The Ontario Securities Commission

OSC Bulletin

March 27, 2025

Volume 48, Issue 12

(2025), 48 OSCB

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).

The Ontario Securities Commission
Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Contact Centre:
Toll Free: 1-877-785-1555
Local: 416-593-8314
TTY: 1-866-827-1295
Fax: 416-593-8122
Email: inquiries@osc.gov.on.ca

Capital Markets Tribunal:
Local: 416-595-8916
Email: registrar@osc.gov.on.ca

Published under the authority of the Commission by:
Thomson Reuters
19 Duncan Street
Toronto, Ontario
M5H 3H1
416-609-3800 or 1-800-387-5164

43300724

The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Printed in the United States by Thomson Reuters.

ISSN 0226-9325

THOMSON REUTERS
19 Duncan Street
Toronto, ON
M5H 3H1
Canada

Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
Email CustomerSupport.LegalTaxCanada@TR.com

Table of Contents

B. Ontario Securities Commission

B.1
Notices

B.1.1 CSA Staff Notice 25-313 – 2024 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investor Protection Fund

CSA Staff Notice 25-313 ***2024 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investor Protection Fund*** is reproduced on the following internally numbered pages. Bulletin formatting and pagination resumes at the end of the Staff Notice.

This page intentionally left blank

Canadian Securities Administrators

Autorités canadiennes en valeurs mobilières

CSA STAFF NOTICE 25-313

2024 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investor Protection Fund

March 27, 2025

Contact Us
csa-acvm-secretariat@acvm-csa.ca

Visit Our Website
http://www.securities-administrators.ca/

Canadian Securities Administrators | Autorités canadiennes en valeurs mobilières

TABLE OF CONTENTS

2024 HIGHLIGHTS

249 *Firms*

107,772 *Approved Persons*

$5.3 Trillion *Assets Under Administration*

 *100 + Meetings*

 *6 Rules Approved*

 *11 Rules In Progress*

 *71 Materials Filed*

WHO WE ARE

The Canadian Securities Administrators (**CSA**) is the council of Canada's provincial and territorial securities regulators. Its objective is to improve, coordinate and harmonize regulation of the Canadian capital markets to ensure the smooth operation of Canada's securities industry and protect investors.

The securities regulatory authorities (**CSA Members)** in all thirteen provinces and territories have recognized the Canadian Investment Regulatory Organization (**CIRO**)[1] and approved/accepted the Canadian Investor Protection Fund (**CIPF**)[2].

Acronym	Name of CSA Members
AMF	Autorité des marchés financiers
ASC	Alberta Securities Commission
BCSC	British Columbia Securities Commission
FCAA	Financial and Consumer Affairs Authority of Saskatchewan
FCNB	Financial and Consumer Services Commission of New Brunswick
MSC	Manitoba Securities Commission
NL	Office of the Superintendent of Securities, Digital Government and Service Newfoundland and Labrador
NSSC	Nova Scotia Securities Commission
NT	Office of the Superintendent of Securities, Northwest Territories
NU	Office of the Superintendent of Securities, Nunavut Office
OSC	Ontario Securities Commission
PEI	Prince Edward Island Office of the Superintendent of Securities
YT	Office of the Yukon Superintendent of Securities

[1] Each province and territory issues a recognition order (Recognition Order) pursuant to applicable legislation providing a securities regulator with the power to recognize a self-regulatory organization or entity responsible for regulating the operations and the standards of practice and business conduct of investment dealers and mutual fund dealers (SRO). The Canadian Investment Regulatory Organization (CIRO) is the SRO, which operates as a successor to the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). IIROC and the MFDA amalgamated to continue as the New Self-Regulatory Organization of Canada (New SRO), on January 1, 2023, which subsequently changed its name to CIRO on June 1, 2023.

[2] An investor protection fund (**IPF**) may compensate investors for financial losses in respect of property held in their account caused solely by the insolvency of an investment dealer or mutual fund dealer. There is currently one approved/accepted IPF, CIPF formed through the amalgamation of two protection funds, the former Canadian Investor Protection Fund and the MFDA Investor Protection Corporation, on January 1, 2023. Analogous to the recognition of CIRO, CIPF has been approved/accepted through approval orders (**Approval Orders**).

EXECUTIVE SUMMARY

We are pleased to share CSA Staff Notice 25-313 *2024 Annual Activities Report on the Oversight of Canadian Investment Regulatory Organization and Canadian Investor Protection Fund* (**Report**) summarizing the key activities through which we conduct oversight of CIRO and CIPF.

This Report covers the period of January 1 – December 31, 2024 (the **Reporting Period**).

During the Reporting Period we addressed a variety of matters, some relating to CIRO's amalgamation[3]. Key matters we considered during the Reporting Period include:

- dual registration of CIRO dealer members;
- the consolidation of rules applicable to investment dealers and mutual fund dealers;
- a new consolidated fee model that CIRO will apply to investment dealers and mutual fund dealers;
- the exploration of CSA Members delegating the registration of investment dealers and mutual fund dealers, and the individuals who act on their behalf, to CIRO;
- expediting the registration of crypto trading platforms as CIRO members.

In addition to these key matters, CSA Members also conducted continuing regular oversight which includes our review of amendments to CIRO rules and CIPF policies and by-laws; review of required filings from CIRO and CIPF; and the CSA's 2024 Oversight Review of specific processes in three functional areas of CIRO. Post-close initiatives will continue to be an area of focus in 2025.

This Report is an important tool for engaging with our stakeholders. The objectives of this Report are to provide transparency, foster public confidence in the regulatory framework, and explain our role in overseeing CIRO's and CIPF's compliance with securities regulation. We welcome any questions or feedback that you may have.

[3] A number of these matters relates to the amalgamation of IIROC and MFDA as described in the CSA Position Paper 25-404 *New Self-Regulatory Organization Framework* published on August 3, 2021.

WHAT WE DO

The oversight of CIRO is coordinated through a Memorandum of Understanding (**MOU**) among CSA Members. The MOU describes the oversight program used by CSA Members to:

- oversee CIRO's performance of its self-regulatory activities and services;
- ensure that CIRO is acting in the public interest and complying with the terms and conditions of its Recognition Orders.

A similar MOU exists for the oversight of CIPF.

Coordinators

Each MOU sets out that two CSA Members are designated as coordinators, tasked with the role of coordinating, communicating and scheduling activities of the oversight program between CSA Members, and between CSA Members and CIRO or CIPF (**Coordinators**).

The Coordinators serve for four years on a staggered rotation basis among the two designated CSA Members. In 2023, BCSC and OSC were designated as the inaugural Coordinators by consensus of all CSA Members. Starting in 2026, ASC will replace BCSC as Coordinator for a four-year term.

Oversight Committees

Each MOU requires the establishment of the CSA Market Regulation Steering Committee (**MRSC**)[4] and the Oversight Committees for CIRO and CIPF (**Oversight Committees**)[5]. Each Oversight Committee acts as a forum to discuss issues, concerns and proposals related to the oversight of their respective entities. The committees include representatives from CSA Members, with the Coordinators serving as the leads.

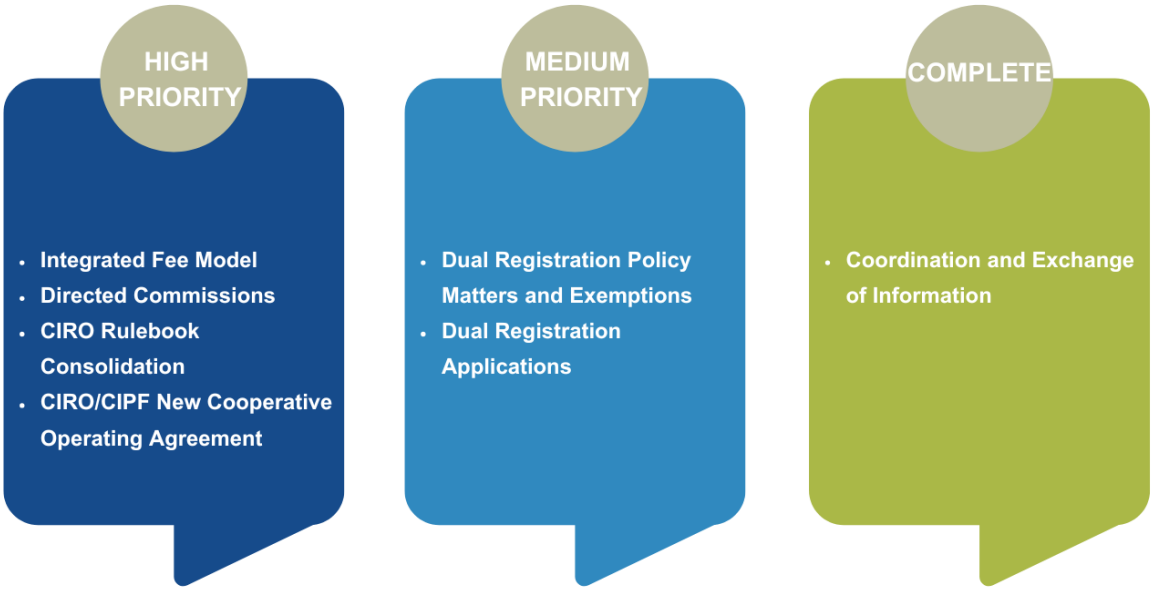
CSA Oversight Program

Components of the self-regulatory organization (**SRO**) and investor protection fund (**IPF**) oversight program, including an annual risk assessment, the oversight review of CIRO which will be published in a separate report later this year, review of proposed rules and other materials filed, and meetings, are outlined in Appendix A.

[4] The MRSC is the forum for coordination and providing updates where issues relate to both CIRO and CIPF.
[5] The Oversight Committees are operational committees under the oversight of MRSC.

POST-CLOSE INITIATIVES

During the Reporting Period, the Oversight Committees continued to work on various solutions outlined in CSA Position Paper 25-404 *New Self-Regulatory Organization Framework* (the Position Paper), as set out below.



	Post-close Initiative	Priority / Status	Scope
1.	Integrated Fee Model	**High**	• CSA Members reviewed CIRO's new integrated fee model that CIRO proposed to integrate fees applied to all its members. CIRO will implement the new integrated fee model for its 2026 fiscal year.
2.	Directed Commissions	**High**	• CSA Members are monitoring steps that CIRO is proposing relating to the compensation of dealing representatives of investment dealers and mutual fund dealers, including the publication on January 25, 2024, of CIRO's Position Paper requesting public comments on its proposed approaches.
3.	CIRO Rulebook Consolidation	**High**	• CSA Members are reviewing CIRO's proposed Dealer and Consolidated Rules (the **DC Rules**) to consolidate and harmonize the rulebooks for investment dealers and mutual fund dealers over five phases. The entirety of the five phases will be republished in 2026. The DC Rules

	Post-close Initiative	Priority / Status	Scope
			would replace the current Investment Dealer and Partially Consolidated (**IDPC**) and mutual fund dealer Rules.
4.	CIRO/CIPF New Cooperative Operating Agreement	**High**	• In 2022, the predecessor SROs and IPFs entered into a Transitional Agreement, that came into effect on January 1, 2023, designed to ensure that existing arrangements between the predecessor entities would continue to govern the relationship between CIRO and CIPF. • CSA Members continue to oversee the development of the new Cooperative Operating Agreement which will replace the current Transitional Agreement entered into by the respective legacy entities of CIRO and CIPF.
5.	Dual Registration Policy Matters and Exemptions	**Medium**	• CSA Members continue to consider dual registration matters and whether there are any potential challenges associated with these applications. CSA Members and CIRO staff are discussing novel issues related to the dual registration of investment dealers and mutual fund dealers.
6.	Dual Registration Applications	**Medium**	• As policy issues are identified, they are being discussed among CSA Members working on Initiatives #5 (dual registration policy matters and exemptions) and #6 (dual registration applications).
7.	Coordination and Exchange of Information	**Complete**	• CSA Members continued to engage CIRO on the coordination and exchange of information, regarding the supervision of market related data and other information. The project was completed in November 2024.

WHO WE REGULATE

(A) CIRO

(i) Regulatory Status

CSA Members have given CIRO, as an SRO, the responsibility to govern the operations and business conduct of investment dealers and mutual fund dealers and their representatives, and the trading activity on members of CIRO that are marketplaces. The authority of CIRO to carry out certain regulatory functions is set out in the Recognition Orders, along with the terms and conditions that CIRO is required to comply with in carrying out its regulatory functions.

(ii) Member Firm Statistics

As of December 31	2024	2023	% Change
Assets Under Administration	$5.3 Trillion	$4.5 Trillion	17.8%
Approved Persons	107,772	109,777	-1.9%
Firms			
Investment Dealer	161 [7]	169	
Mutual Fund Dealer	80	82	
Dual Registered[6]	8	4	
Total	249 [8]	255	-2.4%

The increase in CIRO's assets under administration was mainly attributable to an increase in equity markets during the Reporting Period.

[6] A dual registered firm is a firm that is registered as both an investment dealer and a mutual fund dealer.

[7] Within the 160 investment dealers are 3 crypto-asset trading platforms.

[8] The total does not include the 17 Québec "deemed members" that are not subject, during the transition phase, to CIRO's rules and continue to be subject to the regulatory framework applicable in Québec, including National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.*

(iii) Member Firms by Head Office Location

The following diagram represents the distribution of 249 member firms by head office location.

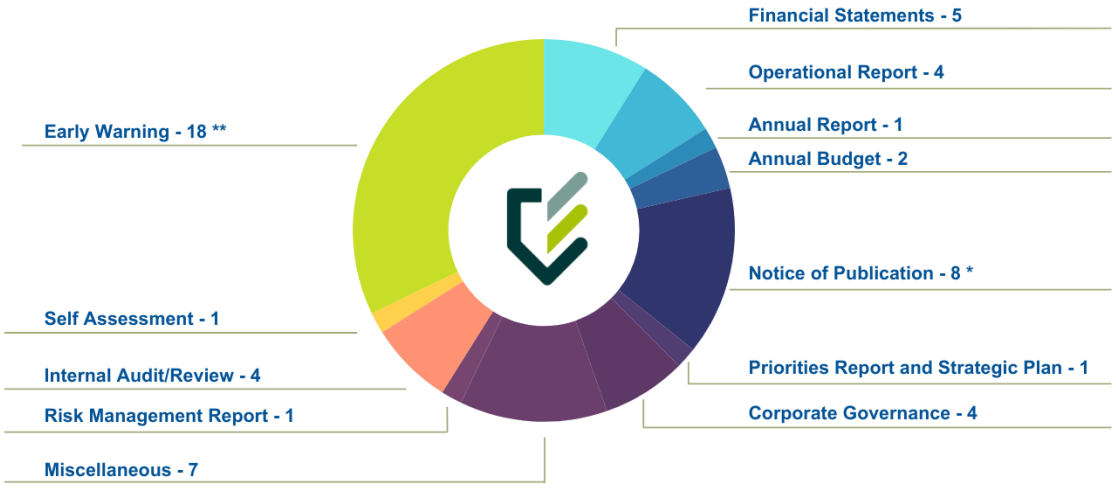
Head Office Location	Members	Head Office Location	Members	Head Office Location	Members
Alberta	20	New Brunswick	1	Saskatchewan	3
British Columbia	16	Ontario	163	United Kingdom	2
Manitoba	4	Québec	33	United States	7

(iv) Rule Reviews

During the Reporting Period, 6 CIRO rule amendments were approved or not objected to by CSA Members. Eleven rule amendments continue to be under review as of December 31, 2024.

(v) Materials Filed

CIRO was responsible for filing certain information with CSA Members on a regular or ad hoc basis. During the Reporting Period, 56 filings were received from CIRO and reviewed by CSA Members.



* Advance notice of CIRO publications is provided to the CSA
** Early warning filings are notifications about dealer members in financial distress

(vi) Meetings and Other Discussions

During regular meetings held with CIRO, among other varied topics, the following key subjects were discussed and followed up by CSA Members.

Topic	Activities During the Reporting Period
SRO Transition	• Integration priorities, including: Toronto and Calgary office moves; and migration of the mutual fund dealer information technology environment (e.g., networks, servers at data centres) to the existing investment dealer environment. • Completion of back-office information technology harmonization. • Completion of a revised Risk Management Framework, which incorporates the risks of both the investment dealer and mutual fund dealer environments. The Risk Management Framework was reviewed by CSA Members. • CIRO's Transition Management Office (TMO) was wound down on September 30, 2024. All remaining integration work has transitioned to the Enterprise Project Management Office. • Completion of an integrated budget for CIRO's current 2025 fiscal year, which was reviewed by CSA Members. • New Cooperative Operating Agreement with CIPF. Work on completing the agreement continues into 2025.
Registration Delegation	• On November 20, 2024, the CSA announced exploring streamlining registration delegation to CIRO. Work has begun in specific jurisdictions under varying timelines; and subject to the development of an enhanced oversight framework, the registration of investment dealers and mutual fund dealers, and the individuals who act on their behalf are proposed to be delegated to CIRO.
Strategic Plan	• CIRO filed its new three-year strategic plan, for April 1, 2024 to March 31, 2027, which CSA Members reviewed and provided input. • On April 11, 2024, CIRO published its new three-year strategic plan.
Annual Priorities	• CIRO filed its annual priorities for Fiscal 2025 which CSA Members reviewed and provided input. • On June 26, 2024, CIRO published its annual public priorities for Fiscal 2025.
Short Selling	• CIRO has, together with CSA Members, been working to address concerns relating to short selling.[9] • On January 11, 2024, CIRO published amendments to the Universal Market Integrity Rules (UMIR) to support and clarify the short selling framework by adding a new positive requirement to have, prior to order entry, a reasonable expectation to settle a short sale. Proposed guidance was published for comment on the same date to clarify various current and proposed requirements related to short sales and failed trades. The approval and final amendments were published on December 5, 2024.

[9] Joint CSA/IIROC Staff Notice 23-329 *Short Selling in Canada* was published on December 8, 2022. The consultation resulted from: (i) concerns raised by the Capital Markets Modernization Taskforce; and (ii) issues identified during the CSA's work on CSA Staff Notice 25-306 *Activist Short Selling Update*. The consultation provided an overview of the existing regulatory landscape surrounding short selling and requested public feedback on areas for regulatory consideration.
CSA/CIRO's responses to the public comment letters were published in Joint CSA/CIRO Staff Notice 23-332 *Summary of Comments and Responses to CSA/IIROC Staff Notice 23-329 Short Selling in Canada* on November 16, 2023. CSA and CIRO have formed a working group to more broadly examine short selling issues in the Canadian market context.

Topic	Activities During the Reporting Period
Crypto Assets	• CIRO's Membership Intake Team continued to review applications for: (i) new membership from crypto-asset trading platforms; and (ii) business change from existing CIRO investment dealers planning on expanding into the distribution of crypto asset products. • On August 6, 2024, CIRO and CSA Members published a news release reminding crypto trading platforms to prioritize their applications to become investment dealers.
Distributing Funds Disgorged and Collected through CIRO Disciplinary Proceedings to Harmed Investors	• On February 1, 2023, CIRO published a consultation paper *Proposal on Distributing Funds Disgorged and Collected through New SRO Disciplinary Proceedings to Harmed Investors*. The public comment period ended on May 1, 2023. • On October 21, 2024, after carrying out additional research, CIRO published a consultation paper *Distributing Funds Disgorged and Collected through CIRO Disciplinary Proceedings to Harmed Investors (Phase II)*. The public comment period ended on January 20, 2025.
Arbitration Program Review	• On December 6, 2022, IIROC published a consultation paper *Review of the IIROC Arbitration Program*. The public comment period ended on March 6, 2023. • On October 31, 2024, after reaching out to stakeholders and conducting additional research, CIRO published a follow-up consultation paper *Proposal to Modernize the CIRO Arbitration Program*. The public comment period ended on January 31, 2025.
Continuing Education	• On December 19, 2024, CIRO published a request for comments on its proposal to introduce a phased approach to *Harmonizing CIRO's CE Programs* as between investment dealers and mutual fund dealers. Phase 1 proposes to amend rules that have a minimal impact on the CE cycle, while Phase 2 will consider future amendments that have significant impact on operations and/or information technology systems. The current request for comments focuses on the proposed rules for the first phase of harmonization.
Proficiency Regime	• CIRO has undertaken a multi-year initiative to enhance proficiency standards for individuals at investment dealers to improve investor protection.[10] • During the Reporting Period, CSA staff continued monitoring and reviewing CIRO's proposed proficiency regime. • On June 22, 2024, CIRO published clarifying amendments to registration and proficiency requirements.[11] • On July 4, 2024, CIRO published for comment proposed rule amendments respecting *Proficiency Model - Approved Persons under the Investment Dealer and Partially Consolidated Rules*. The public comment period ended on September 17, 2024. • On November 8, 2024, CIRO announced Fitch Learning as its service provider for its new proficiency regime. Fitch Learning's scope of work includes developing and maintaining examinations, and delivering examinations for individuals at investment dealers.

[10] Consultation paper *Proposed Proficiency Model* was published on July 7, 2023. The paper sought feedback on a proficiency model for individuals at investment dealers, approved under the Investment Dealer and Partially Consolidated (**IDPC**) Rules. CIRO proposed a shift from the course-centric model (i.e. exams tied to courses) to an assessment-centric model (i.e. exams based on competency profiles). On September 25, 2023 CIRO published updated competency profiles for Approved Person categories at an investment dealer.

[11] CIRO Notice 23-0096 *Proposed Clarifying Amendments to Registration and Proficiency Requirements* was published on August 31, 2023 to refine and clarify certain registration and proficiency requirements in the IDPC Rules. The public comment period ended on October 2, 2023.

Topic	Activities During the Reporting Period
Client Focused Reforms (**CFRs**)	• CSA and CIRO staff conducted reviews in 2024 to assess registrants' compliance with other CFRs obligations, including the know your client, know your product, and suitability determination requirements that came into force on December 31, 2021. Together, CSA and CIRO staff are discussing the findings and plan to publish additional guidance, which will include suggested practices for industry on compliance with these reform areas.[12]
Cybersecurity	• CSA Members oversaw CIRO's continuing cybersecurity incident reporting by investment dealers. • CIRO continues to provide members with resources for cybersecurity preparedness on its website.
Modernizing Back-Office Arrangements / Subordinated Loans	• GN-4300-23-001 *Direct Registration System Guidance* was published on October 12, 2023, and sets out the IDPC Rules requirements as they relate to the dematerialization of physical certificates and the recording of securities held with issuers in Direct Registration Systems. • CIRO completed the engagement phase with industry to discuss the modernization of rules around back-office arrangements and subordinated debt financing. • In the next phase, recommendations will be reviewed and a plan of action developed. • Future topics for consultation include account transfers and arrangement between introducing and carrying brokers.
Total Cost Reporting	• CSA and Canadian Council of Insurance Regulators (**CCIR**) published changes on April 20, 2023 to enhance total cost reporting (**TCR**) disclosure for investment funds and segregated funds. The TCR enhancements (**Enhancements**) will improve transparency and require annual reporting to clients to show the ongoing costs of owning mutual funds, exchange-traded funds, scholarship plans, and segregated funds. • Enhancements were jointly developed by the CSA, CCIR, the Canadian Insurance Services Regulatory Organizations and CIRO. • On October 10, 2024, CIRO published for comment proposed rule amendments respecting enhanced cost reporting. The public comment period ended on January 8, 2025. • Enhancements should take effect on January 1, 2026.
Trading Increments	• CIRO published, on December 12, 2024, its proposal respecting minimum price increments following the publication of Joint CSA/CIRO Staff Notice 23-331 *Request for Feedback on December 2022 SEC Market Structure Proposals and Potential Impact on Canadian Capital Markets* and the final rules adopted by the U.S. Securities and Exchange Commission (**SEC**) in September 2024. The public comment period ended on January 27, 2025.
CIRO's Office of the Investor and CIRO Investor Advocacy Panel	• CIRO provided quarterly updates on Office of the Investor outreach activities including its Awareness Campaign on fraud and upcoming publications. Also, CSA Members reviewed the following CIRO publications: ○ On April 4, 2024, CIRO published its inaugural *Office of the Investor — Fiscal Year in Review report*;

[12] Findings from the coordinated reviews by the CSA, IIROC and the MFDA during 2022 on the enhanced conflict of interest requirements under the CFRs were published in Joint CSA / CIRO Staff Notice 31-363 *Client Focused Reforms: Review of Registrants' Conflict of Interest Practices and Additional Guidance* on August 3, 2023.

Topic	Activities During the Reporting Period
	○ On June 4, 2024, CIRO published its inaugural *Investor Survey* to gather financial concerns and trends affecting Canadian investors; ○ On September 19, 2024, CIRO published its inaugural *Investor Advisory Panel Annual Report*.
Other Initiatives	• CSA Members engaged CIRO staff on other regulatory matters, such as: ○ CIRO's ongoing role in the surveillance of equity markets in real time, along with its monitoring of debt trading, cross asset trading between derivatives listed on the Montréal Exchange and the underlying securities, and Canadian crypto asset trading platform activity; ○ In June 2023, the AMF issued a new delegation of functions and powers to CIRO and revoked the previous delegation to IIROC issued in 2009. The 2023 delegation order incorporated the functions and powers previously delegated to IIROC and added the registration of individuals who act on behalf of mutual fund dealers and the inspection of mutual fund dealers. On July 11, 2024, the inspection component took effect; ○ After taking into consideration input from stakeholders, including CSA Members, on December 13, 2024, CIRO published an administrative bulletin on its intent to evaluate the limitation of advice in the order execution only channel given the significant growth and evolution in the do-it-yourself (DIY) investing segment. The public comment period ended on February 26, 2025.

(B) CIPF

(i) Regulatory Status

CIPF is approved and accepted as an IPF[13] to provide protection within prescribed limits to eligible clients of CIRO dealer member firms suffering losses, if client property held by a member firm was unavailable as a result of the insolvency of a dealer member.

(ii) Fund Statistics

CIPF maintains two separate funds designed to provide coverage to eligible clients of CIRO members: an Investment Dealer Fund (**IDF**) and Mutual Fund Dealer Fund (**MFDF**).

The IDF liquidity resources are available to satisfy potential claims for coverage by clients of CIRO members registered as an "investment dealer" or in the categories of both "investment dealer" and "mutual fund dealer". The MFDF liquidity resources are available to clients of CIRO members registered as a "mutual fund dealer", except for customer accounts located in Québec for which mutual fund dealers are not required to contribute to the MFDF and, accordingly, those accounts are not afforded coverage by the MFDF.

Both funds maintain their own insurance and lines of credit.

	December 31, 2024	December 31, 2023	% Change
IDF[14] Liquidity Resources			
IDF	$572M	$543M	5.3%
Insurance	$440M	$440M	-
Lines of Credit	$125M	$125M	-
MFDF Liquidity Resources			
MFDF	$57M	$53M	7.5%
Insurance	$40M	$40M	-
Lines of Credit	$30M	$30M	-
TOTAL	**$1,264M**	**$1,231M**	**2.7%**

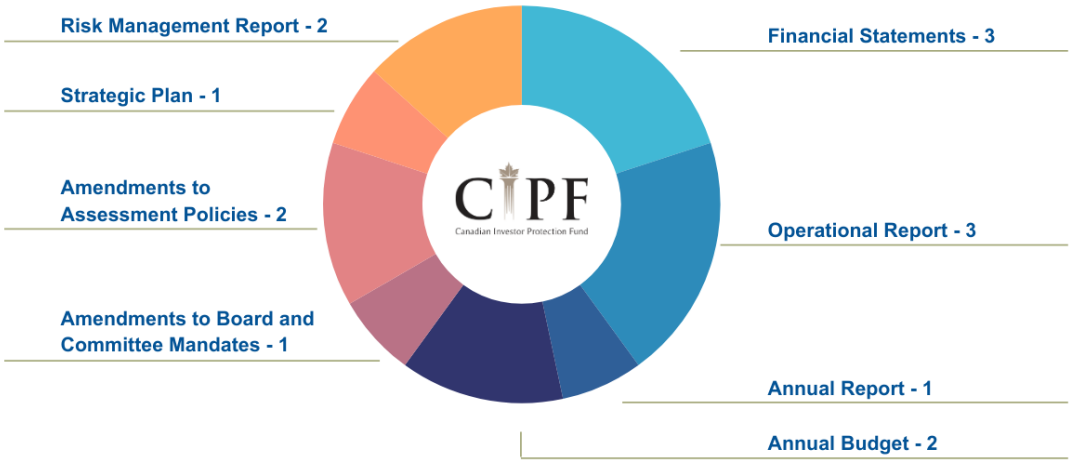
(iii) Rule Reviews

During the Reporting Period, there were no changes to CIPF's policies and by-laws that required approval by CSA Members.

[13] In Québec, CIPF is an accepted contingency fund. Please refer to Footnote #2 on page 4.
[14] Values relating to IDF's and MFDF's General Fund, insurance and lines of credit are from CIPF's 2024 unaudited semi-annual financial statements.

(iv) Materials Filed

CIPF was responsible for filing certain information with CSA Members on a regular or ad hoc basis. During the Reporting Period, 15 filings were received from CIPF and reviewed by CSA Members.



(v) Meetings and Other Discussions

During regular meetings held with CIPF, among other varied topics, the following key subjects were discussed and followed up by CSA Members.

Topic	Activities During the Reporting Period
IPF Transition	• CIPF continues with its post-close integration efforts. ○ Work on completing the new Cooperative Operating Agreement continues into 2025. ○ Ongoing alignment of investment policies and strategies of the IDF and MFDF. The CIPF Board has approved an external investment manager who will act in accordance with one investment policy for both funds. ○ Fit-for-purpose review of the investment dealer credit risk model to assess if it is appropriate to be extended to the mutual fund dealer universe. This is expected to be a multi-year project. ○ Continuing to consolidate the predecessor IPFs' enterprise risk management practices. ○ Ongoing consideration with CIRO regarding dual registration and its impact on CIPF's liquidity resources.
Review of Adequacy of Assets in the Funds	• Separate funds, insurance and lines of credit continue to be maintained for the coverage of investment dealers and mutual fund dealers. • For the IDF, CIPF continues to use a credit-risk based fund model to project its liquidity resource requirement and assist in the setting of its fund size (**IDF Model**). During the Reporting Period, CIPF's Board reviewed the adequacy of the level of resources available in relation to the risk exposure of investment dealer member firms. No changes have been made to the methodology,

Topic	Activities During the Reporting Period
	parameters and input since October 2021 when former CIPF's Board reviewed and approved the IDF Model. • During the Reporting Period, third-party actuaries performed a review of the fund size of MFDF and determined that its current size is adequate to cover multiple insolvencies. As well, MFDF continues to have a secondary layer of insurance in the amount of $20 million in respect of any losses to be paid out of the MFDF in excess of $50 million. This is in addition to the original layer of insurance of $20 million in respect of any losses to be paid out of the MFDF in excess of $30 million.
Crypto Assets	• The Coverage Policy continues to state explicitly that crypto assets are excluded from CIPF's coverage. • CIPF will undertake regular reviews of the scope and terms of its Coverage Policy; however, the primary areas of interest for CIPF continue to be the custody, control and pricing of crypto assets.
Strategic Plan	• At the end of the Reporting Period, CIPF filed its new three-year strategic plan which continues to be reviewed by CSA Members.
Meeting of International IPFs	• CIPF led the steering committee of international protection funds at the 2024 Forum of International Investor Compensation Schemes (**ICS**) in France on May 28, 2024, which included discussions on international ICS regulatory frameworks and a comparison of different approaches to insolvency files. • The opportunity to exchange information with international compensation funds has been valuable. • CIPF also held meetings with domestic compensation funds and representatives of the Canada Deposit Insurance Corporation.
Insolvencies	• During the Reporting Period, there were no CIRO member insolvencies whereby CIPF was actively involved.

COMPOSITION OF OVERSIGHT COMMITTEES

Market Regulation Steering Committee

AMF	Dominique Martin	**MSC**	Angela Duong
ASC	Lynn Tsutsumi	**NSSC**	Doug Harris
BCSC	Mark Wang	**OSC**	Susan Greenglass
FCAA	Liz Kutarna	**PEI**	Steven Dowling
FCNB	Clayton Mitchell		

CIRO Oversight Committee

AMF	Jean-Simon Lemieux Roland Geiling Herman Tan	Pascal Bancheri Catherine Lefebvre Cheick Kaba Diakité	Serge Boisvert Lucie Prince Victorien Kabiwa
ASC	Sasha Cekerevac Amy Tollefson	Rose Rotondo Shafyn Manji	Gerald Romanzin Jessica Kester
BCSC	Michael Brady Navdeep Gill Liz Coape-Arnold Catherine Tearoe	Joseph Lo Zach Masum Michael Grecoff Anton Lunyov	Eric Lan Anne Hamilton Georgina Steffens
FCAA	Liz Kutarna	Curtis Brezinski	
FCNB	Nick Doyle	Jake Calder	
MSC	Kim Asano	Angela Duong	Aishah Abdullahi
NL	Loyola Power		
NSSC	Doug Harris Cynthia Tambago-Alday	Brian Murphy	Angela Scott
NT	Matthew Yap		
NU	Debora Bissou		
OSC	Joseph Della Manna Stacey Barker Dimitri Bollegala Shivkanwal Padam	Karin Hui Christopher Byers Andrea Maggisano Elizabeth King	Scott Laskey Chris Jepson Jina Aryaan
PEI	Curtis Toombs		
YT	Rhonda Horte		

CIPF Oversight Committee

AMF	Jean-Simon Lemieux Cheick Kaba Diakité	Lucie Prince Kim Legendre	Herman Tan
ASC	Sasha Cekerevac Amy Tollefson	Rose Rotondo Shafyn Manji	Gerald Romanzin Jessica Kester
BCSC	Michael Brady Eric Lan Liz Coape-Arnold Anton Lunyov	Joseph Lo Zach Masum Navdeep Gill	Georgina Steffens Anne Hamilton Catherine Tearoe
FCAA	Liz Kutarna	Curtis Brezinski	
FCNB	Nick Doyle		
MSC	Kim Asano	Angela Duong	Aishah Abdullahi
NL	Loyola Power		
NSSC	Doug Harris Cynthia Tambago-Alday	Brian Murphy	Angela Scott

NT	Matthew Yap		
NU	Debora Bissou		
OSC	Joseph Della Manna	Stacey Barker	Karin Hui
	Scott Laskey	Christopher Byers	Chris Jepson
	Andrea Maggisano	Jina Aryaan	Shivkanwal Padam
PEI	Curtis Toombs		
YT	Rhonda Horte		

RULE/BY-LAW/POLICY AND PROCEDURES AMENDMENTS

As of December 31, 2024

Completed	CIRO Rule/By-Law Amendments	Publication Date
✓	Derivatives Rule Modernization, Stage 1	January 18, 2024
✓	Amendments to IDPC Rules and the IDPC Form 1 regarding margin requirements for structured products	February 22, 2024
✓	Housekeeping Amendments to the Auditor's Report and Agreed-upon Procedures Report in Mutual Fund Dealer Form 1 and IDPC Form 1, and the relevant Mutual Fund Dealer and IDPC Rules	February 22, 2024
✓	Clarifying Amendments to Registration and Proficiency Requirements	June 27, 2024
✓	Housekeeping Amendments to repeal IDPC Rule 2603(2) which required incremental proficiency requirements for mutual funds only registered individuals wishing to trade in exempt market products	October 10, 2024
✓	Amendments to UMIR respecting the Reasonable Expectation to Settle a Short Sale	December 5, 2024

As of December 31, 2024[15][16]

In Progress	CIRO Rule/By-Law Amendments	Publication Date
	Rule Consolidation Project – Phase 1	October 20, 2023
	Rule Consolidation Project – Phase 2	January 11, 2024
	Proposed Amendments Respecting Fully Paid Securities Lending and Financing Arrangements	February 15, 2024
	Rule Consolidation Project – Phase 3	April 18, 2024
	Proposed Integrated Fee Model[17]	April 25, 2024
	Proposed Amendments Respecting Proficiency Model - Approved Persons under the IDPC Rules	July 4, 2024
	Proposed Amendments to UMIR Respecting Net Asset Value Orders and Intentional Crosses	July 18, 2024
	Proposed Enhanced Cost Reporting	October 10, 2024
	Rule Consolidation Project – Phase 4	October 17, 2024
	Proposed Amendments Respecting Trading Increments	December 12, 2024
	Proposed Amendments to Harmonize CIRO Continuing Education (CE) Programs	December 19, 2024

[15] Proposed Amendments Respecting Reporting, Internal Investigation and Client Complaint Requirements was put on hold. Publication date: January 13, 2022.
[16] Proposed Amendments Respecting Mandatory Close-Out Requirements was published after the Reporting Period. Publication date: January 9, 2025.
[17] Proposed Amendments Respecting the Integrated Fee Model was published after the Reporting Period. Publication date: January 30, 2025.

APPENDIX A – REGULATORY PROGRAM

Oversight Function	Activities During the Reporting Period
Annual Risk Assessment	• Evaluation of each entity's potential inherent risks and mitigating controls in each functional area of the entity. • Evaluation can become the basis for future oversight activities.
Review of Proposed Rules	• CIRO is required to seek approval from CSA Members for proposed new rules, policies, and constating documents (collectively, the **rules**) and by-laws, and any changes to existing rules and by-laws. • CIPF is required to seek approval or non-objection of any changes to certain policies (e.g., coverage policy) and its by-laws. • A "housekeeping" rule change is one that has no material impact on investors, issuers, registrants, CIRO, CIPF, or the Canadian capital markets generally (e.g., changes of an editorial nature; changes necessary to conform to applicable securities legislation, statutory or legal requirements, accounting or auditing standards). • If a rule change is not classified as housekeeping, it is published for public comment.
Review of Materials Filed	• CIRO and CIPF are responsible for filing certain information (other than proposed rules or by-laws) with each CSA Member. • This information includes, but is not limited to, reports on financial condition, regulatory self-assessment, risk management, systems integrity, market surveillance, internal audit, progress on compliance examination results, and enforcement matters. • During the Reporting Period, 71 filings were reviewed. • CSA Members reviewed issues and the materials filed, which informed the annual risk assessment.
Meetings	• During the Reporting Period, quarterly meetings were scheduled with CIRO and semi-annual meetings with CIPF, to discuss the oversight process and to share information about emerging and/or ongoing regulatory issues and trends. • In addition to regularly scheduled monthly meetings with CIRO and CIPF through September 2024, numerous ad hoc meetings were held throughout the Reporting Period, as part of the oversight of specific issues – primarily relating to the integration of the predecessor SROs and, separately, the predecessor IPFs, as well as proposed rule amendments and filing requirements.
Oversight Reviews	• A more in-depth process for CSA Members to make an independent assessment of whether and how CIRO or CIPF have met their regulatory obligations. • The scope of an oversight review is determined by the results of the annual risk assessment and/or specific issues that arise on a periodic basis. • As part of an oversight review, CSA Members may interview CIRO or CIPF staff, review written policies and procedures to understand the systems and processes in place, and examine files on a sample basis. • During the Reporting Period, CSA Members jointly conducted a risk-based oversight review of CIRO that targeted specific processes within the areas of: (i) trading conduct compliance; (ii) membership intake; and (iii) information technology. The results of the oversight review will be published in a separate report later this year.

QUESTIONS

If you have any questions or comments about this CSA Staff Notice, please contact any of the following:

Michael Brady
Coordinator
Deputy Director, Capital Markets Regulation
British Columbia Securities Commission
604 899-6561
mbrady@bcsc.bc.ca

Joseph Della Manna
Coordinator
Manager, Trading and Markets
Ontario Securities Commission
416 204-8984
jdellamanna@osc.gov.on.ca

Sasha Cekerevac
Manager, Market Oversight
Alberta Securities Commission
403 297-7764
sasha.cekerevac@asc.ca

Jean-Simon Lemieux
Director, Oversight of Trading Activities
Autorité des marchés financiers
514 395-0337, ext. 4366 or
1 877 395-0337, ext. 4366
jean-simon.lemieux@lautorite.qc.ca

Curtis Brezinski
Compliance Auditor, Capital Markets, Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
306 787-5876
curtis.brezinski@gov.sk.ca

Nick Doyle
Legal Counsel
Financial and Consumer Services Commission (New Brunswick)
506-635-2450
nick.doyle@fcnb.ca

Angela Duong
Acting Deputy Director, Compliance and Oversight
Manitoba Securities Commission
204 945-5195
angela.duong@gov.mb.ca

Doug Harris
General Counsel, Director of Market Regulation and Policy and Secretary
Nova Scotia Securities Commission
902 424-4106
doug.harris@novascotia.ca

Joseph Lo
Senior Analyst, Capital Markets Regulation
British Columbia Securities Commission
604 899-6777
jlo@bcsc.bc.ca

This page intentionally left blank

B.2
Orders

B.2.1 Montfort Capital Corp. – s. 6.1 of NI 62-104

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to repurchase a specified number of its securities from one of its securityholders as part of an unwinding transaction for a per share purchase price equal to 95% of the market price of those securities at the time of the repurchase – the purchaser is a related party of the issuer – the issuer is able to satisfy, and is relying on, the financial hardship exemption from the minority approval requirements of MI 61-101 and the specified markets exemption from the formal valuation requirements of MI 61-101 – parties to the original transaction being unwound but whose securities are not being repurchased have each provided consents pursuant to which they have represented that they are familiar with the terms of the unwinding transaction, have no interest in participating in the unwinding transaction, and consent to the unwinding transaction and are in favour of relief being granted to facilitate the unwinding transaction – terms of the unwinding transaction were negotiated by a special committee of independent directors – each of the issuer's board and special committee have unanimously determined that the repurchase is in the best interests of the issuer and its shareholders (other than the selling shareholder), is on terms that are fair and reasonable, will not adversely affect the issuer's financial position, and will not cause the market for the issuer's securities to be materially less liquid than the market that existed at the time the repurchase was agreed to – share repurchase is exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

IN THE MATTER OF
THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5,
AS AMENDED

AND

IN THE MATTER OF
MONTFORT CAPITAL CORP.

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Montfort Capital Corp. (the "**Filer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Filer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchase by the Filer of up to 17,500,000 common shares of the Filer (collectively, the "**Subject Common Shares**") and 8,000,000 8% Class A preferred shares of the Filer (collectively, the "**Subject Preferred Shares**", and together with the Subject Common Shares, the "**Subject Securities**") from Brightpath Holdings Corporation (the "**Buyer**", and such purchase, the "**Share Repurchase**") pursuant to an unwinding transaction;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Filer having represented to the Commission that:

1. The Filer is a corporation existing under the *Business Corporations Act* (British Columbia) and is in good standing.

2. The head office of the Filer is located at 181 Bay Street, Bay Wellington Tower, Suite 2920, Toronto, Ontario, M5J 2T3 and its registered office is located at 789 West Pender Street, Suite 1530, Vancouver, British Columbia, V6B 1E5.

3. The Filer is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario, and is not in default of any requirements of securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized capital of the Filer consists of:

(a) an unlimited number of common shares of the Filer (the "**Montfort Shares**"), of which there were 99,817,282 Montfort Shares issued and outstanding as of February 28, 2025;

(b) an unlimited number of non-voting Series A Class A preferred shares (the "**Montfort Series A Preferred Shares**"), of which there were 28,485,994 Montfort Series A Preferred Shares issued and outstanding as of February 28, 2025; and

(c) an unlimited number of non-voting Series 1 Class C preferred shares (the "**Montfort Series 1 Preferred Shares**"), of which there were 498,800 Montfort Series 1 Preferred Shares issued and outstanding as of February 28, 2025.

5. As of February 28, 2025, the Filer also had issued and outstanding: (a) 6,262,063 stock options (the "**Options**"); (b) 1,881,050 restricted stock units (the "**RSUs**"); and (c) 4,450,000 performance share units (the "**PSUs**").

6. The Montfort Shares and Montfort Series A Preferred Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbols "MONT" and "MONT.PR.A", respectively. None of the other classes of securities of the Filer are listed for trading on any exchange.

7. The Filer is a provider of focused private credit strategies for institutional investors, family offices, and wealth managers. Brightpath Capital Corporation, Brightpath Servicing Corporation and Brightpath II Servicing Corporation (collectively, "**Brightpath**"), each of which is a wholly-owned subsidiary of the Filer, comprise the Filer's mortgage lending business. On a consolidated basis, Brightpath represents approximately 46% of the total assets and total liabilities of the Filer.

8. The Filer acquired Brightpath on August 16, 2022 from Kenneth Thomson ("**Thomson**"), Blake Albright ("**Albright**"), Sabrina Kyle ("**Kyle**"), and Fiona Elder ("**Elder**") pursuant to a definitive share purchase agreement for an aggregate of 31,250,000 Montfort Shares and 18,000,000 Montfort Series A Preferred Shares (the "**Original Transaction**"), issued as follows:

(a) 12,500,000 Montfort Shares and 4,000,000 Montfort Series A Preferred Shares to Thomson and his affiliates;

(b) 17,500,000 Montfort Shares and 8,000,000 Montfort Series A Preferred Shares to Albright and his affiliates;

(c) 6,000,000 Montfort Series A Preferred Shares to Kyle and her affiliates; and

(d) 1,250,000 Montfort Shares to Elder and her affiliates.

9. During a period of difficult conditions in the mortgage market:

(a) Brightpath has incurred a net loss of $2.7 million (for the nine months ended September 30, 2024), including realized losses on its loan book of $1.9 million;

(b) amortization of intangible assets related to Brightpath has contributed an additional $0.6 million to the Filer's consolidated net loss (year to date);

(c) Brightpath has an accumulated deficit of approximately $8.5 million (as of September 30, 2024), including a provision for credit losses of $8.1 million;

(d) Brightpath's total assets were approximately $183 million (as of September 30, 2024), consisting of a mortgage portfolio of approximately $154 million, interest and fees receivable of approximately $12 million, cash of approximately $4 million and amounts due from the Filer of approximately $12 million; and

(e) Brightpath's total liabilities (as of September 30, 2024) were approximately $192 million, substantially all of which represents borrowings used to finance mortgage assets.

As a result, Brightpath has had a material negative impact on the consolidated financial statements of the Filer.

10. The board of directors of the Filer (the "**Board**") determined that the continuation of Brightpath within the Filer's structure is not sustainable and established a committee comprised of all of its independent directors (the "**Special Committee**") to review and assess potential strategic transactions, with a focus on a potential sale of Brightpath. Following a consideration of the availability and relative benefits and risks of various potential strategic transactions, the status quo and conditions in the mortgage market, the Special Committee authorized and directed executives (other than Albright) (the "**Executives**") to explore a potential sale of Brightpath.

11. The Executives approached four (4) parties, including Albright, regarding a potential sale of Brightpath, its assets or other assets of the Filer. Other than Albright, none of the other parties approached by the Executives made an offer or were otherwise willing to engage in substantive negotiations regarding Brightpath, its assets or other assets of the Filer.

12. On November 26, 2024, the Filer issued and filed a news release disclosing, among other things, that the Filer had entered into a non-binding letter of intent with Albright to sell Brightpath to Albright in exchange for securities of the Filer held by him.

13. On February 3, 2025, the Filer entered into a share purchase agreement (the "**Definitive Agreement**") to sell Brightpath to the Buyer for an aggregate purchase price equal to (a) $13,000,000 of indebtedness owing from the Filer to Brightpath (the "**Intercompany Indebtedness**"), and (b) the aggregate value of the Subject Securities, determined on the basis of a per share price equal to 95% of the market price (as determined in accordance with section 1.11 of NI 62-104) ("**Market Price**") of the Montfort Shares and Montfort Series A Preferred Shares, as applicable, as of the closing time (the "**Sale Transaction**"). On the same day, the Filer issued and filed a news release and filed a material change report announcing the entering into of the Definitive Agreement, each of which described the terms of the Sale Transaction and the fact that the Sale Transaction is subject to obtaining exemptive relief from the Issuer Bid Requirements from the Commission.

14. The Buyer is a corporation validly existing under the laws of Canada. The registered office of the Buyer is located at 17 Benton Street, Kitchener, Ontario, N2G 3G9. The Buyer is not a reporting issuer in any jurisdiction.

15. The Buyer is controlled by Albright, who has beneficial ownership of, or control or direction over:

    (a) the 17,500,000 Subject Common Shares, which represent approximately 17.5% of the issued and outstanding Montfort Shares;

    (b) the 8,000,000 Subject Preferred Shares, which represent approximately 28.1% of the issued and outstanding Montfort Series A Preferred Shares; and

    (c) 160,125 Options, 80,350 RSUs, and 1,200,000 PSUs (collectively, the "**Albright Compensation Securities**").

16. Prior to closing of the Sale Transaction, Albright will transfer all the Subject Securities and Albright Compensation Securities to the Buyer.

17. The Buyer will satisfy the purchase price for the Sale Transaction as follows:

    (a) transferring 11,500,000 Subject Common Shares to the Filer for cancellation;

    (b) transferring all of the Subject Preferred Shares to the Filer for cancellation;

    (c) transferring all of the Albright Compensation Securities to the Filer for cancellation;

    (d) assuming the Intercompany Indebtedness; and

    (e) issuing a non-interest bearing promissory note to the Filer in the aggregate amount of the value of 6,000,000 Subject Common Shares (the "**Sale Option Shares**") determined on the basis of a per share price equal to 95% of the Market Price of the Montfort Shares as of the closing time (the "**Promissory Note**", and such per share price, the "**Sale Option Share Price**").

18. Pursuant the Definitive Agreement, the Filer has the right, but not the obligation, to purchase the Sale Option Shares from the Buyer for cancellation at the Sale Option Share Price (the "**Call Right**"), provided that (a) the purchase of the Sale Option Shares does not result in the creation of a new "Control Person" (as such term is defined in the TSXV Corporate Finance Manual), and (b) the then Market Price of the Montfort Shares equals or exceeds the Sale Option Share Price.

19. Each of the Filer, Albright, and the Buyer has agreed to use commercially reasonable efforts to ensure that the Call Right may be exercised, in compliance with applicable law, prior to the first anniversary of the closing of the Sale Transaction. If the Call Right has not been exercised three (3) years after the closing of the Sale Transaction, the Call Right will terminate and the Buyer will be permitted to assign, dispose, or otherwise transfer all, or any portion of, the Sale Option Shares to an arm's length third party, provided that any proceeds received by the Buyer from such transaction be paid to the Filer and set off against the Promissory Note. If any amount remains outstanding on the Promissory Note after the Buyer has disposed of all the Sale Option Shares, such amount will be deemed forgiven by the Filer with no further action required by any party.

20. None of the Buyer, Albright, or their affiliates will vote the Sale Option Shares for the term of the Call Right.

21. Following the completion of the Sale Transaction, other than the Sale Option Shares, Albright and his affiliates will no longer have any interests in the Filer.

22. In connection with the closing of the Original Transaction, Albright was appointed Chief Capital Officer of the Filer and joined the Board. Concurrently with the execution of the Definitive Agreement, Albright resigned from those roles but

remains an employee of the Filer and has been seconded to Brightpath. Upon completion of the Sale Transaction, Albright will resign from his employment with the Filer.

23. The Board and the Special Committee are of the view that the Sale Transaction:

    (a) will significantly improve the Filer's financial position by both materially reducing outstanding liabilities and increasing the credit quality of lending assets remaining on the Filer's balance sheet; and

    (b) will simplify the Filer's operations and reduce overhead costs, and result in improved operating results.

24. Each of the Board and the Special Committee has unanimously determined, acting in good faith, that:

    (a) the Definitive Agreement, Sale Transaction, and Share Repurchase are in the best interests of the Filer and its shareholders (other than Albright and his affiliates);

    (b) the terms of the Definitive Agreement, Sale Transaction, and Share Repurchase are fair and reasonable, even if:

        (i) the value attributable to the Subject Securities at the closing time of the Sale Transaction (determined in accordance with the terms of the Definitive Agreement) decreases from the value that would have been attributable to the Subject Securities at the time the Definitive Agreement was entered into; and

        (ii) the Filer is unable to realize any of the amounts owed under the Promissory Note and is required to forgive up to the entire amount of the Promissory Note;

    (c) the value of Brightpath is not greater than the economic value of the Subject Securities (determined in accordance with the terms of the Definitive Agreement) and the Intercompany Indebtedness;

    (d) Brightpath does not represent all or substantially all of the Filer's assets;

    (e) there is no requirement, corporate or otherwise, to obtain shareholder approval for the Share Repurchase or the Sale Transaction;

    (f) the Share Repurchase will not materially affect control of the Filer;

    (g) the Sale Transaction will not adversely affect the financial position of the Filer and, upon completion, will increase the value of the equity ownership positions of the Filer's other securityholders;

    (h) the Filer will continue to be in compliance with the TSXV's continuous listing requirements in respect of the Montfort Shares and the Montfort Series A Preferred Shares following the completion of the Share Repurchase; and

    (i) it is reasonable to conclude that, following the completion of the Sale Repurchase there will be a market for holders of Montfort Shares and Montfort Series A Preferred Shares that is not materially less liquid than the market that existed at the time the Definitive Agreement was entered into in respect of the Montfort Shares and the Montfort Series A Preferred Shares, respectively.

25. The terms of the Definitive Agreement were negotiated at arm's length through the Special Committee and independent legal counsel and finalized after extensive negotiations between the Filer and the Buyer.

26. The Sale Transaction is conditional on receipt of this order and the acceptance of the TSXV. The Filer received conditional acceptance for the Sale Transaction from the TSXV on February 6, 2025, which acceptance is not conditional on disinterested shareholder approval provided that the Sale Transaction does not result in the creation of a new "Control Person" (as such term is defined in the TSXV Corporate Finance Manual).

27. The Sale Transaction will not result in the creation of a new "Control Person" (as such term is defined in the TSXV Corporate Finance Manual). Following the Share Repurchase, Thomson will hold approximately 19.9% of the issued and outstanding Montfort Shares and will be the Filer's largest shareholder.

28. The Buyer and Albright are located in, and all of the Subject Securities and Albright Compensation Securities are held in, the Province of Ontario.

29. The Share Repurchase pursuant to the Sale Transaction will constitute an "issuer bid" for the purposes of NI 62-104, to which the Issuer Bid Requirements would apply. The Share Repurchase cannot be made in reliance upon any exemptions from the Issuer Bid Requirements contained in Part 4 of NI 62-104.

30. The Share Repurchase, including the Call Right, is an integral part of the Sale Transaction and neither the Buyer nor Albright is receiving any cash in exchange for the Share Repurchase or as part of the Sale Transaction.

31. The purpose of the Share Repurchase is not to give preferential treatment to the Buyer or Albright or to provide a method for the Filer to purchase the Subject Securities, but rather to facilitate the sale of Brightpath and realize the value of this asset for the benefit of the Filer and its shareholders and to improve the Filer's financial condition.

32. Pursuant to the terms of the Definitive Agreement, the Subject Securities are being transferred to the Filer for cancellation on the basis of a per share price equal to 95% of the Market Price as of the closing time.

33. The Sale Option Share Price will be equivalent to the price at which the 11,500,000 Subject Common Shares will be repurchased from the Buyer at closing of the Sale Transaction, and as one of the conditions for the Filer to be able to exercise the Call Right is that the then Market Price of the Montfort Shares is equal to or exceeds the Sale Option Share Price, the Sale Option Share Price will never be greater than the Market Price of a Montfort Share, both at the time of closing of the Sale Transaction and also at the time the Call Right is exercised and the Sale Option Shares are purchased.

34. The Albright Compensation Securities will be cancelled for no consideration.

35. Each of the other parties to the Original Transaction, being Thomson, Kyle, and Elder (collectively, the "**Brightpath Vendors**") have provided a consent (collectively, the "**Consents**") pursuant to which they have represented that they:

    (a) are familiar with the terms of the Sale Transaction;

    (b) have no interest in being a party to the Sale Transaction; and

    (c) consent to the Sale Transaction and are in favour of the granting of exemptive relief from the Issuer Bid Requirements to the Filer.

36. None of the Brightpath Vendors received, or will receive, directly or indirectly, any payment, beneficial enhancement, or inducement of any kind in connection with agreeing to execute the Consents.

37. As a result of the fact that no securityholders of the Filer other than the Buyer and Albright are parties to the Definitive Agreement, it is impossible for the Filer to offer to acquire Montfort Shares and/or Montfort Series A Preferred Shares from all securityholders on the same terms and conditions as those contemplated by the Definitive Agreement.

38. Holders of Montfort Shares and/or Montfort Series A Preferred Shares who are not offered the opportunity to sell their respective securities of the Filer under the Sale Transaction are otherwise entitled to sell their Montfort Shares and/or Montfort Series A Preferred Shares into the market for cash proceeds.

39. Other than the Subject Securities, the Filer has no plans to repurchase any of its securities.

40. The Sale Transaction is a "related party transaction" for the Filer (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")) by virtue of the fact that Albright has beneficial ownership over more than 10% of the voting rights attached to all of the Filer's voting securities and was a director and senior officer of the Filer at the time the Sale Transaction was agreed to. The Buyer is an "affiliated entity" of Albright (as such term is defined in MI 61-101) and accordingly, also a "related party" of the Filer.

41. Paragraph 5.5(b) of MI 61-101 (the "**Specified Markets Exemption**") exempts related party transactions from the formal valuation requirement under MI 61-101 if no securities of the issuer are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. The Filer is able to satisfy the Specified Markets Exemption and is relying on same in respect of the Sale Transaction.

42. Paragraph 5.7(1)(e) of MI 61-101 (the "**Financial Hardship Exemption**") exempts related party transactions from the minority approval requirement under MI 61-101 if the issuer is in financial hardship. The Filer is able to satisfy the Financial Hardship Exemption and is relying on same in respect of the Sale Transaction as, among other things, the Special Committee and the independent directors on the Board have unanimously determined that:

    (a) the Filer is in serious financial difficulty;

    (b) the Sale Transaction is designed to improve the financial position of the Filer;

    (c) the terms of the Sale Transaction are reasonable in the circumstances of the Filer; and

(d) there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the Filer's shareholders.

43. Since the announcement of the Sale Transaction on February 3, 2025, the Filer has not received any complaints or expressions of concern about the Share Repurchase or the Sale Transaction.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Filer be exempt from the Issuer Bid Requirements in connection with the Share Repurchase, provided that:

(a) the Filer issues and files a news release on SEDAR+ at least five (5) business days prior to the closing of the Sale Transaction that (i) discloses that the Filer has been granted exemptive relief from the Issuer Bid Requirements in connection with the Share Repurchase, and (ii) includes a description of the material terms of the Call Right, the background to the Sale Transaction, and the views of the Board and Special Committee in respect of the value of Brightpath and the consideration being received by the Filer for Brightpath (including the Sale Option Shares);

(b) none of the Brightpath Vendors has received, or will receive, directly or indirectly, any payment, beneficial enhancement, or inducement of any kind in connection with agreeing to execute the Consents;

(c) as at the time of the closing of the Share Repurchase, the Board and Special Committee remain of the view that the Share Repurchase and Sale Transaction are in the best interests of the Filer and its shareholders, and that the terms of each of them are fair and reasonable;

(d) all approvals and/or consents required in respect of the Sale Transaction, have been obtained and not revoked; and

(e) there are no approvals required in respect of the Sale Transaction (including the Share Repurchase) that must be obtained at a meeting of securityholders of the Filer.

DATED at Toronto, Ontario this 19th day of March, 2025.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.2.2 Softchoice Corporation

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).

March 20, 2025

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

AND

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

AND

IN THE MATTER OF
SOFTCHOICE CORPORATION
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (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 passport application):

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 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 Multilateral Instrument 51-105 *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 National Instrument 21-101 *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

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0130

B.2.3 Fixed Income Clearing Corporation – ss. 144, 147

Headnote

Subsection 144(1) of the Securities Act (Ontario) (OSA) – application for order varying the Commission's order exempting Fixed Income Clearing Corporation from the requirement in subsection 21.2 (0.1) of the OSA to be recognized as a clearing agency.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2, 144(1) and 147.

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

AND

IN THE MATTER OF
FIXED INCOME CLEARING CORPORATION

ORDER
(Sections 144 and 147 of the OSA)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated March 19, 2019, pursuant to section 147 of the OSA exempting Fixed Income Clearing Corporation (**FICC**) from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Original Exemption Order**);

AND WHEREAS the U.S. Securities and Exchange Commission (**SEC**) has adopted rules (**Treasury Clearing Rules**) under the U.S. Securities Exchange Act of 1934, as amended (**Exchange Act**) that (i) require the central clearing of certain cash transactions in U.S. Treasury Securities (as defined below) by the end of 2026 and U.S. Treasury Securities repurchase agreement transactions (**repos**) by the middle of 2027, and (ii) require clearing agencies for U.S. Treasury Securities transactions, such as FICC, to make certain changes to their rules, including to facilitate access to clearing and implement new margin segregation requirements;

AND WHEREAS FICC has proposed changes to its Government Securities Division Rulebook (**GSD Rules**), which will be implemented by FICC by March 24, 2025, in compliance with the proposed rule changes to the Treasury Clearing Rules that will be made effective by the SEC by March 31, 2025;

AND WHEREAS the Commission has received an application (**Application**) from FICC under section 144 of the OSA to vary and restate the Original Exemption Order to (i) reflect changes to the GSD Rules made pursuant to the Treasury Clearing Rules that will come into effect by March 31, 2025, and (ii) revise certain representations that describe existing offered products and services;

AND WHEREAS FICC has represented to the Commission that:

1.1 FICC is a business corporation organized under New York law providing clearing, settlement, risk management, and central counterparty (**CCP**) services for certain fixed income securities in the United States. FICC was established in 2003 through a combination of government securities and mortgage-backed securities clearing organizations.

1.2 FICC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is a non-public holding company that owns a number of companies operating financial market infrastructures.

1.3 The common shares of DTCC (**Common Shares**) are held of record by approximately 283 participants of DTCC's clearing agency subsidiaries, including FICC. The Common Shares are allocated to participants in accordance with a formula based on their relative usage of the services of the clearing agencies. Of the participants that own Common Shares, currently (i) 97 are banks holding approximately 21.1% of the issued and outstanding Common Shares, (ii) 179 are broker-dealers holding approximately 78.2% of the issued and outstanding Common Shares, and (iii) 7 are other financial institutions holding 0.7 % of the issued and outstanding Common Shares.

1.4 FICC operates clearing services through two divisions, the Government Securities Division (**GSD**) and the Mortgage-Backed Securities Division (**MBSD**) (collectively, the **Divisions**).

1.5 GSD offers a suite of services to support and facilitate the submission, comparison, risk management, netting and settlement of trades executed by its members in the U.S. government securities market. GSD acts as a CCP and

processes buy-sell transactions of U.S. Government securities (including agencies) and repo transactions in U.S. government securities (including agencies) and mortgage-backed securities. In general, GSD novates eligible trades at the time of comparison of such trades. GSD offers a sponsored service that permits Netting Members to sponsor certain institutional firms (**Sponsored Members**) into GSD membership. A Sponsoring Member is permitted to submit to GSD for comparison, novation and netting certain types of eligible transactions between itself and its Sponsored Members and other third-party Netting Members. With respect to trades submitted in its Sponsored GC service, novation of a trade occurs when all of the preconditions set out in the GSD Rules are met. Also, in connection with the Treasury Clearing Rules, FICC introduced the Agent Clearing Service (**ACS**) as an alternative client clearing model, in addition to the Sponsored Service. ACS is a client clearing model that represents a consolidation and clarification of GSD's prime brokerage and correspondent clearing models.

1.6 GSD currently clears buy-sell and repo transactions in securities (**U.S. Treasury Securities**) issued by the U.S. Department of the Treasury (e.g., bills, bonds, notes, U.S. Treasury Inflation-Protected Securities (known as "TIPS"); Separate Trading of Registered Interest and Principal of Securities (known as "STRIPS"), etc.) and U.S. government agency bonds and notes. GSD also currently clears General Collateral Finance Repo (**GCF Repo®**) trades through its GCF Repo® service. GCF Repo® trades are executed in generic CUSIPs collateralized with eligible securities, including fixed and adjustable-rate mortgage-backed securities issued or guaranteed by Government National Mortgage Association (**Ginnie Mae**), Federal National Mortgage Association (**Fannie Mae**) and the Federal Home Loan Mortgage Corporation (**Freddie Mac**). GSD also offers the Sponsored GC service, which allows Sponsoring Members (defined below) and their Sponsored Members (defined below) the ability to execute general collateral repos (in the same asset classes currently eligible in the GCF Repo® service) with each other and settle such repos on the tri-party platform of the Sponsored GC clearing bank.

1.7 MBSD clears to-be-announced (**TBA**) transactions and specified pool transactions in pass-through mortgage-backed securities issued or guaranteed by corporations owned by the U.S. government (currently Ginnie Mae) or U.S. government-sponsored enterprises (currently Fannie Mae and Freddie Mac). TBA transactions are trades for which the actual identities of and/or the number of pools underlying each trade are not agreed to at the time of trade execution. TBA transactions are comprised of (i) settlement balance order destined trades; (ii) trade-for-trade destined trades; (iii) stipulated trades; and (iv) TBA options trades. Specified pool transactions are trades for which all pool data is agreed upon by the members at the time of execution.

1.8 The SEC granted FICC permanent registration as a clearing agency pursuant to the provisions of Section 17A of the Exchange Act on June 24, 2013 (SEC Release No. 34-69838). FICC is principally subject to regulatory supervision by the SEC and it is regulated in the United States as a systemically important financial market utility. In addition, the Federal Reserve Bank of New York supervises FICC under authority delegated by the Board of Governors of the Federal Reserve System, including through prescription of risk management standards, and consultation on examinations by the SEC and notices of material change.

1.9 FICC's activities are structured in accordance with the laws of the State of New York and the United States. The principal laws comprising the legal framework under which FICC operates include: (i) the Exchange Act, particularly Sections 17A and 19; (ii) the New York Business Corporation Law; (iii) the New York Uniform Commercial Code, particularly Articles 8 and 9; (iv) the Securities Act of 1933, as amended (**Securities Act**); (v) the Federal Deposit Insurance Act, as amended; (vi) the U.S. Bankruptcy Code; (vii) the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended; (viii) the Dodd-Frank Wall Street Reform and Consumer Protection Act, particularly Title II, regarding orderly liquidation authority, and Title VIII, the Payment, Clearing, and Settlement Supervision Act of 2010; and (ix) the Securities Investor Protection Act of 1970, as amended.

1.10 As a registered clearing agency, FICC is subject to the requirements that are contained in the Exchange Act and in the SEC's regulations and rules thereunder. These requirements include Exchange Act Rule 17Ad-22(e) (**CCA Standards**), adopted by the SEC in 2016. As a covered clearing agency, FICC complies with the CCA Standards that establish minimum requirements regarding how covered clearing agencies must maintain effective risk management procedures and controls as well as meet the statutory requirements of the Exchange Act on an ongoing basis.

1.11 FICC is also subject to the requirements of Regulation Systems Compliance and Integrity (**Reg SCI**) promulgated under the Exchange Act. Reg SCI requires FICC to, among other things, establish, maintain and enforce written policies and procedures reasonably designed to ensure that FICC's systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operational capability and promote the maintenance of fair and orderly markets, and operate in a manner that complies with the Exchange Act.

1.12 Through compliance with SEC requirements for registered clearing agencies, FICC addresses relevant international principles applicable to financial market infrastructures described in the April 2012 report *Principles for financial market infrastructures* published by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions.

1.13 Membership in each of the Divisions is available to various categories of members (**Members**), which currently are as set out below:

(a) GSD direct membership categories include (i) Comparison-Only Members (who are only members of the comparison system); (ii) Netting Members (which include the following categories of Netting Members: Bank Netting Members, Dealer Netting Members, Inter-Dealer Broker Netting Members, Futures Commission Merchant Netting Members, Government Securities Issuer Netting Members, Insurance Company Netting Members, Registered Clearing Agency Netting Members and Registered Investment Company Netting Members); (iii) Centrally Cleared Institutional Triparty (CCIT) Members; and (iv) Funds-Only Settling Bank Members (Funds-Only Settling Bank Member are banks, trust companies, and other qualified entities that satisfy the requirements prescribed in the GSD Rules). Netting Members may also be eligible to participate in GSD's services under the following types of membership: (a) Agent Clearing Member and/or (b) Sponsoring Member. Indirect access to GSD's services is available to certain eligible institutional firms (**Sponsored Members**) through a sponsored membership; and

(b) MBSD membership categories include: (i) Clearing Members (who may be a Bank Clearing Member, a Dealer Clearing Member, an Inter-Dealer Broker Clearing Member, an Unregistered Investment Pool Clearing Member, a Government Securities Issuer Clearing Member, an Insurance Company Clearing Member, a Registered Clearing Agency Member, an Insured Credit Union Clearing Member or a Registered Investment Company Clearing Member); and (ii) Cash Settling Bank Members (Cash Settling Bank Members are banks, trust companies, and other qualified entities that satisfy the requirements prescribed in MBSD's rules).

1.14 Except for Sponsored Members, an applicant for membership must satisfy, among other things, requirements for operational capability and specified capital requirements. Various membership categories also have eligibility requirements in respect of regulatory or other status in the United States. As a result of current eligibility requirements, FICC expects that Members resident in Ontario would be Comparison-Only Members, Netting Members, Sponsoring Members, Sponsored Members, CCIT Members of GSD and/or Foreign Clearing Members of MBSD. A Sponsored Member must be sponsored into membership by a Sponsoring Member as provided for under GSD Rules.

1.15 FICC maintains separate clearing funds for each of GSD and MBSD (each a **Clearing Fund** and collectively the **Clearing Funds**). Each Division's Clearing Fund (which also operates as each Division's default fund) provides the collateralization required to cover exposure from potential default of a member. Each Division's Clearing Fund consists of deposits posted by the respective Division's members in the form of cash and eligible securities. As required by the Treasury Clearing Rules, GSD will separately calculate, collect and hold (i) margin deposited by a Netting Member to support its proprietary transactions and (ii) margin deposited by a Netting Member to support the transactions of an indirect participant.

1.16 Each Division's qualifying liquidity resources include (1) the cash in the Clearing Fund; and (2) the rules-based committed repo facility, (the Capped Contingency Liquidity Facility (**CCLF®**)) that each Division separately maintains. FICC may have access to additional non-qualifying resources in the form of commercial uncommitted master repurchase agreements (**MRAs**). While these are not designated as qualifying liquidity resources, these uncommitted MRAs may be a source of funding that FICC would be able to obtain by pledging securities in the Clearing Fund (U.S. Government Treasury securities, Agency securities guaranteed by the U.S. Government and certain U.S. Agency/Government-Sponsored Enterprise pass-through securities) and securities underlying the transactions that would have been delivered to the defaulting Member had it not defaulted.

1.17 FICC memberships are available to entities resident in Ontario, including investment dealers, investment funds, banks, pension plans, asset managers and insurance companies, although it is possible there could be further unanticipated interest from other types of entities resident in Ontario in FICC's services.

1.18 FICC provides its services to entities resident in Ontario and does not have an office or a physical presence in Ontario or elsewhere in Canada.

1.19 FICC submits that it does not pose a significant risk to the Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction.

AND WHEREAS FICC has agreed to the terms and conditions attached hereto as Schedule "A";

AND WHEREAS based on the Application and the representations of FICC to the Commission, the Commission is of the opinion that it would not be prejudicial to the public interest to vary and restate the Original Exemption Order pursuant to section 144 of the OSA;

AND WHEREAS FICC has acknowledged to the Commission that the scope of, and the terms and conditions imposed by, the Commission attached hereto as Schedule "A", or the determination whether it is appropriate that FICC continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring

of developments in international and domestic capital markets, FICC's activities or regulatory status, or any changes to the laws of the United States or Ontario affecting trading in or clearing and settlement of securities;

IT IS ORDERED, pursuant to section 144 of the OSA, that the Application to vary and restate the Original Exemption Order is granted;

IT IS ORDERED, pursuant to section 147 of the OSA, that FICC continues to be exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA;

PROVIDED THAT FICC complies with the terms and conditions attached hereto as Schedule "A".

DATED March 19, 2019 as varied and restated on March 20, 2025 to take effect March 24th, 2025.

"Aaron Ferguson"
Manager, Trading and Markets Division
Ontario Securities Commission

SCHEDULE "A"

Terms and Conditions

Definitions:

For the purposes of this Schedule "A":

Unless the context requires otherwise, terms used in this Schedule "A" shall have the meanings ascribed to them elsewhere in this order and in Ontario securities law (as defined in the OSA).

COMPLIANCE WITH ONTARIO LAW

1. FICC must comply with Ontario securities law to the extent applicable.

SCOPE OF PERMITTED CLEARING SERVICES

2. FICC's services that may be provided pursuant to this order must be limited to GSD and MBSD offering clearing and settlement services, and associated risk management services, within the general scope of the services described in representations 1.5, 1.6 and 1.7 of FICC's representations set out above in this order (**Permitted Clearing Services**).

3. For purposes of this order, **Ontario Member** means a Member resident in Ontario that uses the Permitted Clearing Services.

REGULATION OF FICC

4. FICC must maintain its status as a registered clearing agency under the Exchange Act and must continue to be subject to the regulatory oversight of the SEC or any successor.

5. FICC must continue to comply with its ongoing regulatory requirements as a registered clearing agency under the Exchange Act or any comparable successor legislation and with its ongoing regulatory requirements by the Board of Governors of the Federal Reserve System.

GOVERNANCE

6. FICC must continue to promote a governance structure that minimizes the potential for conflict of interests between FICC and DTCC (including its other affiliates) that could adversely affect the Permitted Clearing Services or the effectiveness of FICC's risk management policies, controls and standards.

REPORTING REQUIREMENTS

Proposed Rule Changes Provided to the SEC

7. FICC must promptly provide to staff of the Commission a copy of the proposed rule changes provided to the SEC or its successor regarding the following:

   (a) material changes to its by-laws or the rules of GSD or MBSD where such changes would impact the Permitted Clearing Services used by Ontario residents (whether as a Member or otherwise);

   (b) new services or clearing of new types of products to be offered to Ontario Members or services or products that will no longer be available to Ontario Members; and

   (c) a new category of membership not listed in representation 1.13 of FICC's representations set out above in this order if FICC expects that category of membership would be available to Ontario Members.

Other SEC Reporting

8. FICC must promptly provide to staff of the Commission a copy of the following information, to the extent that FICC is required to provide such information to, or file such information with, the SEC or its successor:

   (a) details of any material legal proceeding instituted against FICC;

   (b) notification that FICC has failed to comply with an undisputed obligation to pay money or deliver property to a Member (including an Ontario Member) for a period of 30 days after receiving notice from the Member of FICC's past due obligation;

(c) notification that FICC has instituted a petition for a judgment of bankruptcy or insolvency or similar relief or to wind up or liquidate FICC, or has a proceeding for any such petition instituted against it;

(d) notification that FICC has initiated the Recovery Plan (as defined in the rules of the Divisions);

(e) the appointment of a receiver or the making of any general assignment for the benefit of creditors;

(f) the entering of FICC into any resolution regime or the placing of FICC into resolution by a resolution authority; and

(g) a notification or report that FICC files under Reg SCI.

Prompt Notice

9. FICC must promptly notify staff of the Commission of any of the following:

(a) a material change to its business or operations;

(b) a material problem with the clearance and settlement of transactions that could materially affect the safety and soundness of FICC;

(c) a material change or proposed material change in FICC's status as a clearing agency or to the regulatory oversight of FICC by the SEC or any successor or to the regulatory oversight by the Board of Governors of the Federal Reserve System or any successor;

(d) an Ontario Member being treated by FICC as insolvent or FICC ceasing to act for an Ontario Member or limiting or excluding an Ontario Member's utilization of Permitted Clearing Services; and

(e) the admission of any new Ontario Member.

Quarterly Reporting

10. FICC must maintain and submit the following information to the Commission in a manner and form acceptable to the Commission on a quarterly basis within 30 days of the end of each calendar quarter, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Members with their corresponding legal entity identifier (LEI), if any;

(b) a list of all Ontario Members against whom disciplinary or legal action has been taken in the quarter by FICC with respect to activities at FICC or, if notified to FICC by an Ontario Member pursuant to the GSD Rules or MBSD Rules, by any other authority that has or may have jurisdiction with respect to the Ontario Member's activities at FICC;

(c) a list of all current proceedings by FICC in the quarter relating to Ontario Members that may result in disciplinary or legal action by FICC against such Ontario Members;

(d) a list of all applicants who have been denied member status in GSD or MBSD in the quarter who would have been Ontario Members had they become Members;

(e) quantitative information in respect of the Permitted Clearing Services used by Ontario Members (including with respect to applicable trading activity of Sponsored Members sponsored by any Ontario Member as Sponsoring Member), as applicable[1], including in particular the following:

(i) as at the end of the quarter, the level, maximum and average of outstanding positions and daily volume of trades matched (based on trade sides and U.S. dollar value for GSD and trade sides and par value for MBSD) during the quarter for each Ontario Member of GSD and MBSD, respectively, by product type;

(ii) the portion of the end of quarter level and average of outstanding positions and daily volume of trades matched (based on trade sides and U.S. dollar value for GSD and trade sides and par value for MBSD) during the quarter for all GSD and MBSD members, respectively, that represents the end of quarter level and average of outstanding positions and daily volume of trades matched (based on trade sides

[1] Funds-Only Settling Bank Members do not have outstanding positions and/or Clearing Fund requirements, CCIT Members and Comparison-Only Members are not required to post Clearing Fund. Sponsored Members and Executing Firm Customers of Agent Clearing Members may elect to post margin directly, but are not required to do so.

and U.S. dollar value for GSD and trade sides and par value for MBSD) during the quarter for each Ontario Member of GSD and MBSD, respectively, by product type;

(iii) the aggregate total Clearing Fund amount required by GSD and MBSD, respectively, ending on the last trading day during the quarter for each Ontario Member of GSD and MBSD, respectively;

(f) the portion of the total Clearing Fund required by GSD and MBSD, respectively, ending on the last trading day of the quarter for all GSD and MBSD members, respectively, that represents the total Clearing Fund required during the quarter for each Ontario Member of GSD and MBSD, respectively;

(g) a summary of risk management analysis related to the adequacy of the Clearing Fund requirement, including but not limited to stress testing and backtesting results;

(h) if known to FICC, for each Member (identified by LEI), including an Ontario Member, clearing on behalf of an Executing Firm Customer (as defined in the GSD Rules) resident in Ontario that uses the Permitted Clearing Services, (i) the identities of such Executing Firm Customers(including LEI, if any) and (ii) the aggregate volume of trades matched (based on trade sides and U.S. dollar value) for such Executing Firm Customers during the quarter; and

(i) copies of the rules of the Divisions that show cumulative changes made during the quarter.

INFORMATION SHARING

11. FICC must promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws that would prevent the sharing of such information and subject to the application of solicitor-client privilege.

12. Unless otherwise prohibited under applicable law, FICC must share information relating to regulatory and enforcement matters and otherwise cooperate with other recognized and exempt clearing agencies on such matters, as appropriate.

B.3
Reasons and Decisions

B.3.1 Fédération des caisses Desjardins du Québec

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Although a reporting issuer, the filer does not have equity securities listed and posted for trading on a short form eligible exchange due to its status as a federation of financial services cooperatives. Application for exemptive relief from the qualification criteria to file a short form prospectus in paragraph 2.2(e) of National Instrument 44-101 Short Form Prospectus Distributions and the qualification criteria to file a base shelf prospectus in subsections 2.2(1) and (2) and subparagraph 2.2(3)(b)(iii) of National Instrument 44-102 Shelf Distributions. Relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(e) and 8.1.
National Instrument 44-102 Shelf Distributions, ss. 2.2(1) and (2), 2.2(3)(b)(iii) and 11.1.

[Original text in French]

March 5, 2025.

SEDAR+ filing No.: 06235982

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

AND

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

AND

IN THE MATTER OF
FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the qualification criteria in paragraph 2.2(e) of Regulation 44-101 respecting Short Form Prospectus Distributions, CQLR, c. V-1.1, r. 16 (Regulation 44-101) and subsections 2.2(1) and 2.2(2) and subparagraph 2.2(3)(b)(iii) of Regulation 44-102 respecting Shelf Distributions, CQLR, c. V-1.1, r. 17 (Regulation 44-102) under which the equity securities of the Filer must be listed and posted for trading on a short form eligible exchange in connection with the filing of a short form prospectus , not apply to the Filer, in accordance with part 8 of Regulation 44-101 and part 11 of Regulation 44-102 respectively (the Exemption Sought).

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

(a) the Autorité des marchés financiers is the principal regulator for this application (the Principal Regulator);

(b) the Filer has provided notice that subsection 4.7(1) of Regulation 11-102 respecting Passport System, CQLR, c. V-1.1, r. 1 (Regulation 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

Terms defined in Regulation 14-101 respecting Definitions, CQLR, c. V-1.1, r. 3, Regulation 11102, Regulation 44-101 and Regulation 44-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a federation of financial services cooperatives amalgamated under the Act respecting financial services cooperatives (Québec), CQLR, c. C 67.3 (Cooperatives Act).

2. The Filer's head office is located in Québec.

3. The cooperative group to which the Filer belongs is called the Groupe coopératif Desjardins, and the financial group to which the Filer belongs is called the Desjardins Group. Desjardins Group is comprised of the Filer and its subsidiaries, the Desjardins caisses in Québec (the Desjardins Caisses), Caisse Desjardins Ontario Credit Union Inc. and the Fonds de sécurité Desjardins.

4. Each of the Desjardins Caisses is a financial services cooperative governed by the Cooperatives Act and is a member of the Filer, a federation of financial services cooperatives governed by the Cooperatives Act. The Filer is also a financial services cooperative governed by the Cooperatives Act.

5. The Filer is a reporting issuer in all of the provinces of Canada and is not in default of securities legislation in any of those jurisdictions.

6. Desjardins Group is the largest financial services cooperative in Canada, with assets of $464.7 billion as at September 30, 2024. Desjardins Group employs more than 55,000 employees as at September 30, 2024. On June 19, 2013, the Principal Regulator designated the Desjardins Group as a domestic systemically important financial institution (a D-SIFI) under applicable financial institutions legislation in the province of Québec.

7. The Filer acts as a monitoring and control organization for the Desjardins Caisses and its mission includes risk management and capital management for Desjardins Group, as well as ensuring the financial health and sustainability of the Groupe coopératif Desjardins, which comprises the Desjardins Caisses in Québec, the Filer and the Fonds de sécurité Desjardins. The Filer is a seasoned issuer in the Canadian and global markets, and the Desjardins Group has approximately $46.6 billion aggregate principal amount of wholesale funds outstanding as of September 30, 2024, on a combined basis, including multiple series of notes and covered bonds as well as commercial paper.

8. In addition, the Filer acts as a control and supervisory body over the Desjardins Caisses in Québec. The Cooperatives Act confers broad normative powers upon the Filer, in particular with respect to Desjardins Caisses' adequacy of capital base, reserves, liquid assets and credit and investment activities. Each Desjardins Caisse is required to pay an annual assessment - contribution to the Groupe coopératif Desjardins for each fiscal year, which annual assessment - contribution to the Groupe coopératif Desjardins is fixed by the Filer's board of directors under the Cooperatives Act and the by-laws of the Filer. The Filer is responsible for inspecting the Desjardins Caisses and for adopting satisfactory standards for the content of financial reports. The Filer also provides the Desjardins Caisses with a variety of services, including certain technical, financial and administrative services. As at September 30, 2024, there were 203 member Desjardins Caisses in Québec and Caisse Desjardins Ontario Credit Union Inc. in Ontario. The Filer is also, among other things, the treasurer and official representative of Desjardins Group with the Bank of Canada and within the Canadian banking system.

9. The Filer's share capital is composed of various classes of capital shares, all of which are owned or controlled by members and auxiliary members of the Filer or members and auxiliary members of the Desjardins Caisses.

10. Because of the cooperative nature of the Filer, the Groupe coopératif Desjardins and Desjardins Group, the Filer's constating documents do not allow for the issuance of capital shares of the Filer to the public (i.e., outside of members and auxiliary members of the Filer or of the Desjardins Caisses), except in remote or extraordinary circumstances.

11. As a result thereof, the currently issued and outstanding capital shares of the Filer cannot be listed and posted for trading on a short form eligible exchange.

12. All domestic systemically important banks have filed short form base shelf prospectuses that are currently effective, and which qualify the issuance of, inter alia, debt securities with terms substantially similar to those of the Securities (as defined below).

13. The Filer obtained credit ratings for its medium and long term senior notes, medium and long term senior notes subject to Bail-in Powers, short term senior debt and subordinated notes that are non-viability contingent capital. The Filer is not aware of any pending downgrades of such ratings. The ratings are assigned generally and not to any specific issuances of Securities. In May 2010, Fitch Ratings, Inc. (Fitch) announced that it will no longer rate market-linked notes which have variable principal protection. Moody's Canada Inc. (Moody's) and S&P Global Ratings Canada (S&P) had each previously announced in June and December 2009, respectively, that it would no longer rate market-linked notes which have variable principal protection. Similarly, DBRS Limited (DBRS) no longer rates market-linked notes which have variable principal protection.

14. The Filer expects to file a base shelf prospectus for the issuance of the Securities up to $2,000,000,000 (together with the applicable shelf prospectus supplements, the Prospectus).

15. Except for the requirement that its equity securities be listed on a short form eligible exchange, the Filer meets all requirements in order to qualify under the "Basic Qualification Criteria" to file a prospectus in the form of a short form prospectus, as set forth under section 2.2 of Regulation 44-101 (and in the form of a base shelf prospectus, as set forth under Subsections 2.2(1) and 2.2(2) of Regulation 44-102).

16. Except for the requirement that the Securities have received a designated rating, the Filer meets all requirements in order to qualify under the Alternative Qualification Criteria for Issuers of Designated Rating Non-Convertible Securities to file a prospectus in the form of a short form prospectus (and in the form of a base shelf prospectus, as set forth under section 2.3 of Regulation 44-102), as:

    (a) the Securities are non-convertible securities;

    (b) it is required to transmit documents through SEDAR+ in accordance with Regulation 13-103 respecting System for Electronic Data Analysis and Retrieval + (SEDAR +), CQLR, c. V-1.1, r. 2.3;

    (c) it is a reporting issuer in each of the provinces of Canada;

    (d) it has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction (i) under applicable securities legislation, (ii) pursuant to any order issued by the securities regulatory authorities in such jurisdiction, and (iii) pursuant to any undertaking to the securities regulatory authorities in such jurisdiction, all in compliance with decision no. 2021-FS-0091, file no. 7299, of the Principal Regulator (the FS Decision);

    (e) it has, in all provinces of Canada, current annual financial statements and a current AIF, as required by the FS Decision; and

    (f) it is not an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or its exchange listing.

17. The Filer does not plan to seek ratings for any specific issuance of Securities under the Prospectus.

18. The securities to be offered by the Filer under the Prospectus will be unsubordinated debt securities that are not convertible in accordance with their terms, that are not non-viability contingent capital, are not eligible for internal recapitalization and that are market-linked notes with no principal protection (principal at risk notes) (collectively, the Securities).

Decision

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

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

    (a) the Filer complies with the applicable requirements, procedures and qualification criteria of Regulation 44-101, other than the requirement of paragraph 2.2(e) of Regulation 44-101 that the Filer's equity securities be listed and posted for trading on a short form eligible exchange;

(b) the Filer is not an issuer whose operations have ceased or whose principal asset is cash, cash equivalents or an exchange listing;

(c) Desjardins Group continues to be recognized by the Principal Regulator as a DSIFI (or the equivalent) under applicable financial institutions legislation in the province of Québec;

(d) each shelf prospectus supplement qualifying Securities distributed under the Final Prospectus includes cover page disclosure that:

(i) the Securities qualified under such shelf prospectus supplement are not rated;

(ii) any non issue specific credit rating applicable to Securities issued under such shelf prospectus supplement only applies to credit-related factors such as the Filer's ability to make any payments it would be obligated to make under the Securities;

(iii) any non issue specific credit rating applicable to Securities issued under such shelf prospectus supplement does not apply to non-principal protected indexed Notes and, for so long as Fitch, Moody's, S&P and DBRS continue not to rate non-principal protected indexed Securities, an explanation to that effect; and

(iv) an investor's principal is at risk as a result of non credit-related factors such as the performance of the underlying reference asset;

(e) the Filer complies with its undertaking filed concurrently with the Final Prospectus that it will not distribute in any local jurisdiction under the Final Prospectus specified derivatives, that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives, in accordance with subsection 4.1(2) of Regulation 44-102; and

(f) the Exemption Sought will cease to have effect upon expiry of the receipt issued for the first Prospectus filed after the date hereof.

"Benoît Gascon"
Directeur principal du financement des sociétés
Autorité des marchés financiers

OSC File #: 2025/0045

B.3.2 1832 Asset Management L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to existing and future investment funds from the margin deposit limit in subsection 6.8(1) and paragraph 6.8(2)(c) of National Instrument 81-102 to permit each fund to deposit as margin portfolio assets of up to 35% of the fund's NAV with any one dealer in Canada or the U.S. and up to 70% of each fund's NAV with all dealers in the aggregate, for transactions involving exchange traded specified derivatives – Each fund will be a mutual fund governed by the provisions of NI 81-102 whose investment objective and strategies permit it to invest in exchange traded specified derivatives – Relief granted subject to condition that each fund relying on the decision does not invest in derivatives that are not exchange traded specified derivatives and that the amount of initial margin held by any one dealer on behalf of that fund does not exceed 35% of the fund's NAV, and the amount of initial margin held by dealers in aggregate on behalf of that fund does not exceed 70% of the fund's NAV, as at the time of deposit.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 6.8(1), 6.8(2)(c) and 19.1.

March 19, 2025

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
1832 ASSET MANAGEMENT L.P.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of 1832 AM Tactical Asset Allocation PLUS Pool, Dynamic Active Enhanced Yield Covered Options ETF, Dynamic Premium Balanced Private Pool Class, Dynamic Premium Bond Private Pool, Dynamic Premium Bond Private Pool Class, Dynamic Premium Yield Class, Dynamic Premium Yield Fund, Dynamic Premium Yield PLUS Fund, Scotia U.S. $ Balanced Fund, Scotia Wealth Premium Payout Pool and the other existing and future mutual funds managed by the Filer, or an affiliate of the Filer, that are subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**) and are permitted by their investment objectives and investment strategies to invest in Exchange Traded Specified Derivatives (as defined herein) (each, a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption, pursuant to section 19.1 of NI 81-102, from:

(a) subsection 6.8(1) of NI 81-102, which restricts an investment fund from depositing portfolio assets as margin with a member of a regulated clearing agency or dealer that is a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund (**CIPF**) for a transaction in Canada involving certain specified derivatives in excess of 10% of the net asset value (**NAV**) of the investment fund at the time of deposit; and

(b) paragraph 6.8(2)(c) of NI 81-102, which restricts an investment fund from depositing portfolio assets as margin with a member of a regulated clearing agency or dealer for a transaction outside of Canada involving certain specified derivatives in excess of 10% of the NAV of the investment fund as at the time of deposit;

to permit each Fund to deposit as margin portfolio assets of up to 35% of the Fund’s NAV as at the time of deposit with any one futures commission merchant in Canada or the United States (each a **Dealer**) and up to 70% of each Fund’s NAV at the time of deposit with all Dealers in the aggregate, for transactions involving standardized futures, clearing corporation options, options on futures, or cleared specified derivatives, such as cleared swaps, that are traded or cleared on or through a stock exchange or futures exchange, a recognized clearing agency, or a swap execution facility that is exempted from recognition as an exchange

under subsection 21(1) of the *Securities Act* (Ontario) (together, **Exchange Traded Specified Derivatives**) (the **Requested Relief**).

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

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

(b) the Filer has provided notice that subsection 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 the Jurisdiction, the **Canadian Jurisdictions**).

Interpretation

Terms defined in NI 81-102, 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; (iv) a commodity trading manager in Ontario; (v) a derivatives portfolio manager in Québec; and (vi) an adviser in Manitoba.

3. The Filer, or an affiliate of the Filer, is or will be the investment fund manager of each Fund.

4. The Filer, or an affiliate of the Filer may act as portfolio manager of each Fund or may appoint one or more portfolio managers for a Fund or one or more sub-advisers to provide the Filer with investment advice in respect of a Fund's investments.

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

The Funds

6. Each Fund is, or will be, a mutual fund to which NI 81-102 applies (including an alternative mutual fund, a non-alternative mutual fund, an exchange traded mutual fund, or a non-exchange traded mutual fund), subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

7. No existing Fund is in default of securities legislation in any of the Jurisdictions.

8. The investment objective and investment strategies of each Fund permit or will permit the Fund to invest in Exchange Traded Specified Derivatives.

9. The investment objective of 1832 AM Tactical Asset Allocation PLUS Pool is to maximize total return over the medium to long term by investing in long and/or short positions of equity securities, fixed income securities and currencies, either directly, or indirectly through investing in exchange traded funds and the use of derivatives, including futures, forward contracts, options and swaps.

10. The investment objective of Dynamic Active Enhanced Yield Covered Options ETF is to seek to achieve long-term capital appreciation by investing in equity securities and writing covered put and covered call options, which generate premiums.

11. The investment objective of Dynamic Premium Balanced Private Pool Class is to seek to provide diversification and long-term capital appreciation by primarily investing in a diversified portfolio of alternative investments and the use of alternative investment strategies including options and short selling strategies.

12. The investment objective of Dynamic Premium Bond Private Pool is to seek to provide income and some long-term capital appreciation by investing primarily in a diversified portfolio of fixed income securities.

13. The investment objective of Dynamic Premium Bond Private Pool Class is to seek to provide income and some long-term capital appreciation by investing primarily in a diversified portfolio of fixed income securities.

14. The investment objective of Dynamic Premium Yield Class is to seek to achieve long-term capital appreciation primarily by investing directly in U.S. equity securities and writing call options on these securities, and/or by writing put options, which generate premium yield.

15. The investment objective of Dynamic Premium Yield Fund is to seek to achieve high income and long-term capital appreciation primarily by writing put options on equity securities to collect premiums, investing directly in equity securities and/or writing call options on these securities.

16. The investment objective of Scotia U.S. $ Balanced Fund is to provide long term capital growth and current income in U.S. dollars. It invests primarily in a combination of fixed income and equity securities that are denominated in U.S. dollars.

17. The investment objective of Scotia Wealth Premium Payout Pool is to seek high income and long-term capital appreciation primarily by writing put options on equity securities to collect premiums, investing directly in equity securities and/or writing call options on these securities.

18. Except to the extent that the Requested Relief is granted and other exemptive relief is applicable, the investment strategies of the Funds are, or will be, limited to the investment practices permitted by NI 81-102.

19. The Filer, portfolio manager or sub-adviser to a Fund is, or will be, authorized to establish, maintain, change and close brokerage accounts on behalf of the Fund. In order to facilitate transactions on behalf of a Fund, the Filer, portfolio manager or sub-adviser to the Fund will establish one or more accounts (each an **Account**) with one or more Dealers.

The Dealers

20. Each Dealer in Canada (each a **Canadian Dealer**) is a member of the Canadian Investment Regulatory Organization (**CIRO**), or successor to CIRO, in Canada and is registered in the applicable Canadian Jurisdictions as a futures commission merchant or equivalent.

21. Each Canadian Dealer is a member of the exchanges, clearing agencies or swap execution facility through which the Exchange Traded Specified Derivatives are primarily traded. Each such exchange, clearing agency and swap execution facility is obliged to apply its surplus funds and the security deposits of its members to reimburse clients of failed members.

22. Each Dealer in the United States (each a **U.S. Dealer**) is regulated by the Commodity Futures Trading Commission (the **CFTC**) and the National Futures Association (the **NFA**), or successor to the CFTC or the NFA, in the United States and is required to segregate the initial margin held on behalf of clients, including the Funds. Each U.S. Dealer is subject to regulatory audit and must have insurance to guard against employee fraud. Each U.S. Dealer has a net worth, determined from its most recent audited financial statements, in excess of the equivalent of C$50 million. Each U.S. Dealer has an exchange assigned to it as its designated self-regulatory organization (**DSRO**). As a member of a DSRO, each U.S. Dealer must meet capital requirements, comply with the conduct rules of the CFTC, NFA and its DSRO, and participate in an arbitration process with a complainant.

23. Where a U.S. Dealer is not a member of an exchange over which it wishes to effect a trade on behalf of a Fund, it must engage a carrying broker that is a member of such exchange to effect the trade. Consequently, whether the trades are done directly by the U.S. Dealer or through a carrying broker, the U.S. Dealer is required to segregate the assets of the Fund deposited as Initial Margin from the assets of the U.S. Dealer. Each Fund shall deposit portfolio assets as Initial Margin with a U.S. Dealer only if that dealer is required to segregate those portfolio assets from its own assets.

24. A Dealer will require, for each Account, that portfolio assets of the Fund be deposited with the Dealer as collateral for transactions in Exchange Traded Specified Derivatives (**Initial Margin**). Initial Margin represents the minimum initial amount of portfolio assets that must be deposited with a Dealer to initiate trading in specified derivatives transactions or to maintain the Dealer's open position in standardized futures.

25. Levels of Initial Margin are established at a Dealer's discretion. At no time will more than 70% of the NAV of a Fund be deposited as Initial Margin with all Dealers in the aggregate.

26. The records of each Dealer will show that the applicable Fund is the beneficial owner of the Initial Margin, and evidence that, subject to the satisfaction of the Dealer's applicable margin requirements, the applicable Fund will have the right to the return of the portfolio assets deposited as Initial Margin with the Dealer, such assets being of the same issue as the deposited margin, including the same class and series, if applicable, and having the same current aggregate market value of the deposited margin at the time of such return.

Reasons for the Requested Relief

27. The use of Initial Margin is an essential element of investing in Exchange Traded Specified Derivatives for the Funds.

28. The Requested Relief would allow the Funds to invest in Exchange Traded Specified Derivatives more extensively with any one Dealer, which would allow the Funds to pursue their investment strategies more efficiently and flexibly.

29. Opening Accounts and transacting with multiple Dealers adds complexity and cost to the management of the Funds. Using fewer Dealers will considerably simplify the Funds' investments and operations and will reduce the cost of implementing each Fund's strategy. Using fewer Dealers also simplifies compliance and risk management, as monitoring the data, controls and policies of a smaller number of Dealers is less complex.

30. The principal regulator is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief.

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) Each Fund will rely on this decision only with respect to investments in derivatives that are Exchange Traded Specified Derivatives;

(b) Each Fund shall only use Initial Margin such that the amount of Initial Margin held by any one Dealer on behalf of the Fund does not exceed 35% of the net assets of the Fund, taken at market value as at the time of the deposit; and

(c) Each Fund shall only use Initial Margin such that the amount of Initial Margin held by Dealers in aggregate on behalf of each Fund does not exceed 70% of the NAV of each Fund as at the time of the deposit.

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

Application File #: 2025/0127
SEDAR+ File #: 6249335

B.3.3 Tralucent Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filer granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment Funds to permit references to FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the FundGrade A+ Awards and Lipper Awards being referenced have not been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(4)(c) and (f) and 19.1.

March 19, 2025

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
TRALUCENT ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

1. The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the existing mutual funds and future mutual funds of which the Filer is or becomes the investment fund manager which are available for sale to retail investors and to which National Instrument 81-102 – *Investment Funds* (**NI 81-102**) applies (each a **Fund** and collectively, the **Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirements set out in paragraphs 15.3(4)(c) (and 15.3(4)(f) (of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

    (a) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund; and

    (b) the rating or ranking is to the same calendar month end that is:

        (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and

        (ii) not more than three months before the date of first publication of any other sales communication in which it is included.

2. in order to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings (each as described below) to be referenced in sales communications relating to the Funds (together, the **Exemption Sought**).

3. Under National Policy 11-203 - *Process for Exemptive Relief Applications in Multiple Jurisdictions* (**NP 11-203**):

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

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

A. INTERPRETATION

4. Defined terms contained in National Instrument 14-101 *Definitions,* NI 81-102, and MI 11-102 have the same meaning in this decision, unless otherwise defined.

B. REPRESENTATIONS

5. This Decision is based on the following facts represented by the Filer:

The Filer and the Funds

6. The Filer is a corporation formed and organized under the laws of the Province of Ontario with its head office in Toronto, Ontario.

7. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario and Quebec and as a portfolio manager and exempt market dealer in Ontario, Quebec, British Columbia, Alberta and New Brunswick.

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

9. The Filer, or an affiliate, is, or will be, the manager, trustee, portfolio manager and investment fund manager of each Fund.

10. Each Fund is, or will be, an open-ended mutual fund trust established under the laws of Ontario.

11. Each Fund is, or will be, governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

12. The securities of the Funds are, or will be, offered pursuant to one or more simplified prospectuses filed in some or all of the provinces and territories of Canada and, accordingly each Fund is, or will be, a reporting issuer in one or more provinces and territories of Canada.

13. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

Fundata FundGrade A+ Awards Program

14. The Filer wishes to include in sales communications of the Funds references to the FundGrade Ratings and references to the FundGrade A+ Awards where such Funds have been awarded a FundGrade A+ Award.

15. Fundata Canada Inc. (**Fundata**) is not a member of the Funds' organization. Fundata is a "mutual fund rating entity" as that term is defined in NI 81-102. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

16. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.

17. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk-adjusted performance measured by three well-known and widely used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

18. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a fund must show consistently high scores for all ratios across all time periods.

19. Fundata calculates a grade using only the retail series of each fund. Institutional series or fee-based series of any fund are not included in the calculation. A fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a fund, it is then applied to all related series of that fund.

20. At the end of each calendar year, Fundata calculates a "Fund GPA" for each fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each fund is divided by 12 to arrive at the Fund's GPA for the year. Any fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.

21. When a fund is awarded a FundGrade A+ Award, Fundata will permit such fund to make reference to the award in its sales communications.

Lipper Leader Ratings and Lipper Awards

22. The Filer also wishes to include in sales communications of the Funds references to Lipper Leader Ratings (which are performance ratings or rankings for funds issued by Lipper and include the Lipper Ratings for Consistent Return, Lipper Ratings for Total Return, Lipper Ratings for Preservation and the Lipper Ratings for Expense, which are described below) and Lipper Awards (as described below) where such Funds have been awarded a Lipper Award.

23. Lipper, Inc. (**Lipper**) is a "mutual fund rating entity" as that term is defined in NI 81-102. Lipper is part of the Refinitiv group of companies, and is a global leader in supplying mutual fund information, analytical tools, and commentary. Lipper's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

24. One of Lipper's programs is the Lipper Fund Awards from Refinitiv program (the **Lipper Awards**). This program recognizes funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers and also recognizes fund families with high average scores for all funds within a particular asset class or overall. Currently, the Lipper Awards take place in approximately 17 countries.

25. In Canada, the Lipper Awards include the Lipper Fund Awards and Lipper ETF Awards (which were awarded for the first time in Canada in 2014). For the Lipper Fund Awards, Lipper designates award-winning funds in a number of individual fund classifications for three, five and ten year periods. For the Lipper ETF Awards, Lipper designates award- winning funds in a number of individual fund classifications for the three and five year periods, and it is expected that awards for the ten year period will be given in the future.

26. The categories for fund classification used by Lipper for the Lipper Awards in respect of Canadian funds are those maintained by CIFSC (or a successor to the CIFSC), a Canadian organization that is independent of Lipper. Only those CIFSC groups of ten or more unique funds will claim a Lipper Fund Award, and only those CIFSC groups of five or more unique ETFs (each of whom have a minimum of three or five years of performance history, as applicable) will claim a Lipper ETF Award.

27. The Lipper Awards are based on a proprietary rating methodology prepared by Lipper, the Lipper Leader Rating System. The Lipper Leader Rating System is a toolkit that uses investor-centered criteria to deliver a simple, clear description of a fund's success in meeting certain goals, such as preserving capital, lowering expenses or building wealth. Lipper Ratings provide an instant measure of a fund's success against a specific set of key metrics, and can be useful to investors in identifying funds that meet particular characteristics.

28. In Canada, the Lipper Leader Rating System includes Lipper Ratings for Consistent Return (reflecting funds' historical risk-adjusted returns relative to funds in the same classification), Lipper Ratings for Total Return (reflecting funds' historical total return performance relative to funds in the same classification), Lipper Ratings for Preservation (reflecting funds' historical loss avoidance relative to other funds in the same classification) and Lipper Ratings for Expense (reflecting funds' expense minimization relative to funds with similar load structures). In each case, the categories for fund classification used by Lipper for the Lipper Leader Ratings are those maintained by CIFSC (or a successor to CIFSC). Lipper Leader Ratings are measured monthly over 36, 60 and 120 month periods, and an overall rating is also measured, which is an unweighted average of the previous three periods. The highest 20% of funds in each category are named Lipper Leaders for that particular rating and receive a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1.

29. The Lipper Awards, awarded annually in Canada, are based on the Lipper Ratings for Consistent Return measure, which, as generally described above, is a risk-adjusted mutual fund return performance measure used by Lipper that takes into account both short-- and long-term risk-adjusted performance relative to fund classification, together with a measure of a fund's consistency. In respect of the Lipper Awards for Canada, the Lipper Ratings for Consistent Return are measured over the 36, 60 and 120 month periods ending at the end of July of each year. As noted above, the highest 20% of funds in each classification are named Lipper Leaders for Consistent Return, and the highest Lipper Leader for Consistent

Return in each applicable fund classification over these periods (currently, in the case of the Lipper ETF Awards, over the 36 and 60 month periods only) wins a Lipper Award.

Sales communication disclosure

FundGrade Ratings and FundGrade A+ Awards

30. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102, as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings", given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

31. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e., for one, three, five and ten year periods, as applicable).

32. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years, and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a Fund to use FundGrade Ratings in sales communications.

33. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4). As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) unavailable. Relief from paragraph 15.3(4)(c) is, therefore, required in order for the Funds to reference the FundGrade A+ Awards and the FundGrade Ratings in sales communications.

34. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

35. Because the evaluation of funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a fund receives a FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March. Relief from paragraph 15.3(4)(f) is required in order for the FundGrade A+ Awards to be referenced in sales communications relating to the Funds outside the above periods.

Lipper Leader Ratings and Lipper Awards

36. The Lipper Leader Ratings are performance ratings or rankings under NI 81-102 and Lipper Awards may be considered to be performance ratings or rankings under NI 81-102 given that the awards are based on the Lipper Leader Ratings as described above. Therefore, references to Lipper Leader Ratings and Lipper Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

37. In Canada and elsewhere, Lipper Leader Ratings are calculated only for 36, 60 and 120 month periods and are not calculated for a one year period. This means that a sales communication referencing a Lipper Leader Rating cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102 because a rating is not available for the one year period. Relief from paragraph 15.3(4)(c) of NI 81-102 is therefore required in order for the Funds to reference Lipper Leader Ratings in sales communications.

38. In addition, a sales communication referencing the overall Lipper Leader Ratings and the Lipper Awards, which are based on the Lipper Leader Ratings, must disclose the corresponding Lipper Leader Rating for each period for which standard performance data is required to be given. As noted above, because a rating for the one year period is not available for

the Lipper Leader Ratings, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards also cannot comply with the matching requirement contained in paragraph 15.3(4)(c) of NI 81-102.

39. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the overall Lipper Leader Ratings or Lipper Awards in sales communications for the Funds because subsection 15.3(4.1) of NI 81-102 is available only if a sales communication otherwise complies with the requirements of subsection 15.3(4) of NI 81-102. As noted above, sales communications referencing the overall Lipper Leader Ratings or Lipper Awards cannot comply with the "matching" requirement in subsection 15.3(4) of NI 81-102 because the underlying Lipper Leader Ratings are not available for the one year period, rendering the exemption in subsection 15.3(4.1) of NI 81-102 unavailable. Relief from paragraph 15.3(4)(c) of NI 81- 102 is therefore required in order for the Funds to reference overall Lipper Leader Ratings and the Lipper Awards in sales communications.

40. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. The paragraph provides that in order for a rating or ranking such as a Lipper Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

41. Because the evaluation of funds for the Lipper Awards will be based on data aggregated until the end of July in any given year and the results will be published in November of that year, by the time a fund receives an award in November, paragraph 15.3(4)(f) of NI 81-102 will prohibit it from publishing news of the award altogether.

42. The Exemption Sought is required in order for the FundGrade Ratings, FundGrade A+ Awards, Lipper Leader Ratings and Lipper Awards to be referenced in sales communications relating to the Funds.

General

The Exemption Sought will provide investors with helpful information

43. The FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings provide important tools for investors, as they provide them with context when evaluating investment choices.

44. The FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of Fundata or Lipper, as applicable, in fund analysis and alleviates any concern that references to them may be misleading and therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

C. DECISION

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

46. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings to be referenced in sales communications relating to a Fund provided that:

(a) The sales communication that refers to the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:

(i) the name of the category for which the Fund has received the award or rating;

(ii) the number of mutual funds in the category for the applicable period;

(iii) the name of the ranking entity, i.e., Fundata or Lipper;

(iv) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Awards, FundGrade Rating, Lipper Awards or Lipper Leader Ratings is based;

(v) a statement that FundGrade Ratings and Lipper Leader Ratings are subject to change every month;

(vi) in the case of a FundGrade A+ Award or Lipper Award, a brief overview of the FundGrade A+ Award or Lipper Award, as applicable;

(vii) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award) or a Lipper Leader Rating (other than Lipper Leader Ratings referenced in

connection with a Lipper Award), a brief overview of the FundGrade Rating or Lipper Leader Rating, as applicable;

(viii) where Lipper Awards are referenced, the corresponding Lipper Leader Rating that the Lipper Award is derived from is presented for each period for which standard performance data is required other than the one year and since inception periods;

(ix) where a Lipper Leader Rating is referenced, the Lipper Leader Ratings are presented for each period for which standard performance data is required other than the one year and since inception periods;

(x) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category) or Lipper Leader Ratings from 1 to 5 (e.g., rating of 5 indicates a fund is in the top 20% of its category), as applicable; and

(xi) reference to Fundata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings or reference to Lipper's website for greater detail on the Lipper Awards and Lipper Leader Ratings, which includes the rating methodology prepared by Fundata or Lipper, as applicable;

(b) The FundGrade A+ Award and Lipper Awards being referenced must not have been awarded more than 365 days before the date of the sales communication; and

(c) The FundGrade A+ Awards, FundGrade Ratings, Lipper Awards, and Lipper Leader Ratings being referenced are calculated based on comparisons of performance of mutual funds within a specified category established by the CIFSC (or a successor to the CIFSC).

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

Application File #: 2025/0119
SEDAR+ File #: 6247031

B.3.4 Guardian Capital LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief requested from the 5% of net asset value threshold on cash borrowing in subparagraph 2.6(1)(a)(i) of NI 81-102 to allow mutual funds to borrow cash on a temporary basis in an amount that does not exceed 10% of the mutual fund's net asset value at the time of borrowing to (i) accommodate requests for the redemption of securities of the fund while the fund settles portfolio transactions initiated to satisfy such redemption requests, and (ii) permit the fund to settle a purchase of portfolio securities that is executed in anticipation of the settlement of an investor's purchase of securities of the fund – Relief requested in connection with the implementation of T+1 settlement for securities traded in North American markets as at May 27, 2024, while certain foreign markets will continue to maintain T+2 settlement – Funds may experience mismatch between the settlement timing of trades in fund securities and the settlement timing of trades in portfolio securities, which may give rise to a temporary funding gap in the settlement of fund redemptions and the purchase of portfolio security purchases – Relief granted subject to various conditions, including that the outstanding amount of all borrowings of a fund does not exceed 10% of the net asset value of the fund at the time of borrowing – Decision expires in three years – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(1)(a)(i) and 19.1.

March 21, 2025

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
GUARDIAN CAPITAL LP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting all current and future mutual funds that are not alternative mutual funds or non-redeemable investment funds and that (i) are, or will be, reporting issuers and (ii) are, or will be, managed by the Filer or by an affiliate or a successor of the Filer (collectively, the **Funds** and individually, a **Fund**) from the Borrowing Limit (as defined below) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to allow each Fund to borrow cash on a temporary basis in an amount that does not exceed 10% of its net asset value at the time of borrowing to:

(a) accommodate requests for the redemption of securities of the Fund (each a **Fund Redemption**) while the Fund settles portfolio transactions initiated to satisfy such redemption requests (the **Redemption Relief**); and

(b) permit the Fund to settle a purchase of Portfolio Securities (as such term is defined below) (each a **Portfolio Security Purchase**) that is executed in anticipation of the settlement of an investor's purchase of securities of the Fund (each a **Fund Purchase** and such relief, the **Purchase Relief** and together with the Redemption Relief, the **Exemption Sought**).

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

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

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

Borrowing Limit means the five percent (5%) of net asset value threshold on cash borrowing set forth in subparagraph 2.6(1)(a)(i) of NI 81-102.

Fund Securities means the shares or units of a Fund.

Portfolio Securities means the securities held or purchased by a Fund.

Pricing Date means the date on which the net asset value per Fund Security is calculated for the purpose of determining the price at which the Fund Security is to be issued or redeemed, as applicable.

T+1 Securities means securities the trades in respect of which customarily settle on the first business day after a Trade Date.

T+2 Securities means securities the trades in respect of which customarily settle on a day that is later than the first business day after a Trade Date.

Trade Date means the date upon which pricing for a trade in a security is determined.

Representations

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

The Filer and the Funds

1. The Filer is the investment manager of the Funds. The head office of the Filer is located in Ontario.

2. The Filer is registered as a portfolio manager and exempt market dealer in each province of Canada and as an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador. The Filer is also registered as a commodity trading counsel and commodity trading manager in Ontario.

3. Each Fund is, or will be, managed by the Filer or by an affiliate or a successor of the Filer.

4. The Funds are, or will be, mutual funds subject to NI 81-102 that are not alternative mutual funds or non-redeemable investment funds and are, or will be, reporting issuers in one or more of the Jurisdictions.

5. Neither the Filer nor any of the Funds existing as at the date hereof are in default of securities legislation of the Jurisdictions.

Background on Settlement Requirements for North American Securities

6. On December 1, 2021, the securities industry in the United States, represented by the Securities Industry and Financial Markets Association, the Investment Company Institute, and The Depository Trust & Clearing Corporation, published a report targeting the first half of 2024 to shorten the United States securities settlement cycle from the second business day after the Trade Date, commonly referred to as "**T+2**", to one business day after the Trade Date, commonly referred to as "**T+1**". On the same day, the Canadian Capital Markets Association (the **CCMA**) announced its plans to facilitate shortening Canada's standard securities settlement cycle from T+2 to T+1.

7. The Canadian Securities Administrators (the **CSA**) subsequently published CSA Staff Notice 24-318 *Preparing for the Implementation of T+1 Settlement*, which outlined their position on the benefits of shorter settlement cycles and highlighted the need for close collaboration and coordination across the Canadian securities industry to transition to T+1 settlement in alignment with U.S. markets.

8. On February 15, 2023, the U.S. Securities and Exchange Commission (the **SEC**) formally announced that the move in the United States to T+1 settlement for transactions involving various securities, including equities and corporate debt, would take effect on May 28, 2024.

9. On March 14, 2023, in alignment with the transition in U.S. markets (but taking into account that, unlike the United States, Canada's financial markets are open on Monday, May 27, 2024), the CCMA formally announced May 27, 2024, as the implementation date for the move to T+1 settlement for transactions involving various securities, including equities and corporate debt (the **Implementation Date**).

10. On May 27, 2024, Canada moved to the T+1 settlement cycle and on May 28, 2024, the United States moved to the T+1 settlement cycle.

11. Despite this adoption of T+1 settlement for North American securities, many foreign markets maintain a T+2 or greater settlement cycle, including, but not limited to, the European Union, the United Kingdom, Japan, Brazil, Australia, and New Zealand.

Background on Settlement Requirements for NI 81-102 Funds

12. Section 9.4 of NI 81-102 requires payment of the issue price of Fund Securities to which a purchase order pertains to be made to the Fund on or before the "reference settlement date" (as such term is defined in NI 81-102) for the securities (which must be no later than the second business day after the Pricing Date of the Fund Securities), and if the payment of the issue price is not received by the Fund on or before the reference settlement date, the Fund will be required to redeem the Fund Securities to which the purchase order pertains as if it had received an order for the redemption of the Fund Securities on the next business day after the reference settlement date.

13. Additionally, Section 10.4 of NI 81-102 requires a Fund to pay the redemption proceeds for Fund Securities that are the subject of a redemption order within two business days after the Pricing Date (subject to satisfaction of all required redemption procedures established by the Fund in accordance with Section 10.1 of NI 81-102).

14. Despite the change from T+2 to T+1 settlement for North American securities, NI 81-102 still permits purchases and redemptions of Fund Securities to settle on T+2. As of the Implementation Date, Funds may elect to settle purchases and redemptions of Fund Securities on T+1 on a voluntary basis.

Mismatches in Settlement Periods

15. As of the Implementation Date, certain Funds now settle trades in Fund Securities on the first business day after a Trade Date (each a **T+1 Fund**). As only a limited number of Funds invest purely in T+1 Securities, many T+1 Funds will hold some T+2 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Fund Redemptions, giving rise to the need for the Exemption Sought.

16. Additionally, certain Funds continue to, or may in the future, settle trades in Fund Securities on a day that is later than the first business day after a Trade Date (each a **T+2 Fund**). As only a limited number of Funds invest purely in T+2 Securities, many T+2 Funds will hold some T+1 Securities, resulting in a mismatch between the settlement timing of trades in Fund Securities and trades in Portfolio Securities. Such mismatch may lead to liquidity constraints in funding Portfolio Security Purchases, giving rise to the need for the Exemption Sought.

Reasons Requiring the Redemption Relief

17. As of the Implementation Date, the Filer has moved certain Funds to T+1 settlement.

18. T+1 Funds may have a portion of their assets invested in T+2 Securities. To fund redemptions, a T+1 Fund will effect an orderly liquidation of Portfolio Securities in order to accommodate redemption requests. However, liquidation of T+2 Securities effected on the Trade Date of the Fund Redemption will only settle after the Fund is required to settle the Fund Redemption in cash. This arises not only because T+2 Securities settle one or more business days following the Fund Redemption's settlement date but also because T+2 Securities are generally in jurisdictions where the stock exchanges are not open for trading at 4:00pm ET, which is generally the cut-off time for Fund Redemptions (the **Cut-Off Time**) or the markets in which the T+2 Securities trade may be closed due to public holidays. As such, Portfolio Securities may only be sold one business day after the Fund Redemption's Trade Date and would thus only settle three business days (or more) after the Fund Redemption's Trade Date. A T+1 Fund that holds some T+2 Securities may therefore be required to pay the redemption price for the Fund Securities that have been redeemed at a time when the Fund has insufficient cash to do so.

19. T+1 Funds may also encounter situations in which a liquidation of T+1 Securities will settle after the requirement to settle a Fund Redemption in cash, resulting in a cash shortfall. If Fund Redemption requests are placed at or shortly before the Cut-Off Time, a T+1 Fund may be in an unanticipated net redemption position and may not be able to effect a liquidation of sufficient T+1 Securities for the purposes of satisfying such Fund Redemptions until the following business day. In such circumstances, the Fund will be obligated to settle the Fund Redemption before it receives cash proceeds from selling its T+1 Securities. Additionally, T+1 Funds may encounter liquidity constraints when the Fund Redemptions are placed on days where the T+1 Securities are:

    (a) not trading due to public holidays or other reasons, as any such liquidation of the T+1 Securities will only settle after the Fund is required to settle the Fund Redemption in cash; or

(b) trading but the settlement date for the T+1 Securities is delayed as the following day is a public holiday in the jurisdiction where the T+1 Securities trade but it is not a public holiday in Canada. In such situations, the T+1 Securities are settling on a T+2 basis from the Fund's perspective and the Fund is required to settle the Fund Redemption in cash prior to receiving cash from the sale of the T+1 Securities.

20. A Fund is permitted to borrow cash as a temporary measure to accommodate requests for Fund Redemptions while the Fund effects an orderly liquidation of portfolio assets, provided that all borrowing by the Fund does not exceed the Borrowing Limit. Borrowing beyond the Borrowing Limit may be necessary for the purpose of settling Fund Redemptions in the scenarios set out above.

21. While liquidity management practices other than cash borrowing may be utilized by the Filer to manage the liquidity constraint scenarios set out above, the Filer submits that permitting a T+1 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis while the Fund awaits receipt of proceeds from the sale of Portfolio Securities (**Fund Redemption Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than such other liquidity management practices, as further described below:

(a) **Suspending Redemptions:** A Fund may request permission from the principal regulator to suspend Fund Redemptions if it is not able to accommodate redemption requests. However, the Filer considers suspending Fund Redemptions to be a practice of last resort. From a practical perspective, this makes little sense given that this is a temporary issue and the above activities would need to be carried out again when the Portfolio Securities have settled, as Fund Redemptions would no longer be suspended. The Filer does not believe that this is the intent of the suspension mechanism. Further, the suspension of redemptions is not in investors' best interests, as it would deny them access to their investments for a number of days and may result in borrowing and/or opportunity costs for investors not expecting the suspension. Borrowing in excess of the Borrowing Limit to bridge the settlement of Portfolio Securities sale transactions is a temporary measure that the Filer submits is an approach more in line with the Fund and investors' best interests than a suspension of Fund Redemptions.

(b) **Disproportionately Selling Off Faster-Settling Portfolio Securities:** Disproportionately selling off faster settling Portfolio Securities may give a Fund the ability to satisfy the applicable Fund Redemptions. However, a Fund's investment restrictions may prevent a Fund from pursuing these trades when the result would produce weighting imbalances that are prohibited by the Fund's investment guidelines. Additionally, this strategy may not always be in the best interest of the Fund and the remaining investors in the Fund if the portfolio manager's outlook favours these faster-settling securities that are being liquidated because ultimately the Fund will have to repurchase these securities once the slower-settling securities have been sold and settled, thereby incurring trading costs which would be borne solely by remaining investors. The Redemption Relief will allow the Filer to seek to manage a Fund's portfolio realisations to fund redemptions in a manner that is fairer to the Fund's remaining investors. The Redemption Relief will allow the Filer more time, if required, to sell a variety of portfolio assets to keep the Fund in line with the portfolio manager's intended investment allocation.

(c) **Short Settlement:** A Fund may request that the counterparty to its Portfolio Securities sale transaction "short settle" the settlement of Portfolio Securities so that the Fund receives the cash for such sale earlier than is customary. While "short settlement" arrangements may be helpful, there are issues associated with short settlement:

(i) Short settlement is not always available for any given trade (including for trades in T+1 Securities, since short settlement would require settlement *on* the Trade Date, which is uncommon);

(ii) Not all dealers are willing to offer short settlement;

(iii) Short settlement may result in increased trading commissions; and

(iv) Short settlement potentially creates operational risk.

The Filer submits that "short settlement" arrangements are not always in the best interest of a Fund and in many instances, cash borrowing would be a preferred strategy.

(d) **Maintenance of Cash:** A Fund may hold cash as a method to manage liquidity needs of the Fund (a **Liquidity Reserve**) or as a portfolio management strategy. The Liquidity Reserve consists of freely available cash that is not being held by the Fund for the purpose of seeking to meet its investment objectives or as part of its investment strategies. However, a Fund typically seeks to manage the Liquidity Reserve tightly so as to avoid exposing investors to cash drag. As of the Implementation Date, without excess borrowing capacity, certain T+1 Funds may be required to increase their Liquidity Reserve. As the Liquidity Reserve may or may not be used and it results in cash drag, the Filer submits that this approach is not in the best interest of Fund investors. Cash

borrowing may permit the Filer to accommodate cash needs with more precision to reduce unnecessary cash drag.

Reasons Requiring the Purchase Relief

22. When a Fund is in significant net subscriptions on a Trade Date, the Fund may execute Portfolio Security Purchases in an amount that is equal to or less than the anticipated value of the net subscriptions to match the Trade Date of Portfolio Security Purchase with the Trade Date of the Fund Purchase (a **Trade Date Matching**). Certain Funds may engage in this practice in order to seek to reduce cash drag and increase the investment exposure for Fund investors.

23. The need to borrow money for Trade Date Matching arises when a Fund Purchase settles after the settlement date of the Portfolio Security Purchase. Effective as of the Implementation Date, this occurs when T+2 Funds invest a portion of their assets in T+1 Securities.

24. While a Fund may stagger Portfolio Security Purchases to manage this so that the Fund only executes a related Portfolio Security Purchase after a Fund Purchase has settled, this delay in investing may result in cash drag and accordingly, certain Funds may not wish to engage in staggering.

25. The Filer submits that permitting a T+2 Fund to borrow cash beyond the Borrowing Limit in an amount not exceeding 10% of the Fund's net asset value at the time of borrowing and on a temporary basis to settle the purchase of T+1 Securities (**Portfolio Security Purchases Settlement Gap Funding**, together with the Fund Redemption Settlement Gap Funding, the **Settlement Gap Funding**) would be an approach that is more in line with the best interests of the Fund and its investors than staggering Portfolio Security Purchases.

Risk Management

26. The Settlement Gap Funding will not create leverage in the Funds because it will not be used to purchase additional investments for the Funds.

27. Each Fund will borrow cash beyond the Borrowing Limit in reliance on this decision solely for Settlement Gap Funding purposes and will not do so unless the Filer has determined that it would be in the best interests of the Fund to use the exemption from the Borrowing Limit.

28. The Filer has written liquidity risk management policies and procedures that address the Funds' key liquidity risks, including a description of how the risks are identified, monitored and measured, and the techniques used to manage and mitigate the risks.

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

1. at the time a Fund relies on the relief under this decision, the Filer has written policies and procedures for relying on the relief that require the Filer to:

    (a) implement controls on decision-making on borrowing above the Borrowing Limit and on the monitoring of such decision-making; and

    (b) monitor levels of Fund Redemptions, Fund Purchases and the cash balance of each Fund;

2. a Fund may only borrow cash in excess of the Borrowing Limit if all of the following conditions are satisfied:

    (a) the Fund has used all of its available Liquidity Reserve;

    (b) the outstanding amount of all borrowings of the Fund do not exceed 10% of the net asset value of the Fund at the time of borrowing;

    (c) in the case of Fund Redemption Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive in respect of the sale of Portfolio Securities;

    (d) in the case of Portfolio Security Purchases Settlement Gap Funding, the amount of cash borrowed by the Fund will not exceed the amount of cash that the Fund expects to receive from the investor in a Fund Purchase;

3. each Fund discloses the following in each prospectus filed after the date of this decision in connection with the continuous distribution of Fund Securities:

    (a) the terms of this decision;

    (b) the maximum percentage of assets of the Fund that the borrowing may represent; and

    (c) the Fund's intended use of the amounts borrowed for Settlement Gap Funding; and

4. this decision expires on a date that is 3 years after the date of this decision.

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

Application File #: 2025/0125
SEDAR+ File #: 6249251

B.3.5 Harvest Portfolios Group Inc. and Harvest Bitcoin Enhanced Income ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from section 2.5 to permit alternative mutual fund to invest in US listed bitcoin ETF – investment in US ETF would not result in fund having exposure to assets or investment strategies it would not be permitted to seek through direct investment – fund to benefit from economies of scale through investment in larger US fund including lower management fees and expense.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a.1) and (c), and 19.1.

March 24, 2025

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
HARVEST PORTFOLIOS GROUP INC.
(the Filer)

AND

IN THE MATTER OF
HARVEST BITCOIN ENHANCED INCOME ETF
(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 of the principal regulator (the **Legislation**) for an exemption from the following:

(a) paragraph 2.5(2)(a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Fund to purchase securities (**IBIT Shares**) of iShares® Bitcoin Trust ETF (**IBIT**) even though IBIT is not subject to NI 81-102 and does not comply with the provisions of NI 81-102 applicable to an alternative mutual fund; and

(b) paragraph 2.5(2)(c) of NI 81-102 to permit the Fund to purchase IBIT Shares even though IBIT is not a reporting issuer in a Jurisdiction,

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

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

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

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

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.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario, with its head office located at 610 Chartwell Road, Suite 204 in Oakville, Ontario.

2. The Filer is registered as an investment fund manager and portfolio manager in the province of Ontario and as an investment fund manager in the provinces of Newfoundland and Labrador and Québec.

3. The Filer will be the registered investment fund manager and registered portfolio manager of the Fund.

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

The Fund

5. The Fund will be an exchange-traded mutual fund that is an "alternative mutual fund" (as defined in NI 81-102) subject to NI 81-102 and will be established as a trust governed by the laws of the Province of Ontario.

6. The Fund will file and distribute its securities pursuant to a long form prospectus prepared and filed in accordance with National Instrument 41-101 – *General Prospectus Requirements* and Form 41-101F2 – *Information Required in an Investment Fund Prospectus*, subject to any exemptions therefrom that have been, or may in the future be, granted by the applicable securities regulatory authorities.

7. The Fund will be subject to and will be governed by NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the applicable securities regulatory authorities.

8. The Fund will be a reporting issuer under the laws of one or more of the Jurisdictions.

9. Units of the Fund (the **Units**) will be, subject to satisfying the original listing requirements of the exchange, listed on a stock exchange recognized by the OSC.

10. The fundamental investment objective of the Fund will be to seek to provide unitholders with (i) long-term capital appreciation through purchasing and holding, on a levered basis, an exchange traded fund or portfolio of exchange traded funds which provide exposure to the underlying price movements of the U.S. dollar price of bitcoin, and (ii) high monthly cash distributions.

11. As an "alternative mutual fund" (as defined in NI 81-102), the Fund may use leverage in accordance with NI 81-102 and the Filer currently expects to target leverage of up to 33% of the net asset value (**NAV**) of the Fund.

12. The Fund also intends to write covered call options in accordance with NI 81-102. The proportion of covered call options written will vary depending on market conditions, subject to a maximum 50% write level on the securities held in the portfolio of the Fund.

Overview of IBIT

13. IBIT is a Delaware statutory trust that issues IBIT Shares representing fractional undivided beneficial interests in its net assets.

14. IBIT is governed by the provisions of a Second Amended and Restated Trust Agreement (the **Trust Agreement**) executed as of December 28, 2023, as amended from time to time, by the Sponsor, the Trustee and the Delaware Trustee (each as defined below).

15. IBIT seeks to reflect generally the performance of the price of bitcoin, before payment of IBIT's expenses and liabilities, by investing directly in bitcoin. The assets of IBIT consist solely of bitcoin and cash.

16. IBIT Shares are distributed in the United States pursuant to a prospectus dated August 8, 2024, as amended and supplemented from time to time, that is part of a registration statement on Form S-1 under the United States *Securities Act of 1933* (the **'33 Act**) that was filed in respect of IBIT with the United States Securities and Exchange Commission (the **SEC**).

17. IBIT Shares are listed and traded on The Nasdaq Stock Market LLC (**Nasdaq**) under the ticker symbol "IBIT". IBIT has net assets in excess of USD$23 billion as of September 30, 2024.

18. IBIT issues IBIT Shares on a continuous basis. IBIT issues and redeems IBIT Shares only in blocks of a specific number of IBIT Shares (called a **Basket**), or integral multiples thereof, based on the quantity of bitcoin attributable to each IBIT Share (net of accrued but unpaid renumeration due to the Sponsor and any accrued but unpaid expenses or liabilities). IBIT may change the number of IBIT Shares in a Basket. These transactions take place in exchange for cash.

19. Baskets are offered continuously by IBIT at the NAV per IBIT Share multiplied by the Shares in a Basket. Only registered broker-dealers that become authorized participants by entering into a contract with the Sponsor and the Trustee (**Authorized Participants**) may purchase or redeem Baskets. Authorized Participants deliver only cash to create IBIT Shares and receive only cash when redeeming IBIT Shares.

20. IBIT is an "investment fund" within the meaning of applicable Canadian securities legislation. IBIT is not registered, and is not required to be registered, as an "investment company" under the United States *Investment Company Act of 1940*, as amended (the **'40 Act**).

21. The sponsor (the **Sponsor**) of IBIT is iShares Delaware Trust Sponsor LLC, a Delaware limited liability company and an indirect subsidiary of BlackRock, Inc. (**Blackrock**).

22. The Sponsor arranged for the creation of IBIT, the registration of the IBIT Shares for their public offering in the United States and the listing of the IBIT Shares on the Nasdaq. The Sponsor has certain marketing and administrative duties in respect of IBIT and is responsible for the oversight and overall management of IBIT but has delegated day-to-day administration of IBIT to the Trustee (as defined below) under the Trust Agreement.

23. The trustee (the **Trustee**) of IBIT is BlackRock Fund Advisors, an indirect, wholly-owned subsidiary of BlackRock.

24. The Trustee is responsible for the day-to-day administration of IBIT. The Trustee has delegated certain day-to-day responsibilities to the Trust Administrator (as defined below).

25. The Bank of New York Mellon serves as the trust administrator (**Trust Administrator**) of IBIT. The Trust Administrator has been engaged to provide certain administrative services, including, but not limited to, arranging for the computation of the NAV of IBIT; preparing IBIT's financial statements and annual and quarterly reports; and recording payment of fees and expenses on behalf of IBIT. The Bank of New York Mellon is also the custodian for IBIT's cash holdings.

26. Coinbase Custody Trust Company, LLC (the **Bitcoin Custodian**) is the custodian for IBIT's bitcoin holdings. The Bitcoin Custodian has represented that it is a fiduciary under Section 100 of the *New York Banking Law* and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the '40 Act.

27. The Bitcoin Custodian satisfies the criteria for a sub-custodian for assets held outside Canada in Section 6.3 of NI 81-102.

Reasons for Exemption Sought

28. Absent the Exemption Sought, an investment by the Fund of up to 100% of its NAV in IBIT Shares would be prohibited by:

    a. paragraph 2.5(2)(a.1) of NI 81-102 because IBIT is not subject to NI 81-102 and does not comply with the provisions of NI 81-102 applicable to an alternative mutual fund or a non-redeemable investment fund; and

    b. paragraph 2.5(2)(c) of NI 81-102 because IBIT is not a reporting issuer in any Jurisdiction.

29. An investment by the Fund in IBIT Shares would not qualify for the exception in paragraph 2.5(3)(a) of NI 81-102.

30. The Exemption Sought is therefore needed for the Fund to be permitted to invest up to 100% of its NAV in IBIT Shares in furtherance of its investment objectives.

Generally

31. IBIT's investment objectives and strategies are consistent with the investment restrictions in NI 81-102. The Fund's investment in IBIT Shares will not cause the Fund to indirectly invest in assets or have access to investment strategies that it would be prohibited to have directly. There are currently several Canadian public investment funds that directly invest in bitcoin in a manner similar to IBIT (the **Canadian Bitcoin Funds**).

32. IBIT is regulated by the SEC as a reporting issuer under the '33 Act. IBIT Shares are registered with the SEC under the '33 Act and are offered in the primary market in a manner similar to the Fund pursuant to a prospectus filed with the SEC which discloses a description of IBIT's properties and business, a description of the IBIT Shares being offered for sale, information about the management of IBIT and financial statements certified by independent accountants, similar to the disclosure requirements under NI 41-101 and Form 41-101F2.

33. IBIT prepares key investor information documents which provide disclosure that is substantially similar to the disclosure required to be included in the ETF facts document required by Form 41-101F4 *Information Required in an ETF Facts Document*.

34. IBIT is subject to continuous disclosure obligations which are substantially similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*. IBIT is required to update information of material significance in its prospectus, to prepare management reports and an unaudited set of financial statements at least quarterly, and to prepare management reports and an audited set of financial statements annually.

35. IBIT operates in a manner that is substantially similar to an exchange traded fund in Canada.

36. IBIT Shares are listed and traded on the Nasdaq, a National Securities Exchange (as defined in the United States *Securities Exchange Act of 1934*) in the United States.

37. The investment in IBIT Shares by the Fund is an efficient and cost-effective alternative to investing in bitcoin directly. The investment objectives, investment strategies, investment restrictions and risk factors applicable to the Fund and IBIT will be substantially the same, other than the use of leverage and a covered call option strategy by the Fund. IBIT's investment objectives and strategies are consistent with the investment restrictions in NI 81-102.

38. The Filer will review IBIT's ongoing filings to ensure that IBIT is being managed in a manner consistent with the investment restrictions of NI 81-102.

39. The Fund's prospectus will provide appropriate disclosure about the Fund's investment in IBIT, including risk factors associated therewith and the particulars of the Exemption Sought.

40. The Fund's investment in IBIT Shares will otherwise comply with the investment restrictions in Part 2 of NI 81-102, except to the extent any discretionary relief has been granted to the Fund therefrom.

41. An investment by the Fund in IBIT Shares will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

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 is that the Exemption Sought is granted, provided that:

(a) The Fund will only invest in IBIT Shares so long as IBIT continues to be a reporting issuer, and IBIT Shares continue to be distributed in the United States in accordance with all applicable SEC requirements;

(b) The Fund's investment in IBIT Shares is in accordance with the Fund's investment objectives;

(c) The Fund will not invest in IBIT Shares if, at the time of acquisition, IBIT holds more than 10% of its NAV in securities of any other investment fund other than securities of a "money market fund" or a fund that issues "index participation units" as those terms are defined in NI 81-102;

(d) The Fund's investment in IBIT Shares will otherwise remain consistent with the investment restrictions in Part 2 of NI 81-102, as they apply to alternative mutual funds, except to the extent discretionary relief from such requirements has been granted to the Fund; and

(e) The Fund's final prospectus discloses that the Fund may invest in IBIT Shares including the material terms of the Exemption Sought.

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

Application File #: 2025/0079
SEDAR+ File #: 6240747

B.3.6 ConocoPhillips

Headnote

NP 11-203 – issuer requests relief from the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities – issuer has less than 10% of its securityholders resident in Canada – less than 10% of the issuer's issued and outstanding securities are held by residents of Canada – issuer exempt from requirements of NI 51-101 provided that the issuer complies with the oil and gas disclosure requirements of the SEC and NYSE.

Applicable Legislative Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Citation: *Re ConocoPhillips*, 2025 ABASC 12

February 6, 2025

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
CONOCOPHILLIPS
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) that, subject to the conditions set forth herein, the Filer be exempted from the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador; 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, National Instrument 71-101 *The Multijurisdictional Disclosure System* (**NI 71-101**) and National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation governed by the laws of the State of Delaware, with its head office in Houston, Texas.

2. The Filer is an exploration and production company with a portfolio that includes unconventional plays in North America; conventional assets in North America, Europe, Africa and Asia; LNG developments; oil sands in Canada; and an inventory of global exploration prospects.

3. The Filer is a reporting issuer in each of the provinces of Canada (collectively, the **Reporting Jurisdictions**), and is not in default of securities legislation in any jurisdiction of Canada. The Filer became a reporting issuer in the Reporting Jurisdictions on November 22, 2024 upon completion of a merger pursuant to an agreement and plan of merger dated as of May 28, 2024 among the Filer, a wholly-owned subsidiary of the Filer (**Merger Sub**), and Marathon Oil Corporation (**Marathon**), pursuant to which Merger Sub was merged with and into Marathon and Marathon became a wholly-owned subsidiary of the Filer.

4. The Filer's authorized capital stock consists of 2,500,000,000 shares of common stock (**Common Shares**), par value US$0.01 per share, and 500,000,000 shares of preferred stock (**Preferred Shares**), par value US$0.01 per share. As of December 20, 2024, there were 1,277,701,989 Common Shares issued and outstanding (excluding treasury shares held by the Filer) and no Preferred Shares outstanding.

5. The Common Shares are listed on the New York Stock Exchange (**NYSE**) under the symbol "COP".

6. Based on the Filer's list of registered shareholders provided by its registrar and transfer agent, as of December 20, 2024, registered holders of Common Shares located in Canada held an aggregate of approximately 62,395 Common Shares, which equates to approximately 0.004883% of the Filer's issued and outstanding Common Shares, excluding treasury shares held by the Filer.

7. Based on information obtained by the Filer from Broadridge Financial Solutions Inc. (**Broadridge**), which conducted geographical surveys of beneficial holders of the Common Shares as at December 26, 2024, covering approximately 841,351,908 Common Shares (representing approximately 65.848838% of the issued and outstanding Common Shares, excluding treasury shares held by the Filer), Canadian beneficial shareholder accounts hold approximately 10,567,492 Common Shares, which equates to approximately 0.827070% of the total issued and outstanding Common Shares, excluding treasury shares held by the Filer, and approximately 1.256013% of the Common Shares represented in the beneficial shareholder information.

8. The Filer has senior notes outstanding in the following principal amounts:

   (a) US$504,700,000 aggregate principal amount of 5.900% senior notes due 2032 (the **2032 Notes**);

   (b) US$350,080,000 aggregate principal amount of 5.900% senior notes due 2038;

   (c) US$1,587,744,000 aggregate principal amount of 6.500% senior notes due 2039;

   (d) US$7,000 aggregate principal amount of 3.750% senior notes due 2027;

   (e) US$187,540,000 aggregate principal amount of 3.750% senior notes due 2027 (the **2027 Notes**);

   (f) US$210,665,000 aggregate principal amount of 4.300% senior notes due 2028 (the **2028 Notes**);

   (g) US$15,710,000 aggregate principal amount of 2.400% senior notes due 2031;

   (h) US$205,662,000 aggregate principal amount of 2.400% senior notes due 2031 (the **2031 Notes**);

   (i) US$318,912,000 aggregate principal amount of 4.875% senior notes due 2047 (the **2047 Notes**);

   (j) US$5,591,000 aggregate principal amount of 4.850% senior notes due 2048; and

   (k) US$203,113,000 aggregate principal amount of 4.850% senior notes due 2048 (the **2048 Notes**),

   (collectively, the **Filer Notes**).

9. The Filer Notes are not convertible into or exchangeable into other voting or equity securities of the Filer.

10. All of the Filer Notes were issued initially primarily in the United States. The 2032 Notes, the 2027 Notes, the 2028 Notes, the 2031 Notes, the 2047 Notes and the 2048 Notes (collectively, the **Registered Filer Notes**) were issued under U.S. registration statements.

11. Based on information obtained by the Filer from Broadridge, which conducted geographical surveys of beneficial holders of the Filer Notes as at January 8, 2025, covering US$2,661,994,510 aggregate principal amount of the outstanding Filer Notes (representing approximately 74.155966% of the aggregate principal amount of outstanding Filer Notes), Canadian beneficial holder accounts hold a total of US$11,176,000 aggregate principal amount of outstanding Filer Notes, which equates to approximately 0.311333% of the aggregate principal amount of outstanding Filer Notes and approximately 0.419836% of the aggregate principal amount of outstanding Filer Notes represented in the beneficial noteholder information.

12. The Common Shares and the Registered Filer Notes are registered under the 1934 Act. The Filer is subject to and is in compliance with all requirements applicable to it imposed by the SEC, the 1933 Act, the 1934 Act, the United States *Sarbanes-Oxley Act of 2002* and the rules of the NYSE (collectively, the **U.S. Rules**).

13. The Filer prepares disclosure with respect to its oil and gas activities (the **Oil and Gas Disclosure**) in accordance with the U.S. Rules.

14. The Filer is a "U.S. issuer" under NI 71-101 and qualifies as an "SEC foreign issuer" under NI 71-102 and, as such, relies on and complies with the exemptions from Canadian continuous disclosure requirements afforded to SEC foreign issuers under Part 4 of NI 71-102.

15. Neither the Common Shares nor the Filer Notes are listed for trading on any "marketplace" in Canada (as such term is defined in National Instrument 21-101 *Marketplace Operation*), and the Filer has no current intention to list the Common Shares or the Filer Notes on any marketplace in Canada.

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 Filer remains a U.S. issuer and an SEC foreign issuer;

(b) the Filer continues to prepare the Oil and Gas Disclosure in compliance with the U.S. Rules;

(c) the Filer issues in Canada, and files on SEDAR+, a news release stating that it will provide the Oil and Gas Disclosure prepared in accordance with the U.S. Rules rather than in accordance with NI 51-101; and

(d) the Filer files the Oil and Gas Disclosure with the securities regulatory authority or regulator in the Reporting Jurisdictions as soon as practicable after the Oil and Gas Disclosure is filed pursuant to the U.S. Rules.

"Timothy Robson"
Manager, Legal
Corporate Finance
Alberta Securities Commission

This page intentionally left blank

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
Newlox Gold Ventures Corp.	August 2, 2024	March 21, 2025

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	
Perk Labs Inc.	April 4, 2024	
Xcyte Digital Corp.	February 4, 2025	

This page intentionally left blank

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:
Ridgewood Canadian Bond Fund
Ridgewood Canadian Investment Grade Bond Fund
Ridgewood Tactical Yield Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated March 17, 2025
NP 11-202 Final Receipt dated March 18, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06240717

Issuer Name:
CIBC Canadian Government Long-Term Bond ETF
CIBC Premium Cash Management ETF
CIBC USD Premium Cash Management ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 18, 2025
NP 11-202 Preliminary Receipt dated March 19, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06253850

Issuer Name:
JFT Strategies Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated March 20, 2025
NP 11-202 Preliminary Receipt dated March 20, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06255170

Issuer Name:
Manulife Canadian Equity Class
Manulife Core Plus Bond Fund
Manulife Dividend Income Fund
Manulife Fundamental Equity Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 4 to Final Simplified Prospectus dated March 14, 2025
NP 11-202 Final Receipt dated March 19, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06144961 & 06144987

Issuer Name:
VPI Canadian Balanced Pool
VPI Canadian Equity Pool
VPI Corporate Bond Pool
VPI Dividend Growth Pool
VPI Global Equity Pool
VPI High Interest Savings Pool
VPI Income Pool
VPI Sustainability Leaders Pool
VPI Total Equity Pool
Principal Regulator – Manitoba
Type and Date:
Final Simplified Prospectus dated March 19, 2025
NP 11-202 Final Receipt dated March 20, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06245062

Issuer Name:
RBC Indigo AsiaPacific Fund
RBC Indigo Canadian Balanced Fund
RBC Indigo Canadian Bond Fund
RBC Indigo Canadian Bond Pooled Fund
RBC Indigo Canadian Dividend Pooled Fund
RBC Indigo Canadian Equity Pooled Fund
RBC Indigo Canadian Money Market Fund
RBC Indigo Canadian Money Market Pooled Fund
RBC Indigo Canadian Small Cap Equity Pooled Fund
RBC Indigo Chinese Equity Fund
RBC Indigo Diversified Aggressive Growth Fund
RBC Indigo Diversified Balanced Fund
RBC Indigo Diversified Conservative Fund
RBC Indigo Diversified Growth Fund
RBC Indigo Diversified Moderate Conservative Fund
RBC Indigo Dividend Fund
RBC Indigo Emerging Markets Debt Fund
RBC Indigo Emerging Markets Debt Pooled Fund
RBC Indigo Emerging Markets Equity Index Fund
RBC Indigo Emerging Markets Fund
RBC Indigo Emerging Markets Fund II
RBC Indigo Emerging Markets Pooled Fund
RBC Indigo Equity Fund
RBC Indigo European Fund
RBC Indigo Global Corporate Bond Fund
RBC Indigo Global Equity Fund
RBC Indigo Global Equity Volatility Focused Fund
RBC Indigo Global High Yield Bond Pooled Fund
RBC Indigo Indian Equity Fund
RBC Indigo International Equity Index Fund
RBC Indigo International Equity Pooled Fund
RBC Indigo Monthly Income Fund
RBC Indigo Small Cap Growth Fund
RBC Indigo U.S. Dollar Money Market Fund
RBC Indigo U.S. Dollar Monthly Income Fund
RBC Indigo U.S. Equity Fund
RBC Indigo U.S. Equity Index Fund
RBC Indigo U.S. Equity Pooled Fund
Principal Regulator – British Columbia
Type and Date:
Amendment No. 3 to Final Simplified Prospectus dated March 14, 2025
NP 11-202 Final Receipt dated March 19, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #6132369, 6132439 & 6132467

_____

Issuer Name:
RBC 1-5 Year Laddered Canadian Bond ETF
RBC 1-5 Year Laddered Canadian Corporate Bond ETF
RBC Canadian Bank Yield Index ETF
RBC Canadian Discount Bond ETF
RBC Canadian Dividend Covered Call ETF
RBC Canadian Preferred Share ETF
RBC Canadian Ultra Short Term Bond ETF
RBC PH&N Short Term Canadian Bond ETF
RBC Quant Canadian Dividend Leaders ETF
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF
RBC Quant EAFE Dividend Leaders ETF
RBC Quant Emerging Markets Dividend Leaders ETF
RBC Quant European Dividend Leaders (CAD Hedged) ETF
RBC Quant European Dividend Leaders ETF
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF
RBC Quant U.S. Dividend Leaders ETF
RBC Short Term U.S. Corporate Bond ETF
RBC Target 2025 Canadian Corporate Bond Index ETF
RBC Target 2025 Canadian Government Bond ETF
RBC Target 2025 U.S. Corporate Bond ETF
RBC Target 2026 Canadian Corporate Bond Index ETF
RBC Target 2026 Canadian Government Bond ETF
RBC Target 2026 U.S. Corporate Bond ETF
RBC Target 2027 Canadian Corporate Bond Index ETF
RBC Target 2027 Canadian Government Bond ETF
RBC Target 2027 U.S. Corporate Bond ETF
RBC Target 2028 Canadian Corporate Bond Index ETF
RBC Target 2028 Canadian Government Bond ETF
RBC Target 2028 U.S. Corporate Bond ETF
RBC Target 2029 Canadian Corporate Bond Index ETF
RBC Target 2029 Canadian Government Bond ETF
RBC Target 2029 U.S. Corporate Bond ETF
RBC Target 2030 Canadian Corporate Bond Index ETF
RBC Target 2030 Canadian Government Bond ETF
RBC Target 2030 U.S. Corporate Bond ETF
RBC Target 2031 Canadian Corporate Bond ETF
RBC Target 2031 Canadian Government Bond ETF
RBC Target 2031 U.S. Corporate Bond ETF
RBC U.S. Banks Yield (CAD Hedged) Index ETF
RBC U.S. Banks Yield Index ETF
RBC U.S. Discount Bond (CAD Hedged) ETF
RBC U.S. Discount Bond ETF
RBC U.S. Dividend Covered Call ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated March 19, 2025
NP 11-202 Final Receipt dated March 20, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06240455

_____

Issuer Name:
CI Alternative Credit Opportunities Fund
CI Alternative Equity Premium Yield Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated March 20, 2025
NP 11-202 Final Receipt dated March 21, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06239398

Issuer Name:
Invesco S&P/TSX 60 Equal Weight Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated March 21, 2025
NP 11-202 Final Receipt dated March 24, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06244376

Issuer Name:
Accelerate Absolute Return Fund
Accelerate Arbitrage Fund
Accelerate Canadian Long Short Equity Fund
Accelerate Diversified Credit Income Fund
Accelerate OneChoice Alternative Multi-Asset Fund
Principal Regulator – Alberta
Type and Date:
Final Long Form Prospectus dated March 21, 2025
NP 11-202 Final Receipt dated March 24, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06240856

Issuer Name:
NBI Global Equity Markets Private Portfolio
NBI Canadian Core Plus Bond Fund
NBI Target 2026 Investment Grade Bond Fund
NBI Target 2027 Investment Grade Bond Fund
NBI Target 2028 Investment Grade Bond Fund
NBI Target 2029 Investment Grade Bond Fund
NBI Target 2030 Investment Grade Bond Fund
NBI Target 2031 Investment Grade Bond Fund
NBI Quebec Growth Fund
NBI U.S. Equity Fund
NBI Global Equity Fund
NBI Global Small Cap Fund
NBI SmartData U.S. Equity Fund
NBI SmartData International Equity Fund
NBI International Equity Fund
NBI Innovators Fund
NBI Active U.S. Equity Fund
NBI Active U.S. Equity ETF
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated March 14, 2025
NP 11-202 Preliminary Receipt dated March 19, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06253135

Issuer Name:
Elite Canadian Equity Income Pool
Elite Core Canadian Equity Pool
Elite Core Canadian Fixed Income Pool
Elite Core Global Equity Pool
Elite Core Plus Canadian Equity Pool
Elite Core Plus Global Equity Pool
Elite Core Plus Global Fixed Income Pool
Elite Global Equity Income Pool
Elite Index Plus Canadian Equity Pool
Elite Index Plus Canadian Fixed Income Pool
Elite Index Plus Global Equity Pool
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated March 18, 2025
NP 11-202 Preliminary Receipt dated March 21, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06255228

Issuer Name:
RBC AAA CLO (CAD Hedged) ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 21, 2025
NP 11-202 Preliminary Receipt dated March 24, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06256317

Issuer Name:
Global X Bitcoin Covered Call ETF
Global X Defense Tech ETF
Global X Enhanced Bitcoin Covered Call ETF
Global X Enhanced Equal Weight Canadian Telecommunication Covered Call ETF
Global X Enhanced Gold Producer Equity Covered Call ETF
Global X Enhanced Russell 2000 Covered Call ETF
Global X Equal Weight Canadian REITs Index ETF
Global X Equal Weight Canadian Telecommunication Covered Call ETF
Global X Equal Weight Global Healthcare Index ETF
Global X Equal Weight U.S. Banks Index ETF
Global X Equal Weight U.S. Groceries & Staples Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 20, 2025
NP 11-202 Preliminary Receipt dated March 21, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06255483

Issuer Name:
Evolve Canadian Energy Enhanced Yield Index Fund
Evolve Enhanced Yield Mid Term Bond Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated March 17, 2025
NP 11-202 Final Receipt dated March 18, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06246500

Issuer Name:
Purpose Premium Money Market Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Simplified Prospectus dated March 7, 2025
NP 11-202 Final Receipt dated March 20, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06184020

Issuer Name:
First Trust Vest SMID Rising Dividend Achievers Target Income ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 to Long Form Prospectus dated March 17, 2025
NP 11-202 Final Receipt dated March 19, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06186930

Issuer Name:
Onex Dividend Distribution Fund
Onex Global Special Situations Alternative Fund
Onex High Yield Bond Fund (Canada)
Onex International Fund
Onex Premium Income Trust
Onex U.S. Equity Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated March 18, 2025
NP 11-202 Final Receipt dated March 18, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06237390

NON-INVESTMENT FUNDS

Issuer Name:
Giant Mining Corp. - formerly Majuba Hill Copper Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated March 18, 2025
NP 11-202 Preliminary Receipt dated March 21, 2025
Offering Price and Description:
$10,000,000 - Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06254172

Issuer Name:
Cabral Gold Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated March 20, 2025
NP 11-202 Preliminary Receipt dated March 21, 2025
Offering Price and Description:
$100,000,000 - Common Shares, Warrants, Subscription Receipts, Units, Debt Securities
Filing # 06255727

Issuer Name:
Eagle Credit Card Trust
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated March 20, 2025
NP 11-202 Final Receipt dated March 21, 2025
Offering Price and Description:
Up to $1,500,000,000 of Credit Card Receivables-Backed Notes
Filing # 06246007

Issuer Name:
Conavi Medical Corp.
Principal Regulator – Ontario
Type and Date:
Amendment to Preliminary Short Form Prospectus dated March 20, 2025
NP 11-202 Amendment Receipt dated March 20, 2025
Offering Price and Description:
Minimum $12,000,000 ([*] Common Shares or Pre-Funded Warrants)
Maximum $15,000,000 ([*] Common Shares or Pre-Funded Warrants)
Price: $[*] per Common Share or $[*] per Pre-Funded Warrant
Filing # 06235324

Issuer Name:
Skeena Resources Limited
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated March 19, 2025
NP 11-202 Final Receipt dated March 19, 2025
Offering Price and Description:
$525,000,000 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Rights, Options, Units
Filing # 06249293

Issuer Name:
TR Finance LLC
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated March 19, 2025
NP 11-202 Preliminary Receipt dated March 19, 2025
Offering Price and Description:
US$3,000,000,000
Debt Securities (unsecured)
Filing # 06254253

Issuer Name:
Thomson Reuters Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated March 19, 2025
NP 11-202 Preliminary Receipt dated March 19, 2025
Offering Price and Description:
US$3,000,000,000
Debt Securities (unsecured)
Filing # 06254242

Issuer Name:
Fiddlehead Resources Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Shelf Prospectus dated March 14, 2025
NP 11-202 Preliminary Receipt dated March 17, 2025
Offering Price and Description:
Common Shares, Warrants, Debt Securities, Subscription Receipts, Units
$100,000,000
Filing # 06253037

Issuer Name:
Marshall Technologies Corp.
Principal Regulator – Alberta
Type and Date:
Amendment to Preliminary Long Form Prospectus dated March 14, 2025
NP 11-202 Amendment Receipt dated March 17, 2025
Offering Price and Description:
Minimum Offering: $2,500,000 or 5,000,000 Units
Maximum Offering: $4,000,000 or 8,000,000 Units
Price: $0.50 per Unit
and
6,000,000 previously issued Subscription Receipts at a price of $0.0025 per Subscription Receipt
and
18,000,000 previously issued Subscription Receipts at a price of $0.01 per Subscription Receipt
Filing # 06220316

Issuer Name:
Sun Life Financial Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated March 17, 2025
NP 11-202 Final Receipt dated March 17, 2025
Offering Price and Description:
Debt Securities, Class A Shares, Class B Shares, Common Shares, Subscription Receipts
Filing # 06253351

Issuer Name:
Aureum Exploration Inc.
Principal Regulator – Ontario
Type and Date:
Amendment to Preliminary Long Form Prospectus dated March 14, 2025
Amendment Receipt dated March 17, 2025
Offering Price and Description:
MINIMUM OFFERING: $415,000 (3,600,000 COMMON SHARES)
MAXIMUM OFFERING: $600,000 (6,000,000 COMMON SHARES)
PRICE: $0.10 PER COMMON SHARE
Filing # 06219734

B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
THERE IS NOTHING TO REPORT THIS WEEK.			

This page intentionally left blank

B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 CIRO

B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Rule Consolidation Project – Phase 5 – Request for Comment

REQUEST FOR COMMENT

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

RULE CONSOLIDATION PROJECT – PHASE 5

CIRO is publishing for comment Phase 5 of its Rule Consolidation Project rule proposals. The Rule Consolidation Project will bring together the two member regulation rule sets currently applicable to investment dealers (**IDPC Rules**) and to mutual fund dealers (**MFD Rules**) into one set of member regulation rules applicable to both categories of CIRO Dealer Members.

The objective of Phase 5 of the Rule Consolidation Project (**Phase 5 Proposed DC Rules**) is to adopt requirements that are common to the IDPC and MFD Rules and have been assessed as having differences deemed to be significant with potential material impacts on stakeholders.

The Phase 5 Proposed DC Rules involves the adoption of rules relating to:

- outsourcing and service arrangements,
- continuing education,
- reporting and handling of complaints, internal investigations and other reportable matters,
- recordkeeping and client reporting,
- financial solvency,
- client asset use and custody, and
- financing arrangements.

A copy of the CIRO Bulletin, including the text of the Phase 5 Proposed DC Rules, is also available on the Commission's website at www.osc.ca. The comment period ends on June 25, 2025.

B.11.1.2 Canadian Investment Regulatory Organization (CIRO) – Proposed Amendments Respecting Reporting, Internal Investigation and Client Complaint Requirements – Notice of Withdrawal

NOTICE OF WITHDRAWAL

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

**PROPOSED AMENDMENTS RESPECTING REPORTING,
INTERNAL INVESTIGATION AND CLIENT COMPLAINT REQUIREMENTS**

CIRO is publishing a bulletin withdrawing the amendments proposed in IIROC Notice 22-0009 *Proposed Amendments respecting Reporting, Internal Investigation and Client Complaint Requirements* to Rule 3700 of the Investment Dealer and Partially Consolidated Rules (**IDPC Rules**), and to Rule 10.16 under the Universal Market Integrity Rules (together, the **Proposed Amendments**), which would:

- make the ComSet reporting requirements and complaint requirements clearer and more consistent with existing regulatory expectations,
- reduce duplicative reporting to IIROC by eliminating overlapping ComSet reporting requirements and gatekeeper obligations in the UMIR, and
- enhance the complaint requirements by codifying client complaint handling best practices.

IIROC initially published the Proposed Amendments for comment on January 13, 2022. Subsequent to the publication, CIRO was created and commenced operations, with one of its initial priorities to consolidate the IDPC Rules and the Mutual Fund Dealer Rules into one set of consolidated rules applicable to both investment dealers and mutual fund dealers through the Rule Consolidation Project.

CIRO has decided to withdraw the Proposed Amendments and include them as part of the enhanced version of Rule 3700[1] in Phase 5 of the Rule Consolidation Project. Certain suggestions provided by stakeholders pursuant to the 2022 consultation were adopted in the proposed Rule 3700 in Phase 5 of the Rule Consolidation Project.

A copy of the CIRO Bulletin of Withdrawal can be found at **www.osc.ca**.

[1] Applicable to both investment dealers and mutual fund dealers.

B.11.3 Clearing Agencies

B.11.3.1 Fixed Income Clearing Corporation (FICC) – Notice of Variation Order

FIXED INCOME CLEARING CORPORATION (FICC)

NOTICE OF VARIATION ORDER

March 27, 2025

On March 20, 2025, the Commission issued an order (**Variation Order**) under sections 144 and 147 of the *Securities Act* (Ontario) (**OSA**) varying the Commission's order exempting Fixed Income Clearing Corporation (**FICC**) from the requirement to be recognised as a clearing agency under subsection 21.2(0.1) of the OSA.

The purpose of the Variation Order is to (i) reflect changes to the Government Securities Division (**GSD**) Rules made pursuant to the Treasury Clearing Rules (as described in the Variation Order) and (ii) revise certain representations that describe existing offered products and services.

The **Variation Order** is published in Chapter B.2.

B.11.3.2 Euroclear Bank SA/NV – Application for Exemption from Recognition as a Clearing Agency – OSC Staff Notice and Request for Comment

OSC STAFF NOTICE AND REQUEST FOR COMMENT

EUROCLEAR BANK SA/NV

APPLICATION FOR EXEMPTION FROM RECOGNITION AS A CLEARING AGENCY

A. Background

Euroclear Bank SA/NV (**EB**) has applied to the Ontario Securities Commission (**Commission**) for an order pursuant to section 147 of the *Securities Act* (Ontario) (**OSA**) to exempt it from the requirement to be recognized as a clearing agency in subsection 21.2(0.1) of the OSA (the **Application**).

EB is a company established under the laws of Belgium providing settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds.

EB is authorised as a Central Securities Depository (**CSD**) with a limited purpose banking license in the meaning of Regulation (EU) 909/2014 (**CSDR**), and operates the *Euroclear System*, a Securities Settlement System (**SSS**) in the meaning of Directive 98/26/EC (Settlement Finality Directive). EB is offering its CSD and SSS services to participants in Ontario.

EB is subject to prudential supervision and oversight by the National Bank of Belgium (**NBB**) and to the supervision of the Belgian Financial Market and Services Authority (**FSMA**) for conduct of business rules.

To carry on business in Ontario, EB must be recognized as a clearing agency under the OSA or apply for an exemption from the recognition requirement. Among other factors set out in the Application, EB is seeking an exemption from the recognition requirement on the basis that it is subject to a comparable regulatory and oversight regime in its home jurisdiction of Belgium.

B. Application and Draft Exemption Order

In the Application, EB describes its requirements under applicable Belgium laws and regulations that are generally comparable or that achieve similar outcomes to the requirements of National Instrument 24-102 *Clearing Agency Requirements* (**NI 24-102**). Subject to comments received, staff propose to recommend to the Commission that it grant EB an exemption order in the form of the proposed draft order attached at Appendix A (**Draft Order**). We are prepared to recommend to the Commission that it exempt EB because it does not currently pose significant risk to Ontario's capital markets and is subject to a comparable regulatory and oversight regime in another jurisdiction by its home regulator. A copy of EB's Application can be found on the Commission website.

In determining whether a clearing agency poses significant risk to Ontario, we consider the level of activity of the clearing agency in Ontario and other qualitative and quantitative factors.

The Draft Order requires EB to comply with various terms and conditions set forth in Schedule "A" to the Draft Order, including relating to:

1. Regulation of EB
2. Governance
3. Scope of clearing services in Ontario
4. Reporting requirements
5. Information sharing

The Draft Order also acknowledges that the scope of the terms and conditions imposed by the Commission, or the determination as to whether it is appropriate that EB continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring of developments in international and domestic capital markets, EB's activities or regulatory status, or any changes to the laws of the European Union, Belgium or Ontario affecting trading in or clearing and settlement of securities.

C. Comment Process

The Commission is publishing for public comment the Application and Draft Order. We are seeking comment on all aspects of the Application and Draft Order.

You are asked to provide your comments in writing, via e-mail and delivered on or before April 28, 2025 addressed to the attention of the:

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

The confidentiality of submissions cannot be maintained as the comment letters and a summary of written comments received during the comment period will be published. All comments received will be posted on the website of the OSC at http:\\www.osc.gov.on.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.

Questions may be referred to:

Emily Sutlic
Senior Legal Counsel, Trading and Markets
esutlic@osc.gov.on.ca

Jarrod Smith,
Senior Accountant, Trading and Markets
jsmith@osc.gov.on.ca

Yani Wu
Risk Specialist, Trading and Markets
ywu@osc.gov.on.ca

APPENDIX "A"

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

AND

IN THE MATTER OF
EUROCLEAR BANK SA/NV

ORDER
(Section 147 of the OSA)

WHEREAS the Ontario Securities Commission (**Commission**) has received an Application (**Application**) from Euroclear Bank SA/NV (**EB**) pursuant to section 147 of the OSA requesting an order exempting EB from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Order**);

AND WHEREAS EB has represented to the Commission that:

1.1. EB is a company established under the laws of Belgium providing settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds. EB offers participants a single access point to post-trade services covering domestic securities from over 40 markets.

EB is a wholly owned subsidiary of the Euroclear Group and a direct subsidiary of Euroclear SA/NV, a financial holding company within the meaning of article 4.1 (20) of Regulation (EU) 575/2013, and a Support Institution within the meaning of article 36/26 of the Belgian law of 22 February 1998 that owns a number of companies operating financial market infrastructures and other financial institutions.

Euroclear SA/NV is a subsidiary of Euroclear Holding SA/NV (EH), the ultimate parent financial holding company, within the meaning of Article 4(30) of Regulation (EU) 575/2013. EH's 10% and above shareholders are (i) Sicovam Holding S.A. ("Sicovam") (15.89%), (ii) Société Fédérale de Participation et d'Investissement SA (12.92%), (iii) Caisse des Dépôts et Consignations (11.41%).

The remaining shareholders are predominantly financial institutions and, to EB's knowledge, there are currently no shareholders (other than those named above) holding, individually or acting in concert with other shareholders, 10% or more of EH shares.

1.2. EB is authorised as a Central Securities Depository (**CSD**) with a limited purpose banking license in the meaning of Regulation (EU) 909/2014 (**CSDR**), and operates the *Euroclear System*, a Securities Settlement System (**SSS**) in the meaning of Directive 98/26/EC (Settlement Finality Directive).

EB is subject to prudential supervision and oversight by the National Bank of Belgium (**NBB**) and to the supervision of the Belgian Financial Market and Services Authority (**FSMA**) for conduct of business rules.

1.3. EB has branches and representative offices in various countries:

- EB Hong Kong Branch – supervised by the Hong Kong Monetary Authority (restricted banking license);
- EB Polish Branch – supervised by the Komisja Nadzoru Finansowego (KNF);
- EB Japan Branch – supervised by the Japan Financial Services Agency (JFSA) as a Foreign Bank Agency Business;
- EB Representative Office in Beijing (China) – supervised by the National Administration of Financial Regulation (NAFR) and the Beijing Administration for Market Regulation (AMR);
- EB Representative Office in Dubai (United Arab Emirates) – supervised by the Dubai Financial Services Authority (DFSA);
- EB Representative Office in Frankfurt (Germany) – registered with Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin);

- EB Representative Office in New York (US) – supervised by the New York Department of Financial Services (NYDFS) and by the Federal Reserve Bank of New York (NY FRB); and

- EB Representative Office in Singapore – supervised by the Monetary Authority of Singapore (MAS).

EB is exempt from registration as clearing agency in the United States (US) and is subject to an Exemption Order granted by the Securities and Exchange Commission (SEC), revised on 16 December 2016 (Release No. 34-79577; File No. 601-01). EB is also recognised as a Third-Country CSD in the United Kingdom (UK) (as per the UK's CSD Regulation) and the "Euroclear System" is designated as a securities settlement system under the Financial Markets and Insolvency Regulations 1999.

1.4. Through compliance with the CSDR and Belgian/European banking requirements, EB addresses the relevant principles applicable to financial market infrastructures described in the April 2012 report *Principles for Financial Market Infrastructures* (**PFMI**) published by the Committee on Payments and Markets Infrastructures and the International Organization of Securities Commissions (**CPMI-IOSCO**).

1.5. Pursuant to its authorisation under CSDR, EB's service offering includes core CSD services, which comprise the operation of an SSS and acting as issuer CSD in the meaning of the EU Commission Delegated Regulation 2017/392, i.e. providing the notary service and the central maintenance service. The functions of SSS and issuer CSD are analogous to the concepts referred to in the PFMI published by the CPMI-IOSCO.

1.6. Pursuant to its authorisation under CSDR and its authorisation as a credit institution, EB's service offering comprises non-banking-type ancillary services and banking-type ancillary services. Non-banking-type ancillary services include new issues services (services to issuers through their agents, lead managers and issuing and paying agents), asset servicing, collateral management services, securities lending and borrowing services, general collateral access and funds-order processing. Banking-type ancillary services include money transfer services, credit management and treasury management.

1.7. EB has around 1800 participants that are predominantly financial institutions from all over the world, including banks, broker-dealers, custodians, financial market infrastructures (CSDs, central counterparties (CCPs)) and national central banks. EB currently makes available the services described in representations 1.5 and 1.6 above to Ontario residents who are participants in EB. Ontario resident participants in EB may include investment dealers, investment funds, banks, pension funds, asset managers and insurance companies, although it is possible there could be further unanticipated interest from other types of entities resident in Ontario in EB's services.

1.8. Access to EB services is subject to admission criteria, which all participants are required to meet on an ongoing basis and which are regularly reviewed taking into account both regulatory changes as well as business evolution.

As prerequisite to admission to EB, an applicant must meet the following preliminary conditions:

- be established in a jurisdiction that is not subject to sanctions or not subject to a call for action from the Financial Action Task Force (FATF) in the context of the fight against money laundering and terrorism financing;

- its participation in the Euroclear System will not cause Euroclear Bank to breach any law, order, Sanctions or regulation; and

- provide adequate information enabling Euroclear Bank to meet the applicable anti-money laundering and terrorism financing requirements that apply to Euroclear Bank.

Any applicant is required to meet the following five admission criteria: adequate financial resources, operational and technological capacity, legal capacity, internal control and risk management, and ethical standards.

EB may also impose additional conditions on applicants on a risk-based basis. For instance, additional conditions may be imposed in order to avoid that EB becomes exposed to additional reporting, disclosure or other legal, tax or regulatory requirements.

1.9. Upon admission in the *Euroclear System*, participants can make a request to subscribe to any of the services offered by EB. EB offers its services under an adhesion agreement denominated "Terms and Conditions governing use of Euroclear" where the rights and duties of participants are described.

1.10. EB does not have (nor does it intend to have) an establishment or physical presence in Ontario or elsewhere in Canada. Entities resident in Ontario may request access to EB and, upon admission as participants in the SSS operated by EB, adhere to the Terms and Conditions governing use of Euroclear ('Terms and Conditions'), which are governed by Belgian law.

1.11. EB submits that it does not pose a significant risk to Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction (Belgium).

AND WHEREAS EB has agreed to the terms and conditions attached hereto as Schedule "A" to this Order;

AND WHEREAS EB is required to comply with National Instrument 24-102 *Clearing Agency Requirements;*

AND WHEREAS based on the Application and the representations that EB has made to the Commission, in the Commission's opinion the granting of the Order to exempt EB from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

AND WHEREAS EB has acknowledged to the Commission that the scope of and the terms and conditions imposed by the Commission attached hereto as Schedule "A" to this Order, or the determination whether it is appropriate that EB continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring of developments in international and domestic capital markets, EB's activities or regulatory status, or any changes to the laws of the European Union, Belgium or Ontario affecting trading in or clearing and settlement of securities;

IT IS HEREBY ORDERED by the Commission that pursuant to section 147 of the OSA, EB is exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA;

PROVIDED THAT EB complies with the terms and conditions attached hereto as Schedule "A".

DATED this [●] day of [●], 2025.

_____

Ontario Securities Commission

SCHEDULE "A"

Terms and Conditions

Definitions:

For the purposes of this Schedule "A":

Unless the context requires otherwise, terms used in this Schedule "A" have the meanings ascribed to them elsewhere in this order and in Ontario securities law (as defined in the OSA).

COMPLIANCE WITH ONTARIO LAW

1. EB must comply with applicable Ontario securities law.

SCOPE OF CLEARING SERVICES

2. EB will continue to provide CSD and SSS services in Ontario pursuant to this order as generally described in paragraph 1.5 of EB's representations set out above in this order **(Clearing Services**).

3. For purposes of this order, **Ontario Participant** means a Participant resident in Ontario that uses the Clearing Services.

4. Ontario Participants will continue to use other services offered by EB as described under paragraph 1.6.

REGULATION OF EB

5. EB must maintain its status as a CSD and SSS authorized under the CSDR. EB is regulated and supervised by the NBB and will continue to be subject to the regulatory oversight of the NBB or any successors.

6. EB must continue to comply with its ongoing regulatory requirements as a CSD and SSS authorized under the CSDR or any comparable successor legislation, and with the ongoing regulatory requirements of the NBB, as applicable.

GOVERNANCE

7. EB must continue to promote a governance structure that minimizes the potential for conflicts of interest between EB and the Euroclear Group/its shareholders that could adversely affect the Clearing Services or the effectiveness of EB's risk management policies, controls and standards.

RULE MAKING

Purpose of Rules

8. (a) EB must have rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

   (b) The Rules must not be contrary to the public interest.

REPORTING REQUIREMENTS

Prompt Reporting

9. EB must, promptly notify staff of the Commission of any of the following:

   (a) a material change or proposed material change in EB's status as a CSD and/or SSS under CSDR or to the regulatory oversight of EB by the NBB or any successor;

   (b) an event of insolvency by, or removal from the Clearing Services of an Ontario Participant;

   (c) a material system failure of a Clearing Service impacting an Ontario Participant, including cybersecurity breaches;

   (d) details of any material legal proceeding instituted against EB that could materially affect the safety and soundness of EB;

   (e) notification that EB has instituted a petition for a judgment of bankruptcy or insolvency or similar relief or to wind up or liquidate EB, or has a proceeding for any such petition instituted against it;

(f) notification that EB has initiated its recovery plan;

(g) the entering of EB into any resolution regime or the placing of EB into resolution by a resolution authority;

(h) any new services to be offered to Ontario Participants or services that will no longer be available to Ontario Participants; and

(i) a material change to the eligibility criteria that would apply to Ontario Participants.

Quarterly Reporting

10. EB must maintain and submit the following information to the Commission in a manner and form acceptable to the Commission on a quarterly basis within 30 days of the end of each calendar quarter, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Participants with their corresponding legal entity identifier (**LEI**), to the extent known by EB; and

(b) quantitative information in respect of the Clearing Services used by Ontario Participants, including the following:

i. The average daily value and number of settlement instructions for Ontario Participants, on an aggregate basis, during the quarter, by instrument type;

ii. The percentage of average daily value and number of settlement instructions during the quarter for all Participants that represents the average daily value and number of settlement instructions during the quarter for all Ontario Participants;

iii. The end of quarter level, maximum and average daily value of securities deposits held on behalf of Ontario Participants, on an aggregate basis, during the quarter; and

iv. The percentage of end of quarter level and average daily value of securities deposits held on behalf of all Participants that represents the end of quarter level and average daily value of securities deposits held on behalf of all Ontario Participants.

Annual Reporting

11. EB must maintain the following updated information and submit such information in a manner and form acceptable to the Commission on an annual basis (by January 31 of the following year) and at any time promptly upon the request of staff of the Commission:

(a) a list of all Ontario Participants against whom disciplinary or legal action has been taken in the year by EB with respect to activities at EB; and

(b) a list of all Ontario applicants for status as a participant who were denied such status or access to EB in the year, together with the reasons for each such denial.

INFORMATION SHARING

12. EB must promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws that would prevent the sharing of such information and subject to the application of solicitor-client privilege.

13. Unless otherwise prohibited under applicable law, EB must share information relating to regulatory and enforcement matters and otherwise cooperate with other recognized and exempt clearing agencies on such matters, as appropriate.

B.11.3.3 Independent Electricity System Operator (IESO) – Application for Exemption from Recognition as a Clearing Agency – OSC Staff Notice and Request for Comment

OSC STAFF NOTICE AND REQUEST FOR COMMENT

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

APPLICATION FOR EXEMPTION FROM RECOGNITION AS A CLEARING AGENCY

A. Background

The Independent Electricity System Operator (**IESO**) has applied to the Ontario Securities Commission (**Commission**) for an order pursuant to section 147 of the *Securities Act* (Ontario) (**OSA**) to exempt it from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA related to the new DAM Virtual Transactions as defined below and as discussed in more detail in IESO's Application (the **Application**).

The IESO is a non-profit corporation without share capital created pursuant to Part II of the *Electricity Act*, *1998* (Ontario) (the **Electricity Act**). The IESO is regulated by the Ontario Energy Board (the **OEB**) and the Ontario government appoints its directors (other than the chief executive officer who is also a director). IESO operates pursuant to the licence granted to it by the OEB under the OEB Act.

To improve and modernize Ontario's electricity markets, the IESO is implementing a market renewal program, which is designed to enhance Ontario's current electricity market, including addressing certain inefficiencies in the electricity market, and facilitate Ontario's continued transition to new and diverse resources (the **Market Renewal Program**). The Market Rules required to implement the Market Renewal Program went into effect on November 8, 2024, and the IESO anticipates that the renewed market will begin operating on May 1, 2025.

As part of the Market Renewal Program, the IESO is developing a day-ahead market (the **DAM**) which will replace its current day-ahead commitment process under the Energy Market. The DAM will provide for both physical transactions (**DAM Physical Transactions**) and virtual transactions (**DAM Virtual Transactions**).

Among other factors set out in the Application, the IESO is seeking an exemption from the recognition requirement on the basis that it is subject to a comparable regulatory and oversight regime by the OEB.

B. Application and Draft Exemption Order

In the Application, IESO describes its requirements under the OEB regulatory framework that are generally comparable or that achieve similar outcomes to the requirements of National Instrument 24-102 *Clearing Agency Requirements* (**NI 24-102).** Subject to comments received, staff propose to recommend to the Commission that it grant IESO an exemption order in the form of the proposed draft order attached at Appendix A (**Draft Order**). We are prepared to recommend to the Commission that it exempt IESO because it does not currently pose significant financial risk to Ontario's capital markets and is subject to a comparable regulatory and oversight regime by the OEB. A copy of IESO's Application can be found on the Commission website.

The Draft Order requires IESO to comply with terms and conditions set forth in Schedule "A" to the Draft Order, including relating to:

1. Regulation of IESO
2. Reporting requirements
3. Information sharing

The Draft Order also acknowledges that the scope of, and the terms and conditions imposed by the Commission, or the determination as to whether it is appropriate that IESO continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring of domestic capital markets, IESO's activities or regulatory status, or any changes to the laws of Ontario affecting trading in or clearing and settlement of derivatives.

C. Comment Process

The Commission is publishing for public comment the Application and Draft Order. We are seeking comments on all aspects of the Application and Draft Order.

You are asked to provide your comments in writing, via e-mail and delivered on or before April 17, 2025 addressed to the attention of the:

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

The confidentiality of submissions cannot be maintained as the comment letters and a summary of written comments received during the comment period will be published. All comments received will be posted on the website of the OSC at http:\\www.osc.gov.on.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.

Questions may be referred to:

Emily Sutlic
Senior Legal Counsel, Trading and Markets
esutlic@osc.gov.on.ca

Matthew Andreacchi,
Accountant, Trading and Markets
mandreacchi@osc.gov.on.ca

Jalil El Moussadek
Senior Advisor, Risk, Trading and Markets
AElMoussadek@osc.gov.on.ca

APPENDIX "A"

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

AND

IN THE MATTER OF
INDEPENDENT ELECTRICITY SYSTEM OPERATOR
(THE IESO)

ORDER
(SECTION 147 OF THE OSA)

WHEREAS the Ontario Securities Commission (the **Commission**) has received an application (the **Application**) from the IESO pursuant to section 147 of the OSA for an order exempting the IESO from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Order**).

AND WHEREAS the IESO having represented to the Commission that:

BACKGROUND

1. The IESO is a non-profit corporation without share capital created pursuant to Part II of the *Electricity Act*, *1998* (Ontario) (the **Electricity Act**). The IESO is regulated by the Ontario Energy Board (the **OEB**) and the Ontario government appoints its directors (other than the chief executive officer who is also a director).

2. The IESO has been allocated the statutory mandate (the **Statutory Mandate**) of meeting the objects set out in subsection 6(1) of the Electricity Act.

3. Summarized, the Statutory Mandate creates three fundamental roles for the IESO: (i) ensuring the reliability of the integrated power system (the **Power System**); (ii) overseeing and running the IESO-administered markets (the **IESO-Administered Markets**); and (iii) planning the provincial electricity system and, as necessary, procuring electricity resources.

4. The IESO-Administered Markets include both physical markets, specifically, the real time energy market (the **Energy Market**), and financial markets, specifically, the transmission rights market (the **TR Market**), that together comprise the IESO-Administered Markets.

5. In carrying out the Statutory Mandate, the IESO has developed a codified set of rules to govern the provincial electricity grid and the IESO-Administered Markets in Ontario (collectively, the **Market Rules**). Section 32 of the Electricity Act authorizes the IESO to make the Market Rules.

6. To improve and modernize Ontario's electricity markets, the IESO has designed and is implementing a market renewal program, which is designed to enhance Ontario's current electricity market, including addressing certain inefficiencies in the electricity market, and facilitate Ontario's continued transition to new and diverse resources (the **Market Renewal Program**). The Market Rules required to implement the Market Renewal Program went into effect on November 8, 2024, and the IESO anticipates that the renewed market will begin operating May 1, 2025.

7. As part of the Market Renewal Program, the IESO is developing a day-ahead market (the **DAM**) which will replace its current day-ahead commitment process under the Energy Market. The DAM will provide for both physical transactions (**DAM Physical Transactions**) and virtual transactions (**DAM Virtual Transactions**).

8. The IESO filed the Application for this Order as: (i) it is considered to be captured in the definition of "clearing agency – derivatives" pursuant to the OSA in that it will be (i) arranging or providing, on a multilateral basis, the settlement or netting of obligations resulting from DAM Virtual Transactions, (ii) providing a clearing service or arrangement that mutualises or transfers among participants the credit risk arising from DAM Virtual Transactions; and (iii) DAM Virtual Transactions are considered to be derivatives as defined under the OSA. While any entity that meets the registration and prudential security requirements may register to participate in DAM Virtual Transactions, the IESO anticipates virtual trader participation from existing participants in the energy market, energy traders that currently trade with neighbouring jurisdictions, and financial institutions.

REGULATORY OVERSIGHT AND FRAMEWORK

9. The IESO operates pursuant to the license granted to it by the OEB (the **OEB Licence**) under the OEB Act.

10. The OEB is the provincial regulatory authority of the natural gas and electricity sectors under the OEB Act and the Electricity Act. The OEB has the powers of oversight in connection with the business of the IESO, including its operation of the IESO-Administered Markets.

11. Specifically, the IESO and Authorized Market Participants (as defined herein) in the IESO-Administered Markets are subject to the following oversight, among other things, of the OEB: (i) all market design changes, which are implemented through amendments to the Market Rules, and are subject to review and approval by the OEB; (ii) the IESO orders and decisions, which are subject to appeal to the OEB, including compliance and enforcement decisions by the IESO's Market Assessment and Compliance Division and arbitration decisions pursuant to the Market Rules dispute resolution process for addressing disputes between the IESO and Authorized Market Participants; (iii) market participants, which are subject to compliance and enforcement authority by the OEB; (iv) the IESO-Administered Markets, including the TR Market, are subject to monitoring and oversight by the OEB's Market Surveillance Panel (the **MSP**); and (v) licensing, whereby certain market participants and the IESO must be licenced by the OEB and any failure to abide by licence conditions, the OEB Act or the Electricity Act can result in compliance and enforcement action by the OEB, including the imposition of a fine by the OEB, or the suspension or the revocation of the licence.

12. The IESO and market participants' licences contain conditions that require them to comply with applicable provisions of the Electricity Act, regulations made thereunder, and the Market Rules, including Chapter 9 of the Market Rules which prescribes the monthly settlement process governing the IESO-Administered Markets.

13. The IESO is also bound to make certain reports to the Minister of Energy and Electrification (the **Minister**) pursuant to the Electricity Act and to the OEB pursuant to the OEB Licence, and from time to time, the Minister issues directives and letters to the IESO articulating government policy.

14. Pursuant to the Electricity Reporting and Record Keeping Requirements of the OEB, the IESO is required to provide the OEB with quarterly financial statements for all market accounts showing quarter end financial position and quarterly and year to date results of operations. In addition, pursuant to Section 25.3(1) of the Electricity Act, the IESO is required, within 90 days after the end of every fiscal year, to submit to the Minister an annual report on its affairs during that fiscal year, signed by the chair of the IESO Board. This report must also be submitted to the OEB pursuant the to the OEB Licence.

15. The MSP monitors, investigates and reports on activities and behaviour in the IESO-Administered Markets and Ontario's electricity sector, and is specifically enabled to carry out investigations and inspections, including by compelling the production of documents and testimony, and to report to and make recommendations to the OEB. The IESO and the OEB have entered into a protocol pursuant to which the IESO's market assessment unit provides assistance and support to the MSP in relation to matters involving monitoring, analysing, evaluating, investigating, reviewing and reporting on the IESO-Administered Markets (the **Protocol**). The Protocol is currently in force.

16. The IESO's board of directors (the **IESO Board**) consists of the IESO chief executive officer and between 8-10 independent directors. The IESO Board oversees the IESO's business and affairs, and approves amendments to the Market Rules. The IESO Board has established three committees: (i) Audit Committee; (ii) Human Resources and Governance Committee; and (iii) Markets Committee.

17. Pursuant Chapter 7, Section 13 of the Market Rules, the IESO must notify the IESO Board, the OEB and the relevant government authorities of any suspension of the IESO-Administered Markets. As set forth in Chapter 7, Section 13.2.4 of the Market Rules, the IESO may suspend market operations in the event of the following: (i) market operations cannot be continued in a normal manner due to a failure in the software, hardware or communication systems that support market operations; (ii) a major blackout; (iii) the IESO-controlled grid breaks up into two or more electrical islands; (iv) an emergency situation requiring the IESO to evacuate its principal control centre and move to a backup control centre, under conditions and subject to the requirements of Chapter 5 of the Market Rules; or (v) declaration of an emergency by the Premier of Ontario or a direction from the Minister to the IESO or to an Authorized Market Participant to implement an emergency preparedness plan.

18. Pursuant to the OEB Licence, the IESO is required notify the OEB of any material change in circumstances that adversely affects or is likely to adversely affect the IESO's ability to comply with the OEB Licence, its financial integrity, or its ability to carry out its responsibilities under the Electricity Act, as soon as practicable after the occurrence of any such change, but in any event within 15 days of the date upon which such change becomes known to the IESO.

19. Section 32 of the Electricity Act permits the IESO to make rules establishing and governing markets related to electricity and ancillary services. Therefore, the IESO, through the IESO Board, has authority to make the Market Rules, and the IESO and Authorized Market Participants are required to comply with the Market Rules.

20. Section 32(6) of the Electricity Act provides that before making the Market Rules, the IESO is required to give the OEB an assessment of the impact of the proposed rule amendment on the interests of consumers with respect to prices and the reliability and quality of electricity service, and the OEB may revoke the rule amendment.

21. Sections 33 to 35 of the Electricity Act authorize applications to the OEB to review the Market Rules and gives the OEB authority to set aside the Market Rules that are inconsistent with the purposes of the Electricity Act or that are unjustly discriminatory against an Authorized Market Participant or a class of Authorized Market Participants. Specifically, Section 33(2) of the Electricity Act requires the IESO to publish any amendment to the Market Rules at least 22 days before the amendment comes into force. The OEB may, not later than 15 days after the amendment is published and without holding a hearing, revoke the amendment on a date specified by the OEB and refer the amendment back to the IESO for further consideration in accordance with Section 33(3) of the Electricity Act. As well, pursuant to Section 33(4) of the Electricity Act, any person may apply to the OEB for review of an amendment to the Market Rules by filing an application with the OEB within 21 days after the amendment is published.

22. Section 36 of the Electricity Act authorizes appeals to the OEB by persons who are subject to orders under the Market Rules that: (i) require them to pay a financial penalty or amount of money that exceeds $10,000; (ii) suspends or terminates their participation in the IESO-Administered Markets; or (iii) refuse their authorization to participate in the IESO-Administered Markets.

23. All transactions concluded within the IESO-Administered Markets must conform to the Market Rules, and all Authorized Market Participants must receive transaction confirmations from the IESO in accordance with the provisions thereof.

24. The IESO is exempt from the requirement to be recognized as an exchange under section 21 of the OSA by the Commission order issued pursuant to Section 147 of the OSA and is exempt from the operation of National Instrument 21-101 by Director order issued under Section 15.1 of NI 21-101, each dated March 6, 2002 (the **Exchange Order**).

25. The IESO is exempt from the requirements to file forms and fees in connection with trades which are exempt from prospectus and registration requirements with the Commission pursuant to Part 7 of Commission Rule 45-501 by Commission order issued pursuant to Section 147 of the OSA, dated March 28, 2002 (the **Exempt Distribution Order**).

26. The IESO and market participants are exempt from the reporting requirements in connection with executing transactions in Transmission Rights Contracts (as defined in the order) and the transactions in the TR Market are exempt from the reporting requirements under Part 3 of OSC Rule 91-507 by Director order issued pursuant to section 42 of OSC Rule 91-507 dated October 30, 2014 (the **Exempt Reporting Decision**, and collectively with the Exchange Order and the Exempt Distribution Order, the **Previous Orders**).

THE IESO-ADMINISTERED MARKETS

27. The Energy Market serves as a platform for matching the supply and demand of electricity in Ontario. It facilitates the real-time scheduling and dispatch of the Power System, to ensure load and generation are balanced, flows on the transmission system are within appropriate limits and voltage and frequency are maintained.

28. Dispatchable generators (i.e., power plants that can adjust their output) and dispatchable loads (i.e., consumers of electricity that can adjust their usage) submit their offers to sell electricity and bids to buy electricity to the Energy Market. Based on these offers and bids (and forecast information for non-dispatchable generators (i.e., electricity from power sources that cannot easily adjust their output)) and loads (i.e., consumers who cannot easily adjust their usage), the IESO determines the quantity of energy and operating reserve to be transacted and the market clearing price for each interval, which determines the actual delivery, use, and market clearing price of electricity. The IESO schedules and dispatches resources accordingly.

29. The IESO settles the Energy Market monthly by invoicing and collecting payments from loads for their monthly electricity withdrawals and remitting payment to generators for their monthly injections.

Market Rules

30. The Market Rules govern the IESO and all Authorized Market Participants participating in the IESO-Administered Markets. The provisions of the Market Rules are complete codes, covering the form and content of all the transactions in the IESO-Administered Markets.

31. Participation in the IESO-Administered Markets is limited to those participants who have, among other things, been approved in advance by the IESO, satisfy the requisite prudential support requirements, meet the financial thresholds that are equivalent, where applicable, to those to be applied under OSC Rule 93-101 *Derivatives: Business Conduct* dealing with “eligible derivatives parties” in the context of the DAM Virtual Transactions, and have been issued a licence by the OEB pursuant to Part V of the OEB Act (other than transmission rights participants, virtual traders, capacity auction participants or capacity market participants using solely demand response resources who do not require a licence by the

OEB pursuant to Part V of the OEB Act, for that class of participation), subject in all respects to the Market Rules (**Authorized Market Participants**).

Market Renewal Initiative – The DAM

32. A day-ahead market for electricity is a standard component of many electricity markets in North America. It allows Authorized Market Participants to submit bids and offers a day in advance of operations in order to secure schedules and prices for the following day. In these markets, most of the supply is scheduled in the day-ahead market and the real-time market is used to balance any deviations that occur between day-ahead and real-time.

33. The DAM is one of the key features of the IESO's future energy market.

34. Following the introduction of the DAM, the Energy Market, together with the TR Market and the DAM, will constitute an enhanced wholesale electricity market.

35. The Market Renewal Program and the DAM will not materially impact the TR Market. The TR Market will continue to operate as it has since it opened in 2002 (continuing to rely on the above noted Previous Orders issued by the Commission).

DAM Physical Transactions

36. Authorized Market Participants will offer or bid price-quantity pairs into the DAM and, if economic, will receive a schedule in the DAM. Authorized Market Participants whose physical offers/bids are scheduled in the DAM must deliver/consume electricity in real-time, or "buy/sell-back" (i.e. pay or be paid the applicable real-time price for deviations from day ahead schedules) in the Energy Market. Authorized Market Participants are incentivized to meet their DAM schedules as long as it remains economic to do so in real-time based on real-time prices.

DAM Virtual Transactions

37. DAM Virtual Transactions will be energy offers and bids in the DAM that are not backed by physical supply or demand. They will be evaluated just like physical offers and bids in that they can receive a DAM schedule and are subject to the two-settlement process; however, because they do not represent a physical resource, their actual real-time quantity is zero, which means their balancing settlement will always be for the full megawatt quantity of the DAM schedule. DAM Virtual Transactions, which will have no delivery or consumption obligations in real-time, are scheduled based on their DAM schedule and prices.

38. Including virtual transactions in the DAM increases the pool of DAM participants, which increases price convergence between day-ahead and real-time. Price convergence encourages day-ahead participation by physical generators and loads. DAM Virtual Transactions will also provide physical generators and loads with an ability to hedge their exposure to real-time prices.

39. Authorized Market Participants who are residents in Ontario may participate in DAM Virtual Transactions by satisfying eligibility requirements and signing a participant agreement. While any entity that meets the registration and prudential security requirements may register to participate in DAM Virtual Transactions and become an Authorized Market Participant, the IESO anticipates virtual trader participation from existing participants in the Energy Market, energy traders that currently trade with neighbouring jurisdictions, and financial institutions. In the event that a defaulting Authorized Market Participant's prudential support is insufficient to satisfy its outstanding payment obligations, the IESO will continue to be authorized to socialize any payment deficiency by issuing a default levy to other Authorized Market Participants.

AND WHEREAS IESO has agreed to the terms and conditions attached hereto as Schedule A;

AND WHEREAS based on the Application and the representations that the IESO has made to the Commission, in the Commission's opinion the granting of the Order to exempt the IESO from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

AND WHEREAS, IESO is required to comply with NI 24-102 *Clearing Agency Requirements* (**NI 24-102**), as applicable;

AND WHEREAS IESO has acknowledged to the Commission that the scope of, and the terms and conditions imposed by, the Commission attached hereto as Schedule A, or the determination whether it is appropriate that IESO continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring of domestic capital markets, IESO's activities or regulatory status, or any changes to the laws of the Ontario affecting trading in or clearing and settlement of derivatives;

AND WHEREAS a director of the Commission issued a decision varying the Exempt Reporting Decision to include additional relief from the requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* and National Instrument 93-101 *Business Conduct subject to terms and conditions;*

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the OSA, the IESO is exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA.

PROVIDED THAT the IESO complies with the terms and conditions attached hereto as Schedule A.

DATED _____ effective on May 1, 2025.

●
Ontario Securities Commission

SCHEDULE A

Terms and Conditions

Definitions:

For the purposes of this Schedule A:

Unless the context requires otherwise, terms used in this Schedule A have the meanings ascribed to them elsewhere in this Order and in Ontario securities law (as defined in the OSA).

COMPLIANCE WITH ONTARIO LAW

1. IESO must comply with applicable Ontario securities law.

DAM VIRTUAL TRANSACTIONS

2. IESO will provide the DAM Virtual Transactions pursuant to this Order as described in paragraphs 37 to 39 of the IESO's representations as set out above in this Order to Authorized Market Participants who are resident in Ontario.

REGULATION OF IESO

3. IESO must continue to be regulated and supervised by the OEB or any successors.

4. IESO must continue to comply with its ongoing regulatory requirements under the Electricity Act, OEB Act or successor legislation, and with the ongoing regulatory requirements of the OEB, as applicable.

REPORTING REQUIREMENTS

Prompt Notice

5. IESO must promptly notify staff of the Commission of any of the following:

   (i) any material change or proposed material change in IESO's regulatory status under the Electricity Act or the OEB Act or to the regulatory oversight of IESO by the OEB or any successor;

   (ii) any material system failure in the DAM Virtual Transactions including cybersecurity breaches that could affect the safety and soundness of IESO; and

   (iii) any material change to the prudential support framework, as defined in the Market Rules, relating to the DAM Virtual Transactions.

INFORMATION SHARING

6. IESO must promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws that would prevent the sharing of such information and subject to the application of solicitor-client privilege.

B.12
Other Information

B.12.1 Consents

B.12.1.1 Metals Creek Resources Corp. – s. 21(b) of Ont. Reg. 398/21 of the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 398/21, as am., s. 21(b)

IN THE MATTER OF
ONTARIO REGULATION 398/21,
AS AMENDED
(the Regulation)

MADE UNDER
THE *BUSINESS CORPORATIONS ACT* (ONTARIO)
R.S.O. 1990, C. B.16,
AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
METALS CREEK RESOURCES CORP.

CONSENT
(subsection 21(b) of the Regulation)

UPON the application of Metals Creek Resources Corp. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the consent of the Commission pursuant to subsection 21(b) of the Regulation, for the Applicant to continue into the Province of British Columbia pursuant to section 181 of the OBCA (the **Continuance**);

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated by articles of incorporation dated June 21, 2004, under the OBCA.

2. The Applicant's registered and head offices are located at 329 - 1100 Memorial Avenue, Thunder Bay, Ontario, P7B 4A3, Canada.

3. The Applicant is an offering corporation under the OBCA.

4. The authorized share capital of the Applicant consists of an unlimited number of common shares, of which 186,841,866 common shares were issued and outstanding as of January 30, 2025.

5. The Applicant's common shares are listed and posted for trading on the TSX Venture Exchange (the **TSXV**) under the symbol "MEK".

6. The Applicant intends to apply to the Director under the OBCA pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), SBC 2002, c. 57 (the **BCBCA**).

7. Following the Continuance, the Applicant's registered office will be located at 2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N8, Canada and its head office will continue to be located at 329 - 1100 Memorial Avenue, Thunder Bay, Ontario, P7B 4A3, Canada. The Commission will continue to be the Applicant's principal regulator.

8. The principal reason for the Continuance is to improve the Applicant's administration and efficiency, realizing significant cost savings and being advantageous to shareholders, as the Applicant's counsel is located in Vancouver and the Applicant is traded solely on the TSXV.

9. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

10. The Applicant is a reporting issuer under the *Securities Act* (Ontario), R.S.O. 1990, c. S5, as amended (the **Act**) and the securities legislation of British Columbia and Alberta (the **Legislation**). The Applicant will remain a reporting issuer in the provinces of British Columbia, Alberta and Ontario, following the Continuance.

11. The Applicant is not in default of any provision of the OBCA, the Act, or the Legislation.

12. The Applicant is not subject to any proceeding under the OBCA, the Act, or the Legislation.

13. The Applicant is not in default of any provision of the rules, regulations or policies of the TSXV.

14. The Applicant's head office is located in Ontario and the Commission is the principal regulator of the Applicant.

15. The Applicant's management information circular dated October 2, 2024, which was provided to all shareholders of the Applicant in connection with its annual general and special meeting of shareholders held on November 6, 2024 (the **Meeting**) described the proposed Continuance and was mailed to holders of record of the Applicant's common shares at the close of business on September 30, 2024, and electronically filed on SEDAR+ on October 15, 2024.

16. At the Meeting, the reasons for, and the implications of, the Continuance together with the full particulars of the dissent rights under section 185 of the OBCA were discussed and explained to the shareholders of the Applicant.

17. The Applicant's shareholders authorized the Continuance at the Meeting by a special resolution that was approved by 99.9% of the votes cast. No shareholders exercised dissent rights pursuant to section 185 of the OBCA.

18. Subsection 21(b) of the Regulation requires the Application for Continuance to be accompanied by a consent from the Commission.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION CONSENTS to the continuance of the Applicant under the BCBCA.

DATED at Toronto on this 26th day of February, 2025.

"Leslie Milroy"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0049

Index

This page intentionally left blank