad support, we will reach out to schedule a meeting. If your business is not eligible for OSC LaunchPad support, we will provide feedback.</p>
Providing support for eligible businesses	9.3 A telephone call or in-person meeting will be held to provide direct support within 20 working days of receipt of your complete RFS Form (target is for 80% of all meetings scheduled).
Request for additional materials or filings	<p>9.4 Following this meeting, if you are eligible to receive continued support from OSC LaunchPad, we may ask you to provide us with additional materials or a filing within 20 working days of your direct support meeting (target is for 80% of all meetings scheduled).</p> <p>If we do not receive the requested additional materials/filing, we will generally consider the file to be dormant and will take steps to close it. Refer to the "If we don't hear from you" section above for more information.</p>