The Ontario Securities Commission

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The Ontario Securities Commission carries out the powers, duties and functions given to it pursuant to the *Securities Commission Act, 2021* (S.O. 2021, c. 8, Sched. 9).

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

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A.1.1 Ontario Securities Commission and Ahmed Kaiser Akbar – ss. 127(1), 127.7

FILE NO.: 2024-7

ONTARIO SECURITIES COMMISSION

AND

AHMED KAISER AKBAR

NOTICE OF HEARING
Subsection 127(1) and Section 127.7 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: June 12, 2024 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Capital Markets Tribunal to make the orders requested in the application filed by the Commission on May 13, 2024.

The hearing set for the date and time indicated above is the first case management hearing in this proceeding, as described in subsection 14(4) of the *Capital Markets Tribunal Rules of Procedure*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Tribunal in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 23rd day of May, 2024.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@capitalmarketstribunal.ca.

ONTARIO SECURITIES COMMISSION

Applicant

AND

AHMED KAISER AKBAR

Respondent

APPLICATION FOR ENFORCEMENT PROCEEDING
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. This matter concerns false and misleading statements made by the respondent in corporate press releases and regulatory filings that would reasonably be expected to have a significant effect on the market price or value of the company's securities and caused harm or a risk of harm to investors.

2. Shortly after becoming a reporting issuer, SoLVBL Solutions Inc. (**SoLVBL**) published false and misleading information in news releases regarding a deal to license its technology for use in producing non-fungible tokens (**NFTs**) with a company called "New Foundation" (the **NFT Deal**). These statements generated positive news for the company in advance of private placements that raised $4 million from investors.

3. Other than signing the agreement, no work was ever done on the NFT Deal. Instead, funds from the private placement were used, among other things, to repay debts owed to insiders and shareholders such as Ahmed Kaiser Akbar (**Akbar**). The NFT Deal was abandoned and SoLVBL did not correct or update information contained in its news releases and other public filings regarding the status of the NFT Deal, even after Akbar became the Chief Executive Officer of SoLVBL.

4. Public companies that issue false and misleading news releases regarding new business activity, particularly when dealing with popular trends such as NFTs, deprive investors of the ability to make informed investment decisions and result in harm or a risk of harm. It is vital that investors receive complete, factual and accurate information, especially in emerging sectors. Individuals who draft false and misleading statements for public company disclosure may materially mislead investors and commit fraud.

5. In addition, officers, directors and legal counsel of public companies have important roles in ensuring the public is provided with accurate information. When those with responsibility fail to ensure that public statements to investors are true and not misleading, their conduct undermines confidence in Ontario's capital markets.

B. GROUNDS

The Ontario Securities Commission (the **Commission**) makes the following allegations of fact:

(i) SoLVBL's Business and Technology

6. SoLVBL, a reporting issuer in Ontario, is a technology company that was pursuing the development of its technology platform "Q by SoLVBL," which was intended to provide high speed data authentication.

7. SoLVBL was created on February 10, 2021 as the result of a reverse takeover between Stowe One Investments Corp. and Agile Blockchain Corp. (**Agile**). Upon the amalgamation, SoLVBL carried on the business of Agile. SoLVBL shares traded on the Canadian Securities Exchange (**CSE**) since February 24, 2021, and on the United States over-the-counter (**OTC**) Pink Sheets since December 22, 2021.

8. On December 5, 2023, the Commission issued a failure to file cease trade order for SoLVBL's shares. The following day, the Canadian Investment Regulatory Organization imposed a suspension of trading on SoLVBL's shares. SoLVBL filed an assignment in bankruptcy on December 21, 2023 under the *Bankruptcy and Insolvency Act,* RSC 1985, c. B-3.

9. Akbar was one of the founders of and initial investors in Agile. During the period from April to July 2021, Akbar acted as a consultant and served as legal counsel for SoLVBL and, along with his spouse, owned over 10% of the shares of SoLVBL. As of 2021, Akbar had approximately 22 years of experience as a corporate and securities lawyer.

10. Starting in September 2019, Raymond Pomroy (**Pomroy**) served as the Chief Executive Officer (**CEO**) of SoLVBL and its predecessor, Agile. On November 19, 2021, Pomroy resigned his position and left the company and Akbar assumed the position of interim CEO. Akbar remained CEO of SoLVBL until February 23, 2023. From the inception of SoLVBL in February 2021 until his departure in 2023, Akbar had an active role in the company and drafted certain public disclosure documents for SoLVBL, including news releases.

(ii) Planned Private Placement and the NFT Deal

11. SoLVBL began trading on the CSE as a publicly listed company on February 24, 2021 with an initial closing price of $0.60 per share on February 24, 2021. The SoLVBL share price significantly declined in the following months.

12. On April 23, 2021, SoLVBL signed a private placement financing proposal with broker Research Capital Corporation (**Research Capital**) at an indicative price of $0.15 per unit (which would include one SoLVBL share and one warrant at an indicative exercise price of $0.20). The agreement noted that the price would be reconfirmed prior to the launch of the private placements.

13. SoLVBL had an incentive to keep the price of its shares as high as possible in advance of the private placements in order to raise more funds and minimize the dilution of shares, which would affect existing major shareholders such as Akbar. At this time, SoLVBL was funding its operations primarily through loans from Akbar (or his spouse) and two other SoLVBL shareholders, Gad Caro (**Caro**) and Rahim Allani (**Allani**).

14. Four days after the agreement with Research Capital, on April 27, 2021, Akbar incorporated New Foundation Technologies Corp. (**New Foundation**) in Ontario with himself as the sole officer and director. New Foundation's registered head office was 15 Toronto Street, Unit 602 in Toronto, Ontario, the same registered head office location as SoLVBL at that time. Around this time, Akbar also opened a bank account for New Foundation with himself as the sole owner, director and signing officer.

15. An Intellectual Property Licensing Agreement was entered into between SoLVBL and New Foundation with an effective date of April 29, 2021 (the **Licensing Agreement**). It does not appear that the Licensing Agreement was signed by both parties until April 2022. The Licensing Agreement granted New Foundation an exclusive, worldwide license to use SoLVBL's "Q by SoLVBL" intellectual property for the creation of NFTs. SoLVBL agreed to work with New Foundation to assist it in developing NFT products with this technology.

16. As part of the Licensing Agreement, New Foundation agreed to pay a one-time $120,000 licensing fee to SoLVBL. On May 5 and May 14, 2021, a total of $75,000 was sent to SoLVBL's bank account by the New Foundation account created by Akbar. On May 28, 2021, a further $45,000 was sent directly from Akbar's spouse, Allani's company, and Caro.

(iii) Announcement of the NFT Deal

17. In May and June 2021, SoLVBL issued two news releases regarding the NFT Deal that contained false information and misleading information (the **News Releases**).

May News Release

18. On May 13, 2021, SoLVBL announced in a news release (the **May News Release**) that:

    (a) SoLVBL "is pleased to announce that it has won the proposal for a [NFT] product and the associated licensing of Q by SoLVBL™ to an international private company."

    (b) "SoLVBL's winning proposal complied with the technical specifications set out in the request for proposal (**RFP**) by the private company. SoLVBL also complied with all legal and administrative requirements set out in the RFP. The private company has decided that SoLVBL has the required technical experience to provide the technology solutions it needs for its product offerings."

    (c) Without naming the company, the news release stated that: "In the next few days, the corresponding contract will be signed between the private company and SoLVBL so that the work can start as soon as possible. Terms and compensation of the agreement are being finalized and will be announced shortly."

    (d) Pomroy, as CEO for SoLVBL, stated: "As one of our very first revenue generating customers, we are excited to be working with this group of technology entrepreneurs and we believe that this relationship will bring tremendous value to the Company and our stakeholders. In addition, this does not take away from our core business and offerings, it offers us a new revenue stream."

19. The May News Release was drafted by Akbar and was reviewed and approved by Pomroy. Pomroy relied on Akbar, SoLVBL's legal counsel, for the information provided regarding New Foundation.

20. Certain statements made in the May News Release were false and/or misleading:

    (a) There was no international private company. The counterparty to the NFT Deal was the Ontario company New Foundation, which Akbar incorporated on April 27, 2021. The other two individuals involved in New Foundation, Caro and Allani, were SoLVBL shareholders and were providing loans to SoLVBL.

(b) The Licensing Agreement was effective as of April 29, 2021, prior to the May News Release. Payments were being made pursuant to the Licensing Agreement prior to the May News Release.

(c) There is no evidence that New Foundation carried out an RFP. SoLVBL had no RFP document that set out technical specifications or legal and administrative requirements and did not provide a written response to the RFP. There is no evidence that New Foundation approached any company other than SoLVBL for this alleged RFP. Instead, the negotiation of the NFT Deal was through verbal conversations primarily between Pomroy and Akbar.

June News Release

21. On June 3, 2021, SoLVBL announced in a news release (the **June News Release**) that:

(a) SoLVBL agreed to the terms of a technology licensing and software development agreement with New Foundation for the licensing of SoLVBL's proprietary software for the purpose of creating NFTs.

(b) "This is the first revenue generating agreement for SoLVBL, with work slated to commence with New Foundation later this year. To ensure that New Foundation secured this deal with SoLVBL, it has advanced a six-figure payment to SoLVBL."

(c) Pomroy stated that: "We are pleased that New Foundation has chosen to license Q by SoLVBL, our flagship product, for its NFT products and has entrusted our Company to develop its NFT products."

(d) The news release quotes Vicky Arora as the Director of Licensing of New Foundation as saying: "… Not only does technology licensing support our growth plans, but it allows our customers in the U.S., Europe and our new Asian markets, the opportunity to produce NFT products supported by this technology. One of the big reasons we chose Q by SoLVBL during the RFP process was that it has the ability to create immutable and verifiable elements of NFTs, at incredible speeds and scalability and can be viewed as a powerful tool for items such as NFTs so as to provide them to the market confidently, effectively and efficiently."

(e) The news release described New Foundation as "a USA based technology investment company with offices in Los Angeles, USA and its European office in London, U.K. New Foundation's mission-driven teams are dedicated to creating non-fungible tokens (NFT) for arts, digital arts, gaming, real estate, sports, fashion, and media & entertainment. Through its global partnerships, the company works across various geographic and cultural sectors.

For more information, please visit nftech.info."

22. The June News Release was drafted by Akbar and was reviewed and approved by Pomroy. Pomroy relied on Akbar, SoLVBL's legal counsel, for the information provided regarding New Foundation.

23. Certain statements made in the June News Release were false and/or misleading:

(a) New Foundation was not a "USA based technology investment company," nor did it have any office in London or Los Angeles. New Foundation was a recently created Ontario company whose registered head office was the same location as the head office for SoLVBL.

(b) There is no evidence that Vicky Arora was the Director of Licensing of New Foundation at the time of this June News Release.

(c) There is no evidence for the statement that New Foundation had customers in the U.S., Europe and Asia. There is no evidence that New Foundation had any "mission driven teams" or "global partnerships" or did "work across various geographic and cultural sectors." There is no evidence that New Foundation had ever done any business or had any customers.

(d) The New Foundation website linked in the news release was only set up on May 12, 2021, the day before the May News Release announcing the NFT Deal. The website contained similar false and/or misleading statements about New Foundation. The website was taken down in May 2022.

Effect of the News Releases

24. The News Releases created the misleading impression that SoLVBL was entering into a deal with an established international company, with multiple offices, previous business activity and established customers.

25. The News Releases created a misleading impression of the so-called RFP process, suggesting that there was a competitive proposal submitted by SoLVBL prepared in order to win this contract.

26. The News Releases did not disclose the relationship between SoLVBL and New Foundation and important facts about the NFT Deal. For example:

    (a) Akbar, who was engaged as a consultant by SoLVBL and was a significant shareholder and founder of the company, incorporated New Foundation shortly before the May News Release and was the sole listed director and officer of New Foundation;

    (b) SoLVBL and New Foundation shared an office; and

    (c) All of New Foundation's investors were shareholders of SoLVBL, were funding SoLVBL's operations with loans to the company and had an interest in SoLVBL successfully raising capital in the upcoming private placements.

Statements in Other Public Filings

27. SoLVBL's Management Discussion & Analyses (**MD&As**) from May 31, 2021 to May 1, 2022 contain the following statement regarding the NFT Deal and repeated some of the same false and/or misleading statements regarding New Foundation and the NFT Deal:

> "On May 13, 2021, [SoLVBL] announced that it won a request for proposal (RFP) from an international private company to develop a non-fungible tokenization product and the associated licensing of Q by SoLVBL. [SoLVBL] also announced that it is currently negotiating the terms of the contract with the private company."

28. The MD&As during this period were primarily drafted by Akbar for SoLVBL.

29. In addition, SoLVBL's financial statements starting in the second quarter 2021 show the $120,000 payment from the NFT Deal as deferred revenue. This categorization was never updated or reclassified to reflect that the NFT Deal was no longer being pursued, even after Akbar became the Chief Executive Officer of SoLVBL and the New Foundation website was taken down in May 2022. The financial statements from Q3 2021 onwards were certified by Akbar until he stepped down in February 2023.

(iv) SoLVBL Raises $4 Million in Private Placements

30. Following the announcement of the NFT Deal in the News Releases, SoLVBL finalized the terms of two private placements with Research Capital to take place in July 2021 (the **Private Placements**). The term sheet for the Private Placements was adjusted to reflect the decline in SoLVBL's share price.

31. On July 23, 2021, SoLVBL announced that it had raised $3 million in a private placement at $0.06 per unit (which included one SoLVBL share and one warrant with an exercise price at $0.12).

32. Following the July 23, 2021 private placement, SoLVBL paid off significant amounts of debt owed to shareholders and insiders of the company, including debt owed to Akbar and his spouse. At this time, SoLVBL also began paying Akbar a regular consultant fee and paid for his business expenses.

33. On July 30, 2021, SoLVBL announced that it had raised an additional $1 million in a private placement at $0.075 per unit (which included one SoLVBL share and one warrant with an exercise price at $0.12).

(v) No Work Done on NFT Deal

34. Other than signing the Licensing Agreement that granted the exclusive license rights, no work was done on the NFT Deal. New Foundation did not develop any NFTs. The New Foundation website was taken down in May 2022 and the company does not appear to have conducted any business outside of the signing of the Licensing Agreement.

35. The information contained in the June News Release stating that the work on the NFT Deal would "commence with New Foundation later this year [2021]" was never updated by SoLVBL in a news release, MD&A or any other of SoLVBL's public filings. The statements in the MD&A were never updated or corrected and the deferred revenue for the NFT Deal was never updated to reflect that NFT Deal was not going to be performed and that New Foundation was no longer pursuing this business.

(vi) Statements Reasonably Expected to Have Significant Effect on Market Price or Value

36. As set out above, SoLVBL shares were listed on the CSE on February 24, 2021 at a publicly listed closing price of $0.60 per share. The market price of SoLVBL shares significantly declined in the months that followed. Since SoLVBL signed the financing proposal with Research Capital on April 23, 2021 at an indicative price of $0.15 per unit, the company had an incentive to either raise the price or keep the price stable until the close of the Private Placements.

37. Although the Licensing Agreement provided that it was effective on April 29, 2021, SoLVBL issued two separate news releases in May and June prior to the Private Placements in July 2021. There was a spike in the volume of trading of the SoLVBL stock on the days following both of the News Releases.

38. In the May Press Release, SoLVBL described the NFT Deal as "our very first revenue generating customers" and that it believed this would "bring tremendous value to the Company and our stakeholders." The June News Release contains a quote from Pomroy that "this new segment that we have not looked [into], demonstrates to us, and to the larger entities we are currently speaking with, that this technology is a potential game changer and now verified by an external company and now a client."

39. The June News Release also announced that the NFT Deal came with "an advance six figure payment from New Foundation." Prior to the NFT Deal, the company only had approximately $10,000 in revenue from a consulting contract and had never licensed its proprietary technology.

40. According to SoLVBL, the NFT Deal was the first revenue generating agreement for the company and the first licensing of its flagship product, Q by SoLVBL.

41. On the date of the June News Release, SoLVBL filed a form with the CSE where it described the NFT Deal as follows:

> "Since the Issuer's listing on the CSE, the agreement between the Issuer and New Foundation is the first revenue generating. The Issuer believes that the news related to the licensing of Q by SoLVBL for NFT products and the associated technical work will create substantial interest in the Issuer and its product."

42. In addition, following the publication of the June News Release, Akbar sent the June News Release to Research Capital and, in the same email, asked for an update on the timing of the Private Placements as "we have investors committed to the private placement and have been asking us about the timing of the placement."

(vii) Fraud

43. The false and misleading statements made in the News Releases and other public filings regarding the NFT Deal, as well as the non-disclosure of important information regarding the NFT Deal, constituted deceit, falsehood or other fraudulent means. In drafting the News Releases and other public disclosure, Akbar knew or reasonably ought to have known that the statements were false and misleading and did not disclose important information regarding the NFT Deal.

44. By disclosing false and misleading information about the NFT Deal, Akbar caused deprivation or a risk of deprivation to investors, including investors in the Private Placements and investors on the secondary market. Akbar knew or reasonably ought to have known that deprivation or a risk of deprivation to investors was a consequence of his conduct.

C. BREACHES OF ONTARIO SECURITIES LAW AND OTHER BASES FOR THE ORDER SOUGHT

45. The Commission alleges the following breaches of Ontario securities law and/or other reasons it would be in the public interest to grant the order sought:

(a) Akbar engaged or participated in acts, practices, or a course of conduct relating to securities that he knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(1)(b) of the *Securities Act*, RSO 1990, c S.5 (the **Act**); and

(b) Akbar made statements that he knew or reasonably ought to have known, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of SoLVBL's securities.

D. ORDERS SOUGHT

46. The Commission requests that the Capital Markets Tribunal (the **Tribunal**) make the following orders against Akbar:

(a) that he cease trading in any securities or derivatives permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2 of subsection 127(1) of the Act;

(b) that he be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(c) that any exemption contained in Ontario securities law not apply to him permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) that he be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(e) that he resign any position he may hold as a director or officer of any issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(f) that he be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8 of subsection 127(1) of the Act;

(g) that he resign any position he may hold as a director or officer of any registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

(h) that he be prohibited from becoming or acting as a director or officer of any registrant permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

(i) that he be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(j) that he pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

(k) that he disgorge any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

(l) that he pay costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

(m) such other order as the Tribunal considers appropriate in the public interest.

DATED this 13th day of May, 2024.

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
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Sarah McLeod
Litigation Counsel, Enforcement Branch
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A.2
Other Notices

A.2.1 Ahmed Kaiser Akbar

FOR IMMEDIATE RELEASE
May 23, 2024

AHMED KAISER AKBAR,
File No. 2024-7

TORONTO – The Tribunal issued a Notice of Hearing on May 23, 2024 setting the matter down to be heard on June 12, 2024 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

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

A copy of the Notice of Hearing dated May 23, 2024 and Statement of Allegations dated May 13, 2024 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 Bridging Finance Inc. et al.

FOR IMMEDIATE RELEASE
May 24, 2024

BRIDGING FINANCE INC.,
DAVID SHARPE,
NATASHA SHARPE AND
ANDREW MUSHORE,
File No. 2022-9

TORONTO – An additional merits hearing date in the above-named matter is scheduled to be heard on June 3, 2024 at 1:00 p.m. at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto.

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

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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B. Ontario Securities Commission

B.1
Notices

B.1.1 Notice of Ministerial Approval and Coming into Force of Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement

NOTICE OF MINISTERIAL APPROVAL AND COMING INTO FORCE OF
AMENDMENTS TO
NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

The Minister of Finance has approved, pursuant to section 143.3 of the *Securities Act* (Ontario), amendments made by the Ontario Securities Commission to National Instrument 24-*101 Institutional Trade Matching and Settlement* (the Amendments). The Amendments were published in the OSC Bulletin at (2023), 46 OSCB 10059 and on the OSC website at www.osc.ca on December 14, 2023, and are reproduced in Chapter B.5 of this Bulletin. The Amendments came into force on May 27, 2024.

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B.2
Orders

B.2.1 IBEX Technologies Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

[Original text in French]

May 24, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC
AND
ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
IBEX TECHNOLOGIES INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

a) the Autorité des marchés financiers is the principal regulator for this application,

b) the Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 respecting Passport System* (Regulation 11-102) is intended to be relied upon Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan, and

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, Regulation 11-102 and, in Québec, in *Regulation 14-501Q on definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. the Filer is not an OTC reporting issuer under *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

“Marie-Claude Brunet-Ladrie”
Directrice de la surveillance des émetteurs et initiés
Autorité des marchés financiers

OSC File #: 2024/0190

B.3
Reasons and Decisions

B.3.1 Fidelity Investments Canada ULC

Headnote

National Policy 11-203 Process for Exemptive Relief Application in Multiple Jurisdictions – Relief granted from the self-dealing provision in subsection 4.2(1) of NI 81-102 Investment Funds to permit inter-fund trades in debt securities between investment funds subject to NI 81-102 and Canadian pooled funds, and between investment funds subject to NI 81-102 and U.S. mutual funds and U.S. pooled funds, managed by the same or affiliated managers – subject to conditions.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from subparagraphs 13.5(2)(b)(ii) and (iii) of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit inter-fund trades between Canadian mutual funds, Canadian pooled funds, Canadian managed accounts, U.S. mutual funds and U.S. pooled funds all managed by the same or affiliated fund managers – Trades where at least one counterparty has a Canadian portfolio manager or sub-advisor may be printed via a third-party CIRO registered dealer in satisfaction of market integrity requirement conditions – Trades where both counterparties have a U.S. portfolio manager or sub-advisor, and no Canadian portfolio manager or sub-advisor (but excluding trades involving only U.S. mutual funds or U.S. pooled funds), may be printed via a third-party CIRO registered dealer or via a third-party U.S.-registered broker-dealer provided certain conditions met, in satisfaction of market integrity requirement conditions – subject to additional conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 4.2(1), 4.3(1), 4.3(2), 19.2.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5 and 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

May 16, 2024

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

AND

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

AND

IN THE MATTER OF
FIDELITY INVESTMENTS CANADA ULC
(FIC)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from FIC for a decision under the securities legislation of the Jurisdiction (the **Legislation**):

(a) for an exemption from the prohibition in subsection 4.2(1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the NI 81-102 Funds (as hereinafter defined) to purchase debt securities from, or sell debt securities to, a Canadian Pooled Fund (as hereinafter defined) or a U.S. Fund (as hereinafter defined) (the **Section 4.2(1) Relief**);

(b) for an exemption from the prohibitions in subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person or an investment fund for which a responsible person acts as an adviser, in order to permit:

(i) a Canadian Fund (as hereinafter defined) to purchase securities from or sell securities to another Canadian Fund (as hereinafter defined);

(ii) a Canadian Client Account (as hereinafter defined) to purchase securities from or sell securities to a Canadian Fund (as hereinafter defined);

(iii) a Canadian Fund (as hereinafter defined) to purchase securities from or sell securities to a U.S. Fund (as hereinafter defined);

(iv) a Canadian Client Account (as hereinafter defined) to purchase securities from or sell securities to a U.S. Fund (as hereinafter defined);

(v) the transactions listed in (i) to (ii) (each, a **Canadian Inter-Fund Trade**) and (iii) and (iv) (each, a **Cross-Border Inter-Fund Trade**) to be executed in accordance with the requirements in subsection 6.1(1)(a) and paragraphs (c) to (g) of subsection 6.1(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**);

(vi) for an Inter-Fund Trade (as hereinafter defined) in a Canadian-Listed Security (as hereinafter defined) or Inter-Listed Security (as hereinafter defined), the requirements in paragraph 6.1(2)(g) of NI 81-107 may be satisfied as follows:

(A) where at least one party to the trade is a Canadian-Advised Fund (as hereinafter defined) or Canadian-Advised Canadian Client Account (as hereinafter defined), the Filer uses a Third-Party CIRO Registered Dealer (as hereinafter defined) to execute the Inter-Fund Trade (as hereinafter defined) on behalf of the Canadian Advised Fund (as hereinafter defined) or Canadian-Advised Canadian Client Account (as hereinafter defined); and

(B) where one party to the trade is a U.S.-Advised Fund (as hereinafter defined), U.S. Fund (as hereinafter defined) or U.S.- Advised Canadian Client Account (as hereinafter defined), and the other party to the trade is a U.S.-Advised Fund (as hereinafter defined) or U.S.-Advised Canadian Client Account (as hereinafter defined), the Filer uses either a Third-Party CIRO Registered Dealer (as hereinafter defined) or, provided certain conditions are met, a Third-Party U.S. Broker-Dealer (as hereinafter defined) to execute the Inter-Fund Trade (as hereinafter defined) on behalf of the U.S.-Advised Fund (as hereinafter defined), U.S. Fund (as hereinafter defined) or U.S.- Advised Canadian Client Account (as hereinafter defined);

((b)(i), (b)(ii), (b)(iii), (b)(iv), (b)(v) and (b)(iv) above are collectively referred to herein as the **Inter-Fund Trading Relief**). The Section 4.2(1) Relief and the Inter- Fund Trading Relief are collectively referred to herein as the **Relief Sought**.

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) FIC has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer (as hereinafter defined) in each jurisdiction of Canada outside of Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, NI 81-102, NI 31-103 or in MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following terms have the following meanings:

(a) **33 Act** means the U.S. *Securities Act of 1933*, as amended

(b) **40 Act** means the U.S. *Investment Company Act of 1940*, as amended;

(c) **40 Act Funds** means, collectively, the Existing 40 Act Funds (as hereinafter defined) and the Future 40 Act Funds (as hereinafter defined);

(d) **Applicable Inter-Fund Trading Policies** has the meaning given to it in Representation 27;

(e) **Canadian-Advised Canadian Client Account** means a Canadian Client Account (as hereinafter defined) that has at least one of the following:

(i) a Canada-domiciled portfolio manager; or

(ii) a Canada-domiciled portfolio sub-adviser;

(f) **Canadian-Advised Fund** means a Canadian Fund (as hereinafter defined) that has at least one of the following:

(i) a Canada-domiciled portfolio manager; or

(ii) a Canada-domiciled portfolio sub-adviser;

(g) **Canadian Client Account** means an account managed by the Filer (as hereinafter defined) that is beneficially owned by a client that is resident or domiciled in Canada and is not a responsible person, and over which the Filer (as hereinafter defined) has discretionary authority;

(h) **Canadian Clients** means, collectively, the NI 81-102 Funds (as hereinafter defined), the Canadian Pooled Funds (as hereinafter defined) and the Canadian Client Accounts;

(i) **Canadian Funds** means, collectively, the NI 81-102 Funds (as hereinafter defined) and the Canadian Pooled Funds (as hereinafter defined);

(j) **Canadian-Listed Security** means a security listed only on a Marketplace (as hereinafter defined);

(k) **Canadian Pooled Funds** means, collectively, the Existing Canadian Pooled Funds (as hereinafter defined) and the Future Canadian Pooled Funds (as hereinafter defined);

(l) **Existing 40 Act Fund** means each existing investment fund registered under the 40 Act and the 33 Act, for which a FIC Sub-adviser (as hereinafter defined) or an affiliate of a FIC Sub-adviser (as hereinafter defined) acts as manager and/or portfolio manager;

(m) **Existing Canadian Pooled Fund** means each investment fund domiciled in Canada that is not a reporting issuer, and to which NI 81-102 and NI 81-107 do not apply, for which FIC acts as the investment fund manager and the Filer (as hereinafter defined) acts as portfolio manager;

(n) **Existing NI 81-102 Fund** means each existing investment fund that is a reporting issuer, and to which NI 81-102 and NI 81-107 apply, for which FIC acts as the investment fund manager and the Filer (as hereinafter defined) acts as portfolio manager;

(o) **Existing U.S. Pooled Fund** means each investment fund domiciled in the United States that is exempt from registration under the 40 Act and the 33 Act, for which a FIC Sub-adviser (as hereinafter defined) or an affiliate of a FIC Sub-adviser (as hereinafter defined) acts as manager and/or portfolio manager;

(p) **FIC Sub-adviser** means those entities within the larger Fidelity enterprise which provide advice with respect to all or a portion of the investments of the Canadian Clients and **FIC Sub-adviser** shall mean any one of them;

(q) **Filer** means FIC and any affiliate of FIC that is registered as an adviser (portfolio manager) in any Jurisdiction;

(r) **Funds** means, collectively, the Canadian Funds and the U.S. Funds (as hereinafter defined and each, a **Fund**);

(s) **Future 40 Act Fund** means each investment fund, to be established in the future, and registered under the 40 Act and the 33 Act, for which a FIC Sub- adviser or an affiliate of a FIC Sub-adviser acts as manager and/or portfolio manager;

(t) **Future Canadian Pooled Fund** means each investment fund, to be established in the future, that will be domiciled in Canada that will not be a reporting issuer, and to which NI 81-102 and NI 81-107 will not apply, for which FIC will act as the investment fund manager and the Filer will act as portfolio manager;

(u) **Future NI 81-102 Fund** means each investment fund to be established in the future, that will be a reporting issuer, and to which NI 81-102 and NI 81-107 will apply, for which FIC will act as the investment fund manager and the Filer will act as portfolio manager;

(v) **Future U.S. Pooled Fund** means each investment fund, to be established in the future, that will be domiciled in the United States and is exempt from registration under the 40 Act and the 33 Act, for which a FIC Sub-adviser or an affiliate of a FIC Sub-adviser acts as manager and/or portfolio manager;

(w) **Inter-Fund Trades** means, collectively, Canadian Inter-Fund Trades, Cross- Border Inter-Fund Trades and, where applicable, all trades made pursuant to the Section 4.2(1) Relief;

(x) **Inter-Listed Security** has the same meaning as in section 6.6.1 of National Instrument 23-101 *Trading Rules*;

(y) **IRC** means the independent review committee of the Canadian Funds, and for greater certainty includes the Pooled Fund IRC (as hereinafter defined);

(z) **Marketplace** has the same meaning as in section 1.1 of National Instrument 21-101 *Marketplace Operation*;

(aa) **NI 81-102 Funds** means, collectively, the Existing NI 81-102 Funds and the Future NI 81-102 Funds;

(bb) **Pooled Fund IRC** means the IRC to be established for the Canadian Pooled Funds as contemplated in Representation 30;

(cc) **Third-Party CIRO Registered Dealer** means a dealer that is not the Filer, and registered with the Canadian Investment Regulatory Organization;

(dd) **Third-Party U.S. Broker-Dealer** means a broker or dealer that is not the Filer, domiciled in the U.S., and registered with the appropriate U.S. securities regulatory authorities;

(ee) **U.S.-Advised Canadian Client Account** means a Canadian Client Account that:

(i) is not a Canadian-Advised Canadian Client Account; and

(ii) has at least one of the following:

(A) a U.S.-domiciled portfolio manager; or

(B) a U.S.-domiciled portfolio sub-adviser;

(ff) **U.S.-Advised Fund** means a Canadian Fund that:

(i) is not a Canadian-Advised Fund; and

(ii) has at least one of the following:

(A) a U.S.-domiciled portfolio manager; or

(B) a U.S.-domiciled portfolio sub-adviser;

(gg) **U.S. Funds** means, collectively, the 40 Act Funds and the U.S. Pooled Funds (as hereinafter defined);

(hh) **U.S. Inter-Fund Trading Rules** means Rule 17a-7 under the 40 Act and other applicable laws governing inter-fund trading in the United States; and

(ii) **U.S. Pooled Funds** means, collectively, the Existing U.S. Pooled Funds and the Future U.S. Pooled Funds.

Representations

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

The Filer

1. FIC, a corporation amalgamated under the laws of Alberta and having its head office in Toronto, Ontario, acts or will act as the investment fund manager of each of the Canadian Funds.

2. FIC is registered as an investment fund manager under the relevant securities legislation of the provinces of Ontario, Quebec and Newfoundland and Labrador, a commodity trading manager in Ontario and as a mutual fund dealer, portfolio manager and exempt market dealer in each of the Jurisdictions.

3. FIC is or will be the portfolio manager for the Canadian Clients. FIC has entered into sub-advisory agreements with the FIC Sub-advisers, to provide advice with respect to all or a portion of the investments of the Canadian Clients. The FIC Sub- advisers may change from time to time.

4. The Filer and each of the Canadian Funds are not in default of the securities legislation of any Jurisdiction.

The Canadian Clients

5. Each NI 81-102 Fund is or will be an open-end investment fund trust created under the laws of Ontario or a class of shares of a corporation incorporated under the laws of the Province of Alberta.

6. The securities of each of the NI 81-102 Funds are or will be qualified for distribution in some or all of the Jurisdictions pursuant to prospectuses prepared in accordance with applicable securities legislation and filed with and receipted by the securities regulators in each of the applicable Jurisdictions.

7. Each of the NI 81-102 Funds is or will be a reporting issuer in one or more of the Jurisdictions.

8. FIC has established the IRC in respect of the NI 81-102 Funds in accordance with NI 81-107. Any Future NI 81-102 Fund will also be within the mandate of the IRC.

9. Each Canadian Pooled Fund is or will be an open-end investment fund trust created under the laws of Ontario.

10. The securities of each of the Canadian Pooled Funds are distributed by way of an applicable prospectus exemption as permitted by National Instrument 45-106 *Prospectus Exemptions.*

11. FIC offers discretionary investment management services to institutional investors in Canada through the Canadian Client Accounts.

12. Each Canadian client wishing to receive discretionary investment management services from FIC, has entered into, or will enter into, a written agreement whereby the client appoints FIC, to act as portfolio manager in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Canadian Client Account without obtaining the specific consent of the client to execute the trade.

The U.S. Funds

13. Each 40 Act Fund is, or will be, established under the laws of a U.S. jurisdiction and registered under the 40 Act and the 33 Act for distribution of its shares to the public.

14. Each U.S. Pooled Fund is, or will be, established under the laws of a U.S. jurisdiction, and exempt from registration under the 40 Act. Shares of U.S. Pooled Funds are, or will be, distributed on a private placement basis pursuant to available exemptions from the registration requirements of the 33 Act.

The Inter-fund Trades

15. The Filer wishes to be able to permit any Canadian Client to engage in Inter-Fund Trades of portfolio securities with a Fund.

16. NI 31-103, NI 81-102 and NI 81-107 restrict inter-fund trading. Absent the Relief Sought, none of the Canadian Clients, nor the Filer on their behalf, will be permitted to engage in Inter-Fund Trades as contemplated in this decision.

17. The Filer is a responsible person for the purpose of paragraph 13.5(2)(b) of NI 31-103 and, absent exemptive relief, is prohibited from effecting any Inter-Fund Trades between Canadian Clients or other Funds (as investment funds for which the Filer, or other responsible person, acts as an adviser).

18. Each FIC Sub-adviser which is an affiliate of the Filer and has access to, or participates in, formulating, an investment decision made on behalf of the Canadian Clients is a responsible person for the purpose of paragraph 13.5(2)(b)) of NI 31-103. As responsible persons, absent the Relief Sought, each such FIC Sub-adviser is prohibited from effecting any Inter-Fund Trades between Canadian Clients or other Funds (as investment funds for which the Filer, or other responsible person, acts as an adviser).

19. Absent exemptive relief, each NI 81-102 Fund is prohibited under subsection 4.2(1) of NI 81-102 from purchasing a security from or selling a security to a Fund (if the Fund is an associate or an affiliate of the Filer).

20. The exception in section 4.3(1) of NI 81-102 which permits certain inter-fund trades of securities subject to public quotations is not available for any Inter-Fund Trades of debt securities because debt securities are typically not subject to public quotations.

21. The exception in section 4.3(2) which permits certain inter-fund trades of debt securities is not available for any Inter-Fund Trades of debt securities between: (i) NI 81-102 Funds and Canadian Pooled Funds; and (ii) NI 81-102 Funds and U.S. Funds. In both instances, that exemption only applies where funds on both sides of the inter- fund trade are investment funds subject to NI 81-107. The Canadian Pooled Funds and U.S. Funds will not be subject to NI 81-107.

22. Where a FIC Sub-adviser is a responsible person of the Canadian Clients and also acts as an adviser to a U.S. Fund, any Cross-Border Inter-Fund Trades between the Canadian Clients and the U.S. Funds would be prohibited under subparagraphs 13.5(2)(b)(ii) or (iii) of NI 31-103. Other Fidelity entities within the Fidelity enterprise are not affiliates of the Filer and, although they may be FIC Sub-advisers and although their activities are overseen by FIC, they are not responsible persons of the Canadian Clients as contemplated by paragraph 13.5(1)(c) of NI 31-103 as they are not adviser to the Canadian Clients.

23. FIC wishes to continue to allow for Inter-Fund Trades, so as to optimize the trading that is conducted on the various trading desks and to allow for efficiencies in carrying out this trading, all of which FIC considers to be in the best interests of the Canadian Clients.

24. The traders employed as traders for each Fidelity trading desk carry out sophisticated trading for the entire Fidelity enterprise, including the Canadian Clients, and the U.S. Funds. Trading on each trading desk is carried out, when appropriate, on an aggregated and bunched (blocked) basis for all trades involving the Fidelity enterprise. Upon trade execution, allocations are automatically performed through the systematic application of rules which are derived in accordance with established Fidelity enterprise trading policies. Within the Fidelity enterprise, portfolio management and trading functions are separated to enhance the overall control environment to ensure that trade allocation policies and procedures are consistently and fairly applied. Traders on each trading desk seek to ensure that all trades for the Fidelity enterprise are carried out whenever possible in a systematic and consistent manner.

25. Trading on each trading desk complies with all applicable laws, including those of Canada, and inter-fund trades or broker crosses are not permitted if such trading is not permitted by the laws applying to the accounts being traded through the trading desk.

26. Each Inter-Fund Trade will be consistent with the investment objectives of the Fund or Canadian Client Account, as applicable.

27. The Filer and each FIC Sub-adviser is subject to cross trade and transfer-in-kind policies (the **Applicable Inter-Fund Trading Policies**). Such Applicable Inter-Fund Trading Policies include a Canadian specific policy which ensures that Canadian Inter-Fund Trades are conducted in accordance with the requirements of applicable securities legislation, including NI 81-102 and NI 81-107.

28. At the time of an Inter-Fund Trade, the Filer will have policies and procedures in place to enable the Canadian Clients to engage in the Inter-Fund Trades.

29. Inter-Fund Trades involving an NI 81-102 Fund will be referred to and approved by the IRC of the NI 81-102 Fund under subsection 5.2(1) of NI 81-107 and FIC, as investment fund manager of an NI 81-102 Fund, and the IRC of the NI 81-102 Fund, will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade. The IRC of the NI 81-102 Funds will not approve an Inter-Fund Trade involving an NI 81-102 Fund unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

30. FIC, as investment fund manager of the Canadian Pooled Funds, has established an IRC (which is the same IRC in respect of the NI 81-102 Funds) in respect of each Canadian Pooled Fund (the **Pooled Fund IRC**). The sole mandate of the Pooled Fund IRC will be considering and, if appropriate, approving the Inter-Fund Trades made by the Canadian Pooled Funds in reliance upon the Relief Sought. Such approvals may be made by way of standing instruction in the same way as permitted under NI 81-107 for the NI 81-102 Funds.

31. The Pooled Fund IRC will be composed by FIC, as manager of a Canadian Pooled Fund, in accordance with section 3.7 of NI 81-107 and the IRC will comply with the standard of care set out in section 3.9 of NI 81-107. Further, the Pooled Fund IRC will not approve Inter-Fund Trades unless it has made the determination set out in subsection 5.2(2) of NI 81-107.

32. The investment management agreement or other documentation in respect of a Canadian Client Account will contain the authorization of the client on behalf of the Canadian Client Account to engage in Inter-Fund Trades.

33. When the Filer engages in an Inter-Fund Trade of securities between Funds or between a Canadian Client Account and a Fund, including Cross-Border Inter-Fund Trades, each will comply with the following procedures:

    (a) the portfolio manager of one Client (Client A) will deliver the trade instructions in respect of a purchase or a sale of a security by Client A to a trader on the trading desk of the Filer or one of the FIC Sub-advisers;

(b) the portfolio manager of the other Client (Client B) will deliver the trade instructions in respect of a purchase or a sale of a security by Client B to a trader on the trading desk of the Filer or one of the FIC Sub-advisers (this may be the same trading desk or a different trading desk than is handling the order for Client A);

(c) the traders on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade between Client A and Client B in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(d) the policies applicable to the trading desks will require that: (i) all orders are to be executed on a timely basis, (ii) orders will be executed for no consideration other than cash payment against prompt delivery of a security, (iii) the transaction is consistent with the investment policies of each Fund participating in the transaction as recited in its registration statement or offering documents, and (iv) the transaction complies with all other requirements of applicable law; and

(e) the trader on each trading desk will advise the portfolio managers of Client A and Client B of the price at which the Inter-Fund Trade occurs.

34. Where an Inter-Fund Trade is executed by the Filer without the use of a Third-Party CIRO Registered Dealer or Third-Party U.S. Broker-Dealer, the Filer will comply with the market integrity requirements as set out in paragraph 6.1(1)(b) of NI 81-107.

35. If the IRC of a Canadian Fund becomes aware of an instance where FIC did not comply with the terms of any decision document issued in connection with the Inter- Fund Trades, including any Cross-Border Inter-Fund Trades, or a condition imposed by securities legislation or by the IRC in its approval, the IRC of the Canadian Fund will, as soon as practicable, notify in writing the securities regulatory authority or regulator which is the Canadian Fund's principal regulator.

Benefits of the Relief Sought

36. The Filer considers that it would be in the best interests of the Canadian Clients to receive the Relief Sought as making Canadian Clients subject to the same set of rules governing the execution of the transactions will result in:

(a) cost, potentially pricing and timing efficiencies in respect of the execution of transactions for the Canadian Clients; and

(b) less complicated and more reliable compliance procedures, as well as simplified and more efficient monitoring thereof, for the Filer, in connection with the execution of transactions on behalf of the Canadian Clients and the U.S. Funds.

37. U.S. Funds currently conduct inter-fund trading pursuant to the Applicable Inter- Fund Trading Policies, which complies with U.S. Inter-Fund Trading Rules. From a procedural perspective, inter-fund trades involving 40 Act Funds are subject to oversight by the applicable U.S. fund board. In addition, in order to comply with SEC rules governing inter-fund trades and the Applicable Inter-Fund Trading Policies as noted above, it is explicitly required that no brokerage commission, fee (except for customary transfer fees) or other remuneration be paid by the accounts in connection with the transaction. Cross-Border Inter-Fund Trades would be conducted on FIC's portfolio management system, which is monitored by an integrated compliance group including representatives of FIC and its related Fidelity enterprise entities.

38. FIC has determined that similar regulatory requirements applicable to inter-fund trading in Canada and the United States, together with FIC's compliance systems, creates a framework for conducting Cross-Border Inter-Fund Trades in a manner which minimizes conflicts of interest and promotes fairness and transparency for all Clients.

Decision

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

The decision of the principal regulator under the Legislation is that:

1. the Section 4.2(1) Relief is granted provided that the following conditions are satisfied:

(a) the Inter-Fund Trade is consistent with the investment objectives of each of the Funds involved in the trade;

(b) FIC, as the investment fund manager of an NI 81-102 Fund, refers the Inter- Fund Trade involving such NI 81-102 Fund to the IRC of that NI 81-102 Fund in the manner contemplated by section 5.1 of NI 81-107, and FIC and the IRC of the NI 81-102 Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

(c) the IRC of the Canadian Fund involved in the trade has approved the transaction in respect of that Canadian Fund in accordance with the terms of section 5.2 of NI 81-107;

(d) the fund board of the U.S. Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the U.S. Fund, involved as a counterparty to the trade has approved policies and procedures that permit Cross-Border Inter-Fund Trades that require compliance with U.S. Inter-fund Trading Rules; and

(e) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

2. the Inter-Fund Trading Relief is granted provided that the following conditions are satisfied:

(a) the Inter-Fund Trade is consistent with the investment objectives of each of the Canadian Clients involved in the trade;

(b) FIC, as the investment fund manager of a Canadian Fund, refers the Inter- Fund Trade involving such Canadian Fund to the IRC of that Canadian Fund in the manner contemplated by section 5.1 of NI 81-107, and FIC and the IRC of the Canadian Fund comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

(c) in the case of an Inter-Fund Trade between Canadian Funds:

(i) the IRC of each Canadian Fund has approved the Inter-Fund Trade in respect of the Canadian Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

(ii) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that:

(A) for an Inter-Fund Trade of a Canadian-Listed Security or Inter- Listed Security where at least one party is a Canadian-Advised Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using a Third-Party CIRO Registered Dealer to execute the Inter-Fund Trade on behalf of a Canadian-Advised Fund; and

(B) for an Inter-Fund Trade where each party is a U.S.-Advised Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using either of the following to execute the Inter- Fund Trade on behalf of the U.S.-Advised Funds:

(I) a Third Party CIRO Registered Dealer; or

(II) a Third-Party U.S. Broker-Dealer, provided that:

(a) best-execution considerations require the use of a Third-Party U.S. Broker-Dealer;

(b) an Inter-Fund Trade in a Canadian-Listed Security is printed on a Marketplace; and

(c) an Inter-Fund Trade in an Inter-Listed Security is printed:

(i) on a Marketplace; or

(ii) in accordance with any applicable U.S. market transparency obligations;

(d) in the case of an Inter-Fund Trade between a Canadian Client Account and a Canadian Fund:

(i) the IRC of the Canadian Fund has approved the Inter-Fund Trade in respect of the Canadian Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(ii) the investment management agreement or other documentation in respect of the Canadian Client Account authorizes the Inter-Fund Trade; and

(iii) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that:

(A) for an Inter-Fund Trade of a Canadian-Listed Security or Inter- Listed Security where at least one party is a Canadian-Advised Fund or Canadian-Advised Canadian Client Account, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using a Third-Party CIRO

Registered Dealer to execute the Inter-Fund Trade on behalf of the Canadian-Advised Fund or Canadian-Advised Canadian Client Account; and

(B) for an Inter-Fund Trade where one party is a U.S.-Advised Canadian Client Account and the other party is a U.S.-Advised Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using either of the following to execute the Inter- Fund Trade on behalf of the U.S.-Advised Canadian Client Account or U.S.-Advised Fund:

(I) a Third-Party CIRO Registered Dealer; or

(II) a Third-Party U.S. Broker-Dealer, provided that:

(a) best-execution considerations require the use of a Third-Party U.S. Broker-Dealer;

(b) an Inter-Fund Trade in a Canadian-Listed Security is printed on a Marketplace; and

(c) an Inter-Fund Trade in an Inter-Listed Security is printed:

(i) on a Marketplace; or

(ii) in accordance with any applicable U.S. market transparency obligations;

(e) in the case of an Inter-Fund Trade between a Canadian Fund and a U.S. Fund:

(i) the IRC of the Canadian Fund has approved the Inter-Fund Trade in respect of the Canadian Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(ii) the fund board of the U.S. Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the U.S. Fund, involved in the trade has approved policies and procedures that permit Cross- Border Inter-Fund Trades that require compliance with the U.S. Inter- Fund Trading Rules;

(iii) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that:

(A) for an Inter-Fund Trade of a Canadian-Listed Security or Inter- Listed Security where one party is a Canadian-Advised Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using a Third-Party CIRO Registered Dealer to execute the Inter-Fund Trade on behalf of the Canadian-Advised Fund; and

(B) for an Inter-Fund Trade where one party is a U.S.-Advised Fund and the other party is a U.S. Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using either of the following to execute the Inter-Fund Trade on behalf of the U.S.- Advised Fund or U.S. Fund:

(I) a Third-Party CIRO Registered Dealer; or

(II) a Third-Party U.S. Broker-Dealer, provided that:

(a) best-execution considerations require the use of a Third-Party U.S. Broker-Dealer;

(b) an Inter-Fund Trade in a Canadian-Listed Security is printed on a Marketplace; and

(c) an Inter-Fund Trade in an Inter-Listed Security is printed:

(i) on a Marketplace; or

(ii) in accordance with any applicable U.S. market transparency obligations;

(f) in the case of an Inter-Fund Trade between a Canadian Client Account and a U.S. Fund:

(i) the investment management agreement or other documentation in respect of the Canadian Client Account authorizes the Inter-Fund Trade;

(ii) the fund board of the U.S. Fund, or the trust committee or equivalent of the entity acting as trustee or equivalent of the U.S. Fund, involved in the trade has approved policies and procedures that permit Cross- Border Inter-Fund Trades that require compliance with the U.S. Inter- Fund Trading Rules;

(iii) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that:

(A) for an Inter-Fund Trade of a Canadian-Listed Security or Inter- Listed Security where one party is a Canadian-Advised Canadian Client Account, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using a Third-Party CIRO Registered Dealer to execute the Inter-Fund Trade on behalf of the Canadian-Advised Canadian Client Account; and

(B) for an Inter-Fund Trade where one party is a U.S.-Advised Canadian Client Account and the other party is a U.S. Fund, the Filer may satisfy the requirements in paragraph 6.1(2)(g) by using either of the following to execute the Inter-Fund Trade on behalf of the U.S.-Advised Canadian Client Account or U.S. Fund:

(I) a Third-Party CIRO Registered Dealer; or

(II) a Third-Party U.S. Broker-Dealer, provided that:

(a) best-execution considerations require the use of a Third-Party U.S. Broker-Dealer;

(b) an Inter-Fund Trade in a Canadian-Listed Security is printed on a Marketplace; and

(c) an Inter-Fund Trade in an Inter-Listed Security is printed:

(i) on a Marketplace; or

(ii) in accordance with any applicable U.S. market transparency obligations;

3. from the date of this decision until June 30, 2024, and for each complete six-month period that follows (each, a **Reporting Period**) until the Filer is otherwise notified by the principal regulator, FIC:

(a) prepares a report (the **Report**) containing the following information for the Reporting Period:

(i) the total value traded in Canadian-Listed Securities and, separately, the total value traded in Inter-Listed Securities, for each of the following:

(A) U.S.-Advised Funds;

(B) Canadian-Advised Funds;

(C) Canadian-Advised Canadian Client Accounts; and

(D) U.S.-Advised Canadian Client Accounts;

(ii) the total value of Inter-Fund Trades in Canadian-Listed Securities and, separately, the total value of Inter-Fund Trades in Inter-Listed Securities, between each of the following:

(A) Canadian-Advised Funds and Canadian-Advised Funds;

(B) Canadian-Advised Funds and U.S.-Advised Funds;

(C) Canadian-Advised Funds and U.S. Funds;

(D) U.S.-Advised Funds and U.S.-Advised Funds;

(E) U.S.-Advised Funds and U.S. Funds;

(F) Canadian-Advised Canadian Client Accounts and Canadian- Advised Funds;

(G) Canadian-Advised Canadian Client Accounts and U.S.-Advised Funds;

(H) Canadian-Advised Canadian Client Accounts and U.S. Funds;

(l) U.S.-Advised Canadian Client Accounts and Canadian-Advised Funds;

(J) U.S.-Advised Canadian Client Accounts and U.S.-Advised Funds;

(K) U.S.-Advised Canadian Client Accounts and U.S. Funds; and

(iii) the total value of Inter-Fund Trades in Inter-Listed Securities printed on a Marketplace, and separately, the total value of Inter-Fund Trades in Inter-Listed Securities printed in the U.S., between each of the following:

(A) U.S.-Advised Funds and U.S.-Advised Funds;

(B) U.S.-Advised Funds and U.S. Funds;

(C) U.S.-Advised Canadian Client Accounts and U.S.-Advised Funds; and

(D) U.S.-Advised Canadian Client Accounts and U.S. Funds; and

(b) sends the Report, within 10 business days from the last calendar day of the Reporting Period, to:

(i) the Senior Vice-President of the Investment Management Division of the Ontario Securities Commission by e-mail at IFSPDirector@osc.gov.on.ca; and

(ii) the Senior Vice-President of the Trading & Markets Division of the Ontario Securities Commission by e-mail at marketregulation@osc.gov.on.ca.

“Darren McKall”
Manager, Investment Management
Ontario Securities Commission

Application File #: 2024/0279
SEDAR+ File #: 6126041

B.3.2 1832 Asset Management L.P. and Dynamic Global Growth Opportunities Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) and 15.1.1 of National Instrument 81-102 Investment Funds to permit a new prospectus qualified alternative mutual fund that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months to include in its sales communications past performance data relating to a period when the fund's securities were previously distributed to investors on a prospectus-exempt basis and to use this past performance data to calculate its investment risk level in accordance with Appendix F Investment Risk Classification Methodology – New alternative mutual fund is managed substantially similarly after it became a reporting issuer as it was during the period prior to becoming a reporting issuer and has substantially similar investment objectives and fee structure.

Relief granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of the relief requested from (i) Item 10(b) of Part B of Form 81-101 Contents of Simplified Prospectus to permit the new alternative mutual fund to use the past performance data for a period when its securities were offered on a prospectus-exempt basis to calculate its investment risk rating in its simplified prospectus, (ii) Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document to permit the alternative mutual fund to include in its fund facts document past performance data for a period when the fund was offered on a prospectus-exempt basis, (iii) Item 2 of Part I and Item 1.3 of Part II of Form 81-101F3 to permit the alternative mutual fund to include in its fund facts document certain financial data, including the management expense ratio and trading expense ratio, for its units notwithstanding that it has not yet filed a management report of fund performance, and (iv) Item 4 of Form 81-101F3 to permit the alternative mutual fund to disclose its investment risk level as determined by including its past performance data in accordance with Appendix F Investment Risk Classification Methodology.

Relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, to permit the new alternative mutual to include in its annual and interim management reports of fund performance the past performance and financial data relating to a period when the fund was previously offered on a prospectus-exempt basis.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1), 15.8(3)(a.1), 15.1.1 and 19.1.
National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1 and 6.1.
Form 81-101F1 Contents of Simplified Prospectus, Item 10(b) of Part B.
Form 81-101F3 Contents of Fund Facts Document, Items 2, 4 and 5 of Part I and Item 1.3 of Part II.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.4 and 17.1.
I Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, tems 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B and Items 3(1) and 4 of Part C.

May 22, 2024

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

AND

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

AND

IN THE MATTER OF
1832 ASSET MANAGEMENT L.P.
(the Filer)

AND

IN THE MATTER OF
DYNAMIC GLOBAL GROWTH OPPORTUNITIES FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting Series A and F units of the Fund from:

(a) Subsection 15.3(2), paragraph 15.3(4)(c), subparagraph15.6(1)(a)(i), and paragraphs 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 *Investment Funds* (NI 81-102) to permit the Fund to include performance data in sales communications relating to Series A and F units of the Fund notwithstanding that:

(i) the past performance data will relate to a period prior to the Fund offering its securities under a simplified prospectus; and

(ii) the Fund has not distributed its securities under a prospectus for 12 consecutive months;

(b) Paragraph 15.1.1(a) of NI 81-102 and Items 2 and 4 of Appendix F Investment Risk Classification Methodology to NI 81-102 (the **Risk Classification Methodology**) to permit the Fund to include its past performance data in determining its investment risk level in accordance with the Risk Classification Methodology;

(c) Paragraph 15.1.1(b) of NI 81-102, Item 4(2)(a) and Instruction (1) of Item 4 of Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**) to permit the Fund to disclose its investment risk level as determined by including its past performance data in accordance with the Risk Classification Methodology;

(d) Item 10(b) of Part B of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) to permit the Fund to use its past performance data to calculate its investment risk rating in its simplified prospectus;

(e) Section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for the purposes of the relief requested herein from Form 81-101F1 and Form 81-101F3;

(f) Items 5(2), 5(3) and 5(4), and Instruction (1) of Part I of Form 81-101F3 in respect of the requirement to comply with subsection 15.3(2), paragraph 15.3(4)(c), subparagraph 15.6(1)(a)(i), and paragraphs 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of NI 81-102 to permit the Fund to include in its fund facts past performance data relating to Series A and Series F units of the Fund notwithstanding that such:

(i) performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and

(ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months

(g) Instruction (3) of Item 2 of Part I, Items 1.3(2), 1.3(3) and 1.3(4) of Part II, and Instructions (3), (5) and (7.1) of Item 1.3 of Part II of Form 81-101F3 to permit the Fund to include in its fund facts certain financial data, including the management expense ratio and trading expense ratio, for the Units notwithstanding that the Fund has not yet filed a management report of fund performance (**MRFP**);

(collectively, the relief under paragraphs (a), (b), (c), (d), (e), (f), and (g), the **NI 81-101 and 81-102 Relief**);

(h) Section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) for the purposes of the relief requested herein from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (Form 81-106F1); and

(i) Items 3.1(7) and 4.1(1) in respect of the requirement to comply with subsection 15.3(2) and paragraph 15.3(4)(c) of NI 81-102, Items 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1, to permit the Fund to include in its annual and interim MRFPs past performance data and financial highlights of the Fund notwithstanding that such performance data and financial highlights relate to a period prior to the Fund offering its securities under a simplified prospectus

(together, the relief under paragraphs (h) and (i), the **NI 81-106 Relief**),

(collectively, the **Exemption Sought**).

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

(a) the Ontario Securities Commission is the principal regulator; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**)

Interpretation

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

Representations

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

The Filer

1. The Filer is an Ontario limited partnership, which is wholly-owned by the Bank of Nova Scotia (**BNS**). The general partner of the Filer is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned by BNS with its head office located in Toronto, Ontario.

2. The Filer is registered as: (i) a portfolio manager in all of the provinces of Canada and in the Northwest Territories and the Yukon; (ii) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Québec, Newfoundland and Labrador and the Northwest Territories; and (iv) a commodity trading manager in Ontario.

3. The Filer is the investment fund manager and portfolio manager of the Fund.

4. The Filer is not a reporting issuer in any of the Jurisdictions and is not in default of securities legislation in any of the Jurisdictions.

The Fund

5. The Fund is an open-end trust established under the laws of the Jurisdiction on June 7, 2002 and governed by an amended and restated trust agreement made as of May 31, 2002, as amended.

6. The Fund currently consists of nine series of units, each of which have been offered to investors on a private placement basis in accordance with National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**):

    (a) Series A and Series F units, which have been offered to investors since March 9, 2015 (**Series Launch Date**);

    (b) Series A1, A2, F1 and F2 units of the Fund, which were issued to unitholders pursuant to a merger between Dynamic Power Emerging Markets Fund and the Fund on June 14, 2013. Such series of units are no longer available to investors for purchase;

    (c) Series C and FC units of the Fund, which were issued to unitholders pursuant to a name change of the Fund from “Dynamic Power Hedge Fund” to “Dynamic Global Growth Opportunities Fund on March 9, 2015. Such series of units are no longer available to investors for purchase; and

    (d) Series A3 and F3 units of the Fund, which were issued to unitholders pursuant to a merger between Dynamic Contrarian Fund and the Fund on June 19, 2015. Such series of units are no longer available to investors for purchase.

7. The Fund is not in default of securities legislation in any of the Jurisdictions.

8. The Filer intends to offer the Fund as an alternative mutual fund to the public in the Jurisdictions pursuant to a simplified prospectus and fund facts. The Fund filed a preliminary simplified prospectus and fund facts for Series A and F units with the securities regulator in each of the Jurisdictions on April 16, 2024, and expects to file a final simplified prospectus and fund facts in May 2024. Upon issuance of a receipt for the final simplified prospectus, the Fund will become a reporting issuer in each of the Jurisdictions and will become subject to the requirements of NI 81-102 and NI 81-106.

9. The investment objective of the Fund is to provide attractive long-term equity or equity related returns. The Fund will use alternative investment strategies primarily including engaging in physical short sales and may also include purchasing securities on margin or with borrowed funds.

10. Since the Series Launch Date, the Fund has prepared audited annual and unaudited interim financial statements in accordance with NI 81-106.

11. Since the Series Launch Date, the Fund has not deviated from the investment restrictions contained in NI 81-102 applicable to an alternative mutual fund, except as permitted by any exemptive relief decisions obtained in respect of the Fund, and except with respect to one investment that, for a short period of time, deviated from the investment in other funds restrictions under section 2.5 of NI 81-102.

12. Specifically, the Fund deviated from the investment restrictions in NI 81-102 for the period between September 18, 2019 to November 14, 2019, when the Fund held units of JPMorgan Liquidity Funds - USD Liquidity LVNAV Fund, which is an investment fund similar to a money market fund for the purposes of NI 81-102, resulting in the Fund holding an investment in another fund. This other fund invests in short-term US dollar denominated debt securities, deposits with credit institutions and reverse repurchase agreements. The investment in this other fund only exceeded 10% but less than 15% of the net asset value of the Fund for a short period of time between September 18, 2019 and September 24, 2019. For the remainder of the period, the investment in the other fund represented less than 2% of the net asset value of the Fund.

13. The above exception to compliance with NI 81-102 did not have a material impact on the Fund's performance.

14. Except as described above, there have been no other instances of the Fund's non-compliance with NI 81-102 applicable to an alternative mutual fund since the Series Launch Date, except as permitted to any exemptive relief decisions obtained in respect of the Fund.

15. The Fund will be managed substantially similarly after it becomes a reporting issuer as it was prior to becoming a reporting issuer. As a result of the Fund becoming a reporting issuer:

    (a) the Fund's investment objectives will not materially change;

    (b) the management fee charged to the Fund in respect of the Series A units and the Series F units will not change;

    (c) the day-to-day administration of the Fund will not change, other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which will impact the portfolio management of the Fund);

    (d) the management expense ratio of the Series A and F units of the Fund is not expected to increase by more than 0.10%, which the Filer considers to be an immaterial amount; and

    (e) the trading expense ratio of the Series A and F units of the Fund is not expected to change.

16. The Filer proposes to present the performance data of the Fund for the time period since the Series Launch Date as the performance data of the Series A and Series F units of the Fund in the sales communications pertaining to such series of units of the Fund;

17. Without the Exemption Sought, the sales communications pertaining to the Fund cannot include performance data of the Fund that relates to a period prior to it becoming a reporting issuer, and the Fund cannot provide past performance data in its sales communications until it has distributed securities under a simplified prospectus for at least 12 consecutive months.

18. The Filer proposes to use the Fund's past performance data for the time period commencing as of the Series Launch Date to determine the investment risk level of the Series A and F units of the Fund, and to disclose that investment risk level in its simplified prospectus and fund facts for each such series of units of the Fund. Without the Exemption Sought, the Filer, in determining and disclosing the Fund's investment risk level in its simplified prospectus and fund facts for each such series of units of the Fund, cannot use the past performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer.

19. The Filer proposes to include in the fund facts for Series A and F units of the Fund the past performance data for the time period commencing as of the Series Launch Date in the disclosure required by Items 5(2), 5(3) and 5(4) of Form 81-101F3 under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return", respectively, related to periods prior to the Fund becoming a reporting issuer. Without the Exemption Sought, the fund facts for the Fund cannot include performance data of Series A and F units of the Fund that relate to a period prior to it becoming a reporting issuer.

20. The Filer proposes to use the management expense ratio, trading expense ratio and fund expenses of Series A and F units of the Fund that relate to a period prior to it becoming a reporting issuer in the "Fund expenses" sections of the fund facts. Without the Exemption Sought, the fund facts for the Fund cannot include the management expense ratio, trading expense ratio and fund expenses of Series A and F units of the Fund that relate to a period prior to it becoming a reporting issuer.

21. As a reporting issuer, the Fund will be required under NI 81-106 to prepare and send MRFPs to all holders of its securities on an annual and interim basis.

22. Without the Exemption Sought, the MRFPs of the Fund cannot include financial highlights and performance data of Series A and F units of the Fund that relate to a period prior to it becoming a reporting issuer.

23. The performance data and other financial data of the Fund for the time period before it became a reporting issuer is significant and meaningful information for existing and prospective investors in the Fund.

Decision

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

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

(a) any sales communication, fund facts documents and MRFP that contains past performance data of the units of the Fund relating to a period of time prior to when the Fund was a reporting issuer discloses that:

  (i) the Fund was not a reporting issuer during such period;

  (ii) the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

  (iii) the Filer obtained exemptive relief on behalf of the Fund to permit the disclosure of past performance data of the units of the Fund relating to a period prior to when the Fund was a reporting issuer; and

  (iv) with respect to any MRFP, the financial statements of the Fund for such period are posted on the Filer's website and are available to investors upon request;

(b) the management expense ratio and the trading expense ratio disclosed in any fund facts document are calculated as if the Fund had filed an annual MRFP for its most recently completed financial year and as if, in doing so, it had relied on the NI 81-106 Relief; and

(c) the Filer posts the financial statements of the Fund since the Series Launch Date on the Fund's designated website and delivers those financial statements to investors upon request.

"Darren McKall"
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0260
SEDAR Project #: 6119420

B.3.3 Canoe Financial LP and The Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from the derivative cover requirements of sections 2.8(1)(d), 2.8(1)(e) and 2.8(1)(f) of NI 81-102 to allow mutual funds that are not alternative mutual funds to open, enter into or maintain standardized futures, forward contracts or swaps to permit the funds to substitute the risk to one currency, interest rate or duration for the risk of another currency, interest rate or duration – the currency risk, interest rate risk or duration risk to which the fund is exposed is not increased by the substitution, nor is additional leverage created – relief granted to permit the funds to create synthetic short positions subject to an aggregate limit of 20% of the net asset value of the fund for aggregate direct and synthetic short positions – relief to alter the currency exposure of a fund subject to the condition that the aggregate currency exposure does not exceed the net asset value of the fund.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.8(1)(d), 2.8(1)(e), 2.8(1)(f) and 19.1.

May 22, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA
AND
ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
CANOE FINANCIAL LP
(the Filer)

AND

IN THE MATTER OF
THE FUNDS
(defined below)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer, which is the trustee and the investment fund manager of the Canoe Funds set out in Schedule A (the **Existing Funds**), and each current and future mutual fund managed and advised from time to time by the Filer and/or an affiliate of the Filer (together with the Existing Funds, collectively, the **Funds** and individually, a **Fund**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Fund from the cover requirements in:

(a) Sections 2.8(1)(e) and 2.8(1)(f)(ii) of NI 81-102 (the **Short Cover Requirements**) when a Fund opens, enters into or maintains a Short Derivative (as defined below) provided that the Fund meets certain cash cover requirements and does not exceed the limits for short positions set out in NI 81-102 (the **Short Derivatives Relief**);

(b) Sections 2.8(1)(d) and 2.8(1)(f) of NI 81-102 (the **FX Cover Requirements**) when a Fund opens, enters into or maintains a long position in a FX Derivative (as defined below) in order to substitute the risk to the Base Currency (as defined below) for the risk of another currency without increasing the aggregate amount of currency risk to which the Fund is exposed by the substitution (the **FX Derivatives Relief**);

(c) Sections 2.8(1)(d) and 2.8(1)(f) of NI 81-102 (the **IR Cover Requirements**) when a Fund opens, enters into or maintains a Long IR Derivative (as defined below) and a corresponding Short IR Derivative (as defined below) in order to substitute the risk to one interest rate or duration for the risk of another interest rate or duration without increasing the aggregate amount of interest rate or duration risk to which the Fund is exposed by the substitution (the **IR Derivatives Relief**)

(the Short Derivatives Relief, the FX Derivatives Relief and the IR Derivatives Relief, are, collectively, the **Exemption Sought**).

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

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada, other than Alberta and Ontario; and

(c) this decision is the decision of the principal regulator and evidences the

decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. The following terms shall also have the following meanings:

(a) **Aggregate Short Exposure** means that a Fund's aggregate short exposure, both through the short sales of securities and synthetically through positions in Short Derivatives that are entered into for non-hedging purposes, cannot exceed 20% of the net asset value of the Fund;

(b) **Base Currency** means the currency in which a Fund determines its net asset value;

(c) **Cover Requirements** means the cover requirements set out in section 2.8 of NI 81-102;

(d) **FX Derivative** means a long position in a currency standardized future or currency forward contract or position in a currency swap, in each case where a Fund delivers its Base Currency and receives another currency;

(e) **Long IR Derivative** means a long position in an interest rate standardized future or interest rate forward contract or the long position in an interest rate swap;

(f) **Short Derivative** means a short position in a standardized future or forward contract or a position in a swap where a Fund is required to make payments under the standardized future, forward contract or swap, in each case that a Fund opens, enters into or maintains not for hedging purposes and in reliance on the Short Derivatives Relief; and

(g) **Short IR Derivative** means a short position corresponding to a Long IR Derivative.

Representations

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

The Filer and the Funds

1. The Filer represents that it is the investment fund manager of the Existing Funds. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in the Province of Alberta. The Filer is also registered as an exempt market dealer in British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec and Saskatchewan, as a portfolio manager in Ontario and Québec, as a commodity trading manager in Ontario, as a derivatives portfolio manager in Québec, and as an investment fund manager in Newfoundland and Labrador, Ontario and Québec. The Filer's head office is located in Calgary, Alberta.

2. The Filer represents that the Filer and/or an affiliate of the Filer will be the manager and adviser of each Fund. In addition, a third party may from time to time be a sub-adviser to a Fund.

3. Each Fund is, or will be, a mutual fund created either under the laws of the Province of Alberta or under the laws of another jurisdiction and is, or will be, subject to the provisions of NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

4. The Filer represents that other than with respect to the subject of this application, neither it nor any of the Existing Funds is in default of securities legislation in any jurisdiction.

5. The securities of each Fund are, or will be, qualified for distribution pursuant to a prospectus or a simplified prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the jurisdictions. Accordingly, each Fund is, or will be, a reporting issuer or equivalent in each jurisdiction in which it is relying on the Exemption Sought.

6. The investment strategies of each Fund permit, or will permit, that Fund to enter into specified derivative transactions, including long and short positions in specified derivatives. These specified derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes.

7. The Filer and each adviser and sub-adviser to a Fund (collectively, the **Filer Group**) have developed a number of controls and mechanisms to monitor the use of derivatives by the Funds in order to comply with the requirements of NI 81-102. In addition, the Filer Group have written policies and procedures that set out the risk management procedures applicable to derivative transactions in respect of the Funds, including Short Derivatives, FX Derivatives and Long IR Derivatives (and the corresponding Short IR Derivatives). These policies and procedures set out specific procedures for authorization, documentation, reporting, and monitoring (including monitoring the level of a Fund's applicable exposures daily) to ensure that (a) the Aggregate Short Exposure does not exceed 20% of the Fund's net asset value and (b) neither the currency exposure nor the interest rate exposure exceeds the Fund's net asset value.

These policies and procedures also require the Filer Group to monitor the Fund's FX Derivatives daily to ensure that the amount of Base Currency to be delivered under the FX Derivatives does not exceed the value of the assets held by the Fund that are denominated in its Base Currency and to review the derivative strategies of the Funds to ensure that these functions are performed by individuals independent of those who trade. Independent personnel employed by the Filer Group review the use of derivatives as part of their ongoing supervision of a Fund's investment practices, including exposure thereunder.

Short Derivatives Relief

8. Section 4.3 of the Companion Policy 81-102CP states that NI 81-102 is designed to prevent the use of specified derivatives for the purpose of leveraging the assets of the mutual fund. According to this section, the provisions of subsection 2.8(1) of NI 81-102 restrict leveraging with specified derivatives used for non-hedging purposes.

9. The purpose of the Short Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.

10. The short sale provisions set out in section 2.6.1 of NI 81-102 permit an investment fund to achieve a limited amount of leverage, as an investment fund that complies with the conditions set out in that section is permitted to sell short securities that have an aggregate market value of up to 20% of the net asset value of the investment fund, provided that, among other things, the investment fund holds cash cover in an amount that, together with portfolio assets deposited with borrowing agents as security in connection with short sales by the investment fund, is at least equal to 150% of the aggregate market value of the securities sold short by the investment fund on a daily mark-to-market basis.

11. The Short Cover Requirements predate section 2.6.1 of NI 81-102. From a risk management perspective, the ability of an investment fund to be able to enter into short positions should not differentiate between a physical short position under section 2.6.1 of NI 81-102 and a position in a Short Derivative that is entered into for non-hedging purposes. Whether a Fund enters into a physical short position or achieves that short position through a Short Derivative, the exposure of the Fund is essentially identical. The Filer believes that a Fund's incremental risk exposure in opening or entering into a Short Derivative compared to the short position risk inherent in a physical short position is negligible. Any such difference (operation or counterparty risks, etc.) will be adequately monitored and managed.

12. The Filer Group has implemented a policy that provides that each Fund must comply with the Aggregate Short Exposure requirement.

13. These policies also provide that in connection with each Short Derivative opened, entered into or maintained by a Fund, the Fund must hold cash cover in an amount that, together with portfolio assets deposited with counterparties, dealers or futures exchanges as collateral or margin in connection with the Short Derivative by the investment fund, is at least 150% of the daily mark-to-market value of the Short Derivative, being the aggregate of the notional amount of the Short Derivative plus or minus the daily increase or decrease in the value of the Short Derivative, respectively.

FX Derivatives Relief

14. A Fund that opens, enters into or maintains a FX Derivative is required to hold cover in accordance with the FX Cover Requirements.

15. Pursuant to NI 81-102, a Fund is permitted to open and maintain a currency standardized futures or forward contract and enter into and maintain a currency swap pursuant to which the Fund delivers: (a) a non-Base Currency and receives another non-Base Currency without being subject to the FX Cover Requirements because (i) the transaction would be a "currency cross hedge" (as defined in NI 81-102), and (ii) the definition of "hedging" under NI 81-102 includes a transaction that is a currency cross hedge transaction; and (b) a non-Base Currency and receives the Base Currency without being subject to the FX Cover Requirements because the definition of "hedging" under NI 81-102 includes such a transaction.

16. The ability of a Fund to open or enter into a FX Derivative without being subject to the FX Cover Requirements will enable the Fund to substitute its risk to its Base Currency for a risk to another currency, without increasing the aggregate amount of currency risk to which the Fund is exposed by the substitution. Subject to the Cover Requirements, a Fund's currency exposure (calculated in the Fund's Base Currency) will not, at any time, exceed the net asset value of the Fund.

17. The sub-adviser of each Fund takes a deliberate approach towards monitoring and managing the currency exposure and risk in that Fund's portfolio. Moreover, the sub-adviser does not passively accept currency exposure of the securities a Fund holds and seeks to manage foreign currency exposure separately from cash assets.

18. In addition, the FX Derivatives Relief will permit the sub-adviser to adjust a Fund's currency exposure to align with the currency exposures of the Fund's benchmark. In addition, if the sub-adviser has the mandate to deviate from the Fund's benchmark

exposure, the FX Derivatives Relief will permit the sub-adviser to overlay its active currency views on top of the neutral currency positioning to obtain greater or lower exposure to foreign currencies relative to the Fund's benchmark.

19. Whether a Fund directly holds a foreign security or opens or enters into a FX Derivative to obtain foreign currency exposure, the currency exposure is essentially identical. The Filer believes that a Fund's potential incremental risk exposure in opening or entering into a FX Derivative compared to the currency exposure embedded within a foreign-currency denominated asset is negligible. Any such difference (operational, counterparty or cash flow risks, etc.) will be adequately monitored and managed.

20. The purpose of the FX Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.

IR Derivatives Relief

21. A Fund that opens, enters into or maintains a Long IR Derivative and a corresponding Short IR Derivative is required to hold cover in accordance with the IR Cover Requirements.

22. The ability of a Fund to open or enter into a Long IR Derivative and a corresponding Short IR Derivative without being subject to the IR Cover Requirements will enable the Fund to substitute its risk to one interest rate, portfolio duration or yield curve for a risk to another interest rate, portfolio duration or yield curve. Subject to the Cover Requirements, the net aggregate notional amount of interest rate, duration or yield curve risk to which a Fund is exposed by this substitution will not, at any time, exceed the market value of the long portfolio assets held by the Fund that are exposed to interest rate, duration or yield curve risk.

23. The sub-adviser of each Fund takes a deliberate approach towards monitoring and managing the interest rate, duration exposure and yield curve risk in that Fund's portfolio.

24. In addition, the IR Derivatives Relief will permit the sub-adviser to adjust a Fund's interest rate, duration or yield curve exposure to align with those exposures in the Fund's benchmark. In addition, if the sub-adviser has the mandate to deviate from the Fund's benchmark exposure, the IR Derivatives Relief will permit the sub-adviser to obtain greater or lower exposure to interest rate, duration or yield curve relative to the Fund's benchmark.

25. Whether a Fund directly holds an interest-bearing asset or opens or enters into a Long IR Derivative to obtain an interest rate, duration or yield curve exposure, the exposure is very similar. The Filer believes that a Fund's potential incremental risk exposure in opening or entering into a Long IR Derivative compared to the exposure embedded within an interest- bearing asset is negligible. Any such difference (operational, counterparty or cash flow risks, etc.) will be adequately monitored and managed.

26. The purpose of the IR Cover Requirements is to prohibit a mutual fund from obtaining leveraged exposure to portfolio assets when using certain specified derivatives other than for hedging purposes.

27. Given a Fund's holding of interest-bearing assets (**Interest-Bearing Holdings**), by entering into and maintaining a Long IR Derivative and its corresponding Short IR Derivative, the Fund will deliver a return based on one interest rate and receive a return based on another interest rate.

General

28. Permitting the Funds to open, enter into and maintain Short Derivatives, FX Derivatives and/or Long IR Derivatives (and the corresponding Short IR Derivatives) without the requirement to comply with the Short Cover Requirements, the FX Cover Requirements or the IR Cover Requirements, as the case may be, will provide the Funds with a better opportunity to pursue and achieve their investment objectives.

29. The Filer believes that the Exemption Sought is in the best interests of the Funds as it allows active management of portfolio assets in a way that does not create a by-product of unmanaged short position, currency or interest rate risk, as applicable.

30. The Filer is seeking the Exemption Sought to permit the Funds to engage in strategies in a manner that is not otherwise permitted under NI 81-102.

31. It would not be prejudicial to the public interest to grant the Exemption Sought to the Filer and the Funds.

Decision

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

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

(a) the use of Short Derivatives, FX Derivatives and/or Long IR Derivatives (and the corresponding Short IR Derivatives) contemplated by this application is consistent with the fundamental investment objectives and investment strategies of the applicable Fund;

(b) a Fund must not open or enter into a Short Derivative if, immediately after opening or entering into a Short Derivative, the Fund does not comply with the Aggregate Short Exposure limit;

(c) a Fund must not open, enter into or maintain a Short Derivative unless the Fund holds cash cover in an amount that, together with portfolio assets deposited with counterparties, dealers or futures exchanges as collateral or margin in connection with the Short Derivative by the Fund, is at least equal to 150% of the daily mark-to-market value of the Short Derivative, being the aggregate of the notional amount of the Short Derivative plus/minus the daily increase/decrease in the value of the Short Derivative;

(d) a Fund must not open or enter into a FX Derivative if, immediately after opening or entering into the FX Derivative, the aggregate amount of the Fund's Base Currency to be delivered under all FX Derivatives Contracts (the **Aggregate FX Amount**) would exceed the value of the assets held by the Fund that are denominated in its Base Currency (the **Base Currency Holdings**);

(e) if a Fund's Aggregate FX Amount exceeds at any time the value of its Base Currency Holdings, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the Aggregate FX Amount to an amount that does not exceed the value of its Base Currency Holdings;

(f) the opening and maintenance by a Fund of each Short IR Derivative meets the definition of "hedging" in NI 81-102 in respect of corresponding long Interest-Bearing Holdings held directly or indirectly by the Fund;

(g) if all or a portion of a Short IR Derivative terminates or is closed out, then a Fund must terminate or close out an equivalent portion of its corresponding Long IR Derivative;

(h) a Fund will not open or maintain a Long IR Derivative unless the underlying market exposure to the Fund of the Long IR Derivative would not exceed, on a daily mark-to-market basis, the aggregate of: (i) the market value of its corresponding Short IR Derivative and Interest-Bearing Holdings; and (ii) the market value of the Long IR Derivative (the **Aggregate Amount**);

(i) if the underlying market exposure to a Fund of a Long IR Derivative exceeds the Aggregate Amount referenced in condition (h) above, then the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the underlying market exposure of its Long IR Derivative so that the underlying market exposure of its Long IR Derivative no longer exceeds the Aggregate Amount.

"Denise Weeres"
Director, Corporate Finance
Alberta Securities Commission

Application File #: 2024/0149
SEDAR+ File #: 6099713

SCHEDULE A

EXISTING FUNDS

Canoe Bond Advantage Fund

Canoe Bond Advantage Portfolio Class
(consisting of Canoe Bond Advantage Class* and units of Canoe Trust Fund)

Canoe Global Income Fund

Canoe Global Income Portfolio Class
(consisting of Canoe Global Income Class* and units of Canoe Trust Fund)

Canoe Unconstrained Bond Fund

Canoe Unconstrained Bond Portfolio Class
(consisting of Canoe Unconstrained Bond Class* and units of Canoe Trust Fund)

Canoe Preferred Share Portfolio Class
(consisting of Canoe Preferred Share Class* and units of Canoe Trust Fund)

Canoe Enhanced Income Fund

Canoe Enhanced Income Portfolio Class
(consisting of Canoe Enhanced Income Class* and units of Canoe Trust Fund)

Canoe Defensive Global Balanced Fund

Canoe North American Monthly Income Portfolio Class
(consisting of Canoe North American Monthly Income Class* and units of Canoe Trust Fund)

Canoe Asset Allocation Portfolio Class
(consisting of Canoe Asset Allocation Class* and units of Canoe Trust Fund)

Canoe Defensive U.S. Equity Portfolio Class
(consisting of Canoe Defensive U.S. Equity Class* and units of Canoe Trust Fund)

Canoe Defensive International Equity Fund

Canoe Defensive Global Equity Fund

Canoe Premium Income Fund

Canoe Equity Portfolio Class
(consisting of Canoe Equity Class* and units of Canoe Trust Fund)

Canoe International Equity Portfolio Class
(consisting of Canoe International Equity Class* and units of Canoe Trust Fund)

Canoe Global Equity Fund

Canoe Canadian Small Mid Cap Portfolio Class
(consisting of Canoe Canadian Small Mid Cap Class* and units of Canoe Trust Fund)

Canoe Energy Income Portfolio Class
(consisting of Canoe Energy Income Class* and units of Canoe Trust Fund)

Canoe Energy Portfolio Class
(consisting of Canoe Energy Class* and units of Canoe Trust Fund)

Canoe Trust Fund

*each a class of ‘GO CANADA!’ Fund Corp

B.3.4 Bloomberg Tradebook Canada Company

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement to engage one or more qualified external auditors to conduct an independent systems review and prepare a report in accordance with established audit standards and best industry practices – Relief subject to systems reviews similar in scope to that which would have applied to an independent systems review – National Instrument 21-101 Marketplace Operation.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, ss. 12.2 and 15.1.

May 22, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA,
NOVA SCOTIA,
ONTARIO,
QUÉBEC
AND
SASKATCHEWAN
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK CANADA COMPANY
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption pursuant to section 15.1 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) from s. 12.2 of NI 21-101 which requires that the Filer annually engage a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards and best industry practices (collectively, an **ISR**) for the years 2024, 2025 and 2026, inclusive (the **Exemptive Relief Sought**).

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

(a) the Ontario Securities Commission (the **Commission**) is the principal regulator for this application; and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and in NI 21-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a Nova Scotia unlimited liability company incorporated on February 15, 2001 and is a subsidiary of Bloomberg L.P., a Delaware U.S. limited partnership;

2. The head office of the Filer is located in Toronto, Ontario;

3. The Filer is an alternative trading system (**ATS**) in the Jurisdictions, is registered as an investment dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon, and also a member of the Canadian Investment Regulatory Organization;

4. The Filer's principal business is to operate an ATS as defined in NI 21-101;

5. The Commission is the Filer's principal regulator pursuant to subsection 3.6(3)(b) of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* because the Filer's head office is located in Ontario;

6. Through its ATS authorization, the Filer provides clients located in the Jurisdictions with access to (1) execute trades in Canadian Debt Securities[1] and Foreign Debt Securities[2] on the multilateral trading facilities operated by its affiliated entities, Bloomberg Trading Facility Limited (**BTFL**) and Bloomberg Trading Facility B.V. (**BTF BV**), and (2) negotiate trades in Canadian Debt Securities and Foreign Debt Securities on the organised market operated by its affiliated entity, Bloomberg Tradebook Singapore Pte Ltd. ("**BTSPL**" and collectively with BTFL and BTF BV, the "**Systems**" and each a "**System**"). Each of the Systems is subject to robust regulation in its respective home jurisdiction;

7. Any of the Systems that support order entry, order execution, order routing, trade reporting, trade comparison, trade clearing, data feeds and market surveillance, as applicable, maintains (over which the Filer has oversight):

    - reasonable business continuity and disaster recovery plans;
    - an adequate system of internal control over those systems; and
    - adequate information technology general controls, including, without limitation, controls relating to information systems operations, information security, change management, problem management, network support, and system software support;

8. Each of the Systems maintains adequate information security controls that relate to the security threats posed to any of the Systems;

9. In accordance with prudent business practice, on a reasonably frequent basis, and, in any event, at least annually, the Systems:

    - make reasonable current and future capacity estimates;
    - conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely, and efficient manner;
    - test their business continuity and disaster recovery plans; and
    - review the vulnerability of the Systems and data center operations to internal and external threats, including physical hazards and natural disasters;

10. The current transactions volumes are less than 30-40 percent of peak capacity of the Systems and the Systems have not experienced any material malfunctions;

11. The Filer maintains effective control frameworks allowing it to respond to significant strategic, operational, regulatory, and financial risks, and has established an internal risk management framework which includes identifying, assessing, measuring, mitigating, and reporting to its board of directors (the **Internal Risk Management Framework**);

12. The Filer's Internal Risk Management Framework meets the regulatory objectives of the ISR;

13. The Systems are monitored 24 hours a day, seven days a week to ensure that the Systems continue to operate and remain secure;

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1 "**Canadian Debt Securities**" are any unlisted debt securities, as that term is defined in NI 21-101, and any debt securities denominated in Canadian dollars.

2 "**Foreign Debt Securities**" are any debt securities (as defined in NI 31-103) that are foreign securities (as defined in NI 31-103) or debt securities that are denominated in a currency other than the Canadian dollar, including: (a) debt securities issued by the U.S. government (including agencies or instrumentalities thereof); (b) debt securities issued by a foreign government; (c) debt securities issued by corporate or other non-governmental issuers (U.S. and foreign); and (d) asset-backed securities (including mortgage backed securities), denominated in either U.S. or foreign currencies. "Foreign Debt Securities" for BTBS includes convertible debt securities and the following money market instruments (U.S. and foreign): commercial paper, agency discount notes, government treasury bills, certificates of deposit, bankers' acceptances, promissory notes and bearer deposit notes.

14. The Filer shall promptly notify the Commission of any failure to comply with the representations set out herein; and

15. The Filer is not in default of the Legislation.

Decision

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

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

1. The Filer shall promptly notify the Commission of any material changes to the representations set out herein, including any material changes to the Filer's annual net income or revenue model, or to the market share or daily transaction volume of the Systems calculated over the course of the most current calendar quarter; and

2. The Filer shall, for the years 2024, 2025 and 2026, complete control self-assessments of the Systems, at least annually and similar in scope to that which would have applied if the Filer underwent an ISR and for ensuring it continues to comply with the representations set out herein, and shall prepare written reports of its control self-assessments which shall be filed with staff of the Commission no later than (i) 30 days after the report is provided to the Filer's board of directors or audit committee or (ii) the 60th day after the report's completion.

"Susan Greenglass"
Senior Vice President, Trading and Markets Division
Ontario Securities Commission

B.3.5 RBC Global Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) and 15.1.1 of National Instrument 81-102 Investment Funds to permit a prospectus qualified alternative mutual fund that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months to include in its sales communications past performance data relating to a period when the fund's securities were previously distributed to investors on a prospectus-exempt basis and to use this past performance data to calculate its investment risk level in accordance with Appendix F Investment Risk Classification Methodology – Alternative mutual fund is managed substantially similarly after it became a reporting issuer as it was during the period prior to becoming a reporting issuer and has similar fee and expense structure;

Relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, to permit the alternative mutual to include in its annual and interim management reports of fund performance the past performance and financial data relating to a period when the fund was previously offered on a prospectus-exempt basis.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1), 15.8(3)(a.1), 15.1.1 and 19.1.
Form 81-101F1 Contents of Simplified Prospectus, Item 10(b) of Part B.
Form 81-101F3 Contents of Fund Facts Document, Item 5 of Part I.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.4 and 17.1.
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B and Items 3(1) and 4 of Part C.

May 22, 2024

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

AND

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

AND

IN THE MATTER OF
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of RBC QUBE Market Neutral World Equity Fund and RBC QUBE Market Neutral World Equity Fund (CAD Hedged) (collectively, the **Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Funds from:

(a) Subsection 15.3(2), paragraph 15.3(4)(c), subparagraph 15.6(1)(a)(i), and paragraphs 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit each of the Funds to include its past performance data in sales communications notwithstanding that:

(i) the past performance data will relate to a period prior to the Fund offering its units under a simplified prospectus; and

(ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months;

(b) Paragraph 15.1.1(a) of NI 81-102 and Items 2 and 4 of Appendix F Investment Risk Classification Methodology to NI 81-102 (the **Risk Classification Methodology**) to permit each of the Funds to include its past performance data in determining its investment risk level in accordance with the Risk Classification Methodology;

(c) Paragraph 15.1.1(b) of NI 81-102, Item 4(2)(a) and Instruction (1) of Item 4 of Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**) to permit each of the Funds to disclose its risk level as determined by including its past performance data in accordance with the Risk Classification Methodology;

(d) Item 10(b) of Part B of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**), to permit each of the Funds to use its past performance data to calculate its investment risk rating in its simplified prospectus;

(e) Items 5(2), 5(3) and 5(4) and Instruction (1) of Part I of Form 81-101F3 in respect of the requirement to comply with subsection 15.3(2), paragraph 15.3(4)(c), subparagraph 15.6(1)(a)(i), and paragraphs 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of NI 81-102 to permit each of the Funds to include in its fund facts documents, the past performance data of the Fund notwithstanding that such performance data relates to a period prior to the Fund offering its units under a simplified prospectus and that the Fund has not distributed its units under a simplified prospectus for 12 consecutive months;

(f) Section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) for the purposes of relief requested herein from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**); and

(g) Items 3.1(7), 4.1(1) in respect of the requirement to comply with subsection 15.3(2) and paragraph 15.3(4)(c) of NI 81-102, items 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1 to permit each of the Funds to include in its annual and interim management reports of fund performance (**MRFP**) the past performance data and financial highlights of the Fund notwithstanding that such performance data and financial highlights relate to a period prior to the Fund offering its units under a simplified prospectus.

(collectively, the **Requested Relief**).

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

(a) the Ontario Securities Commission is the principal regulator; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11- 102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

Capitalized terms used herein have the meaning ascribed thereto below (or in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102, as applicable) unless otherwise defined in this Decision.

Representations

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

The Filer

1. The Filer is a corporation formed by amalgamation under the federal laws of Canada and its head office is located in Toronto, Ontario.

2. The Filer is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

3. The Filer is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each Jurisdiction, is registered as an investment fund manager in each of British Columbia, Ontario, Québec and Newfoundland and Labrador and is also registered in Ontario as a commodity trading manager.

4. The Filer is the investment fund manager of each of the Funds.

5. The Filer is not in default of securities legislation in any of the Jurisdictions.

The Funds

6. Each Fund is an open-ended mutual fund established as a trust under the laws of the Province of British Columbia.

7. The Filer established the Funds on February 27, 2015. Since the commencement of operations of the Funds, the units of the Funds have been distributed only to qualified investors by means of the prospectus exemptions in National Instrument 45-106 *Prospectus Exemptions*.

8. Each Fund currently consists of three classes of units being Series A units, Series F units and Series O units, which Series A units were first offered for sale on August 31, 2017 and Series F units and Series O units were first offered for sale on February 27, 2015 (each, an **Initial Effective Date**).

9. None of the Funds are currently in default of securities legislation in any of the Jurisdictions.

10. The Filer anticipates filing a simplified prospectus and fund facts (collectively, the **Disclosure Documents**) in order to qualify the units of the Funds for distribution to the public and that upon issuance of a final receipt for the Disclosure Documents, each of the Funds will be a reporting issuer in each of the Jurisdictions.

11. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, the Funds will become subject to the requirements of NI 81-102 that relate to alternative mutual funds and the requirements of NI 81-106 that apply to investment funds that are reporting issuers.

12. The investment objective of each of the Funds is set out below:

Fund	**Investment Objective**
RBC QUBE Market Neutral World Equity Fund	The Fund seeks to provide consistent absolute returns that are substantially independent of the performance of the global equity market.
RBC QUBE Market Neutral World Equity Fund (CAD Hedged)	The Fund seeks to provide consistent absolute returns that are substantially independent of the performance of the global equity market by investing primarily in units of RBC QUBE Market Neutral World Equity Fund, while seeking to minimize exposure to currency fluctuations between the U.S. and Canadian dollars.

13. Each Fund will, after it becomes a reporting issuer, be managed in a manner which is substantially similar to the manner in which it was managed during the period commencing as of the Initial Effective Date until the date on which it becomes a reporting issuer. At the time each Fund becomes a reporting issuer:

    (a) no material changes will be made to its fundamental investment objective(s);

    (b) its fees will not change; and

    (c) its day-to-day administration will not change, other than to comply with additional regulatory requirements associated with being a reporting issuer (none of which impact the portfolio management of each Fund), subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

14. Subject to the exemptions that have been granted by the applicable securities regulatory authorities, each Fund has complied with the investment restrictions and practices contained in NI 81-102, that relate to alternative mutual funds, since inception.

Reasons for the Requested Relief

15. The Filer proposes that the past performance data for the time period between the Initial Effective Date and the date on which the Funds have received a final receipt for the Disclosure Documents, which represents the actual performance data for the units of the Funds (the **Performance Period**) be used as the past performance data of the units of the Funds during such period. The only difference in performance between the Series A units, Series F units and Series O units of a Fund since the Initial Effective Date would have been due to the different management fees paid by each such class of units of each of the Funds, as the same fixed administration fee is charged to each class of units to pay for certain operating expenses of each of the Funds.

16. The Filer proposes to present each Fund's past performance data for the time period commencing as of the Initial Effective Date, including as set out above in paragraph 15, as the performance data of the Series A units, Series F units and Series O units of the Fund in the sales communications relating to such series of units of the Fund. Without the Requested Relief, the sales communications pertaining to each of the Funds would not be permitted to include past performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer, and each Fund would not be permitted to provide past performance data in its sales communications until it has distributed securities under a simplified prospectus for at least 12 consecutive months.

17. The Filer proposes to use each Fund's past performance data for the time period commencing as of the Initial Effective Date to determine the investment risk level of the Series A units, Series F units and Series O units of the Fund and to disclose that investment risk level in its Disclosure Documents for each such series of units of the Fund. Without the Requested Relief, the Filer, in determining and disclosing each Fund's investment risk level in its Disclosure Documents for the Series A units, Series F units and Series O units of the Fund would not be permitted to use the past performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer.

18. The Filer proposes to include in the fund facts for each series of units of each of the Funds, the past performance data for the time period commencing as of the Initial Effective Date in the charts required by items 5(2), 5(3) and 5(4) of Form 81-101F3, under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return", respectively, related to the periods prior to the Fund becoming a reporting issuer in each of the Jurisdictions. Without the Requested Relief, the Funds would not be permitted to include in their fund facts, past performance data that relates to a period prior to such Fund becoming a reporting issuer.

19. As a reporting issuer, each of the Funds will be required under NI 81-106 to prepare and send management reports of fund performance (**MRFPs**) to all holders of its units on semi-annual basis. Without the Requested Relief, the Funds would not be permitted to include in their MRFPs, financial highlights and the past performance data of the Funds that relates to a period prior to a Fund becoming a reporting issuer.

20. The past performance data and other financial data of the Funds for the time period commencing as of the Initial Effective Date and before a Fund became a reporting issuer is significant and meaningful information for existing and prospective investors of units of the Funds.

21. The Filer believes that reference to the performance data of a Fund for the period prior to the Fund becoming a reporting issuer would not be misleading to investors provided that the Fund includes appropriate disclaimers to such effect.

22. The financial statements for each of the Funds for the period before a Fund became a reporting issuer will be posted on the Fund's website and the Filer will deliver a copy of such financial statements to any investor upon request.

23. Any sales communications, Disclosure Documents and MRFPs that contain performance data of the units of a Fund relating to a period of time prior to when the Fund was a reporting issuer will disclose that: (a) the Fund was not a reporting issuer during such period, (b) the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer and (c) the Filer obtained exemptive relief on behalf of the Fund to permit the Fund to disclose performance data in respect of its units relating to a period prior to when the Fund was a reporting issuer. Any MRFP shall also disclose that the financial statements of the Fund for the period prior to when the Fund was a reporting issuer are posted and available on the Fund's website.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

(a) any sales communication, fund facts documents and MRFP that contains past performance data of the units of a Fund relating to a period of time prior to when the Fund was a reporting issuer discloses that:

(i) the Fund was not a reporting issuer during such period;

(ii) the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

(iii) the Filer obtained exemptive relief on behalf of the Fund to permit the disclosure of past performance data of the units of the Fund relating to a period prior to when the Fund was a reporting issuer; and

(iv) with respect to any MRFP, the financial statements of the Fund for such period are posted on the Filer's website and are available to investors upon request; and

(b) the Filer posts the financial statements of the Fund since the Initial Effective Dates on each Fund's designated website and delivers those financial statements to investors upon request.

"Darren McKall"
Manager, Investment Management
Ontario Securities Commission

Application File #: 2023/0630
SEDAR+ File #: 6063529

B.3.6 Plum Financial Group Inc. et al.

Headnote

Subsection 62(5) of the Securities Act (Ontario) – lapse date extension – relief granted to non-investment fund reporting issuer for further extension of times provided for refiling of a prospectus as if the lapse date was extended to September 17, 2024 – extension of times will not be prejudicial to the public interest – the issuer will not distribute securities under the prospectus until a receipt is issued for the renewal prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

May 27, 2024

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

AND

IN THE MATTER OF
PLUM FINANCIAL GROUP INC.
(FORMERLY PLUM FINANCIAL PLANNING LTD.)

AND

IN THE MATTER OF
CEN-TA REAL ESTATE LTD.
(together with Plum Financial Group Inc., the Filers)

DECISION

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits pertaining to filing a renewal prospectus in respect of the long form prospectus of the Filers dated March 17, 2023 (the **Current Prospectus**) relating to the continuous public offering (the **Offering**) of certain investor services provided in conjunction with the acquisition of one or more condominium investment units from Plum Financial Group Inc. (the **Securities**) be further extended as if the lapse date of the Current Prospectus was September 17, 2024 (the **Requested Relief**).

Interpretation

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

Representations

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

1. Each of the Filers is a corporation existing under the laws of Ontario. The head office of each of the Filers is located in Ottawa, Ontario.

2. Each of the Filers is a reporting issuer solely in the Jurisdiction.

3. Neither of the Filers is in default of securities legislation in any jurisdiction.

4. The Filers distribute the Securities on a continuous basis pursuant to a long-form prospectus in the form of Form 41-101F1 which is renewed annually. The Securities are currently qualified for distribution in the Jurisdiction on a continuous basis pursuant to the Current Prospectus.

5. The lapse date of the Current Prospectus was March 17, 2024. In order to ensure the Securities would continue to be qualified to be distributed on a continuous basis in the Jurisdiction the Filers would have been required to file a final prospectus on or before March 27, 2024 (the **Final Prospectus**) for which a receipt would have been required to be issued on or before April 6, 2024.

6. On February 14, 2024, the Filers filed with the Commission a pro forma prospectus with respect to the Offering (the **Pro Forma Prospectus**). The Filers are engaged with OSC Staff in the comment process in connection with the Pro Forma Prospectus and discussions remain ongoing as at the date hereof.

7. The Filers obtained exemptive relief granted by the Commission pursuant to *In the Matter of Plum Financial Group Inc. and In the Matter of Cen-ta Real Estate Limited dated March 27, 2024* that the time limits pertaining to filing a renewal prospectus for the Current Prospectus be extended as if the lapse date was May 17, 2024.

8. Absent the Requested Relief, pursuant to the Legislation, the Filers must file the Final Prospectus on or before May 27, 2024, being 10 days after the extended lapse date, for which a receipt is issued by the Commission or before June 6, 2024, being 20 days after the extended lapse date, in order for the distribution of Securities in the Jurisdiction to continue without interruption.

9. The Filers continue to be engaged with Commission Staff in the comment process in connection with the Pro Forma Prospectus and believe that such discussions will not be concluded within such time as to permit the Filers to file the Final Prospectus on or before May 27, 2024.

10. The Filers have not distributed Securities under the Current Prospectus. The Filers will not distribute Securities under the Current Prospectus.

11. The Filers are seeking the Requested Relief to allow for an opportunity to file and obtain a receipt for the Final Prospectus.

12. There have been no material changes in the affairs of the Filers or in relation to the Offering since the date of the Current Prospectus.

13. In the event that any material changes occur, the Filers will file an amendment to the Current Prospectus as required under the Legislation.

14. Given that the Filers have not distributed Securities under the Current Prospectus and will not distribute Securities under the Current Prospectus pursuant to the condition of this Order, the Requested Relief will not be prejudicial to the public interest.

Decision

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

The decision of the Commission under the Legislation is that the Requested Relief is granted, provided that the Filers (i) will not distribute Securities under the Current Prospectus, and (ii) will not distribute Securities until the Final Prospectus has been filed with the Commission and a receipt has been issued in respect thereof.

"Lina Creta"
Manager, Corporate Finance Division
Ontario Securities Commission

OSC File #: 2024/0311

B.3.7 Plum Financial Group Inc. et al.

Headnote

Subsection 62(5) of the Securities Act (Ontario) – lapse date extension – relief granted to non-investment fund reporting issuer for further extension of times provided for refiling of a prospectus as if the lapse date was extended to September 17, 2024 – extension of times will not be prejudicial to the public interest – the issuer will not distribute securities under the prospectus until a receipt is issued for the renewal prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

May 27, 2024

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

AND

IN THE MATTER OF
PLUM FINANCIAL GROUP INC.
(FORMERLY PLUM FINANCIAL PLANNING LTD.)

AND

IN THE MATTER OF
CEN-TA REAL ESTATE LTD.
(together with Plum Financial Group Inc., the Filers)

DECISION

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits pertaining to filing a renewal prospectus in respect of the long form prospectus of the Filers dated March 17, 2023 (the **Current Prospectus**) relating to the continuous public offering (the **Offering**) of certain investor services provided in conjunction with the acquisition of one or more condominium investment units from Plum Financial Group Inc. (the **Securities**) be further extended as if the lapse date of the Current Prospectus was September 17, 2024 (the **Requested Relief**).

Interpretation

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

Representations

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

1. Each of the Filers is a corporation existing under the laws of Ontario. The head office of each of the Filers is located in Ottawa, Ontario.

2. Each of the Filers is a reporting issuer solely in the Jurisdiction.

3. Neither of the Filers is in default of securities legislation in any jurisdiction.

4. The Filers distribute the Securities on a continuous basis pursuant to a long-form prospectus in the form of Form 41-101F1 which is renewed annually. The Securities are currently qualified for distribution in the Jurisdiction on a continuous basis pursuant to the Current Prospectus.

5. The lapse date of the Current Prospectus was March 17, 2024. In order to ensure the Securities would continue to be qualified to be distributed on a continuous basis in the Jurisdiction the Filers would have been required to file a final prospectus on or before March 27, 2024 (the **Final Prospectus**) for which a receipt would have been required to be issued on or before April 6, 2024.

6. On February 14, 2024, the Filers filed with the Commission a pro forma prospectus with respect to the Offering (the **Pro Forma Prospectus**). The Filers are engaged with OSC Staff in the comment process in connection with the Pro Forma Prospectus and discussions remain ongoing as at the date hereof.

7. The Filers obtained exemptive relief granted by the Commission pursuant to *In the Matter of Plum Financial Group Inc. and In the Matter of Cen-ta Real Estate Limited dated March 27, 2024* that the time limits pertaining to filing a renewal prospectus for the Current Prospectus be extended as if the lapse date was May 17, 2024.

8. Absent the Requested Relief, pursuant to the Legislation, the Filers must file the Final Prospectus on or before May 27, 2024, being 10 days after the extended lapse date, for which a receipt is issued by the Commission or before June 6, 2024, being 20 days after the extended lapse date, in order for the distribution of Securities in the Jurisdiction to continue without interruption.

9. The Filers continue to be engaged with Commission Staff in the comment process in connection with the Pro Forma Prospectus and believe that such discussions will not be concluded within such time as to permit the Filers to file the Final Prospectus on or before May 27, 2024.

10. The Filers have not distributed Securities under the Current Prospectus. The Filers will not distribute Securities under the Current Prospectus.

11. The Filers are seeking the Requested Relief to allow for an opportunity to file and obtain a receipt for the Final Prospectus.

12. There have been no material changes in the affairs of the Filers or in relation to the Offering since the date of the Current Prospectus.

13. In the event that any material changes occur, the Filers will file an amendment to the Current Prospectus as required under the Legislation.

14. Given that the Filers have not distributed Securities under the Current Prospectus and will not distribute Securities under the Current Prospectus pursuant to the condition of this Order, the Requested Relief will not be prejudicial to the public interest.

Decision

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

The decision of the Commission under the Legislation is that the Requested Relief is granted, provided that the Filers (i) will not distribute Securities under the Current Prospectus, and (ii) will not distribute Securities until the Final Prospectus has been filed with the Commission and a receipt has been issued in respect thereof.

"Lina Creta"
Manager, Corporate Finance Division
Ontario Securities Commission

OSC File #: 2024/0312

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B.4
Cease Trading Orders

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

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Igen Networks Corp.	May 22, 2024	
Endo International plc	May 22, 2024	
Justera Health Ltd.	May 7, 2024	May 23, 2024

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

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

B.4.3 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Payfare Inc.	April 3, 2024	
Perk Labs Inc.	April 4, 2024	
XTM Inc.	April 30, 2024	
Cybeats Technologies Corp.	April 30, 2024	

Company Name	Date of Order	Date of Lapse
Powerband Solutions Inc.	April 30, 2024	
AnalytixInsight Inc.	May 1, 2024	
Organto Foods Inc.	May 8, 2024	
Magnetic North Acquisition Corp.	May 8, 2024	
Pasinex Resources Limited	May 8, 2024	
Mydecine Innovations Group Inc.	May 9, 2024	
FRX Innovations Inc.	May 10, 2024	

B.5
Rules and Policies

B.5.1 Amendments to National Instrument 24-101 Institutional Trade Matching and Settlement

AMENDMENTS TO
NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

AMENDING INSTRUMENT

1. ***National Instrument 24-101*** **Institutional Trade Matching and Settlement** ***is amended by this Instrument.***

2. ***Section 1.1 is amended by repealing the definition of "***T+2***".***

3. ***Subsection 3.1(1) is amended by replacing "***12 p.m. (noon) Eastern Time on T+1***" with "***3:59 a.m. Eastern Time on T+1***".***

4. ***Subsection 3.3(1) is amended by replacing "***12 p.m. (noon) Eastern Time on T+1***" with "***3:59 a.m. Eastern Time on T+1***".***

5. ***Section 4.1 is repealed.***

6. ***In Ontario, section 4.1.1 is repealed.***

7. ***Subparagraph 6.5(a)(iv) is amended by adding "***adequacy of cyber resilience and the***" before "***vulnerability of those systems and data centre computer operations***".***

8. ***Form 24-101F1*** **Registered Firm Exception Report of DAP/RAP Trade Reporting and Matching** ***is repealed.***

9. ***Form 24-101F2*** **Clearing Agency Quarterly Operations Report of Institutional Trade Reporting and Matching** ***is amended by***

i. ***replacing "***MMM***" with "***MM***", and***

ii. ***replacing tables that appear after the heading "***Table 1 – Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 - 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Table 2 – Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

10. ***Form 24-101F3*** **Matching Service Utility Notice of Operations** ***is amended by***

i. ***replacing "***MMM***" with "***MM***" wherever it occurs, and***

ii. ***deleting the words "***during normal business hours***" after "***the matching of trades for more than thirty minutes***" under the heading "Exhibit N – Material systems failures" in Item 6.***

11. ***Form 24-101F4*** **Matching Service Utility Notice of Cessation of Operations** ***is amended by replacing "***MMM***" with "***MM***".***

12. ***Form 24-101F5*** **Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching** ***is amended by***

i. ***replacing "***MMM***" with "***MM***", and***

ii. ***replacing the tables that appear after the heading "***Table 1 – Equity trades:***" and before the word "***Legend***" with the following:***

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 – 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Table 2 – Debt trades:

	Entered into matching service utility by dealer-users/subscribers				Matched in matching service utility by other users/subscribers			
	# of Trades	% Industry	$ Value of Trades	% Industry	# of Trades	% Industry	$ Value of Trades	% Industry
T – 12:00 p.m.								
T – 4:00 p.m.								
T – 7:30 p.m.								
T + 1 3:59 a.m.								
T + 1 – 12:00 p.m.								
T + 1 – 4:00 p.m.								
T + 1 – 11:59 p.m.								
> T + 1								
Total								

Transition

Clearing agency's operations report – former forms may apply for first quarter ending after in force date

13. (1) For the purposes of section 5.1 of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a clearing agency is not required to deliver Form 24-101F2 *Clearing Quarterly Operations Report of Institutional Trade Reporting and Matching* as amended by this Instrument if

(a) it delivers Form 24-101F2 *Clearing Quarterly Operations Report of Institutional Trade Reporting and Matching* as it was in force on May 26, 2024, and

(b) the delivery is in respect of the calendar quarter that ends June 30, 2024.

(2) In Saskatchewan, subsection (1) does not apply if the Instrument comes into force in Saskatchewan on or after July 1, 2024.

Matching service utility's operations report – former forms may apply to first quarter ending after in force date

14. (1) For the purposes of subsection 6.4(1) of National Instrument 24-101 *Institutional Trade Matching and Settlement*, a matching service utility is not required to deliver Form 24-101F5 *Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching* as amended by this Instrument if

(a) it delivers Form 24-101F5 *Matching Service Utility Quarterly Operations Report of Institutional Trade Reporting and Matching* as it was in force on May 26, 2024, and

(b) the delivery is in respect of the calendar quarter that ends June 30, 2024.

(2) In Saskatchewan, subsection (1) does not apply if the Instrument comes into force in Saskatchewan on or after July 1, 2024.

Effective date

15. (1) This Instrument comes into force on May 27, 2024.

(2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after May 27, 2024, this Instrument comes into force on the day of which it is filed with the Registrar of Regulations.

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B.6
Request for Comments

B.6.1 CSA Notice and Request for Comment – Proposed Amendments to Multilateral Instrument 25-102 Designated Benchmarks and Benchmark Administrators and Proposed Changes to Companion Policy 25-102 Designated Benchmarks and Benchmark Administrators

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 25-102
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS
AND
PROPOSED CHANGES TO
COMPANION POLICY 25-102
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

May 30, 2024

Introduction

Today, the securities regulatory authorities (collectively the **Authorities** or **we**) of the Canadian Securities Administrators (the **CSA**) in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Yukon and Northwest Territories (the **Participating Jurisdictions**) are publishing for a 90-day comment period:

- proposed amendments to Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (**MI 25-102** or the **Instrument**), and
- proposed changes to Companion Policy 25-102 *Designated Benchmarks and Benchmark Administrators* (the **CP**).

The text of the proposed amendments to MI 25-102 (the **Proposed Amendments**) and the proposed changes to the CP (the **Proposed Changes**) is contained in Annex A and Annex B, respectively, of this Notice and will also be available on websites of the Participating Jurisdictions, including:

lautorite.qc.ca
asc.ca
bcsc.bc.ca
nssc.novascotia.ca
fcnb.ca
osc.ca
fcaa.gov.sk.ca
yukon.ca
justice.gov.nt.ca

We are issuing this Notice to solicit comments on the Proposed Amendments and the Proposed Changes. We welcome all comments on the Proposed Amendments and the Proposed Changes and also invite comments on the specific questions set out in Annex E of this Notice.

Background

Currently, MI 25-102 provides a comprehensive regime for the designation and regulation of benchmarks and their administrators, and the regulation of benchmark contributors and of certain benchmark users of designated benchmarks.

The Authorities that adopted MI 25-102 also entered into a memorandum of understanding (the **MOU**)[1] respecting the oversight of designated benchmarks and designated benchmark administrators, including the processing of applications for designation. The MOU outlines the manner in which the jurisdictions will cooperate and coordinate their efforts to oversee designated benchmarks and designated benchmark administrators in order to achieve consistency, efficiency and effectiveness in the overall oversight approach, as well as the efficient and effective processing of applications for designation.

To date, the Ontario Securities Commission (**OSC**) and the Autorité des marchés financiers (**AMF**) have designated:

- the Canadian Dollar Offered Rate (**CDOR**)[2] as a designated critical benchmark and a designated interest rate benchmark and Refinitiv Benchmark Services (UK) Limited (**RBSL**) as its designated benchmark administrator for purposes of MI 25-102, and
- Term CORRA as a designated interest rate benchmark and CanDeal Benchmark Administration Services Inc. as its designated benchmark administrator for purposes of MI 25-102.

Under the MOU, the OSC and the AMF are co-lead authorities of these designated benchmarks and designated benchmark administrators. No other Authorities have designated any benchmarks or benchmark administrators at this time.

Substance and Purpose

The Proposed Amendments will revise the requirements in MI 25-102 for assurance reports (the **Revised Assurance Report Requirements**).

The Revised Assurance Report Requirements are intended to address technical issues encountered by accounting firms that were engaged to prepare assurance reports in 2022 for RBSL as the designated benchmark administrator of CDOR and the six Canadian banks that are benchmark contributors to CDOR.

- These technical issues related to the manner in which MI 25-102 defined limited assurance reports and referenced the Canadian Standards on Assurance Engagements 3000, 3001, 3530 and 3531.
- While CSA staff provided guidance in 2022 on how the accounting firms could address the technical issues for purposes of preparing that year's assurance reports, CSA staff are now proposing the Revised Assurance Report Requirements to provide greater certainty to the parties that are required to prepare these reports.
- We sought to ensure that the Revised Assurance Report Requirements will also work for accounting firms that apply International Standard on Assurance Engagements 3000.

In addition, the Revised Assurance Report Requirements would apply to any designated benchmark that is not a designated commodity benchmark, a designated critical benchmark or a designated interest rate benchmark (e.g., if an Authority were to designate a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark).

Summary of the Proposed Amendments and the Proposed Changes

The Proposed Amendments are set out in Annex A and the Proposed Changes are set out in Annex B.

Revised Assurance Report Requirements

We have proposed to amend the assurance report provisions in MI 25-102 that apply in respect of designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks.

- For this purpose, we have proposed to repeal or replace certain definitions in MI 25-102 and add new definitions to MI 25-102.
- Background information and more detail on the Revised Assurance Report Requirements is set out in Annex C.

Furthermore, we have proposed an additional assurance report provision (new section 13.1 of MI 25-102) that would apply to any designated benchmark that is not a designated commodity benchmark, a designated critical benchmark or a designated interest rate benchmark (e.g., if an Authority were to designate a crypto asset benchmark that is not a commodity benchmark or a term

[1] A copy of the MOU is at https://www.osc.ca/sites/default/files/2021-05/mou_20210527_designated-benchmarks.pdf

[2] CDOR will cease to be published after June 28, 2024. It is expected that market participants will use the Canadian Overnight Repo Rate Average (**CORRA**) as the alternative reference rate for most instruments that currently reference CDOR. CORRA is an interest rate benchmark administered by the Bank of Canada. Term CORRA is only intended to replace CDOR for certain instruments (Term CORRA's use will be limited through its licensing agreements to trade finance, loans and derivatives associated with loans).

rate benchmark that is not an interest rate benchmark). Background information on proposed section 13.1 of MI 25-102 is set out in Annex D.

We have also proposed changes to the CP to reflect the Revised Assurance Report Requirements.

Other

The Proposed Amendments and the Proposed Changes also include certain clarifications to other language in MI 25-102 and CP, respectively.

Anticipated Costs and Benefits of the Proposed Amendments and the Proposed Changes

Like the existing provisions in MI 25-102 and CP, the Proposed Amendments and the Proposed Changes would only apply in respect of a benchmark that is designated by a decision of an Authority.

Overall, the Authorities are of the view that the regulatory costs of the Proposed Amendments and the Proposed Changes are proportionate to the benefits that would be realized by impacted market participants and the broader Canadian market.

Unpublished Materials

In developing the Proposed Amendments and the Proposed Changes, we have not relied on any significant unpublished study, report or other written materials.

Local Matters

Where applicable, Annex F provides additional information required by the local securities legislation.

Request for Comments

We welcome your comments on the Proposed Amendments and the Proposed Changes and also invite comments on the specific questions set out in Annex E of this Notice. Please submit your comments in writing on or before August 28, 2024. Please send your comments by email. Your submissions should be provided in Microsoft Word format.

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at asc.ca, the AMF at lautorite.qc.ca and the OSC at osc.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Address your submission to the following CSA jurisdictions:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Superintendent of Securities, Yukon
Superintendent of Securities, Northwest Territories

Deliver your comments **only** to the addresses below. Your comments will be distributed to the other Participating Jurisdictions.

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
comment@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour PwC
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
consultation-en-cours@lautorite.qc.ca

Contents of Annexes:

This Notice includes the following Annexes:

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Annex B: Proposed Changes to Companion Policy 25-102 *Designated Benchmarks and Benchmark Administrators*

Annex C: Background information on Revised Assurance Report Requirements

Annex D: Background information on proposed section 13.1 of MI 25-102

Annex E: Specific questions of the Authorities relating to the Proposed Amendments

Annex F: Local matters (where applicable)

Questions

Please refer your questions to any of the following:

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ANNEX A

PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 25-102
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

1. Multilateral Instrument 25-102 Designated Benchmarks and Benchmark Administrators is amended by this Instrument.

2. Subsection 1(1) is amended by repealing the definitions of "*CSAE 3000*", "*CSAE 3001*", "*CSAE 3530*", "*CSAE 3531*", "*ISAE 3000*", "*limited assurance report on compliance*", and "*reasonable assurance report on compliance*".

3. Subsection 1(1) is amended by adding the following definition before the definition of "subject requirements":

"reasonable assurance report on controls" means a report prepared on a reasonable assurance basis

(a) by a public accountant on the statement of an individual or management of a person or company, as applicable, that

(i) relates to the description, design and implementation of policies, procedures and controls by the individual or management with respect to applicable subject requirements, and

(ii) states whether those policies, procedures and controls operated effectively over the applicable period, and

(b) in accordance with

(i) the Handbook, or

(ii) International Standards on Assurance Engagements set by the International Auditing and Assurance Standards Board, as amended from time to time;.

4. Subsection 1(1) is amended in the definition of "*subject requirements*" by adding the following paragraph:

(a.0) paragraphs 13.1(1)(a) and (b),.

5. Paragraph 5(2)(b) is amended by replacing "a public accountant's limited assurance report on compliance or a reasonable assurance report on compliance***" with "***or a reasonable assurance report on controls***".***

6. Paragraphs 7(8)(f) and 7(8)(g) are amended by replacing "public accountant's limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

7. The following section is added:

Assurance report on designated benchmark administrator

13.1(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated benchmark it administers that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16, and 26, and

(b) following the methodology of the designated benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement, within 12 months of the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated benchmark, the period commencing 3 months before the end of the 12 months referred to in paragraph (2)(a) and ending on the last day of that 12 months, and

(b) in the case of any subsequent report for a designated benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority**.**

8. ***Paragraphs 24(4)(f), 24(5)(a) and (b) and 26(3)(b) are amended by replacing "***limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

9. ***Section 32 is repealed and the following substituted:***

Assurance report on designated benchmark administrator

32.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated critical benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16 and 26, and

(b) following the methodology of the designated critical benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated critical benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of those 12 months, and

(b) in the case of any subsequent report for a designated critical benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of those 12 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority**.**

10. ***Section 33 is repealed and the following substituted:***

Assurance report on benchmark contributor requested by oversight committee

33.(1) If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with section 24, and

(b) following the methodology of the designated critical benchmark.

(2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).

(3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight committee.

(4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator or securities regulatory authority**.**.

11. Section 36 is repealed and the following substituted:

Assurance report on designated benchmark administrator

36.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated interest rate benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16, 26 and 34, and

(b) following the methodology of the designated interest rate benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement

(i) in the case of a designated interest rate benchmark with a benchmark contributor, within 6 months after the later of

(A) the introduction of a code of conduct for a benchmark contributor referred to in section 23, and

(B) the designation of the benchmark, or

(ii) in the case of a designated interest rate benchmark without a benchmark contributor, within 12 months of the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months or 12 months referred to in paragraph (2)(a) and ending on the last day of those 6 months or 12 months, and

(b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority**.**.

12. Subsection 37 is repealed and the following substituted:

Assurance report on benchmark contributor requested by oversight committee

37.(1) If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with sections 24 and 39, and

(b) following the methodology of the designated interest rate benchmark.

(2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).

(3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight committee.

(4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator or securities regulatory authority**.**.

13. Subsection 38 is repealed and the following substituted:

Assurance report on benchmark contributor required at certain times

38.(1) A benchmark contributor to a designated interest rate benchmark must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with sections 24 and 39,

(b) following the methodology of the designated interest rate benchmark, and

(c) following the code of conduct referred to in section 23.

(2) A benchmark contributor must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement, 6 months after the later of

(i) the introduction of a code of conduct for benchmark contributors referred to in section 23, and

(ii) the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the end of the 6 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months referred to in paragraph (2)(a) and ending on the last day of those 6 months, and

(b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A benchmark contributor must, within 100 days of the end of the 6 months or 24 months referred to in subsection (2), deliver a copy of the report to

(a) the oversight committee referred to in section 7,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator or securities regulatory authority**.**.

14. ***Paragraphs 39(8)(b) and 40.11(3)(b) are amended by replacing "***limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

15. ***Subsection 40.13 is repealed and the following substituted:***

Assurance report on designated benchmark administrator

40.13.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated commodity benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with subsection 5(1) and sections 11 to 13, 40.3, 40.4, 40.6, 40.7, and 40.9 to 40.12, and

(b) following the methodology applicable to the designated commodity benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated commodity benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of that 12 months, and

(b) in the case of any subsequent report for a designated commodity benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of that 12 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority.***.***

16. This Instrument comes into force on ●.

ANNEX B

PROPOSED CHANGES TO
COMPANION POLICY 25-102
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

1. Companion Policy 25-102 Designated Benchmarks and Benchmark Administrators is changed by this Document.

2. Subsection 1(1) with the heading of "Definition of input data" is changed by replacing "s. 1(3)***" with "***subsection 1(3)***".***

3. Subsection 1(1) with the heading of "Definitions of limited assurance report on compliance and reasonable assurance report on compliance" is replaced with the following:

Subsection 1(1) – Definition of reasonable assurance report on controls

A "reasonable assurance report on controls" must be prepared in accordance with the applicable Canadian Standard on Assurance Engagements (CSAE) under the Handbook or the applicable International Standard on Assurance Engagements (ISAE). The applicable CSAE and ISAE require that any public accountant that prepares such a report be independent.

In the Instrument, "Handbook" has the meaning set out in National Instrument 14-101 *Definitions*.

A reasonable assurance report on controls is required, as applicable, by sections 13.1, 32, 33, 36, 37, 38 and 40.13 of the Instrument.

- The definition of "reasonable assurance report on controls" refers to "applicable subject requirements". The term "subject requirements" is defined in subsection 1(1) of the Instrument and refers to paragraphs 13.1(1)(a) and (b), 32(1)(a) and (b), 33(1)(a) and (b), 36(1)(a) and (b), 37(1)(a) and (b), 38(1)(a), (b) and (c) and 40.13(1)(a) and (b) of the Instrument.
- The reference to "12 months" in subsections 32(2) and 40.13(2) of the Instrument refers to any period of 12 consecutive months and does not need to correspond to a calendar year or a financial year of a designated benchmark administrator.
- The definition of "reasonable assurance report on controls" refers to "applicable period" (which is relevant for the reference to "the applicable period for the report" in subsections 13.1(4), 32(4), 33(3), 36(4), 37(3), 38(4) and 40.13(4) of the Instrument).
- In the case a reasonable assurance report on controls requested by an oversight committee under section 33 or 37 of the Instrument, the oversight committee would specify the beginning and the end of the applicable period for the report, as contemplated by subsection 33(3) and 37(3) of the Instrument, respectively.**.**

4. Subsection 36(1) with the heading of "Assurance report for designated interest rate benchmark" is changed by replacing the first paragraph with the following:

Subsection 36(1) of the Instrument provides that a designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, relating to the designated benchmark administrator's compliance with certain sections of the Instrument and following the methodology of each designated interest rate benchmark it administers.**.**

5. Part 8.1 is changed

(a) in the sixth bullet of the first paragraph under the heading of "Publication of information" by replacing "limited assurance report or a reasonable assurance report***" with "***reasonable assurance report on controls***".***

(b) in the second paragraph under the heading "Subsections 40.1(3) and (4) – Dual designation as a commodity benchmark and a regulated-data benchmark" by replacing "an assurance report***" with "***a reasonable assurance report on controls***".***

6. Section 40.13 with the heading of "Assurance report on designated benchmark administrator" is deleted.

7. These changes become effective on ●.

ANNEX C

BACKGROUND INFORMATION ON REVISED ASSURANCE REPORT REQUIREMENTS

The Revised Assurance Report Requirements are intended to address certain technical issues related to the assurance reports that MI 25-102 currently requires that were encountered by accounting firms when preparing assurance reports in 2022 for RBSL as the designated benchmark administrator of CDOR and the six Canadian banks that are benchmark contributors to CDOR.

Issue #1 – Nature of the assurance report

The first issue related to determining which Canadian Standard(s) on Assurance Engagements (namely CSAE 3000, 3001, 3530 and 3531) should be applied, given the language in MI 25-102.

This issue was raised by accounting firms when they were preparing assurance reports for benchmark contributors to CDOR contemplated by MI 25-102.

- At the relevant time, each accounting firm was preparing an assurance report contemplated by clause (a) of the existing definition of "limited assurance report" in MI 25-102.
- The accounting firms wanted to apply Canadian assurance standards in order to conduct an engagement on internal controls over compliance with MI 25-102 requirements (i.e., a CSAE 3000 engagement), consistent with the practice that has evolved in the EU using ISAE 3000, but there were two reasons they could not do so:
    - first, MI 25-102 did not permit the use of CSAE 3000 on a stand-alone basis (in particular, clause (a) of the definition of "limited assurance report" in MI 25-102 contemplated a report being prepared in accordance with CSAE 3000 and CSAE 3530), and
    - second, even if MI 25-102 did permit the use of CSAE 3000 on a standalone basis, MI 25-102 contemplates assurance reports on compliance with specified requirements, which is in the scope of CSAE 3530 (CSAE 3530 scopes out reports on internal controls over compliance).
- Furthermore, the accounting firms raised questions on whether the desired assurance report was intended to:
    - be an "assurance report on effectiveness of controls over compliance" rather than an "assurance report on compliance with specified regulations", and
    - require testing of controls "over a period" rather than at a "point in time".
- At the relevant time, CSA staff advised the accounting firms that we would accept a limited assurance report that was only prepared in accordance with CSAE 3000, notwithstanding the definition of a limited assurance report in MI 25-102. However, we are now addressing these issues in the Proposed Amendments.

More detail

Typically, with respect to controls, public accountants tend to refer to the "design and implementation" and "operating effectiveness" of controls.

- To provide assurance over design and implementation (**D&I**), a public accountant would typically review the control description (design), conduct inquiries, and then perform a walk-through of the control to ensure it's been implemented as designed (implementation).
- Operating effectiveness is then assessed through a sample of tests to ensure the control is operating as designed over a period.

The "limited assurance reports" that OSC and AMF staff received in 2022 for RBSL and for the benchmark contributors to CDOR only covered assurance over D&I, not operating effectiveness. For example, the assurance reports for the benchmark contributors provided limited assurance that management's description of the controls implemented by the benchmark contributors is appropriate, and that the design of the controls is suitable to achieve the control objectives as set out in the various requirements in the CDOR methodology and MI 25-102. Furthermore, the limited assurance reports were only at a point in time.

From a policy perspective and to further regulatory oversight, it would be preferable for securities regulators to receive "reasonable assurance reports" that also provide assurance on operating effectiveness of controls and involve testing of controls over a period.

How the Proposed Amendments address this issue

The Proposed Amendments provide that the desired nature of an assurance report is to be an "assurance report on effectiveness of controls" rather than an "assurance report on compliance".

In particular, the Proposed Amendments include a definition of "reasonable assurance report on controls" (which uses the definition of "Handbook"[3] in National Instrument 14-101 *Definitions*). If such a report was prepared in accordance with the Handbook, it would currently be prepared in accordance with CSAE 3000. As result, we have proposed to delete the definition of CSAE 3000 in MI 25-102. In like manner, we have proposed to delete the definition of "ISAE 3000" in MI 25-102 and replace it with a reference to "International Standards on Assurance Engagements"[4] in the definition of "reasonable assurance report on controls".

Furthermore, we note the following:

- Since our goal is to get assurance on the effectiveness of controls, we have proposed to remove the option of providing a "limited assurance report". In a limited assurance engagement, the practitioner obtains only enough evidence to express a negative form of opinion over the subject matter and conclude that "nothing has come to their attention" that would lead them to believe there is an error or misstatement (in this case, that a control is not properly designed or properly implemented). The limited assurance reports provided under existing provisions in MI 25-102 are point in time assessments.

- In order to assess the effectiveness of a control, the practitioner needs to perform testing to be able to determine that the control is designed, implemented and operating as it should over an appropriate period of time, in order to provide a sufficient basis to express a positive form of opinion over the subject matter and conclude that the controls are designed and operating effectively. This would be outside the scope of the limited assurance report.

- The Proposed Amendments reflect that a "reasonable assurance report" on operating effectiveness of controls is over a period[5].

- Furthermore, we have proposed to remove references to CSAE 3001 since CSAE 3001 engagements are for direct engagements where an entity is not making an assertion regarding whether the entity's performance conformed with suitable criteria. Since MI 25-102 requires that a designated benchmark administrator or benchmark contributor make an external assertion and obtain an assurance report to be delivered to securities regulators, it does not appear that CSAE 3001 would ever be applicable.

- We have also proposed to delete references to CSAE 3530 and CSAE 3531, since those documents contemplate "assurance reports on compliance", rather than an "assurance report on effectiveness of controls".

- We recognize that the Proposed Amendments provide greater specificity on these matters than that set out in the EU and UK benchmark regulations.

- We also recognize that a relatively significant additional amount of work is required to prepare a "reasonable assurance report on controls" when compared to a limited assurance report. However, we don't consider this additional amount of work to be unduly onerous for the parties involved. Furthermore, we note that the Revised

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[3] The Handbook provides for a number of Canadian Standards on Assurance Engagements (**CSAEs**, a plural term).

- Currently, the applicable CSAE (a singular term) for a "reasonable assurance report on controls" would be CSAE 3000.
- However, we have proposed to use the term "Handbook" in MI 25-102 to provide flexibility for the future (so that MI 25-102 will not have to be amended if the Auditing and Assurance Standards Board changes the applicable subject-specific standard or standards that would apply to a reasonable assurance report on controls).

[4] We note that the document entitled "International Framework for Assurance Standards" refers to International Standards on Assurance Engagements (**ISAEs**, a plural term). See: https://www.ifac.org/_flysystem/azure-private/publications/files/B002%202013%20IAASB%20Handbook%20Framework.pdf

- The International Auditing and Assurance Standards Board has published a number of ISAEs. For example, see https://www.icaew.com/technical/audit-and-assurance/assurance/standards-and-guidance
- Currently, the applicable ISAE (a singular term) for a "reasonable assurance report on controls" would be ISAE 3000.
- However, we propose to use the plural term "International Standards on Assurance Engagements" in MI 25-102 to provide flexibility for the future (so that MI 25-102 will not have to be amended if the International Auditing and Assurance Standards Board changes the applicable subject-specific standard or standards that would apply to a reasonable assurance report on controls).

[5] The proposed definition of "reasonable assurance report on controls" refers to "applicable period". The "applicable period" is set out in the following proposed revised provisions of MI 25-102, as applicable: subsections 13.1(4), 32(4), 33(3), 36(4), 37(3), 38(4) and 40.13(4).

Certain of the revised sections provide that, for the first assurance report for a designated benchmark, the applicable period is 3 months, as set out in the following proposed revised provisions of MI 25-102, as applicable: paragraphs 13.1(4)(a), 32(4)(a), 36(4)(a), 38(4)(a) and 40.13(4)(a).

- The purpose of this abbreviated period of 3 months is to recognize that a designated benchmark administrator may need time to prepare and implement the policies, procedures and controls required by MI 25-102 in the first 12 months after they are designated and to "work out the bugs".
- We have proposed to only require an assurance report after the designated benchmark administrator has "worked out the bugs" – i.e., for the last 3 months of the 12 months in question.

For an assurance report required every 24 months, the public accountant is only required to "go back" 12 months, as set out in the following proposed revised provisions of MI 25-102, as applicable: paragraphs 13.1(4)(b), 36(4)(b) and 38(4)(b).

Assurance Report Requirements would only apply in respect of a benchmark designated by a decision of an Authority.

Issue #2 - Time when assurance report must be provided by public accountant

While existing provisions in MI 25-102 specify when a designated benchmark administrator or a benchmark contributor must engage an accounting firm to prepare an assurance report required by MI 25-102[6], MI 25-102 does not specify when the accounting firm must provide the assurance report.

At the relevant time, CSA staff advised the parties subject to the assurance report requirements in MI 25-102 that the report should be prepared within 90 days of the end of the applicable period. However, we are now addressing this issue in the Proposed Amendments.

How the Proposed Amendments address this issue

The Proposed Amendments specify the deadline when the assurance report must be provided by a public accountant (i.e., within 90 days of the end of the applicable period).[7]

[6] The times when a designated benchmark administrator or a benchmark contributor must engage an accounting firm to prepare an assurance report required by MI 25-102 are set out in the following proposed revised provisions of MI 25-102, as applicable: subsections 13.1(2), 32(2), 36(2), 38(2) and 40.13(2). Different timing applies for a report under proposed revised subsections 33(2) and 37(2).

We propose to add guidance in the CP that the reference to "12 months" in subsections 32(2) and 40.13(2) of MI 25-102 refers to any period of 12 consecutive months and does not need to correspond to a calendar year or a financial year of a designated benchmark administrator.

[7] The 90-day requirement for the public accountant to provide the report to the designated benchmark administrator or benchmark contributor is set out in the following revised provisions of MI 25-102, as applicable: subsections 13.1(3), 32(3), 33(2), 36(3), 37(2), 38(3) and 40.13(4).

The Proposed Amendments also require that the assurance report be delivered to the applicable regulator or securities regulatory authority (each, an **applicable regulator**) by "day 100", as set out in the following revised provisions of MI 25-102, as applicable: subsections 13.1(5), 32(5), 33(4), 36(5), 37(4), 38(5) and 40.13(5). These provisions give the designated benchmark administrator or benchmark contributor 10 days to deliver the report to the applicable regulator after the time it was required to be provided by the public accountant to the designated benchmark administrator or benchmark contributor under the applicable provisions. If the public accountant provides the report to the designated benchmark administrator or benchmark contributor in less than 90 days from the end of the 12 months referred to in subsection (2), the "100 day" deadline still applies for the designated benchmark administrator or benchmark contributor to deliver a copy of the report to the applicable regulator. The intention is to provide the designated benchmark administrator or benchmark contributor with a "fixed deadline" to deliver the report to the applicable regulator.

ANNEX D

BACKGROUND INFORMATION ON PROPOSED SECTION 13.1 OF MI 25-102

Background

The assurance report provisions in the existing version of MI 25-102 only apply to designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks.

The Proposed Amendments include a new assurance report provision (proposed section 13.1 of MI 25-102) that would apply to any other benchmark that is designated by a decision of an Authority (e.g., a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark).[8]

In particular, given highly publicized risks regarding the crypto asset market and crypto asset trading platforms, the Proposed Amendments contemplate that if an Authority were to designate a crypto asset benchmark as a "designated benchmark", it should be subject to an assurance report requirement to help mitigate those risks.

Crypto asset benchmarks

Existing MI 25-102 has an assurance report provision that would apply to a designated commodity benchmark. While some crypto assets may be characterized as commodities, other crypto assets may be more appropriately categorized not as commodities (e.g., certain crypto assets may be securities[9] so would not be commodities in certain jurisdictions). Consequently, not every crypto asset benchmark would be appropriately categorized as a commodity benchmark. A crypto asset benchmark may also not be appropriately categorized as a "designated interest rate benchmark" or "designated critical benchmark".

[8] Proposed section 13.1 of MI 25-102, like the other Revised Assurance Report Requirements, will require a "reasonable assurance report on controls". For more detail, see Annex C.

[9] CSA staff are of the view that value-referenced crypto assets may constitute securities and/or derivatives and that fiat-backed crypto assets generally meet the definition of "security" and/or would meet the definition of "derivative" in applicable legislation in several jurisdictions. See CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings - Changes to Enhance Canadian Investor Protection* at https://www.osc.ca/sites/default/files/2023-02/csa_20230222_21-332_crypto-trading-platforms-pre-reg-undertakings.pdf.

ANNEX E

SPECIFIC QUESTIONS OF THE AUTHORITIES RELATING TO THE PROPOSED AMENDMENTS

Revised Assurance Report Requirements

1. The Proposed Amendments provide that a reasonable assurance report on controls must consider whether controls operated effectively over "the applicable period". For the first reasonable assurance report on controls to be provided for a designated critical benchmark or a designated interest rate benchmark, the applicable period is specified to be a 3-month "look back" period. Is the proposed 3-month "look back" period an appropriate period for the first reasonable assurance report on controls to be so provided?

2. Proposed subsections 33(2) and 37(2) of MI 25-102 provide that a benchmark contributor must ensure that a reasonable assurance report on controls is provided by a public accountant to the benchmark contributor within 90 days of a request of the oversight committee. Is the proposed 90-day period a sufficient period of time? Should it be a shorter period? [10]

New assurance report provision

3. By way of background,

   - the assurance report provisions in the existing version of MI 25-102 only apply to designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks, and
   - the Proposed Amendments include a new assurance report provision (proposed section 13.1 of MI 25-102) that would apply to any other benchmark that is designated by a decision of an Authority (e.g., a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark).

   In this context, do you:

   (a) agree that proposed section 13.1 of MI 25-102 is appropriate, or

   (b) have alternative proposals for a different type of assurance report that may be more appropriate for a crypto asset benchmark but still provide a sufficient level of assurance for a public accountant to conclude on the operating effectiveness of controls?

4. What issues would an accounting firm encounter in providing an assurance report on a crypto asset benchmark that it would not otherwise face when providing an assurance report on a commodity benchmark or an interest rate benchmark?

[10] It has been suggested that a shorter period may be appropriate in certain situations where the oversight committee makes a request for a reasonable assurance report on controls following the emergence of a problem or material issue that the oversight committee has identified or become aware of.

ANNEX F

ONTARIO LOCAL MATTERS

Part 1: Description of Anticipated Costs and Benefits of the Proposed Amendments

Executive Summary

The Proposed Amendments include the Revised Assurance Report Requirements. For purposes of this Annex, the Revised Assurance Report Requirements are broken into:

- proposed amendments to sections 32, 33, 36, 37, 38 and 40.13 of MI 25-102, which would require an assurance report to be a "reasonable assurance report on controls" as such term is defined (the **Assurance Report Amendments**), and
- proposed new section 13.1 of MI 25-102, which would require an assurance report for any designated benchmark that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark (the **New Assurance Report Provision**).

The expected benefits of the Proposed Amendments include the following:

- The Assurance Report Amendments will provide technical clarifications regarding the scope and timing of the assurance report requirements in MI 25-102 by specifying the level of assurance and type of report provided by the independent public accountant and when it is to be provided. This will provide greater certainty to the parties required to prepare these reports, as well as a provide a higher level of assurance over the governance and controls required by MI 25-102 for a designated benchmark.
- The New Assurance Report Provision is intended to mitigate risk with any designated benchmark that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark (should such a benchmark be designated in the future). For example, given recent highly publicized risks regarding the crypto asset market and crypto asset trading platforms, the expected benefit is that imposing assurance report requirements on any crypto asset benchmark that is designated by the Authorities will help to mitigate such risks.

The expected costs of the Proposed Amendments include the following:

- Currently, the only stakeholder that is expected to be subject to the Proposed Amendments is CanDeal Benchmark Administration Services Inc. (**CBAS**) as the designated benchmark administrator of Term CORRA (a designated interest rate benchmark in Ontario and Québec)[11]. CBAS would be required to comply with the Assurance Report Amendments in respect of Term CORRA, which we expect would have an additional incremental cost of $50,200 per report (which is required to be provided every two years for a designated interest rate benchmark) as a result of the Assurance Report Amendments.
- The Authorities do not intend to designate any other benchmarks, or their administrators, at this time and we expect that any benchmark administrators that apply for designation of themselves and a benchmark would have determined that the benefits of doing so outweigh the costs.

Background and Current Regulatory Framework

Currently, MI 25-102 provides a comprehensive regime for the designation and regulation of benchmarks and their administrators, and the regulation of benchmark contributors and of certain benchmark users of designated benchmarks.

To date, the OSC and the AMF have designated:

- on September 15, 2021, the Canadian Dollar Offered Rate (**CDOR**)[12] as a designated critical benchmark and a designated interest rate benchmark and Refinitiv Benchmark Services (UK) Limited (**RBSL**) as its designated benchmark administrator for purposes of MI 25-102, and

[11] The Authorities understand that Term CORRA does not currently have any "benchmark contributors" that would be subject to the assurance report requirements in MI 25-102 that apply to benchmark contributors to a designated interest rate benchmark.

[12] On May 16, 2022, RBSL announced that CDOR will cease to be published after a final publication on Friday, June 28, 2024 (the **CDOR Cessation Date**). On the same day, the OSC and the AMF authorized RBSL to cease providing CDOR on the CDOR Cessation Date as provided for in a cessation plan submitted by RBSL and following a two-stage transition period.

It is expected that market participants will use the Canadian Overnight Repo Rate Average (**CORRA**) as the alternative reference rate for most instruments that currently reference CDOR. CORRA is an interest rate benchmark administered by the Bank of Canada. Term CORRA is only intended to replace CDOR for certain instruments (Term CORRA's use will be limited through its licensing agreements to trade finance, loans and derivatives associated with loans).

- on September 15, 2023, Term CORRA as a designated interest rate benchmark and CBAS as its designated benchmark administrator for purposes of MI 25-102.

No other Authorities have designated any benchmarks or benchmark administrators at this time.

The Assurance Report Amendments are intended to address technical issues encountered by accounting firms that were engaged to prepare assurance reports in 2022 for RBSL as the designated benchmark administrator of CDOR and the six Canadian banks that are benchmark contributors to CDOR. Background information and more detail on the Revised Assurance Report Requirements is set out in Annex C.

Affected Stakeholders

Term CORRA

Upon the coming into force of the Proposed Amendments, CBAS will be required to comply with the Assurance Report Amendments in respect of Term CORRA.

Investors and Other Benchmark Users

The Proposed Amendments will a provide a higher level of assurance over the governance and controls required by MI 25-102 for a designated benchmark and will help mitigate risks related to these matters. This will benefit investors and other users of a designated benchmark.

Potentially Affected Stakeholders

The Authorities do not intend to designate any other benchmarks, or their administrators, at this time and we expect that any benchmark administrators that apply for designation of themselves and a benchmark would have determined that the benefits of doing so outweigh the cost[13]. If a benchmark were to be designated in the future, the following potential stakeholders would be affected by the Proposed Amendments:

- the person or company that administers the benchmark (i.e., the designated benchmark administrator); and
- any person or company that engages or participates in the provision of information for use by a benchmark administrator for the purpose of determining the benchmark (i.e., a benchmark contributor).

Description of Anticipated Costs and Benefits of the Proposed Amendments

The following analysis highlights the anticipated costs and benefits of the Proposed Amendments, focusing particularly on the incremental costs of the Proposed Amendments relative to the existing provisions in MI 25-102.

The costs do not include estimated costs relating to reviewing and commenting on the Proposed Amendments.

Assurance Report Amendments

Under the existing provisions in MI 25-102, a designated benchmark administrator of a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark, and a benchmark contributor to a designated interest rate benchmark, is required to provide a “limited assurance report on compliance” or a “reasonable assurance report on compliance” in respect of compliance with the relevant governance and control requirements prescribed in MI 25-102 at regular intervals. A benchmark contributor to a designated critical benchmark or a designated interest rate benchmark may also be required to provide a “limited assurance report on compliance” or a “reasonable assurance report on compliance” in respect of compliance with the relevant governance and control requirements prescribed in MI 25-102 at the direction of the benchmark’s oversight committee.

These concepts were intended to align with the different types of assurance engagements codified in the applicable Canadian Standard for Assurance Engagements (**CSAE**) under the CPA Canada Handbook - Assurance. However, we received comments from parties preparing such required reports about technical issues they encountered when applying the CSAE based on the current language in MI 25-102. The Assurance Report Amendments will address these technical issues as well as provide further clarification with respect to the deadline for when the assurance report must be provided by the public accountant.

After the CDOR Cessation Date, it is expected that the OSC and the AMF will issue decisions cancelling the designation of CDOR and RBSL. Since the Proposed Amendments are not expected to come into force until well after June 28, 2024, RBSL and the benchmark contributors to CDOR will not be directly affected by the Proposed Amendments.

[13] Furthermore, as discussed in the existing CP, the Authorities would generally not designate a benchmark where public authorities (e.g., national statistics agencies, universities or research centres) contribute data to, or provide or have control over the provision of, the benchmark for public policy purposes. In this regard, we would generally consider a “public authority” to include a government, a government agency or an entity performing public functions, having public responsibilities or providing public services under the control of a government or a government agency.

The Assurance Report Amendments will also remove optionality, and thus result in an increased level of assurance provided by the assurance report by setting out the specific type of report required. A limited assurance report provides a lower level of assurance in that the public accountant expresses a negative form of opinion over the subject matter (e.g., that nothing came to the public accountant's attention which caused them to believe the benchmark administrator or contributor's statement on controls was not in compliance with MI 25-102). A reasonable assurance report provides a higher level of assurance, such that the public accountant obtains sufficient evidence to form a positive opinion regarding the subject matter (e.g., the controls in place for compliance with MI 25-102 are adequately designed and are operating effectively during a specified period). The Assurance Report Amendments will remove reference to a "limited assurance report on compliance" and specify that a "reasonable assurance report on controls" be provided under MI 25-102.

The Assurance Report Amendments will provide greater certainty to the public accountants required to prepare the assurance reports and increased assurance to regulators and users of a designated benchmark regarding the controls in place to mitigate risk.

Incremental costs to comply with the Assurance Report Amendments are expected as a result of the additional work required by a public accountant to prepare a reasonable assurance report on controls. However, we do not expect the additional work to be unduly onerous for the parties involved. Furthermore, while the magnitude of these costs will vary based on the size and complexity of the designated benchmark administrator or benchmark contributor (if applicable), the Assurance Report Amendments only apply in respect of benchmarks that are designated for the purposes of MI 25-102. We estimate this incremental cost of the Assurance Report Amendments to be $50,200 and $25,200 for each required assurance report for a designated benchmark administrator and a benchmark contributor, respectively, as detailed in Table 1 and Table 2.

Table 1 – Estimated Incremental Cost of Assurance Report Amendments for a Designated Benchmark Administrator of a Designated Critical Benchmark, a Designated Interest Rate Benchmark or a Designated Commodity Benchmark

	Estimated Time (hours)[1]	Average Hourly Wage	Estimated Cost
Internal compliance officer	5	$40[2]	$200
Public accountant firm fee	N/A	N/A	$50,000[3]
Total	**5 hours**		**$50,200**

[1] OSC estimated hours.
[2] Mid-point annual salary of $77,443 based on 2023 Salary Guide prepared by Robert Half and assuming the compliance officer: (i) works for a large financial institution, (ii) is located in Toronto, (iii) makes between $70,663 and $91,263 annually, and (iv) works 48 weeks per year and 40 hours per week.
[3] OSC estimated cost.

Table 2 – Estimated Incremental Cost of Assurance Report Amendments for a Benchmark Contributor to a Designated Critical Benchmark or a Designated Interest Rate Benchmark (if applicable)

	Estimated Time (hours)[1]	Average Hourly Wage	Estimated Cost
Internal compliance officer	5	$40[2]	$200
Public accountant firm fee	N/A	N/A	$25,000[3]
Total	**5 hours**		**$25,200**

[1] OSC estimated hours.
[2] Mid-point annual salary of $77,443 based on 2023 Salary Guide prepared by Robert Half and assuming the compliance officer: (i) works for a large financial institution, (ii) is located in Toronto, (iii) makes between $70,663 and $91,263 annually, and (iv) works 48 weeks per year and 40 hours per week.
[3] OSC estimated cost.

The estimated costs in Table 1 and Table 2 would be incurred once every year or once every two years, depending on the type of designated benchmark.

- For Table 1, a designated benchmark administrator of a designated critical benchmark or a designated commodity benchmark is required to provide an assurance report every year. In contrast, a designated benchmark administrator of a designated interest rate benchmark is only required to provide an assurance report every two years.

- For Table 2, a benchmark contributor to a designated interest rate benchmark is required to provide an assurance report every two years. Furthermore, for a benchmark contributor to a designated critical benchmark or a designated interest rate benchmark, the frequency with which the costs in Table 2 would be incurred would

also depend on whether they are directed to provide an assurance report by the benchmark's oversight committee due to concerns with the conduct of the benchmark contributor.

At this time, the estimated costs of the Assurance Report Amendments are only expected to apply to CBAS in respect of Term CORRA.

New Assurance Report Provision

The existing assurance report provisions in MI 25-102 only apply to designated critical benchmarks, designated interest rate benchmarks and designated commodity benchmarks. We have proposed the New Assurance Report Provisions to address risks with any designated benchmark that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark (e.g., a crypto asset benchmark that is not a commodity benchmark, should such a benchmark be designated in the future).[14] Additional background information on crypto asset benchmarks and the New Assurance Report Provision is set out in Annex D.

At this time, the Authorities do not intend to designate any benchmarks or benchmark administrators to which the New Assurance Report Provision would apply.

The total cost of complying with the New Assurance Report Provision is expected to be comparable to the costs incurred to comply with the existing assurance report provisions in MI 25-102 and the Assurance Report Amendments that are applicable for an assurance report on a designated benchmark administrator. We estimate this cost for complying with the New Assurance Report Provision to be $173,260 annually as detailed in Table 3.[15] However, this figure includes a "risk premium" to reflect the potential increased risk and regulatory scrutiny that may be associated with providing an assurance report under the New Assurance Report Provision for a crypto asset benchmark that was designated. Furthermore, due to increased risk and regulatory scrutiny (particularly in the crypto asset industry), there may be additional costs associated with obtaining an assurance report for certain other benchmarks that may become subject to the New Assurance Report Provision, the magnitude of which cannot be reliably estimated. Annex D includes additional information in this regard and Annex E includes specific questions about an assurance report for a crypto asset benchmark. We welcome comments on the anticipated costs in connection with the responses to the questions in Annex E or generally.

Table 3 – Estimated Cost of New Assurance Report Provision for a Designated Benchmark Administrator of a Designated Benchmark that is not a Designated Critical Benchmark, a Designated Interest Rate Benchmark or a Designated Commodity Benchmark

	Estimated Time (hours)[1]	Average Hourly Wage	Estimated Cost
Internal compliance officer	15	$40[2]	$600
In-house legal counsel	2.5	$64[3]	$160
Public accountant firm fee	N/A	N/A	$172,500[4]
Total	**17.5 hours**		**$173,260**

[1] OSC estimated hours.
[2] Mid-point annual salary of $77,443 based on 2023 Salary Guide prepared by Robert Half and assuming the compliance officer: (i) works for a large financial institution, (ii) is located in Toronto, (iii) makes between $70,663 and $91,263 annually, and (iv) works 48 weeks per year and 40 hours per week.
[3] Mid-point annual salary of $134,808 based on 2023 Salary Guide prepared by Robert Half and assuming the lawyer: (i) has been practising for 4-9 years, (ii) is located in Toronto, (iii) makes between $110,297 and $164,794 annually, and (iv) works 48 weeks per year and 44 hours per week.
[4] OSC estimated cost.

Competition Implications

It is not expected the costs of complying with the Assurance Report Amendments or the New Assurance Report Provision will create any potential significant barriers to entry for new benchmarks or new benchmark administrators, given:

- that the Proposed Amendments will only apply in respect of a benchmark or benchmark administrator that is designated by a decision of an Authority, and

[14] The New Assurance Report provisions would also apply if an Authority were to designate a term rate benchmark that is not an interest rate benchmark. For example, depending on the nature of its input data, the administrator of a term rate benchmark may seek to have the benchmark designated as a regulated-data benchmark rather than as an interest rate benchmark. Designated benchmark administrators of designated regulated-data benchmarks are exempted from certain governance and control requirements relating to the contribution of input data (see Division 3 of Part 8 of MI 25-102).

[15] A designated benchmark administrator that is subject to the estimated incremental costs in Table 3 in respect of a designated benchmark would not also be subject to the estimated incremental costs in Table 1 in respect of the designated benchmark.

- the expected scale of operations of any benchmark administrator of, or benchmark contributor to, a benchmark that could be designated in the future.

Part 2: Other Matters

A. Alternatives Considered

Other than the status quo, no alternatives to the Proposed Amendments were considered. The status quo was not considered an appropriate alternative since as noted above,

- the Assurance Report Amendments are intended to address technical issues encountered by accounting firms that were engaged to prepare assurance reports in 2022 for RBSL as the designated benchmark administrator of CDOR and the six Canadian banks that are benchmark contributors to CDOR, and
- the New Assurance Report Provision is intended to mitigate risk with any designated benchmark that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark (should such a benchmark be designated in the future).

B. Authority for Proposed Amendments

In Ontario, the rule making authority for the Proposed Amendments is provided in paragraphs 64 to 69 of subsection 143(1) of the *Securities Act* (Ontario).

C. Proposed Amendments to OSC Rule 25-501

Today, the OSC is also publishing a separate notice of proposed amendments to OSC Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* and proposed changes Companion Policy 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (the **Local Proposed Amendments and Proposed Changes**). The Local Proposed Amendments and Proposed Changes are based on, and consistent with, the Proposed Amendments and the Proposed Changes.

B.6.2 OSC Notice and Request for Comment – Proposed Amendments to OSC Rule 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators and Proposed Changes to Companion Policy 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators

OSC NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 25-501 (COMMODITY FUTURES ACT)
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS
AND
PROPOSED CHANGES TO
COMPANION POLICY 25-501 (COMMODITY FUTURES ACT)
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

May 30, 2024

Introduction

Today, the Ontario Securities Commission (the **OSC** or **we**) is publishing for a 90-day comment period:

- proposed amendments to Ontario Securities Commission Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (**OSC Rule 25-501**), and
- proposed changes to Companion Policy 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (the **CP**).

The text of the proposed amendments to OSC Rule 25-501 (the **Proposed Amendments**) and the proposed changes to the CP (the **Proposed Changes**) is contained in Annex A and Annex B, respectively, of this Notice.

We are issuing this Notice to solicit comments on the Proposed Amendments and the Proposed Changes. We welcome all comments on the Proposed Amendments and the Proposed Changes and also invite comments on the specific questions set out in Annex C of this Notice.

The Proposed Amendments and the Proposed Changes are based on, and consistent with, proposed amendments and changes to Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (**MI 25-102**) and Companion Policy 25-102 *Designated Benchmarks and Benchmark Administrators* that were published today by certain members of the Canadian Securities Administrators (the **CSA**) in a CSA Notice and Request for Comment (the **CSA Notice**). OSC Rule 25-501 and the Proposed Amendments are required in Ontario because MI 25-102, and the proposed amendments to MI 25-102, would not apply to Ontario commodity futures law.

Background

Currently, MI 25-102 and OSC Rule 25-501 provide a comprehensive regime for the designation and regulation of benchmarks and their administrators, and the regulation of benchmark contributors and of certain benchmark users of designated benchmarks.

The members of the CSA that adopted MI 25-102 also entered into a memorandum of understanding (the **MOU**)[1] respecting the oversight of designated benchmarks and designated benchmark administrators, including the processing of applications for designation. The MOU outlines the manner in which the jurisdictions will cooperate and coordinate their efforts to oversee designated benchmarks and designated benchmark administrators in order to achieve consistency, efficiency and effectiveness in the overall oversight approach, as well as the efficient and effective processing of applications for designation.

To date, the OSC and the Autorité des marchés financiers (**AMF**) have designated:

- the Canadian Dollar Offered Rate (**CDOR**)[2] as a designated critical benchmark and a designated interest rate benchmark and Refinitiv Benchmark Services (UK) Limited (**RBSL**) as its designated benchmark administrator for purposes of MI 25-102 and OSC Rule 25-501, and

[1] A copy of the MOU is at https://www.osc.ca/sites/default/files/2021-05/mou_20210527_designated-benchmarks.pdf

[2] CDOR will cease to be published after June 28, 2024. It is expected that market participants will use the Canadian Overnight Repo Rate Average (**CORRA**) as the alternative reference rate for most instruments that currently reference CDOR. CORRA is an interest rate benchmark administered by the Bank of Canada. Term CORRA is only intended to replace CDOR for certain instruments (Term CORRA's use will be limited through its licensing agreements to trade finance, loans and derivatives associated with loans).

- Term CORRA as a designated interest rate benchmark and CanDeal Benchmark Administration Services Inc. as its designated benchmark administrator for purposes of MI 25-102 and OSC Rule 25-501.

Under the MOU, the OSC and the AMF are co-lead authorities of these designated benchmarks and designated benchmark administrators. No other members of the CSA have designated any benchmarks or benchmark administrators at this time.

Substance and Purpose

The Proposed Amendments will revise the requirements in OSC Rule 25-501 for assurance reports (the **Revised Assurance Report Requirements**).

The Revised Assurance Report Requirements are intended to address technical issues encountered by accounting firms that were engaged to prepare assurance reports in 2022 for RBSL as the designated benchmark administrator of CDOR and the six Canadian banks that are benchmark contributors to CDOR.

- These technical issues related to the manner in which MI 25-102 and OSC Rule 25-501 defined limited assurance reports and referenced the Canadian Standards on Assurance Engagements 3000, 3001, 3530 and 3531.

- While CSA staff provided guidance in 2022 on how the accounting firms could address the technical issues for purposes of preparing that year's assurance reports, we are now proposing the Revised Assurance Report Requirements to provide greater certainty to the parties that are required to prepare these reports.

- We sought to ensure that the Revised Assurance Report Requirements will also work for accounting firms that apply International Standard on Assurance Engagements 3000.

In addition, the Revised Assurance Report Requirements would apply to any designated benchmark that is not a designated commodity benchmark, a designated critical benchmark or a designated interest rate benchmark (e.g., if a securities regulatory authority were to designate a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark).

Summary of the Proposed Amendments and the Proposed Changes

The Proposed Amendments are set out in Annex A and the Proposed Changes are set out in Annex B.

Revised Assurance Report Requirements

We have proposed to amend the assurance report provisions in OSC Rule 25-501 that apply in respect of designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks. For this purpose, we have proposed to repeal or replace certain definitions in OSC Rule 25-501 and add new definitions to OSC Rule 25-501.

Furthermore, we have proposed an additional assurance report provision (new section 13.1 of OSC Rule 25-501) that would apply to any designated benchmark that is not a designated commodity benchmark, a designated critical benchmark or a designated interest rate benchmark (e.g., if the OSC were to designate a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark).

We have also proposed changes to the CP to reflect the Revised Assurance Report Requirements.

Other

The Proposed Amendments and the Proposed Changes also include certain clarifications to other language in OSC Rule 25-501 and CP, respectively.

Since the Proposed Amendments are based on, and consistent with, proposed amendments to MI 25-102, for additional information, see the CSA Notice.

Anticipated Costs and Benefits of the Proposed Amendments and the Proposed Changes

In Ontario, a designated benchmark or designated benchmark administrator would be designated under both the *Securities Act* (Ontario) and the *Commodity Futures Act* (Ontario) (the **CFA**) and would be subject to the requirements of both MI 25-102 and OSC Rule 25-501. This is necessary to ensure benchmark regulation is comprehensive and addresses both Ontario securities laws and Ontario commodity futures laws.

OSC Rule 25-501 and the Proposed Amendments are based on, and consistent with, MI 25-102 and the proposed amendments to MI 25-102 in the CSA Notice. Therefore, the Proposed Amendments are not expected to create any incremental costs because

a designated benchmark administrator or a benchmark contributor to a designated benchmark would be subject to substantively similar requirements under the proposed amendments to MI 25-102 set out in the CSA Notice.

For additional information, see Annex F of the CSA Notice in Ontario, which sets out the OSC's detailed description of the anticipated costs and benefits of the proposed amendments to MI 25-102.

Overall, the OSC is of the view that the regulatory costs of the Proposed Amendments and the Proposed Changes are proportionate to the benefits that would be realized by impacted market participants and the broader Canadian market.

Unpublished Materials

In developing the Proposed Amendments and the Proposed Changes, we have not relied on any significant unpublished study, report or other written materials.

Impact on Investors

As a designated benchmark administrator or a benchmark contributor to a designated benchmark would be subject to substantively similar requirements under the proposed amendments to MI 25-102 set out in the CSA Notice, the Proposed Amendments are not expected to have any additional impact on investors. The impact on investors (*i.e.*, a subset of benchmark users) of the proposed amendments to MI 25-102 is included in Annex F of the CSA Notice in Ontario.

Alternatives Considered

Other than the status quo, no alternatives to the Proposed Amendments were considered. The status quo was not considered an appropriate alternative for the reasons set out under the heading "Alternatives Considered" in Annex F of the CSA Notice in Ontario.

Authority for the Proposed Amendments

The rule making authority for the Proposed Amendments is provided in paragraph 34 to 39 of subsection 65(1) of the CFA.

Request for Comments

We welcome your comments on the Proposed Amendments and the Proposed Changes and also invite comments on the specific questions set out in Annex C of this Notice. Please submit your comments in writing on or before August 28, 2024. Please send your comments by email. Your submissions should be provided in Microsoft Word format.

We cannot keep submissions confidential because applicable legislation requires publication of the written comments received during the comment period. All comments received will be posted on the OSC website at osc.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Deliver your comments **only** to the address below.

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
comment@osc.gov.on.ca

Contents of Annexes:

This Notice includes the following Annexes:

Annex A: Proposed Amendments to OSC Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators*

Annex B: Proposed Changes to Companion Policy 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators*

Annex C: Specific questions relating to the Proposed Amendments

Questions

Please refer your questions to any of the following:

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ANNEX A

PROPOSED AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 25-501 (COMMODITY FUTURES ACT)
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

1. Ontario Securities Commission Rule 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators is amended by this Instrument.

2. Subsection 1(1) is amended by repealing the definitions of "*CSAE 3000*", "*CSAE 3001*", "*CSAE 3530*", "*CSAE 3531*", "*ISAE 3000*", "*limited assurance report on compliance*", and "*reasonable assurance report on compliance*".

3. Subsection 1(1) is amended by adding the following definition before the definition of "*subject requirements*":

"reasonable assurance report on controls" means a report prepared on a reasonable assurance basis

(a) by a public accountant on the statement of an individual or management of a person or company, as applicable, that

(i) relates to the description, design and implementation of policies, procedures and controls by the individual or management with respect to applicable subject requirements, and

(ii) states whether those policies, procedures and controls operated effectively over the applicable period, and

(b) in accordance with

(i) the Handbook, or

(ii) International Standards on Assurance Engagements set by the International Auditing and Assurance Standards Board, as amended from time to time;***.***

4. Subsection 1(1) is amended in the definition of "*subject requirements*" by adding the following paragraph:

(a.0) paragraphs 13.1(1)(a) and (b),***.***

5. Paragraph 5(2)(b) is amended by replacing "a public accountant's limited assurance report on compliance or a reasonable assurance report on compliance***" with "***or a reasonable assurance report on controls***".***

6. Paragraphs 7(8)(f) and 7(8)(g) are amended by replacing "public accountant's limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

7. The following section is added:

Assurance report on designated benchmark administrator

13.1(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated benchmark it administers that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16, and 26, and

(b) following the methodology of the designated benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement, within 12 months of the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated benchmark, the period commencing 3 months before the end of the 12 months referred to in paragraph (2)(a) and ending on the last day of that 12 months, and

(b) in the case of any subsequent report for a designated benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the Director*..*

8. ***Paragraphs 24(4)(f), 24(5)(a) and (b) and 26(3)(b) are amended by replacing "***limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

9. ***Section 32 is repealed and the following substituted:***

Assurance report on designated benchmark administrator

32.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated critical benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16 and 26, and

(b) following the methodology of the designated critical benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated critical benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of those 12 months, and

(b) in the case of any subsequent report for a designated critical benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of those 12 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the Director*..*

10. ***Section 33 is repealed and the following substituted:***

Assurance report on benchmark contributor requested by oversight committee

33.(1) If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with section 24, and

(b) following the methodology of the designated critical benchmark.

(2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).

(3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight committee.

(4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee,

(b) the board of directors of the designated benchmark administrator, and

(c) the Director**..**

11. Section 36 is repealed and the following substituted:

Assurance report on designated benchmark administrator

36.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated interest rate benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with sections 5, 8 to 16, 26 and 34, and

(b) following the methodology of the designated interest rate benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement

(i) in the case of a designated interest rate benchmark with a benchmark contributor, within 6 months after the later of

(A) the introduction of a code of conduct for a benchmark contributor referred to in section 23, and

(B) the designation of the benchmark, or

(ii) in the case of a designated interest rate benchmark without a benchmark contributor, within 12 months of the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months or 12 months referred to in paragraph (2)(a) and ending on the last day of those 6 months or 12 months, and

(b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the Director**..**

12. Subsection 37 is repealed and the following substituted:

Assurance report on benchmark contributor requested by oversight committee

37.(1) If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with sections 24 and 39, and

(b) following the methodology of the designated interest rate benchmark.

(2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).

(3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight committee.

(4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee,

(b) the board of directors of the designated benchmark administrator, and

(c) the Director**.**

13. Subsection 38 is repealed and the following substituted:

Assurance report on benchmark contributor required at certain times

38.(1) A benchmark contributor to a designated interest rate benchmark must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's

(a) compliance with sections 24 and 39,

(b) following the methodology of the designated interest rate benchmark, and

(c) following the code of conduct referred to in section 23.

(2) A benchmark contributor must ensure that an engagement referred to in subsection (1) occurs

(a) in the case of the first engagement, 6 months after the later of

(i) the introduction of a code of conduct for benchmark contributors referred to in section 23, and

(ii) the designation of the benchmark, and

(b) in the case of any subsequent engagement, once every 24 months.

(3) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the end of the 6 months or 24 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months referred to in paragraph (2)(a) and ending on the last day of those 6 months, and

(b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

(5) A benchmark contributor must, within 100 days of the end of the 6 months or 24 months referred to in subsection (2), deliver a copy of the report to

(a) the oversight committee referred to in section 7,

(b) the board of directors of the designated benchmark administrator, and

(c) the Director**.**

14. Paragraphs 39(8)(b) and 40.11(3)(b) are amended by replacing "limited assurance report on compliance or reasonable assurance report on compliance***" with "***reasonable assurance report on controls***".***

15. Subsection 40.13 is repealed and the following substituted:

Assurance report on designated benchmark administrator

40.13.(1) A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated commodity benchmark it administers, relating to the designated benchmark administrator's

(a) compliance with subsection 5(1) and sections 11 to 13, 40.3, 40.4, 40.6, 40.7, and 40.9 to 40.12, and

(b) following the methodology applicable to the designated commodity benchmark.

(2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.

(3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).

(4) For purposes of subsection (1), the applicable period for the report is

(a) in the case of the first report for a designated commodity benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of that 12 months, and

(b) in the case of any subsequent report for a designated commodity benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of that 12 months.

(5) A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the Director.

16. This Instrument comes into force on ●.

ANNEX B

PROPOSED CHANGES TO
COMPANION POLICY 25-501 (COMMODITY FUTURES ACT)
DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS

1. Companion Policy 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators is changed by this Document.

2. Subsection 1(1) with the heading of "Definition of input data" is changed by replacing "s. 1(3)***" with "***subsection 1(3)***".***

3. Subsection 1(1) with the heading of "Definitions of limited assurance report on compliance and reasonable assurance report on compliance" is replaced with the following:

Subsection 1(1) – Definition of reasonable assurance report on controls

A "reasonable assurance report on controls" must be prepared in accordance with the applicable Canadian Standard on Assurance Engagements (CSAE) under the Handbook or the applicable International Standard on Assurance Engagements (ISAE). The applicable CSAE and ISAE require that any public accountant that prepares such a report be independent.

In the Rule, "Handbook" has the meaning set out in National Instrument 14-101 *Definitions*.

A reasonable assurance report on controls is required, as applicable, by sections 13.1, 32, 33, 36, 37, 38 and 40.13 of the Rule.

- The definition of "reasonable assurance report on controls" refers to "applicable subject requirements". The term "subject requirements" is defined in subsection 1(1) of the Rule and refers to paragraphs 13.1(1)(a) and (b), 32(1)(a) and (b), 33(1)(a) and (b), 36(1)(a) and (b), 37(1)(a) and (b), 38(1)(a), (b) and (c) and 40.13(1)(a) and (b) of the Rule.
- The reference to "12 months" in subsections 32(2) and 40.13(2) of the Rule refers to any period of 12 consecutive months and does not need to correspond to a calendar year or a financial year of a designated benchmark administrator.
- The definition of "reasonable assurance report on controls" refers to "applicable period" (which is relevant for the reference to "the applicable period for the report" in subsections 13.1(4), 32(4), 33(3), 36(4), 37(3), 38(4) and 40.13(4) of the Rule).
- In the case a reasonable assurance report on controls requested by an oversight committee under section 33 or 37 of the Rule, the oversight committee would specify the beginning and the end of the applicable period for the report, as contemplated by subsection 33(3) and 37(3) of the Rule, respectively..

4. Subsection 36(1) with the heading of "Assurance report for designated interest rate benchmark" is changed by replacing the first paragraph with the following:

Subsection 36(1) of the Rule provides that a designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, relating to the designated benchmark administrator's compliance with certain sections of the Rule and following the methodology of each designated interest rate benchmark it administers..

5. Part 8.1 is changed

(a) in the sixth bullet of the first paragraph under the heading of "Publication of information" by replacing "limited assurance report or a reasonable assurance report***" with "***reasonable assurance report on controls***".***

(b) in the second paragraph under the heading "Subsections 40.1(3) and (4) – Dual designation as a commodity benchmark and a regulated-data benchmark" by replacing "an assurance report***" with "***a reasonable assurance report on controls***".***

6. Section 40.13 with the heading of "Assurance report on designated benchmark administrator" is deleted.

7. These changes become effective on ●.

ANNEX C

SPECIFIC QUESTIONS RELATING TO THE PROPOSED AMENDMENTS

Revised Assurance Report Requirements

1. The Proposed Amendments provide that a reasonable assurance report on controls must consider whether controls operated effectively over "the applicable period". For the first reasonable assurance report on controls to be provided for a designated critical benchmark or a designated interest rate benchmark, the applicable period is specified to be a 3-month "look back" period. Is the proposed 3-month "look back" period an appropriate period for the first reasonable assurance report on controls to be so provided?

2. Proposed subsections 33(2) and 37(2) of OSC Rule 25-501 provide that a benchmark contributor must ensure that a reasonable assurance report on controls is provided by a public accountant to the benchmark contributor within 90 days of a request of the oversight committee. Is the proposed 90-day period a sufficient period of time? Should it be a shorter period? [3]

New assurance report provision

3. By way of background,

   - the assurance report provisions in the existing version of OSC Rule 25-501 only apply to designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks, and
   - the Proposed Amendments include a new assurance report provision (proposed section 13.1 of OSC Rule 25-501) that would apply to any other benchmark that is designated by a decision of a securities regulatory authority (e.g., a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark.

   In this context, do you:

   (a) agree that proposed section 13.1 of OSC Rule 25-501 is appropriate, or

   (b) have alternative proposals for a different type of assurance report that may be more appropriate for a crypto asset benchmark but still provide a sufficient level of assurance for a public accountant to conclude on the operating effectiveness of controls?

4. What issues would an accounting firm encounter in providing an assurance report on a crypto asset benchmark that it would not otherwise face when providing an assurance report on a commodity benchmark or an interest rate benchmark?

[3] It has been suggested that a shorter period may be appropriate in certain situations where the oversight committee makes a request for a reasonable assurance report on controls following the emergence of a problem or material issue that the oversight committee has identified or become aware of.

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B.7
Insider Reporting

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

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

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

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
U.S. All Cap Equity Index Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 23, 2024
NP 11-202 Preliminary Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06134911

Issuer Name:
Purpose Ether Staking Corp. ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 22, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06133238

Issuer Name:
AGF Canadian Growth Equity Fund
AGF China Focus Fund
AGF Emerging Markets ex China Fund
AGF Enhanced U.S. Equity Income Fund
AGF U.S. Sector Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 23, 2024
NP 11-202 Final Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06115576

Issuer Name:
Barrantagh Small Cap Canadian Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 21, 2024
NP 11-202 Final Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06115404

Issuer Name:
Purpose Ether Staking Corp. ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 17, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06133238

Issuer Name:
CI Canada Quality Dividend Growth Index ETF
CI Canadian Aggregate Bond Index ETF
CI Canadian Short-Term Aggregate Bond Index ETF
CI Emerging Markets Dividend Index ETF
CI Europe Hedged Equity Index ETF
CI ICBCCS S&P China 500 Index ETF
CI International Quality Dividend Growth Index ETF
CI Japan Equity Index ETF
CI ONE Global Equity ETF
CI ONE North American Core Plus Bond ETF
CI U.S. MidCap Dividend Index ETF
CI U.S. Quality Dividend Growth Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 23, 2024
NP 11-202 Final Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06125737

Issuer Name:
Liquid Alternative Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 24, 2024
NP 11-202 Preliminary Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06134952

Issuer Name:
U.S. All Cap Equity Index Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 24, 2024
NP 11-202 Preliminary Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06134911

Issuer Name:
Educators Balanced Fund
Educators Bond Fund
Educators BrighterFuture Bond Fund
Educators BrighterFuture Global Equity Fund
Educators Dividend Fund
Educators Growth Fund
Educators Money Market Fund
Educators Monitored Aggressive Portfolio
Educators Monitored Balanced Portfolio
Educators Monitored Conservative Portfolio
Educators Monitored Growth Portfolio
Educators Monthly Income Fund
Educators Mortgage & Income Fund
Educators U.S. Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 17, 2024
NP 11-202 Final Receipt dated May 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06114511

Issuer Name:
Longevity Pension Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 24, 2024
NP 11-202 Final Receipt dated May 27, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06119771

Issuer Name:
Brompton Canadian Cash Flow Kings ETF
Brompton International Cash Flow Kings ETF
Brompton U.S. Cash Flow Kings ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 21, 2024
NP 11-202 Final Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06116644

Issuer Name:
iShares S&P 500 3% Capped Index ETF
iShares S&P 500 3% Capped Index ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated May 24, 2024
NP 11-202 Preliminary Receipt dated May 27, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06135767

Issuer Name:
Tradex Bond Fund
Tradex Equity Fund Limited
Tradex Global Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 17, 2024
NP 11-202 Final Receipt dated May 23, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06114586

Issuer Name:
iShares S&P 500 3% Capped Index ETF
iShares S&P 500 3% Capped Index ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated May 27, 2024
NP 11-202 Preliminary Receipt dated May 27, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06135767

Issuer Name:
CI Canada Quality Dividend Growth Index ETF
CI Canadian Aggregate Bond Index ETF
CI Canadian Short-Term Aggregate Bond Index ETF
CI Emerging Markets Dividend Index ETF
CI Europe Hedged Equity Index ETF
CI ICBCCS S&P China 500 Index ETF
CI International Quality Dividend Growth Index ETF
CI Japan Equity Index ETF
CI ONE Global Equity ETF
CI ONE North American Core Plus Bond ETF
CI U.S. MidCap Dividend Index ETF
CI U.S. Quality Dividend Growth Index ETF
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated May 23, 2024
NP 11-202 Final Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06125737

Issuer Name:
FDP Balanced Growth Portfolio
FDP Balanced Income Portfolio
FDP Balanced Portfolio
FDP Canadian Bond Portfolio
FDP Canadian Dividend Equity Portfolio
FDP Canadian Equity Portfolio
FDP Emerging Markets Equity Portfolio
FDP Global Equity Portfolio
FDP Global Fixed Income Portfolio
FDP Municipal Bond Portfolio
FDP US Equity Portfolio
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated May 24, 2024
NP 11-202 Final Receipt dated May 27, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06103831

Issuer Name:
NCM Balanced Income Portfolio
NCM Core Canadian
NCM Core Global
NCM Core International
NCM Dividend Champions
NCM Global Equity Balanced Portfolio (formerly, NCM Growth and Income Portfolio)
NCM Global Income Balanced Portfolio (formerly, NCM Conservative Income Portfolio)
NCM Global Income Growth Class
NCM Income Growth Class
NCM Small Companies Class
Principal Regulator – Alberta
Type and Date:
Final Simplified Prospectus dated May 21, 2024
NP 11-202 Final Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06114710

Issuer Name:
Liquid Alternative Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 23, 2024
NP 11-202 Preliminary Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06134952

Issuer Name:
Mawer Balanced Fund
Mawer Canadian Bond Fund
Mawer Canadian Equity Fund
Mawer Canadian Money Market Fund
Mawer EAFE Large Cap Fund
Mawer Emerging Markets Equity Fund
Mawer Global Balanced Fund
Mawer Global Credit Opportunities Fund
Mawer Global Equity Fund
Mawer Global Small Cap Fund
Mawer International Equity Fund
Mawer New Canada Fund
Mawer Tax Effective Balanced Fund
Mawer U.S. Equity Fund
Mawer U.S. Mid Cap Equity Fund
Principal Regulator – Alberta
Type and Date:
Final Simplified Prospectus dated May 17, 2024
NP 11-202 Final Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06112844

Issuer Name:
BMO Private Canadian Bond Portfolio
BMO Private Canadian Core Equity Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Canadian Income Equity Portfolio
BMO Private Canadian Money Market Portfolio
BMO Private Canadian Special Equity Portfolio
BMO Private Diversified Yield Portfolio
BMO Private Emerging Markets Equity Portfolio
BMO Private International Equity Portfolio
BMO Private U.S. Equity Portfolio
BMO Private U.S. Growth Equity Portfolio
BMO Private U.S. Special Equity Portfolio
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 17, 2024
NP 11-202 Final Receipt dated May 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06113170

Issuer Name:
Fidelity Canadian Growth Company Class
Fidelity Small Cap America Class
Fidelity U.S. Growth Opportunities Systematic Currency Hedged Class
Fidelity Insights Class®
Fidelity International Growth Class
Fidelity Global Innovators® Class
Fidelity Global Innovators® Currency Neutral Class
Fidelity Technology Innovators Class
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 23, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06097749, 06098068, 06098691, 06098827

Issuer Name:
Fidelity Total Metaverse ETF
Fidelity U.S. Dividend for Rising Rates Currency Neutral ETF
Fidelity U.S. Low Volatility Currency Neutral ETF
Fidelity U.S. Momentum Currency Neutral ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 5 to Final Long Form Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 23, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03560996

Issuer Name:
Fidelity Global Equity+ Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 2 to Amended and Restated Simplified Prospectus dated May 16, 2024
NP 11-202 Final Receipt dated May 22, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06006900

Issuer Name:
First Trust Vest U.S. Equity Buffer ETF - May
Principal Regulator – Ontario
Type and Date:
Amendment No. 4 to Final Long Form Prospectus dated May 21, 2024
NP 11-202 Final Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03560908

Issuer Name:
CI Canada Quality Dividend Growth Index Fund
(formerly CI WisdomTree Canada Quality Dividend Growth Index Fund)
CI U.S. Quality Dividend Growth Index Fund
(formerly CI WisdomTree U.S. Quality Dividend Growth Index Fund)
CI International Quality Dividend Growth Index Hedged Fund
(formerly CI WisdomTree International Quality Dividend Growth Index Hedged Fund)
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated May 23, 2024
NP 11-202 Final Receipt dated May 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062981

NON-INVESTMENT FUNDS

Issuer Name:
Proton Capital Corp.
Principal Regulator – Saskatchewan
Type and Date:
Final Long Form Prospectus dated May 24, 2024
NP 11-202 Receipt dated May 24, 2024
Offering Price and Description:
Up to $40,000,000
Up to 100,000,000 Common Shares
Over-Allotment Option: Up to $6,000,000
Up to 15,000,000 Common Shares
Price: $0.40 per Common Share
Filing # 06098900

Issuer Name:
TransAlta Corporation
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated May 23, 2024
NP 11-202 Receipt dated May 24, 2024
Offering Price and Description:
Common Shares, First Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06134908

Issuer Name:
Adelphi Metals Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 23, 2024
Offering Price and Description:
$350,000 (3,500,000 COMMON SHARES)
Price: $0.10 per Offered Share
Filing # 06134467

Issuer Name:
Brookfield Finance II LLC
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Preferred Shares (representing limited liability company interests)
Filing # 06133916

Issuer Name:
Brookfield Finance II Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities
Filing # 06133914

Issuer Name:
Brookfield Finance I (UK) PLC
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities
Filing # 06133909

Issuer Name:
Brookfield Finance (Australia) Pty Ltd
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities
Filing # 06133906

Issuer Name:
Brookfield Capital Finance LLC
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities
Filing # 06133895

Issuer Name:
Brookfield Finance Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities
Filing # 06133893

Issuer Name:
Brookfield Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 21, 2024
NP 11-202 Preliminary Receipt dated May 22, 2024
Offering Price and Description:
US$3,500,000,000
Debt Securities, Class A Preference Shares, Class A Limited Voting Shares
Filing # 06133890

Issuer Name:
Glass House Brands Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated May 17, 2024
NP 11-202 Receipt dated May 21, 2024
Offering Price and Description:
Subordinate Voting Shares, Restricted Voting Shares, Limited Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06132966

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: PI Financial Corp. To: Ventum Financial Corp.	Investment Dealer and Futures Commission Merchant	May 1, 2024
Change in Registration Categories	Putnam Investments Canada ULC	From: Portfolio Manager, Investment Fund Manager, Exempt Market Dealer, Commodity Trading Counsel and Commodity Trading Manager To: Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager	May 16, 2024
Change of Registration Categories	Carriage House Wealth Ltd.	From: Portfolio Manager To: Portfolio Manager and Exempt Market Dealer	May 22, 2024
New Registration	Endurance Capital Corporation	Investment Fund Manager Exempt Market Dealer Portfolio Manager	May 23, 2024
Name Change	From: Evermore Capital Inc. To: LongPoint Asset Management Inc.	Investment Fund Manager and Portfolio Manager	April 26, 2024

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.3 Clearing Agencies

B.11.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Default Manual of the CDCC Regarding the Corporation's Default Risk Capital Amount Available During a Default Management Process – Notice of Material Rule Submission

NOTICE OF MATERIAL RULE SUBMISSION

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

**PROPOSED AMENDMENTS TO
THE DEFAULT MANUAL OF THE CDCC REGARDING
THE CORPORATION'S DEFAULT RISK CAPITAL AMOUNT
AVAILABLE DURING A DEFAULT MANAGEMENT PROCESS**

CDCC has submitted to the Commission proposed amendments to the CDCC Default Manual regarding its Default Risk Capital amount available during a default management process.

The purpose of the proposed amendments, which are subject to Commission approval, is to increase the CDCC's Default Risk Capital amount, and to remove the reference to the specific Default Risk Capital amount from CDCC's Default Manual.

The proposed amendments have been posted for public comment on CDCC's **website**. The comment period ends on June 27, 2024.

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