The Ontario Securities Commission

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Enforcement Staff Notice – Notice to the Profession – Enforcement Branch of the Ontario Securities Commission Mediation Program – Pilot

ENFORCEMENT STAFF NOTICE

April 13, 2015

NOTICE TO THE PROFESSION

Enforcement Branch of the Ontario Securities Commission Mediation Program – Pilot
(May 1, 2015 to March 31, 2016)

The Ontario Securities Commission (Commission), as the regulatory body responsible for overseeing the capital markets in Ontario, administers and enforces the *Securities Act* (Ontario) and the *Commodity Futures Act* (Ontario) and certain provisions of the *Business Corporations Act* (Ontario). The mandate of the Commission is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

Commencing on May 1, 2015, the Enforcement Branch of the Commission will officially launch a pilot Mediation Program (the "Program"). The Program will provide respondents who are involved in enforcement proceedings before the Commission and staff with the option of participating in a mediation with a third party mediator independent of the Commission for the purpose of resolving the proceeding or any outstanding issues. Mediations will only occur with the consent of staff and the participating respondents, who must be represented by counsel. Each party shall pay an equal portion of the total costs owing to the mediator. This process is not part of the existing tribunal process set out in the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

Enforcement Staff of the OSC recognize the importance to all parties in an enforcement matter of early resolution of issues arising in enforcement investigations and proceedings. As a result, Staff are prepared to participate with respondents in a confidential and privileged mediation at any time following the delivery of an Enforcement Notice or the issuance of a Notice of Hearing, so long as the dispute resolution process does not delay the fulfilment by the parties of their respective obligations nor the hearing of the matter. In the event of agreement by the parties to mediate, the parties shall enter into a mediation agreement.

A settlement agreement arising from a mediation will have no force or effect unless and until it is approved by the Commission at a settlement approval hearing.

More detailed information on the Program is available on the Commission's website at http://www.osc.gov.on.ca.

1.4 Notices from the Office of the Secretary

1.4.1 Greenstar Agricultural Corporation and Lianyun Guan

FOR IMMEDIATE RELEASE
April 8, 2015

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

AND

IN THE MATTER OF
GREENSTAR AGRICULTURAL CORPORATION
AND LIANYUN GUAN

TORONTO – The Commission issued an Order in the above named matter with certain provisions. The hearing is adjourned to a pre-hearing conference to be held on April 29, 2015 at 9:00 a.m.

The pre-hearing conference will be held in camera.

A copy of the Order dated April 2, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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media_inquiries@osc.gov.on.ca

For investor inquiries:

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416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 Eric Inspektor

FOR IMMEDIATE RELEASE
April 8, 2015

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

TORONTO – The Commission issued an Order in the above named matter which provides that the dates for the hearing on the merits, scheduled to commence on April 8, 2015 and continue on April 9, 13, 14, 15, 16, 17, 20, 22, 23, 24 and 27, 2015, be vacated.

A copy of the Order dated April 8, 2015 is available at www.osc.gov.on.ca.

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1.4.3 Eric Inspektor

FOR IMMEDIATE RELEASE
April 8, 2015

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ERIC INSPEKTOR

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Eric Inspektor.

A copy of the Order dated April 8, 2015 and Settlement Agreement dated March 31, 2015 are available at www.osc.gov.on.ca.

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1.4.4 7997698 Canada Inc. et al.

FOR IMMEDIATE RELEASE
April 10, 2015

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

AND

IN THE MATTER OF
7997698 CANADA INC., carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING
SERVICES INC., WORLD INCUBATION CENTRE, or
WIC (ON), JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as
NING-SHENG MARY HUANG

TORONTO – The Commission issued an Order in the above named matter which provides that a hearing in this matter be held at 2:00 p.m. on April 23, 2015.

A copy of the Order dated April 9, 2015 is available at www.osc.gov.on.ca.

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1.4.5 Portfolio Capital Inc. et al.

FOR IMMEDIATE RELEASE
April 14, 2015

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

TORONTO – The Commission issued an Order in the above noted matter which provides that:

(a) The Respondents shall serve and file their written submissions on sanctions and costs by 4:00 p.m. on Friday, April 24, 2015;

(b) Staff shall serve and file any reply submissions on sanctions and costs by 4:00 p.m. on Wednesday, May 6, 2015;

(c) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, May 20, 2015, at 10:00 a.m.; and

(d) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

A copy of the Order dated April 13, 2015 is available at www.osc.gov.on.ca.

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1.4.6 GITC Investments and Trading Canada Ltd. et al.

FOR IMMEDIATE RELEASE
April 14, 2015

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing date of Friday, June 18, 2015 is vacated and that the Temporary Order is extended to July 24, 2015; and specifically:

1. that all trading in any securities by GITC, GITC Inc., and Asfour shall cease; and

2. that any exemptions contained in Ontario securities law do not apply to any of GITC, GITC Inc., and Asfour.

The Hearing is adjourned to Monday, July 20, 2015 at 1:30 p.m.

A copy of the Order dated April 10, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.7 GITC Investments and Trading Canada Ltd. et al.

FOR IMMEDIATE RELEASE
April 14, 2015

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. Staff shall provide disclosure to the Respondents by May 8, 2015, of documents and things in the possession or control of Staff that are relevant to the hearing;

2. The Second Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Monday July 20, 2015 at 1:30 p.m. or as soon thereafter as the hearing can be held;

3. Any requests by any of the Respondents for disclosure of additional documents shall be set out in a Notice of Motion to be filed no later than 10 days before the Second Appearance;

4. Staff shall make disclosure of their witness list and summaries and indicate any intent to call an expert witness, and provide the Respondents the name of the expert and state the issue on which the expert will be giving evidence by July 13, 2015; and

5. At the Second Appearance, any motions by any of the Respondents with respect to disclosure provided by Staff will be heard or scheduled for a subsequent date.

A copy of the Order dated April 10, 2015 is available at www.osc.gov.on.ca

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Franklin Templeton Investments Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief sought from conflict of interest provisions in NI 31-103 to permit *in specie* transfers of holdings amongst managed accounts, pooled funds and mutual funds managed by the manager – relief subject to usual conditions, such as consent of managed account clients to allow *in specie* transfers, acceptability of portfolio assets to receiving fund or managed account portfolio manager, filer to keep written record of transfers, certain pricing conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and ongoing Registrant Obligations, ss. 13.5(2)(b), 15.1.

April 2, 2015

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
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption from the prohibitions in sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations* (**NI 31-103**) which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person, or from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser, in order to permit *In specie* subscriptions and redemptions by:

(a) Managed Accounts (as defined below) in Pooled Funds (as defined below) and Mutual Funds (as defined below); and

(b) Pooled Funds in Pooled Funds and Mutual Funds

(the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(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, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, National Instrument 81-107 – *Independent Review Committee for Investment Funds* and MI 11-102 have the same meanings if used in this Application, unless otherwise defined. The terms set out immediately below have the following meanings:

"Existing Mutual Funds" means each existing Mutual Fund, being a mutual fund as defined in the Legislation that is a reporting issuer and subject to National Instrument 81-102 – *Investment Funds* (**NI 81-102**), of which the Filer or an affiliate of the Filer acts as manager and/or portfolio adviser;

"Existing Pooled Funds" means each existing Pooled Fund, being an investment fund that is not a reporting issuer, of which the Filer or an affiliate of the Filer acts as manager and/or portfolio adviser;

"Funds" means the Mutual Funds and the Pooled Funds;

"Future Mutual Fund" means each Mutual Fund, being a mutual fund that is a reporting issuer, of which the Filer or an affiliate of the Filer may act as manager and/or portfolio adviser in the future;

"Future Pooled Fund" means each investment fund that is not a reporting issuer, of which the Filer or an affiliate of the Filer may act as manager and/or portfolio adviser in the future;

"*In specie* Transfer" means causing a Managed Account or a Fund to deliver securities to another Fund in respect of the purchase of securities of the other Fund by the Managed Account or Fund, or to receive securities from the investment portfolio of the other Fund by the Managed Account or Fund;

"Managed Account" means an account managed by the Filer for a client that is not a responsible person and over which the Filer has discretionary authority;

"Mutual Funds" means collectively, the Existing Mutual Funds and the Future Mutual Funds; and

"Pooled Funds" means collectively, the Existing Pooled Funds and the Future Pooled Funds.

Representations

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

The Filer

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

2. The Filer is registered under securities legislation in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan and Yukon as an adviser in the category of portfolio manager and as a dealer in the categories of mutual fund dealer and exempt market dealer. The Filer is also registered under securities legislation in Alberta, British Columbia, Manitoba, Newfoundland & Labrador, Nova Scotia, Ontario and Quebec as an investment fund manager.

3. The Filer and each of the Funds are not in default of securities legislation in any of the Jurisdictions.

The Funds

4. The Filer is, or will be, the manager of the Funds. The Filer and/or portfolio managers, including affiliates of the Filer, may be the portfolio manager(s) of the Funds. The Filer may also appoint sub-advisers for the Funds.

5. Each of the Mutual Funds is, or will be, established under the laws of Ontario, Alberta or Canada as an investment fund that is an open-ended mutual fund trust or an open-ended mutual fund corporation and is, or will be, a reporting issuer in each of the Jurisdictions.

6. The securities of each of the Mutual Funds are, or will be, qualified for distribution pursuant to simplified prospectuses and annual information forms that have been prepared or will be prepared and filed in accordance with National

Instrument 81-101 – *Mutual Fund Prospectus Disclosure*. Each of the Mutual Funds is, or will be, subject to the provisions of NI 81-102.

7. The Filer has established an independent review committee (an "**IRC**") in respect of the Mutual Funds in compliance with *Independent Review Committee for Investment Funds* ("**NI 81-107**").

8. Each of the Pooled Funds is, or will be, an investment fund established under the laws of Ontario, Alberta or Canada as an open-ended mutual fund trust, open-ended mutual fund corporation or closed-ended trust that will not be a reporting issuer in any of the Jurisdictions.

9. The securities of the Pooled Funds are, or will be, distributed on a private placement basis pursuant to available prospectus exemptions. None of the Pooled Funds are or will be subject to NI 81-102.

The Managed Accounts

10. The Filer offers discretionary investment management services to institutional and individual investors through Managed Accounts.

11. Each Managed Account client wishing to receive the discretionary investment management services of the Filer has entered into, or will enter into, a written agreement (an "**Investment Management Agreement**") whereby the client appoints the Filer to act as portfolio manager in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the client to execute the trade.

12. The Filer may determine that investments in either individual securities or Funds are no longer appropriate. Consequently, the Filer may, where authorized under the Investment Management Agreement, from time to time invest or redeem a Managed Account client's assets in Fund Securities to facilitate portfolio management.

13. Each Investment Management Agreement or other documentation in respect of a Managed Account contains, or will contain, the authorization of the client for the Filer to engage in *In specie* Transfers.

In specie Transfers

14. The Filer may wish to or otherwise be required to deliver securities held in a Managed Account or Fund to a Fund in respect of a purchase of units or shares of the Fund ("**Fund Securities**"), and may wish to or otherwise be required to receive securities from a Fund in respect of a redemption of Fund Securities by a Managed Account or Fund.

15. As the Filer is the trustee of certain Funds organized as a trust, each such Fund could be an 'associate' of the Filer and accordingly, absent the grant of the Requested Relief, the Filer is precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting the *In specie* Transfers in such circumstances. As the Filer is a registered adviser which is, or will be, the manager and/or portfolio manager of the Funds and is, or will be, the portfolio manager of the Managed Accounts, absent the grant of the Requested Relief, the Filer is precluded by the provisions of Section 13.5(2)(b)(iii) of NI 31-103 from effecting the *In specie* Transfers.

16. The Filer does not receive any compensation in respect of any sale or redemption of Fund Securities and, in respect of any delivery of securities further to an *In specie* Transfer, the only charge paid by the Fund or Managed Account, as applicable, is a nominal administrative charge levied by the custodian of the relevant Fund or Managed Account in recording the trade and any commission charged by the dealer executing the trade.

17. The Filer has obtained, or will obtain, the prior specific written consent of the relevant Managed Account client before it engages in any *In specie* Transfers in connection with the purchase or redemption of securities of the Funds for the Managed Account.

18. The Filer, as manager of the Funds, will value the securities transferred under an *In specie* Transfer on the same valuation day on which the purchase price or redemption price of the Fund Securities of a Fund is determined. With respect to the purchase of Fund Securities of a Fund, the securities transferred to a Fund under an *In specie* Transfer in satisfaction of the purchase price of those Fund Securities will be valued as if the securities were portfolio assets of the Fund, as contemplated by subsection 9.4(2)(b)(iii) of NI 81-102. With respect to the redemption of Fund Securities of a Fund, the securities transferred to a Managed Account in satisfaction of the redemption price of those Fund Securities will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities of the Fund, as contemplated by subsection 10.4(3)(b) of NI 81-102.

19. *In specie* Transfers will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In specie* Transfers that are consistent with applicable securities legislation, and (ii) the oversight of the Filer's Compliance Department, to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Fund and the Managed Account, uninfluenced by considerations other than the best interests of the Fund and Managed Account.

20. Should any *In specie* Transfer involve the transfer of an "illiquid asset" (as defined in NI 81-102), the Filer will obtain at least one quote for the asset from an independent arm's length purchaser or seller, immediately before effecting the *In specie* Transfer.

21. The Filer has determined that it is in the best interests of the Funds and the Managed Accounts to receive the Requested Relief and engage in *In specie* Transfers.

22. Effecting *In specie* Transfers of securities as described above will allow the Filer to manage each asset class more effectively and reduce transaction costs for the Managed Accounts and the Funds. *In specie* Transfers also allow a portfolio manager to retain within its control institutional-size blocks of securities that otherwise would need to be broken and re-assembled.

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) if the transaction is the purchase of Fund Securities of a Fund by a Managed Account:

i. in respect of the Requested Relief as it applies to purchases of a Mutual Fund,

I. the Filer, as manager of the Mutual Fund, obtains the approval of the IRC of the Mutual Fund in respect of an *In specie* Transfer in accordance with the terms of s. 5.2 of NI 81-107; and

II. the Filer, as manager of the Mutual Fund, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In specie* Transfer;

ii. the Filer obtains the prior written consent of the client of the relevant Managed Account before it engages in any *In specie* Transfers in connection with the purchase of Fund Securities;

iii. the Fund would at the time of payment be permitted to purchase the securities held in the Managed Account;

iv. the securities are acceptable to the Filer as portfolio manager of the Fund and consistent with the Fund's investment objectives;

v. the value of the securities sold to the Fund is at least equal to the issue price of the Fund Securities of the Fund for which they are payment, valued as if the securities were portfolio assets of that Fund;

vi. the account statement next prepared for the Managed Account will include a note describing the securities delivered to the Fund and the value assigned to such securities; and

vii. the Fund keeps written records of all *In specie* Transfers during the financial year of the Fund, reflecting details of the securities delivered to the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(b) if the transaction is the redemption of Fund Securities of a Fund by a Managed Account:

i. in respect of the Requested Relief as it applies to redemptions of a Mutual Fund,

I. the Filer, as manager of the Mutual Fund, obtains the approval of the IRC of the Mutual Fund in respect of an *In specie* Transfer in accordance with the terms of s. 5.2 of NI 81-107; and

II. the Filer, as manager of the Mutual Fund, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In specie* Transfer;

ii. the Filer obtains the prior written consent of the client of the relevant Managed Account to the payment of redemption proceeds in the form of an *In specie* Transfer;

iii. the securities are acceptable to the Filer as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;

iv. the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security of the Fund used to establish the redemption price;

v. the holder of the Managed Account has not provided notice to terminate its Investment Management Agreement with the Filer;

vi. the account statement next prepared for the Managed Account will include a note describing the securities delivered to the Managed Account and the value assigned to such securities; and

vii. the Fund keeps written records of all *In specie* Transfers during the financial year of the Fund, reflecting details of the securities delivered by the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(c) if the transaction is the purchase of Fund Securities of a Mutual Fund by a Pooled Fund:

i. the Filer, as manager of the Mutual Fund, obtains the approval of the IRC of the Mutual Fund in respect of an *In specie* Transfer in accordance with the terms of s. 5.2 of NI 81-107;

ii. the Filer, as manager of the Mutual Fund, and the IRC comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In specie* Transfer;

iii. the Mutual Fund would at the time of payment be permitted to purchase those securities;

iv. the securities are acceptable to the Filer as portfolio manager of the Mutual Fund and consistent with the Mutual Fund's investment objectives;

v. the value of the securities is at least equal to the issue price of the Fund Securities of the Mutual Fund for which they are payment, valued as if the securities were portfolio assets of that Mutual Fund; and

vi. each of the Funds will keep written records of an *In specie* Transfer in a financial year of a Fund, reflecting details of the securities delivered by the Pooled Fund to the Mutual Fund, and the value assigned to such securities, for five years after the end of their financial year, the most recent two years in a reasonably accessible place;

(d) if the transaction is the redemption of Fund Securities of a Mutual Fund by a Pooled Fund:

i. the Filer, as manager of the Mutual Fund, obtains the approval of the IRC of the Mutual Fund in respect of an *In specie* Transfer in accordance with the terms of s. 5.2 of NI 81-107;

ii. the Filer, as manager of the Mutual Fund, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of an *In specie* Transfer;

iii. the securities are acceptable to the portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

iv. the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price of the Mutual Fund; and

v. each of the Funds keeps written records of all *In specie* Transfers during the financial year of a Fund, reflecting details of the securities delivered by the Mutual Fund to the Pooled Fund, and the value assigned to such securities, for five years after the end of their financial year, the most recent two years in a reasonably accessible place;

(e) if the transaction is the purchase of Fund Securities of a Pooled Fund by a Pooled Fund:

i. the Pooled Fund would at the time of payment be permitted to purchase those securities;

ii. the securities are acceptable to the Filer as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

iii. the value of the securities is at least equal to the issue price of the Fund Securities of the Pooled Fund for which they are payment, valued as if the securities were portfolio assets of that Pooled Fund; and

iv. each Pooled Fund will keep written records of an *In specie* Transfer in a financial year of a Pooled Fund, reflecting details of the securities delivered to the Pooled Fund, and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

(f) if the transaction is the redemption of Fund Securities of a Pooled Fund by a Pooled Fund:

i. the securities are acceptable to the portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

ii. the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per Fund Security used to establish the redemption price of the Pooled Fund;

iii. each Pooled Fund keeps written records of all *In specie* Transfers during the financial year of a Pooled Fund, reflecting details of the securities delivered by the Pooled Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and

(g) the Filer does not receive any compensation in respect of any sale or redemption of units of a Fund and, in respect of any delivery of securities further to an *In specie* Transfer, the only charge paid by the Fund or Managed Account, as applicable, is a nominal administrative charge levied by the custodian of the relevant Fund or Managed Account in recording the trade and the commission charged by the dealer executing the trade.

"Vera Nunes"
Manager, Investment Funds and
Structured Products Branch
Ontario Securities Commission

2.1.2 Montan Ventures Corp. (formerly Montan Capital Corp.) – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer 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).

Citation: Re Montan Ventures Corp., 2015 ABASC 645

March 10, 2015

Clark Wilson LLP
900, 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Susan Atkinson

Dear Madam:

Re: Montan Ventures Corp. (formerly Montan Capital Corp.) (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, 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;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.3 Mandeville Private Client Inc. and Mandeville Wealth Services Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from subsection 7.1(3) of NI 81-105 Mutual Fund Sales Practices granted to dealers and their representatives to permit them to pay commission rebates to clients when clients are switched from third-party mutual funds to related funds – Representatives providing commission rebates may have equity interest not exceeding 10% in parent company of related fund manager – Relief granted subject to a 3-year sunset clause and conditions that mitigate conflicts.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 7.1(3), 9.1.

March 31, 2015

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
MANDEVILLE PRIVATE CLIENT INC. AND MANDEVILLE WEALTH SERVICES INC.
(the Filers)

DECISION

Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption under Section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) exempting the Filers and any other future dealer affiliates of Portland Investment Counsel Inc. (collectively, the **Mandeville Dealers**) and their present and future representatives (the **Representatives**) from the prohibitions contained in subsection 7.1(3) of NI 81-105 prohibiting the Mandeville Dealers and their Representatives from paying all or any part of a fee or commission (**Commission Rebate**) payable by a securityholder on the redemption of securities of a mutual fund that occurs in connection with the purchase by the securityholder of securities of another mutual fund that is not in the same mutual fund family where the Mandeville Dealer is a member of the organization of the mutual fund the securities of which are being acquired (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 Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon Territories.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-105 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. Mandeville Private Client Inc. is registered in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, Nova Scotia, Prince Edward Island and Québec. It is also a member of the Investment Industry Regulatory Organization of Canada.

2. Mandeville Wealth Services Inc. is registered in each of the provinces (but not the Territories) of Canada as a dealer in the category of mutual fund dealer and exempt market dealer. It is also a member of the Mutual Fund Dealers Association of Canada.

3. The head office of the Filers is located in Burlington, Ontario.

4. The Filers are "members of the organization" (within the meaning of NI 81-105) of mutual funds managed by Portland Investment Counsel Inc. (**Portland**), known as "**Portland Mutual Funds**". The Filers act as principal distributors of the Portland Mutual Funds. The Filers may, in the future, become, "members of the organization" of other mutual funds, since the parent company or an affiliate of the Filers may establish or acquire interests in corporations that are managers of mutual funds (**Future Affiliated Funds**).

5. The Filers are direct wholly-owned subsidiaries of Mandeville Holdings Inc. (**Mandeville Holdings**) which is also the parent company of Portland.

6. The Filers are not in default of securities legislation in any jurisdiction of Canada.

7. The Filers have been selling third-party managed mutual funds for a certain number of years and currently distribute third-party managed mutual funds from more than 63 unaffiliated fund manufacturers. The Filers have been selling the Portland Mutual Funds since May 2013 (Mandeville Private Client Inc.) and January 2014 (Mandeville Wealth Services Inc.), without allowing any commission rebates for such funds.

8. The Filers act independently from Portland. The Filers and the Representatives are free to choose which mutual funds to recommend to their clients and consider recommending the Portland Mutual Funds to their clients in the same way as they consider recommending other third party mutual funds. The Filers and the Representatives comply with their obligations at law and only recommend mutual funds that they believe would be suitable for their clients and in accordance with the clients' investment objectives and financial circumstances. Portland provides the Filers with the compensation described in the prospectus of the Portland Mutual Funds in the same manner as Portland does for any participating dealer selling securities of the Portland Mutual Funds to their clients. All compensation and sales incentives paid to the Filers by any member of the organization of the Portland Mutual Funds or any Future Affiliated Funds comply and will continue to comply with NI 81-105.

9. Representatives may own voting or equity securities of Mandeville Holdings (an "**Equity Interest**") including common shares of Mandeville Holdings. No Representative owns more than 10% of the outstanding voting or equity securities of Mandeville Holdings and no Representative owns any of the outstanding voting or equity securities of any other member of the organization of the Portland Mutual Funds, including Portland or any of the Mandeville Dealers.

10. Neither the Filers, nor any Representative, are or will be subject to quotas, whether express or implied, in respect of selling the Portland Mutual Funds. Except as permitted by NI 81-105, none of the Filers, Portland nor any other member of their organizations, provides any incentive (whether express or implied) to any Representative, or to the Filers, to encourage the Representative or the Filers to recommend the Portland Mutual Funds over third party managed mutual funds, other than the holding by a Representative of an Equity Interest.

11. The Filers comply with NI 81-105, including the rules dealing with internal dealer incentive practices prescribed under Part 4 of NI 81-105 in its compensation practices with the Representatives. The Filers and the Representatives also comply with the rules concerning commission rebates provided for in section 7.1 of NI 81-105.

12. The prohibition in subsection 7.1(3) of NI 81-105 means that neither the Filers nor their Representatives can reimburse their clients for any fees or commissions incurred by those clients when they decide to switch into a Portland Mutual Fund or a Future Affiliated Fund from another mutual fund. Subsection 7.1(1) of NI 81-105 allows the Filers and the Representatives to pay Commission Rebates only when the client decides to switch from one third party fund to another third party fund, and provided the disclosure and consent procedure established in section 7.1 is followed. Payment of Commission Rebates by the Filers and the Representatives benefit the client so that the client does not incur costs in switching from one fund to another.

13. In the absence of the Exemption Sought, a client of the Filers who effects a redemption of mutual fund securities that are subject to a redemption charge and who uses the proceeds thereof to purchase securities of a Portland Mutual Fund or Future Affiliated Fund would not have the benefit of a Commission Rebate from the Filers or a Representative, while a client who uses the proceeds of such redemption to purchase securities of a mutual fund unaffiliated to the

Filers could have the benefit of a Commission Rebate from the Filers or a Representative. In circumstances where a Representative believes that a Portland Mutual Fund or Future Affiliated Fund is the most suitable fund for the client, the Filers believe that the prohibition in subsection 7.1(3) of NI 81-105 may discourage the client from trading in the recommended Portland Mutual Fund or Future Affiliated Fund. This may not be in the client's best interests.

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision. The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) For each switch made by a Mandeville Dealer client to a Portland Mutual Fund or Future Affiliated Fund from another mutual fund where the Mandeville Dealer or a Representative agrees to pay a Commission Rebate, the Mandeville Dealer and the Representative will:

(i) comply with the provisions of paragraph 7.1(1)(a) of NI 81-105;

(ii) comply with the disclosure and consent provisions of Part 8 of NI 81-105;

(iii) ensure that at the time of the switch to a Portland Mutual Fund or Future Affiliated Fund, the sales commissions and trailing commissions payable on the Portland Mutual Fund or Future Affiliated Fund do not exceed the sales commissions and trailing commissions payable on the third-party fund from which the client is switching; and

(iv) advise the client, in writing and in advance of finalizing a switch to a Portland Mutual Fund or Future Affiliated Fund, that any Commission Rebate proposed to be made available in connection with the purchase of securities of the Portland Mutual Funds or Future Affiliated Funds will:

(A) be available to the client regardless of whether the redemption proceeds are invested in a Portland Mutual Fund or a Future Affiliated Fund, as the case may be, or a third party fund;

(B) not be conditional upon the purchase of securities of a Portland Mutual Fund or a Future Affiliated Fund; and

(C) in all cases, be not more than the amount of the gross sales commission earned by the Mandeville Dealer on the client's purchase of a Portland Mutual Fund or a Future Affiliated Fund.

(b) The actual amount of the Commission Rebate paid in respect of the switch will be not more than the amount referred to in paragraph (a)(iv)(C) above.

(c) A Mandeville Dealer and/or the Representative that provides Commission Rebates will not be reimbursed directly or indirectly in respect of the Commission Rebates in connection with a switch to a Portland Mutual Fund or a Future Affiliated Fund by any member of the organization of that fund other than through the commissions earned on the purchase of that fund.

(d) No Mandeville Dealer nor any Representative is, or will be in the future, subject to quotas, whether express or implied, in respect of selling the Portland Mutual Funds or any Future Affiliated Funds.

(e) No Representative having an Equity Interest representing more than 10% of any class of voting or equity securities of Mandeville Holdings and no Representative having any Equity Interest in any other member of the organization of the Portland Mutual Funds, including Portland or any of the Mandeville Dealers, will be permitted to provide a Commission Rebate in connection with a switch to a Portland Mutual Fund or a Future Affiliated Fund.

(f) Except as permitted by NI 81-105, no Mandeville Dealer and no member of the respective organization of the Portland Mutual Funds or of any Future Affiliated Funds provides or will provide any incentive, whether express or implied, to the Mandeville Dealer or any Representatives to encourage the Representatives to recommend to clients the Portland Mutual Funds or Future Affiliated Funds over third party funds, other than the holding of an Equity Interest.

(g) Each Mandeville Dealer's compliance policies and procedures that relate to this decision will emphasize that any Commission Rebate agreed to be paid to a client by a Representative cannot be conditional on the client

acquiring a Portland Mutual Fund or a Future Affiliated Fund and will be made available to the client if the client wishes to switch to an unaffiliated third party fund.

(h) This decision shall cease to be operative on the date that is three years from the date of this decision or the date that a rule replacing or amending section 7.1 of NI 81-105 comes into force, whichever date comes first.

"Judith N. Roberston"
Commissioner
Ontario Securities Commission

"Deborah Leckman"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Greenstar Agricultural Corporation and Lianyun Guan – s. 127

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

AND

IN THE MATTER OF
GREENSTAR AGRICULTURAL CORPORATION
AND LIANYUN GUAN

ORDER
(Section 127 of the Securities Act)

WHEREAS on March 12, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations (the "Statement of Allegations") filed by Staff of the Commission ("Staff") with respect to GreenStar Agricultural Corporation and Lianyun Guan dated March 11, 2015 (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing stated that a hearing would be held at the offices of the Commission on April 2, 2015 at 10:00 a.m.;

AND WHEREAS the Commission rescheduled the hearing from April 2, 2015 at 10:00 a.m. to April 2, 2015 at 11:30 a.m.;

AND WHEREAS on April 2, 2015, Staff attended before the Commission and made submissions and no one appeared on behalf of the Respondents;

AND WHEREAS the Commission is satisfied that the Respondents were served with the Notice of Hearing and Statement of Allegations and have received notice of the hearing;

AND WHEREAS pursuant to Rule 1.4 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "Rules"), Staff requested that the Commission waive or vary certain requirements of Rule 4 of the Rules;

AND WHEREAS Staff requested that, in the particular circumstances of this case, Staff be permitted to make available for inspection by the Respondents at the offices of the Commission, all documents or things in Staff's possession or control relevant to the allegations set out in the Statement of Allegations on seven days' notice by the Respondents;

AND WHEREAS Staff further requested that, in the particular circumstances of this case, Staff be permitted to make available for inspection by the Respondents at the offices of the Commission, all documents or things that Staff intends to produce or enter as evidence at the hearing on the merits;

AND WHEREAS Staff requested that a pre-hearing conference be scheduled for April 29, 2015;

IT IS ORDERED that Staff is permitted to make available for inspection by the Respondents at the offices of the Commission, all documents or things in Staff's possession or control relevant to the allegations set out in the Statement of Allegations on seven days' notice by the Respondents;

IT IS FURTHER ORDERED that Staff is permitted to make available for inspection by the Respondents at the offices of the Commission, all documents or things that Staff intends to produce or enter as evidence at the hearing on the merits;

IT IS FURTHER ORDERED that, pursuant to its ongoing disclosure obligations, Staff shall make available for inspection by the Respondents as soon as is reasonably practicable all relevant documents or things that may come into Staff's possession or control following the making of this order; and

IT IS FURTHER ORDERED that the hearing is adjourned to a pre-hearing conference to be held on April 29, 2015 at 9:00 a.m.

DATED at Toronto this 2nd day of April, 2015.

"Christopher Portner"

2.2.2 Eric Inspektor

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

ORDER

WHEREAS on March 28, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 28, 2014, to consider whether it is in the public interest to make certain orders against Eric Inspektor (the "Respondent");

AND WHEREAS the Notice of Hearing set a hearing in this matter for April 15, 2014 at 10:00 a.m.;

AND WHEREAS on April 8, 2014, the hearing was rescheduled by the Commission to commence on April 30, 2014 at 10:00 a.m.;

AND WHEREAS on April 30, 2014, Staff submitted *inter alia* that its disclosure to the Respondent would be substantially completed before the end of May 2014;

AND WHEREAS on April 30, 2014, the Commission ordered that the hearing be adjourned to June 18, 2014;

AND WHEREAS on June 18, 2014, Staff confirmed that disclosure to the Respondent was substantially complete, and counsel to the Respondent submitted that she would require some time to review Staff's disclosure and address any issues arising from such disclosure;

AND WHEREAS on June 20, 2014, the Commission ordered that the hearing be adjourned to September 17, 2014;

AND WHEREAS on September 2, 2014, counsel for the Respondent, Crawley MacKewn Brush LLP ("CMB"), filed a notice of motion, pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 (the "Rules"), for leave to withdraw as representative for the Respondent and requesting that the motion be heard in writing (the "Withdrawal Motion");

AND WHEREAS the affidavit filed by CMB states that the Respondent intends to represent himself;

AND WHEREAS on September 15, 2014, the Commission ordered that the Withdrawal Motion be heard in writing and granted CMB leave to withdraw as representative for the Respondent;

AND WHEREAS on September 17, 2014, the Respondent advised that he was seeking an order pursuant to section 17 of the Act authorizing disclosure of certain documents which the Respondent received from Staff pursuant to Staff's disclosure obligations (the "Section 17 Motion");

AND WHEREAS on September 17, 2014, the Commission adjourned the hearing to November 3, 2014;

AND WHEREAS on October 21, 2014, the Section 17 Motion was heard in camera and on December 10, 2014, the Commission delivered its Reasons and Decision on the Section 17 Motion (*Re Eric Inspektor* (2014), 37 O.S.C.B. 11271);

AND WHEREAS on November 3, 2014, Staff and the Respondent appeared and made submissions before the Commission;

AND WHEREAS the Respondent advised that he is seeking a summons authorizing disclosure of a legal opinion provided by a law firm to a bank regarding one or more companies named in the Statement of Allegations in this matter;

AND WHEREAS on November 3, 2014, the Commission ordered that: (a) the hearing on the merits begin on April 8, 2015 and continue on April 9, 13, 14, 15, 16, 17, 20, 22, 23, 24 and April 27, 2015; (b) a confidential pre-hearing conference (a "PHC") be held on December 15, 2014; (c) the Respondent file a request for summons to the Office of the Secretary indicating the document that the Respondent seeks to be produced and the reasons for the request; and (d) if necessary, a hearing be held on January 15, 2015 to consider a motion by the Respondent for additional disclosure;

AND WHEREAS on December 15, 2014, a confidential PHC was held at which the Commission considered submissions of Staff and the Respondent;

AND WHEREAS on December 15, 2014, the Commission ordered that: (a) the Respondent make initial disclosure to Staff of documents in the Respondent's possession that the Respondent intends to produce, enter as evidence or rely upon at the hearing on the merits by December 29, 2014; (b) the hearing date of January 15, 2015 be vacated; (c) a hearing be held on January 30, 2015 to consider a motion by Staff or the Respondent for additional disclosure, if necessary; (d) a further confidential PHC be held on March 4, 2015 (the "March 4 PHC"); (e) each party make best efforts to provide to the other party its hearing brief by March 9, 2015; and (f) the Respondent make best efforts to provide Staff a complete witness list and witness summary for each witness by March 19, 2015;

AND WHEREAS on February 11, 2015, the Respondent requested an adjournment (the "Adjournment") of the hearing on the merits to June 2015;

AND WHEREAS on February 12, 2015, Staff advised that Staff did not object to the Adjournment;

AND WHEREAS on February 19, 2015, the Commission declined to grant the Adjournment but indicated that it was willing to consider submissions from the parties on the Adjournment at the confidential March 4 PHC;

AND WHEREAS on March 4, 2015, the confidential March 4 PHC was held at which the Commission considered submissions of Staff and the Respondent;

AND WHEREAS on March 4, 2015, the Commission ordered that: (a) the confidential March 4 PHC be adjourned to March 11, 2015 at 9:30 a.m.; and (b) each party provide to the other party its hearing brief by March 16, 2015;

AND WHEREAS on March 11, 2015, Staff and the Respondent appeared and made submissions before the Commission;

AND WHEREAS on March 11, 2015, the Commission ordered that each party provide to the other party its hearing brief by March 23, 2015;

AND WHEREAS on March 31, 2015, the Respondent entered into a Settlement Agreement with Staff (the "Settlement Agreement");

AND WHEREAS on March 31, 2015, the Commission issued a Notice of Hearing to announce that it would hold a hearing on April 8, 2015 to consider whether it is in the public interest to approve the Settlement Agreement;

AND WHEREAS on April 8, 2015, a public settlement hearing was held at which the Commission considered submissions of Staff and the Respondent;

AND WHEREAS on April 8, 2015, the Commission approved the Settlement Agreement;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that the dates for the hearing on the merits, scheduled to commence on April 8, 2015 and continue on April 9, 13, 14, 15, 16, 17, 20, 22, 23, 24 and 27, 2015, be vacated.

DATED at Toronto, Ontario this 8th day of April, 2015.

"Alan J. Lenczner"

2.2.3 Eric Inspektor – ss. 127, 127.1

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ERIC INSPEKTOR

ORDER (Sections 127 and 127.1)

WHEREAS on March 28, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing dated March 28, 2014 (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Eric Inspektor (the "Respondent"). The Notice of Hearing was issued in connection with the allegations set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 28, 2014 (the "Statement of Allegations");

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff dated as of March 31, 2015 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS on March 31, 2015, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

AND WHEREAS upon reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon hearing submissions of the Respondent and Staff, the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by the Respondent cease permanently (other than trading for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a

beneficiary or a sponsor), pursuant to paragraph 2 of subsection 127(1) of the Act;

3. the acquisition of any securities by the Respondent be prohibited permanently (other than acquisitions for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a beneficiary or a sponsor), pursuant to paragraph 2.1 of subsection 127(1) of the Act;

4. any exemptions contained in Ontario securities law not apply to the Respondent permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;

5. the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

6. the Respondent resign any positions that the Respondent holds as a director or officer of an issuer, registrant or investment fund manager pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

7. the Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

8. the Respondent be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

9. the Respondent pay $350,000, by certified cheque on or before April 8, 2015, which amount shall be designated for allocation to or for the benefit of third parties or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraphs 9 and 10 of subsection 127(1) of the Act; and

10. the Respondent pay costs in the amount of $50,000, by certified cheque on or before April 8, 2015, pursuant to subsection 127.1(1) of the Act.

DATED at Toronto, Ontario this 8th day of April, 2015.

"Alan Lenczner"

2.2.4 Ontario Teachers' Pension Plan Board and Louis XIII Holdings Limited

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trades of convertible bonds or shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada own more than 10% of the total number of shares – relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
ONTARIO TEACHERS' PENSION PLAN BOARD
AND LOUIS XIII HOLDINGS LIMITED

ORDER

Background

The Ontario Securities Commission (the "**Commission**") has received an application from the Ontario Teachers' Pension Plan Board (the "**Applicant**" or "**OTPP**") for an order pursuant to section 74(1) of the Act for an exemption from the prospectus requirement contained in section 53 of the Act in connection with the first trades of the New Convertible Bonds (as defined below) of Louis XIII Holdings Limited ("**Louis XIII**") acquired by the Applicant pursuant to the Securities Placement (as defined below), and New Shares (as defined below) of Louis XIII that the Applicant would receive upon exchange of such New Convertible Bonds (the "**Requested Relief**").

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. The Applicant is an independent corporation established on December 31, 1989 by the *Teachers' Pension Act* (Ontario) to administer and

manage a pension plan established for the benefit of the Province of Ontario's primary and secondary school teachers and to pay members of the pension plan their respective benefits under the plan. The head office of the Applicant is located at 5650 Yonge Street, Toronto, Ontario, Canada.

2. Louis XIII is a limited liability corporation incorporated under the laws of Bermuda, with shares listed on the Stock Exchange of Hong Kong (the "**SEHK**"). The core businesses of Louis XIII include management contracting, property development management and property investment, primarily serving clients based in Hong Kong, China and Macau. The principal place of business of Louis XIII is located at 2901 AIA Central, 1 Connaught Road Central, Hong Kong.

3. Louis XIII has advised OTPP that Louis XIII is not in default of any requirements of the SEHK or the applicable securities laws of China, Bermuda or any jurisdiction of Canada.

4. On December 2, 2014, the Commission issued an order pursuant to section 74(1) of the Act exempting OTPP from the prospectus requirement contained in section 53 of the Act in connection with the first trades of convertible bonds of Louis XIII acquired by OTPP in January and December of 2013, which represented HK$1,307.44 million principal amount of convertible bonds (the "**Existing Convertible Bonds**"), which were convertible for 190,261,793 Shares (the "**Existing Shares**", and together with the Existing Convertible Bonds, the "**Exempt Securities**").

5. In a Louis XIII press release dated January 16, 2015, Louis XIII announced that it had successfully raised aggregate gross proceeds of HK$2,169.1 million from the placement of newly issued ordinary shares (the "**Shares**") and convertible bonds (the "**Convertible Bonds**") (collectively, the "**Securities Placement**").

6. Pursuant to the Securities Placement, OTPP acquired on January 16, 2015 (the "**Distribution Date**"), HK$445.1 million principal amount of a new series of Convertible Bonds (such Convertible Bonds, the "**New Convertible Bonds**") convertible for 148,366,666 Shares (such Shares, the "**New Shares**") at a conversion price of HK$3.00 per Share. The New Convertible Bonds may be converted to New Shares at the applicable prescribed price at any time commencing on the date of issue and up to no later than seven (7) days prior to their maturity date, subject to certain early redemption rights.

7. The New Convertible Bonds were sold to OTPP on a private placement basis in reliance on the "accredited investor" prospectus exemption contained in Section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*.

8. To the best of OTPP's knowledge, based on a certificate from Louis XIII (the "**Louis XIII Certificate**"), as of the Distribution Date:

Shares

(a) there were issued and outstanding 920,867,010 Shares;

(b) the number of beneficial holders of Shares was 588;

(c) the Existing Convertible Bonds and New Convertible Bonds held by OTPP were convertible for 338,628,459 Shares, which, on as as-converted basis, represented approximately 22.6% of the total number of outstanding Shares;

(d) OTPP, on an as-converted basis, represented less than 0.01% of the outstanding number of holders of Shares;

(e) residents of Canada, other than OTPP, did not own, directly or indirectly, any Shares;

New Convertible Bonds

(f) there were issued and outstanding HK$755,300,000 principal amount of New Convertible Bonds;

(g) OTPP held HK$445,100,000 principal amount of New Convertible Bonds, representing approximately 58.9% of the total principal amount of outstanding New Convertible Bonds;

(h) the number of beneficial holders of New Convertible Bonds was 4;

(i) OTPP represented 25% of the outstanding number of holders of New Convertible Bonds;

(j) residents of Canada, other than OTPP, did not own, directly or indirectly, any New Convertible Bonds;

Other Securities

(k) other than the Convertible Bonds and Shares, there were no other outstanding securities of Louis XIII other than (A) certain exchange rights ("**Exchange Rights**") entitling holders thereof to purchase Shares and (B) Share options ("**Share Options**"); and

(l) residents of Canada, including OTPP, did not own, directly or indirectly, any Exchange Rights or Share Options.

9. At the Distribution Date of the New Convertible Bonds, after giving effect to the issue of such New Convertible Bonds, and Convertible Bonds of the same class or series that were issued at the same time or as part of the same distribution, and including the Shares that would be issued upon conversion of the Convertible Bonds, residents of Canada (excluding the Applicant):

(a) did not own, directly or indirectly, more than 10 percent of the outstanding Convertible Bonds and would not have owned, directly or indirectly, more than 10 percent of the outstanding Shares; and

(b) did not represent in number more than 10 percent of the total number of owners, directly or indirectly, of Convertible Bonds and would not have represented in number more than 10 percent of the total number of owners, directly or indirectly, of Shares.

10. Louis XIII was not, as at the Distribution Date, and is not, a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada, nor are any of its securities listed or posted for trading on any exchange, or market, located in Canada.

11. Louis XIII has advised OTPP that it has no present intention of becoming listed in Canada or of becoming a reporting issuer under the Act or under any other Canadian securities laws, and no market for the New Convertible Bonds or Shares exists in Canada and none is expected to develop.

12. In the absence of the Requested Relief, the first trade of New Convertible Bonds or New Shares held by the Applicant will be deemed to be a distribution and subject to section 53 of the Act.

13. The prospectus exemptions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* ("**NI 45-102**") will not be applicable in this situation because Louis XIII is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada.

14. The prospectus exemption in section 2.14 of NI 45-102 would be applicable in this situation, but will not be available to the Applicant (or any other holder of New Convertible Bonds or Shares in Canada) with respect to its first trade of New Convertible Bonds or New Shares because residents of Canada, including the Applicant, currently own more than 10% of the outstanding New Convertible Bonds or Shares.

Decision

The Commission is satisfied that this order meets the test set out in Section 74(1) of the Act.

The order of the Commission under Section 74(1) of the Act is that the Requested Relief is granted provided that:

i) Louis XIII is not a reporting issuer in any jurisdiction of Canada at the date of the trade; and

ii) the trade is executed through the facilities of the SEHK or through any other exchange or market outside Canada or to a person or company outside of Canada.

DATED at Toronto on this 7th day of April, 2015.

"Mary Condon"
Ontario Securities Commission

"James D. Carnwath"
Ontario Securities Commission

2.2.5 DraftTeam Fantasy Sports Inc. – s. 1(10)(a)(ii)

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

April 9, 2015

DraftTeam Fantasy Sports Inc.
P.O. Box 98866, The W P.O.
Vancouver, BC V6B 0M4

Dear Sirs/Mesdames:

Re: DraftTeam Fantasy Sports Inc. (the Applicant) – application for an order under subclause 1(10)(a)(ii) of the Securities Act (Ontario)(the Act) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission for an order under subclause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

In this order, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Commission that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario and fewer than 51 securityholders in total worldwide;

(b) no securities of the Applicant, 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;

(c) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer; and

(d) the Applicant will not be a reporting issuer in any jurisdiction of Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

"Shannon O'Hearn"
Manager, Corporate Finance
Ontario Securities Commission

2.2.6 7997698 Canada Inc. et al. – ss. 127(7), 127(8)

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

AND

**IN THE MATTER OF
7997698 CANADA INC., carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING
SERVICES INC., WORLD INCUBATION CENTRE,
or WIC (ON), JOHN LEE also known as CHIN LEE,
and MARY HUANG also known as
NING-SHENG MARY HUANG**

**ORDER
(Subsections 127(7) and (8) of the Securities Act)**

WHEREAS on March 11, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c.S.5, as amended in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 11, 2015 with respect to 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON), John Lee also known as Chin Lee, and Mary Huang also known as Ning-Sheng Mary Huang (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set April 10, 2015 as the hearing date in this matter;

AND WHEREAS Staff and the Respondents have, on consent, agreed to adjourn the hearing in this matter to April 23, 2015;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that a hearing in this matter be held at 2:00 p.m. on April 23, 2015.

DATED at Toronto this 9th day of April, 2015.

"Christopher Portner"

2.2.7 Ontario Teachers' Pension Plan Board and XPO Logistics, Inc.

Headnote

Subsection 74(1) – Application for exemption from prospectus requirement in connection with first trade of shares of issuer through exchange or market outside of Canada or to person or company outside of Canada – issuer not a reporting issuer in any jurisdiction in Canada – conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada own more than 10% of the total number of shares – relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.

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

AND

**IN THE MATTER OF
ONTARIO TEACHERS' PENSION PLAN BOARD
AND XPO LOGISTICS, INC.**

ORDER

Background

The Ontario Securities Commission has received an application from the Ontario Teachers' Pension Plan Board (the "**Applicant**") for an order pursuant to section 74(1) of the Act for an exemption from the prospectus requirement contained in section 53 of the Act (the "**Requested Relief**") in connection with the first trades of the common shares (the "**Common Shares**") of XPO Logistics, Inc. (the "**Company**") acquired by the Applicant in the Offering (as defined below), including the Common Shares issuable upon conversion of the Series B Preferred Stock of the Company (the "**Series B Preferred Shares**") acquired by the Applicant in the Offering (the "**Subject Shares**").

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. The Applicant is an independent corporation established on December 31, 1989 by the *Teachers' Pension Act* (Ontario) to administer and manage a pension plan established for the benefit

of the Province of Ontario's primary and secondary school teachers and to pay members of the pension plan their respective benefits under the plan. The head office of the Applicant is located at 5650 Yonge Street, Toronto, Ontario, Canada.

2. The Company is incorporated under the laws of Delaware, with its Common Shares listed on the New York Stock Exchange ("**NYSE**"). The Company is one of the fastest growing providers of transportation logistics services in North America with 203 locations and approximately 10,400 employees facilitating more than 31,000 deliveries a day across three major business segments - freight brokerage, expedited transportation and freight forwarding – and serving over 14,000 customers in the manufacturing, industrial, retail, commercial, life sciences and governmental sectors. The Company's registered office is located at Five Greenwich Office Park, Greenwich, Connecticut, USA.

3. Pursuant to an investment agreement dated September 11, 2014 (the "**Investment Agreement**") among others, the Company, the Applicant and Public Sector Pension Investment Board ("**PSP**"), a Canadian-based pension investment manager, the Company completed an offering (the "**Offering**") of newly issued Common Shares and Series B Preferred Shares. A total of 10,702,934 Common Shares and 371,848 Series B Preferred Shares were distributed in the Offering.

4. The Applicant acquired the Common Shares and Series B Preferred Shares under the Offering in reliance on the "accredited investor" prospectus exemption contained in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*.

5. To the best of the Applicant's knowledge, based on a certificate from the Company (the "**XPO Certificate**"), as of September 17, 2014 (the "**Effective Date**") and after giving effect to the Offering, the only issued and outstanding securities of the Company consisted of:

   (a) 64,486,324 Common Shares and the number of beneficial holders of Common Shares was approximately 21,300;

   (b) 73,335 shares of Series A convertible perpetual preferred stock, which were convertible into 10,476,429 Common Shares, and the number of beneficial holders of such securities was 21;

   (c) 371,848 Series B Preferred Shares, which were convertible into 12,128,115 Common Shares, and the number of beneficial holders of such securities was three;

   (d) 10,565,319 outstanding warrants of the Company convertible for Common Shares, which were convertible into 10,565,319 Common Shares, and the number of beneficial holders of such securities was 34;

   (e) $120,644,000 principal amount of 4.5% convertible senior notes, which were convertible into 7,340,789 Common Shares;

   (f) $500,000,000 principal amount of 7.875% senior notes; and

   (g) 3,720,807 restricted stock units and stock options granted pursuant to the Company's incentive compensation plans, which were exercisable into 3,720,807 Common Shares.

6. To the best of the Applicant's knowledge, based on the XPO Certificate, as of the Effective Date and after giving effect to the Offering:

   (a) the only outstanding securities of the Company held by the Applicant consisted of 1,528,995 Common Shares and 53,121 Series B Preferred Shares;

   (b) the Series B Preferred Shares held by the Applicant were convertible for 1,732,583 Common Shares, which, on an as-converted basis, together with the Common Shares held by Applicant, represented approximately 4% of the total number of outstanding Common Shares;

   (c) the only outstanding securities of the Company held by PSP consisted of 5,351,447 Common Shares and 185,924 Series B Preferred Shares; and

   (d) the Series B Preferred Shares held by PSP were convertible for 6,064,057 Common Shares, which, on an as-converted basis, together with the Common Shares held by PSP, represented approximately 15% of the total number of outstanding Common Shares;

7. At the distribution date of the Subject Shares, after giving effect to the issue of the Subject Shares and any other shares of the same class or series that were issued at the same time as or as part of the same distribution as the Subject Shares, residents of Canada (excluding the Applicant and PSP):

(a) did not own, directly or indirectly, more than 4 percent of the outstanding Common Shares, and

(b) did not represent in number more than 19 percent of the total number of owners, directly or indirectly, of Common Shares.

(c) did not own, directly or indirectly, any other outstanding securities of the Company.

8. At the Effective Date, the Company was not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada, nor were any of its securities listed or posted for trading on any exchange, or market, located in Canada.

9. Approximately 3.2% of the Company's assets and operations are located in Canada and approximately 4% of its revenues are derived from operations in Canada.

10. None of the Company's directors or executive officers reside in Canada. The Company has 3 Canadian subsidiaries (representing approximately 5% of XPO's total subsidiaries worldwide), which have 1 Canadian director. The other directors, and all executive officers, of such subsidiaries are U.S. residents.

11. In securities offerings involving Canadian purchasers since September 2011, excluding the Offering, approximately 1% to 5% of such securities offerings were purchased by Canadian investors.

12. The Company has advised the Applicant that it has no present intention of becoming listed in Canada or of becoming a reporting issuer under the Act or under any other Canadian securities laws, and no market for the Common Shares exists in Canada and none is expected to develop.

13. In the absence of the exemption requested hereby, the Applicant takes the view that the first trade of any Subject Shares held by the Applicant will be deemed to be a distribution and subject to section 53 of the Act.

14. The prospectus exemptions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* will not be applicable in this situation because the Company is not a reporting issuer or its equivalent in the Province of Ontario or any other province or territory of Canada.

15. The prospectus exemption in section 2.14 of National Instrument 45-102 would be applicable in this situation, but will not be available to the Applicant (or any other holder of Subject Shares in Canada) with respect to its first trade of any Subject Shares because residents of Canada, including the Applicant, owned more than 10% of the outstanding Common Shares, and represented more than 10% of the number of owners of Common Shares, at the date of the distribution of the Common Shares.

Order

The Commission is satisfied that this order meets the test set out in Section 74(1) of the Act.

The order of the Commission under Section 74(1) of the Act is that the Requested Relief is granted provided that:

(a) the Company is not a reporting issuer in any jurisdiction of Canada at the date of the trade; and

(b) the trade is executed through the facilities of the NYSE or through any other exchange or market outside Canada or to a person or company outside of Canada.

DATED at Toronto on this 10th day of April , 2015

"Judith Robertson"
Commissioner
Ontario Securities Commission

"Mary Condon"
Vice-Chair
Ontario Securities Commission

2.2.8 Probe Mines Limited – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the OBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
PROBE MINES LIMITED
(the "Applicant")

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares (the "**Common Shares**").

2. The head office of the Applicant is located at 56 Temperance Street, Suite 1000, Toronto, ON M5H 3V5.

3. On March 13, 2015, the Applicant completed an arrangement (the "**Arrangement**") pursuant to section 182 of the *Business Corporations Act* (Ontario) with Goldcorp Inc. ("**Goldcorp**"). Pursuant to the Arrangement, Goldcorp acquired all of the issued and outstanding Common Shares not already held, directly or indirectly, by Goldcorp. As a result, the Applicant became a wholly-owned subsidiary of Goldcorp.

4. The Common Shares were delisted from the TSX Venture Exchange on March 16, 2015.

5. No securities of the Applicant, 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.

6. The Applicant is not in default of securities legislation in any jurisdiction.

7. Pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, the British Columbia Securities Commission confirmed the Applicant's non-reporting issuer status in British Columbia effective March 27, 2015.

8. The Applicant has no intention to seek public financing by way of an offering of securities.

9. On March 17, 2015, the Applicant made an application to the Ontario Securities Commission, as principal regulator on behalf of the securities regulatory authorities in the jurisdictions in Canada in which it was a reporting issuer, for a decision that the Applicant is not a reporting issuer (the "**Reporting Issuer Relief Requested**").

10. The Reporting Issuer Relief Requested was granted on March 31, 2015. As a result, the Applicant is not a reporting issuer or equivalent in any jurisdiction of Canada.

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

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto on this 10th day of April, 2015.

"Judith N. Robertson"
Ontario Securities Commission

"Mary G. Condon"
Ontario Securities Commission

2.2.9 Portfolio Capital Inc. et al.

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

AND

**IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON**

ORDER

WHEREAS on March 25, 2013, the Ontario Securities Commission ("the Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 25, 2013 with respect to Portfolio Capital Inc. ("Portfolio Capital"), David Rogerson ("Rogerson") and Amy Hanna-Rogerson ("Hanna-Rogerson") (collectively, the "Respondents");

AND WHEREAS Staff issued an Amended Statement of Allegations on June 4, 2013, and an Amended Amended Statement of Allegations on June 26, 2013;

AND WHEREAS the hearing on the merits with respect to the allegations against the Respondents was held before the Commission on February 10, 12, 13, and 14 and June 24 and 25, 2014 (the "Merits Hearing");

AND WHEREAS following the Merits Hearing, the Commission issued its Reasons and Decision with respect to the merits on February 26, 2015;

AND WHEREAS on February 26, 2015, the Commission ordered that:

(a) Staff shall serve and file its written submissions on sanctions and costs by 4:00 p.m. on Friday, March 20, 2015;

(b) The Respondents shall serve and file their written submissions on sanctions and costs by 4:00 p.m. on Friday, April 10, 2015;

(c) Staff shall serve and file any reply submissions on sanctions and costs by 4:00 p.m. on Wednesday, April 15, 2015;

(d) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Monday, April 20, 2015, at 10:00 a.m., or on such further or other days as agreed by the parties and set by the Office of the Secretary; and

(e) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

AND WHEREAS Staff served and filed its written submissions on sanctions and costs on March 19, 2015;

AND WHEREAS the Respondents requested an extension of the deadline for them to serve and file their written submissions on sanctions and costs, and Staff took no position on this request;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that:

(a) The Respondents shall serve and file their written submissions on sanctions and costs by 4:00 p.m. on Friday, April 24, 2015;

(b) Staff shall serve and file any reply submissions on sanctions and costs by 4:00 p.m. on Wednesday, May 6, 2015;

(c) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, May 20, 2015, at 10:00 a.m.; and

(d) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 13th day of April, 2015.

"Christopher Portner"

2.2.10 GITC Investments and Trading Canada Ltd. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

TEMPORARY ORDER
(Subsection 127(7) or 127(8))

WHEREAS on December 11, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order (the "Temporary Order"), pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O., c. S.5., as amended (the "Act"), ordering the following:

(a) that all trading in any securities by GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC ("GITC"), GITC Inc., and Amal Tawfiq Asfour ("Asfour"), (collectively, the "Respondents") shall cease; and

(b) that the exemptions contained in Ontario securities law do not apply to any of GITC, GITC Inc., and Asfour.

AND WHEREAS on December 11, 2014, pursuant to subsection 127(6) of the Act, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on December 12, 2014, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on Thursday December 18, 2014 at 10:00 a.m. (the "Notice of Hearing");

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, among other things, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission;

AND WHEREAS Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, and Staff's Written Submissions and Brief of Authorities as evidenced by the Affidavits of Service sworn by Raymond Daubney on December 12, 2014 and December 18, 2014, and filed with the Commission;

AND WHEREAS the Commission held a hearing on December 18, 2014 at which the Respondents did not attend although properly served;

AND WHEREAS the Commission heard submissions from counsel for Staff;

AND WHEREAS on December 24, 2014 the Commission ordered that the Temporary Order is extended to June 25, 2015; and specifically:

1. that all trading in any securities by GITC, GITC Inc., and Asfour shall cease;

2. that any exemptions contained in Ontario securities law do not apply to any of GITC, GITC Inc., and Asfour; and

3. the Hearing is adjourned to Thursday, June 18, 2015 at 10:00 a.m.

AND UPON HEARING submissions from counsel for Staff and counsel for the Respondents at a hearing on Friday, April 10, 2015;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that the hearing date of Friday, June 18, 2015 is vacated and that the Temporary Order is extended to July 24, 2015; and specifically:

1. that all trading in any securities by GITC, GITC Inc., and Asfour shall cease; and

2. that any exemptions contained in Ontario securities law do not apply to any of GITC, GITC Inc., and Asfour; and

IT IS FURTHER ORDERED that the Hearing is adjourned to Monday, July 20, 2015 at 1:30 p.m.

DATED at Toronto this 10th day of April, 2015.

"Alan Lenczner"

2.2.11 GITC Investments and Trading Canada Ltd. et al.

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

AND

IN THE MATTER OF
GITC INVESTMENTS AND TRADING CANADA LTD.
carrying on business as
GITC INVESTMENTS AND TRADING CANADA INC.
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

ORDER

WHEREAS on March 12, 2015 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., 1990 c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 12, 2015 with respect to GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC, GITC Inc., and Amal Tawfiq Asfour (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set Friday April 10, 2015 as the hearing date in this matter;

AND WHEREAS on April 10, 2015, counsel for Staff and counsel for the Respondents appeared before the Commission for a First Appearance;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. Staff shall provide disclosure to the Respondents by May 8, 2015, of documents and things in the possession or control of Staff that are relevant to the hearing;

2. The Second Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Monday July 20, 2015 at 1:30 p.m. or as soon thereafter as the hearing can be held;

3. Any requests by any of the Respondents for disclosure of additional documents shall be set out in a Notice of Motion to be filed no later than 10 days before the Second Appearance;

4. Staff shall make disclosure of their witness list and summaries and indicate any intent to call an expert witness, and provide the Respondents the name of the expert and state the issue on which the expert will be giving evidence by July 13, 2015; and

5. At the Second Appearance, any motions by any of the Respondents with respect to disclosure provided by Staff will be heard or scheduled for a subsequent date.

DATED at Toronto this 10th day of April, 2015.

"Alan Lenczner"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Eric Inspektor

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ERIC INSPEKTOR

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Eric Inspektor (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") recommend settlement of the proceeding against the Respondent (the "Proceeding") commenced by the Notice of Hearing dated March 28, 2014 according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent agrees to the making of an order under sections 127 and 127.1 of the Act in the form attached as Schedule "A" (the "Order"), based on the facts set out in Part III below.

3. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III and the conclusion in Part IV of this Settlement Agreement.

4. Whether or not this Settlement Agreement is approved by the Commission:

   (a) this Settlement Agreement and the facts and admissions set out herein are without prejudice to the Respondent in any proceeding (other than a regulatory proceeding commenced by a securities regulatory authority), including any current or future civil proceedings; and

   (b) no person or agency (other than a securities regulatory authority in a regulatory proceeding) may raise or rely upon the terms of this Settlement Agreement, including the facts and admissions set out herein.

5. Without limiting the generality of paragraph 4 above, the Respondent denies that this Settlement Agreement constitutes an admission of civil liability.

PART III – AGREED FACTS

A. OVERVIEW

6. Between January 2005 and September 2011 (the "Material Time"), the Respondent engaged in the unregistered trading and illegal distribution of securities of:

(a) Kaptor Financial Inc. ("KFI");

(b) CarCap Auto Finance Inc. ("CarCap Auto Finance") and its subsidiaries, CarCap Inc. ("CarCap") and the special purpose investment vehicles (the "Silos") set forth in Schedule "B"; and

(c) 2025610 Ontario Limited ("202").

7. In this Settlement Agreement, KFI, CarCap Auto Finance, CarCap, the Silos and 202 are collectively referred to as the "Kaptor Issuers".

8. The Respondent was the directing mind of the Kaptor Issuers, which raised approximately $90 million through the sale of securities, including shares, debentures, promissory notes and profit participation agreements. The majority of the approximately 190 investors were resident in Ontario. The Respondent and the Kaptor Issuers have never been registered with the Commission, no exemptions from the dealer registration requirement were available to them and none has filed a preliminary prospectus or a prospectus with the Commission.

9. The distributions of the securities of the Kaptor Issuers, which had not been previously issued, were not qualified by a prospectus and exemptions from the prospectus requirement were unavailable.

B. BACKGROUND

The Respondent and the Kaptor Issuers

10. The Respondent is a resident of Ontario.

11. During the Material Time, the Respondent was the self-titled "Group President and Chief Executive Officer" of the "Kaptor Group", which included the Kaptor Issuers. The Respondent was the directing mind of the Kaptor Issuers and a director or officer of them, as described in paragraphs 12 through 14 below.

12. KFI was incorporated on February 16, 1988. The Respondent was a founder and director of KFI, as well as its controlling shareholder and President and Chief Executive Officer. During the Material Time, KFI held itself out as a boutique merchant bank and asset-based lender.

13. There were various subsidiaries of KFI, including CarCap Auto Finance, which was incorporated on September 11, 2006. CarCap Auto Finance also had various subsidiaries, including CarCap, which was incorporated on July 27, 1972, and the Silos. During the Material Time, CarCap Auto Finance and its subsidiaries held themselves out as providing sub-prime automotive financing. The Respondent was a director of CarCap Auto Finance and CarCap (collectively, the "CarCap Companies") and part of their senior management, as well as a director of the Silos.

14. 202 was incorporated on April 22, 2003. The Respondent was its sole shareholder, director and officer. During the Material Time, 202 acted as a holding company for the Respondent, owning approximately 47% of the common shares and all of the Class A Preference Shares of KFI. 202 also distributed various securities, including profit participation agreements, the stated purpose of which was to finance the operations of Insignia Trading Inc. ("Insignia"). Insignia, a subsidiary of KFI of which the Respondent was a director and officer, held itself out as a licensed distributor of household products.

Current Status of the Kaptor Issuers

15. In December 2011, the CarCap Companies were placed into receivership. Their assets were sold and the proceeds distributed to secured institutional creditors pursuant to an order of the Ontario Superior Court of Justice dated March 13, 2012. The CarCap Companies were placed into bankruptcy on April 19, 2012.

16. In June 2012, a receiver was appointed in respect of, among others, KFI and 202, which had no assets. They were placed into bankruptcy on August 19, 2014.

17. As of September 2011, of the approximately $90 million raised during the Material Time, at least $38 million in principal was owed by the Kaptor Issuers to investors. Investors have commenced civil legal proceedings against the Respondent and the Kaptor Issuers to recover the amounts owing to them.

C. UNREGISTERED TRADING AND ILLEGAL DISTRIBUTIONS

18. During the Material Time, the Kaptor Issuers issued and sold various securities, including the following:

(a) common shares, preference shares, warrants, promissory notes, term debentures and other evidence of indebtedness of KFI;

(b) promissory notes, debentures, profit participation agreements and a co-tenancy agreement of 202; and

(c) preference shares and term debentures of the CarCap Companies and the Silos.

19. The capital raising activities of the Kaptor Issuers were carried out by or under the direction of the Respondent. He signed, on behalf of the Kaptor Issuers, many of their securities, including share certificates, debentures and profit participation agreements.

20. The Respondent obtained approximately $3 million from the Kaptor Issuers in the form of, *inter alia*, salary, returns on preference shares and shareholder "loans" that were never repaid.

21. The conduct described above includes the unregistered trading and illegal distribution of securities by the Respondent where no exemptions from the dealer registration or prospectus requirements were available. Further, the Respondent authorized, permitted or acquiesced in the unregistered trading and illegal distribution of securities by the Kaptor Issuers.

PART IV – VIOLATIONS OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. By engaging in the conduct described above, the Respondent admits and acknowledges that, during the Material Time:

(a) the Respondent engaged in or held himself out as engaging in the business of trading in securities of the Kaptor Issuers without being registered to do so, where no exemption from the dealer registration requirement was available, contrary to subsection 25(1)(a) of the Act;

(b) the Respondent distributed securities of the Kaptor Issuers where neither a preliminary prospectus nor a prospectus in respect of the securities had been filed or receipts issued for them by the Director and where no exemption from the prospectus requirement was available, contrary to subsection 53(1) of the Act;

(c) the Respondent authorized, permitted or acquiesced in the Kaptor Issuers' non-compliance with Ontario securities law and accordingly is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and

(d) the Respondent's conduct was contrary to the public interest.

PART V – RESPONDENT'S POSITION

23. The Respondent requests that the panel presiding at the Settlement Hearing (as defined in paragraph 26 below) consider the following:

(a) the Respondent relied on legal advice provided by an Ontario law firm to a Canadian financial institution that concerned the applicability of exemptions from the prospectus requirement to certain of the distributions described herein.

PART VI – TERMS OF SETTLEMENT

24. The Respondent agrees to the terms of settlement set forth below, which terms are also set forth in the Order ordering that:

(a) this Settlement Agreement be approved;

(b) trading in any securities or derivatives by the Respondent cease permanently (other than trading for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a beneficiary or a sponsor), pursuant to paragraph 2 of subsection 127(1) of the Act;

(c) the acquisition of any securities by the Respondent be prohibited permanently (other than acquisitions for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a beneficiary or a sponsor), pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(d) any exemptions contained in Ontario securities law not apply to the Respondent permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;

(e) the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(f) the Respondent resign any positions that the Respondent holds as a director or officer of an issuer, registrant or investment fund manager pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

(g) the Respondent be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

(h) the Respondent be permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(i) the Respondent pay $350,000, by certified cheque prior to April 8, 2015, which amount shall be designated for allocation to or for the benefit of third parties or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraphs 9 and 10 of subsection 127(1) of the Act; and

(j) the Respondent pay costs in the amount of $50,000, by certified cheque prior to April 8, 2015, pursuant to subsection 127.1(1) of the Act.

25. The Respondent undertakes to consent to a regulatory order made by any securities regulatory authority in Canada containing any or all of the orders set out in sub-paragraphs 24(b) through (i) above, as may be modified to reflect the provisions of the relevant provincial or territorial securities law.

26. The Respondent shall attend, in person, at the hearing before the Commission to consider this Settlement Agreement (the "Settlement Hearing").

PART VII – STAFF COMMITMENT

27. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law against the Respondent in relation to the facts set out in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement, in which case:

(a) Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, inter alia, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement; and

(b) the Commission may bring any proceedings necessary or desirable to obtain the amounts set out in sub-paragraphs 24(i) and (j) above.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

28. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for April 8, 2015, or on another date agreed to by Staff and the Respondent, in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

29. Staff and the Respondent confirm that this Settlement Agreement sets forth all of the agreed facts regarding the Respondent's conduct that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

30. If the Commission approves this Settlement Agreement:

(a) the Respondent waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

31. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

32. If the Commission does not approve this Settlement Agreement or does not make the Order:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing takes place will be without prejudice to Staff and the Respondent; and

(b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations set forth in the Statement of Allegations dated March 28, 2014 in respect of the Proceeding. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement or any discussions or negotiations relating to this Settlement Agreement.

33. Both parties shall keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement. At that time, the parties' confidentiality obligations shall terminate. If the Commission does not approve this Settlement Agreement, both parties shall continue to keep the terms of this Settlement Agreement confidential, unless they agree in writing not to do so or unless otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

34. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement.

35. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario as of March 31, 2015.

"Tamara Sadowska"
Witness

"Eric Inspektor"
Eric Inspektor

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch
Ontario Securities Commission

SCHEDULE "A"

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ERIC INSPEKTOR

ORDER
(Sections 127 and 127.1)

WHEREAS on March 28, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing dated March 28, 2014 (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Eric Inspektor (the "Respondent"). The Notice of Hearing was issued in connection with the allegations set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 28, 2014 (the "Statement of Allegations");

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff dated as of [month, day], 2015 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS on [month, day], 2015, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

AND WHEREAS upon reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon hearing submissions of the Respondent and Staff, the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by the Respondent cease permanently (other than trading for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a beneficiary or a sponsor), pursuant to paragraph 2 of subsection 127(1) of the Act;

3. the acquisition of any securities by the Respondent be prohibited permanently (other than acquisitions for the Respondent's personal registered retirement savings plan, registered retirement income fund or registered disability savings plan account or for any registered education savings plan account of which the Respondent is a beneficiary or a sponsor), pursuant to paragraph 2.1 of subsection 127(1) of the Act;

4. any exemptions contained in Ontario securities law not apply to the Respondent permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;

5. the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

6. the Respondent resign any positions that the Respondent holds as a director or officer of an issuer, registrant or investment fund manager pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

7. the Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;

8. the Respondent be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

9. the Respondent pay $350,000, by certified cheque on or before April 8, 2015, which amount shall be designated for allocation to or for the benefit of third parties or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraphs 9 and 10 of subsection 127(1) of the Act; and

10. the Respondent pay costs in the amount of $50,000, by certified cheque on or before April 8, 2015, pursuant to subsection 127.1(1) of the Act.

DATED at Toronto, Ontario this [day] of [month], 2015.

_____

SCHEDULE "B"

Silo	Date of Incorporation
CarCap Portfolio 1 Corp.	March 29, 2011
CarCap Portfolio Number Two Corp.	June 27, 2008
CarCap Portfolio Number Five Corp.	March 24, 2009
CarCap Portfolio Number Seven Corp.	August 10, 2009
CarCap Portfolio 8 Corp.	September 29, 2009
CarCap Portfolio 10 Corp.	January 7, 2010
CarCap Portfolio 11 Corp.	July 9, 2010
CarCap Portfolio 12 Corp.	July 9, 2010
CarCap Portfolio 14 Corp.	October 4, 2010
CarCap Portfolio 15 Corp.	November 24, 2010
CarCap Portfolio 16 Corp.	January 26, 2011
CarCap Portfolio 17 Corp.	February 28, 2011
CarCap Portfolio 18 Corp.	March 25, 2011
CarCap Rolling Fund 1 Corp.	November 18, 2010
KapCar Capital Corp.	April 20, 2010

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Calmena Energy Services Inc.	10-Apr-15	22-Apr-15		
Cline Mining Corporation	02-Apr-15	13-Apr-15	13-Apr-15	
Rainmaker Resources Ltd.	10-Apr-15	22-Apr-15		
Xinergy Ltd.	8-Apr-15	20-Apr-15		

4.2.1 Temporary, Permanent & Rescinding Management 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
Alturas Minerals Corp.	02-Apr-15	13-Apr-15	13-Apr-15		
Carpathian Gold Inc.	06-Apr-15	17-Apr-15			
EQ Inc.	8-Apr-15	20-Apr-15			
MagIndustries Corp.	13-Apr-15	24-apr-15			
Mainstream Minerals Corporation	13-Apr-15	24-Apr-15			
MBAC Fertilizer Corp.	08-Apr-15	20-Apr-15			

4.2.2 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
Alturas Minerals Corp	02-Apr-15	13-Apr-15	13-Apr-15		
Carpathian Gold Inc.	06-Apr-15	17-Apr-15			
Northcore Resources Inc.	09-Mar-15	20-Mar-15	20-Mar-15		

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Chapter 5

Rules and Policies

5.1.1 OSC Rule 13-502 Fees and Companion Policy 13-502CP Fees

OSC RULE 13-502 *FEES* AND COMPANION POLICY 13-502CP *FEES*

TABLE OF CONTENTS

ONTARIO SECURITIES COMMISSION
RULE 13-502 *FEES*

PART 1 – INTERPRETATION

1.1 Definitions – In this Rule,

"Canadian trading share", in relation to a person or company that is a specified regulated entity for a specified period, means the average in the specified period of the following:

(a) the share of the person or company of the total dollar values of trades of exchange-traded securities in Canada,

(b) the share of the person or company of the total trading volume of exchange-traded securities in Canada, and

(c) the share of the person or company of the total number of trades of exchange-traded securities in Canada;

"capitalization", in relation to a reporting issuer, means the capitalization of the reporting issuer determined in accordance with section 2.8, 2.9 or 2.10, as the case may be;

"capital markets activities" means activities for which registration is required, or activities for which an exemption from registration is required under the *Act* or under the *Commodity Futures Act*, or would be so required if those activities were carried on in Ontario;

"Class 1 reporting issuer" means a reporting issuer, other than a Class 3A reporting issuer or a Class 3B reporting issuer, that at the end of its previous financial year, has securities listed or quoted on a marketplace;

"Class 2 reporting issuer" means a reporting issuer other than a Class 1 reporting issuer, a Class 3A reporting issuer or a Class 3B reporting issuer;

"Class 3A reporting issuer" means a reporting issuer that is not incorporated under the laws of Canada or a province or territory and that

(a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or

(b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:

(i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer's outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;

(ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;

(iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;

(iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than

(A) to its employees or to employees of one or more of its subsidiaries, or

(B) to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

"Class 3B reporting issuer" means a reporting issuer that

(a) is not a Class 3A reporting issuer, and

(b) is a designated foreign issuer or an SEC foreign issuer as those terms are defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

"generally accepted accounting principles", in relation to a person or company, means the generally accepted accounting principles used to prepare the financial statements of the person or company in accordance with Ontario securities law;

"highest trading marketplace" means

(a) the marketplace on which the highest volume in Canada of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded,

(b) if the class or series was not traded in the previous financial year on a marketplace in Canada, the marketplace on which the highest volume in the United States of America of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded, or

(c) if the class or series was not traded in the previous financial year on a marketplace in Canada or the United States of America, the marketplace on which the highest volume of the class or series was traded in the previous financial year and which discloses regularly the prices at which those securities have traded;

"IIROC" means the Investment Industry Regulatory Organization of Canada;

"interim period" has the same meaning as in NI 51-102;

"MFDA" means the Mutual Fund Dealers Association of Canada;

"net assets", in relation to a person or company, means the total assets minus the total liabilities of the person or company, determined in accordance with the generally accepted accounting principles applying to the person or company;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"NI 33-109" means National Instrument 33-109 *Registration Information*;

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*;

"NI 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"NI 52-107" means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"NI 55-102" means National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI);*

"Ontario percentage" means, in relation to a person or company for a previous financial year,

(a) in the case of a person or company that has a permanent establishment in Ontario in the previous financial year and no permanent establishment elsewhere, 100%,

(b) in the case of a person or company that has a permanent establishment in Ontario and elsewhere in the previous financial year and has taxable income in the previous financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and

(c) in any other case, the percentage of the total revenues of the person or company for the previous financial year attributable to capital markets activities in Ontario;

"parent" means a person or company of which another person or company is a subsidiary;

"permanent establishment" means a permanent establishment as defined in subsection 400(2) of the *Income Tax Regulations* (Canada);

"permitted individual" has the same meaning as in NI 33-109;

"previous financial year" means,

(a) for a registrant or an unregistered capital markets participant, the financial year of the registrant or participant ending in the then current calendar year, or

(b) in all other cases, the most recently completed financial year of the person or company;

"principal regulator" has the same meaning as in NI 33-109;

"registrant firm" means a registered dealer, registered adviser or registered investment fund manager;

"specified Ontario revenues", in relation to a person or company for a financial year, means the specified Ontario revenues of the person or company calculated for the financial year under section 3.5 or 3.6, as the case may be;

"specified period" means the period beginning on April 1 of the previous calendar year and ending on March 31 of the calendar year;

"specified trading period" means, in respect of a reporting issuer's financial year, each period that is an interim period in the financial year and the period commencing on the first day of the financial year and ending on the last day of the financial year;

"specified regulated entity" means a person or company described in Column A of Appendix B.1 of the rule;

"subsidiary" means, subject to subsection 1(4) of the *Act*, a subsidiary of a person or company as determined in accordance with the generally accepted accounting principles applying to the person or company;

"taxable income" means taxable income as determined under the *Income Tax Act* (Canada);

"taxable income earned in the year in Ontario", in relation to a person or company for a financial year, means the taxable income of the person or company earned in the financial year in Ontario as determined under Part IV of the *Income Tax Regulations* (Canada);

"unregistered capital markets participant" means

(a) an unregistered investment fund manager, or

(b) an unregistered exempt international firm;

"unregistered exempt international firm" means a dealer or adviser that is not registered under the *Act* if one or both of the following apply:

(a) the dealer or adviser is exempt from the dealer registration requirement and the underwriter registration requirement only because of section 8.18 [*International dealer*] of NI 31-103;

(b) the dealer or adviser is exempt from the adviser registration requirement only because of section 8.26 [*International adviser*] of NI 31-103;

"unregistered investment fund manager" means an investment fund manager of one or more investment funds that is not registered as an investment fund manager in accordance with Ontario securities law, other than an investment fund manager that does not have a place of business in Ontario, and one or more of the following apply:

(a) none of the investment funds has security holders who are residents in Ontario;

(b) the investment fund manager and the investment funds have not, at any time after September 27, 2012, actively solicited Ontario residents to purchase securities of any of the investment funds.

1.2 Interpretation of "listed or quoted" – In this Rule, a reporting issuer is deemed not to have securities listed or quoted on a marketplace that lists or quotes the reporting issuer's securities unless the reporting issuer or an affiliate of the reporting issuer applied for, or consented to, the listing or quotation.

PART 2 – CORPORATE FINANCE PARTICIPATION FEES

Division 1: General

2.1 Application – This Part does not apply to an investment fund that has an investment fund manager.

2.2 Participation fee

(1) A reporting issuer that is a Class 1 reporting issuer or a Class 2 reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix A opposite the capitalization of the reporting issuer for the previous financial year.

(2) A reporting issuer that is a Class 3A reporting issuer must, after each of its financial years, pay a participation fee of $1,070.

(3) A reporting issuer that is a Class 3B reporting issuer must, after each of its financial years, pay the participation fee shown in Appendix A.1 opposite the capitalization of the reporting issuer for the previous financial year.

(4) Despite subsections (1) to (3), a participation fee is not payable by a participant under this section if the participant became a reporting issuer in the period that begins immediately after the time that would otherwise be the end of the previous financial year in respect of the participation fee and ends at the time the participation fee would otherwise be required to be paid under section 2.3.

2.3 Time of payment – A reporting issuer must pay the participation fee required under section 2.2 by the earlier of

(a) the date on which its annual financial statements for its previous financial year are required to be filed under Ontario securities law, and

(b) the date on which its annual financial statements for its previous financial year are filed.

2.4 Participation fee exemptions for subsidiaries

(1) Section 2.2 does not apply to a reporting issuer that is a subsidiary if all of the following apply:

(a) at the end of the subsidiary's previous financial year, the parent of the subsidiary was a reporting issuer;

(b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;

(c) the parent has paid a participation fee under subsection 2.2(1) calculated based on the capitalization of the parent for the previous financial year;

(d) in the case of a parent that is a Class 1 reporting issuer, the capitalization of the parent for the previous financial year included the capitalization of the subsidiary as required under paragraph 2.8(1)(c);

(e) in the previous financial year,

(i) the net assets and total revenues of the subsidiary represented more than 90% of the consolidated net assets and total revenues of the parent in the parent's previous financial year, or

(ii) the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1), 5.1(1) or section 5.2, and section 6.1 of NI 51-102.

(2) A reporting issuer referred to in subsection (1) must file a completed Form 13-502F6 that contains a certification signed by an officer of the reporting issuer, by the earlier of

(a) the date on which its annual financial statements for its previous financial year are required to be filed under Ontario securities law, or would have been required to be filed under Ontario securities law absent an exemption or waiver described in subparagraph (1)(e)(ii), and

(b) the date on which it files its annual financial statements for its previous financial year.

2.5 Participation fee estimate for Class 2 reporting issuers

(1) If the annual financial statements of a Class 2 reporting issuer are not available by the date referred to in paragraph 2.3(a) the Class 2 reporting issuer must, on that date,

(a) file a completed Form 13-502F2 showing a good faith estimate of the information required to calculate its capitalization as at the end of the previous financial year, and

(b) pay the participation fee shown in Appendix A opposite the estimated capitalization.

(2) A Class 2 reporting issuer that estimated its capitalization under subsection (1) must, when it files its annual financial statements for the previous financial year,

(a) calculate its capitalization under section 2.9,

(b) pay the participation fee shown in Appendix A opposite the capitalization, less the participation fee paid under subsection (1), and

(c) file a completed Form 13-502F2A that contains a certification signed by an officer of the reporting issuer.

(3) If the amount paid by a reporting issuer under subsection (1) exceeds the participation fee calculated under subsection (2), the issuer is entitled to a refund from the Commission of the amount overpaid.

(4) A request for a refund under subsection (3) must be made to the Commission by the same date on which the form referred to in paragraph 2(c) is required to be filed.

2.6 Filing report and certification

(1) At the time that it pays the participation fee required by this Part,

(a) a Class 1 and a Class 3B reporting issuer must file a completed Form 13-502F1,

(b) a Class 2 reporting issuer must file a completed Form 13-502F2, and

(c) a Class 3A reporting issuer must file a completed Form 13-502F3A.

(2) A form required to be filed under subsection (1) must contain a certification signed by an officer of the reporting issuer.

2.7 Late fee

(1) A reporting issuer that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each business day on which any portion of the participation fee was due and unpaid.

(2) If a late fee calculated under subsection (1) is less than $100, it is deemed to be nil.

Division 2: Calculating Capitalization

2.8 Class 1 reporting issuers

(1) The capitalization of a Class 1 reporting issuer for the previous financial year is the total of all of the following:

(a) for each class or series of the reporting issuer's equity securities listed or quoted on a marketplace,

(i) the sum of the market value of the securities listed or quoted on a marketplace at the end of the last trading day of each specified trading period in the previous financial year of the reporting issuer, calculated for each specified trading period as follows:

$$A \times B$$

in which,

"A" is equal to the closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace, and

"B" is equal to the number of securities in the class or series of such security outstanding at the end of the specified trading period,

(ii) divided by the number of specified trading periods in the reporting issuer's previous financial year in which the security of the reporting issuer was listed or quoted on a marketplace at the end of the last trading day of a specified trading period;

(b) the fair value of the outstanding debt securities of the reporting issuer at the end of the previous financial year that are,

(i) listed or quoted on a marketplace,

(ii) traded over the counter, or

(iii) available for purchase or sale without regard to a statutory hold period;

(c) the capitalization for the previous financial year of a subsidiary that is exempt under subsection 2.4(1), calculated in accordance with paragraphs (1)(a) and (1)(b), and excluding any securities of the subsidiary held by the parent that have been included in the capitalization of the parent for the previous financial year.

2.9 Class 2 reporting issuers

(1) The capitalization of a Class 2 reporting issuer for the previous financial year is the total of all of the following items, as shown in its audited statement of financial position as at the end of the previous financial year:

(a) retained earnings or deficit;

(b) contributed surplus;

(c) share capital or owners' equity, options, warrants and preferred shares;

(d) non-current borrowings, including the current portion;

(e) finance leases, including the current portion;

(f) non-controlling interest;

(g) items classified on the statement of financial position as non-current liabilities, and not otherwise referred to in this subsection;

(h) any other item forming part of equity not otherwise referred to in this subsection.

(2) Despite subsection (1), a reporting issuer may calculate its capitalization using unaudited annual financial statements if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

(3) Despite subsection (1), a reporting issuer that is a trust that issues only asset-backed securities through pass-through certificates may calculate its capitalization using the monthly filed distribution report for the last month of the previous financial year if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

2.10 Class 3B reporting issuers – The capitalization of a Class 3B reporting issuer must be determined under section 2.8, as if it were a Class 1 reporting issuer.

2.11 Reliance on published information

(1) Subject to subsection (2), in determining its capitalization, a reporting issuer may rely on information made available by a marketplace on which its securities trade.

(2) If a reporting issuer reasonably believes that the information made available by a marketplace is incorrect, the issuer must make a good faith estimate of the information required.

PART 3 – CAPITAL MARKETS PARTICIPATION FEES

Division 1: General

3.1 Participation fee – Registrant firms and unregistered capital markets participants

(1) A registrant firm or an unregistered capital markets participant must, by December 31 in each year, pay the participation fee shown in Appendix B opposite the specified Ontario revenues for the previous financial year of the firm or participant.

(2) A registrant firm or an unregistered capital markets participant must, by December 1 in each year, file a completed Form 13-502F4 showing the information required to determine the participation fee referred to in subsection (1).

(3) Despite subsection (2), a firm that becomes registered, or provides notification that it qualifies as an unregistered capital markets participant, between December 1 and 31, must file a completed Form 13-502F4 within 60 days of the date of registration or notification.

(4) Subsection (1) does not apply to a person or company that ceased at any time in the financial year to be an unregistered investment fund manager if the person or company did not become a registrant firm in the year.

(5) Despite subsection (1), the participation fee for an unregistered investment fund manager payable by December 31, 2015 is nil provided that:

(a) The unregistered investment fund manager has a financial year ending in 2015 between January 1 and the day immediately prior to the effective date of this Rule, and

(b) The unregistered investment fund manager paid the applicable participation fee for the financial year referred to in paragraph (a) within 90 days of its financial year end.

3.2 Estimating specified Ontario revenues for late financial year end

(1) If the annual financial statements of a registrant firm or an unregistered capital markets participant for a previous financial year are not completed by December 1 in the calendar year in which the previous financial year ends, the firm or participant must,

(a) by December 1, file a completed Form 13-502F4 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the previous financial year, and

(b) by December 31, pay the participation fee shown in Appendix B opposite its estimated specified Ontario revenues for the previous financial year.

(2) A registrant firm or an unregistered capital markets participant that estimated its specified Ontario revenues for a previous financial year under subsection (1) must, not later than 90 days after the end of the previous financial year,

(a) calculate its specified Ontario revenues,

(b) determine the participation fee shown in Appendix B opposite the specified Ontario revenues, and

(c) if the participation fee determined under paragraph (b) exceeds the participation fee paid under subsection (1), pay the balance owing and file a completed Form 13-502F4 and Form 13-502F5.

(3) A registrant firm or unregistered capital markets participant that pays an amount under subsection (1) that exceeds the participation fee determined under subsection (2) is entitled to a refund from the Commission of the excess.

(4) A request for a refund under subsection (3) must be made to the Commission by the same date on which the form referred to in paragraph (2)(c) is required to be filed.

3.3 Certification – A form required to be filed under section 3.1 or 3.2 must contain a certification signed by

(a) the chief compliance officer of the registrant or the unregistered capital markets participant, or

(b) in the case of an unregistered capital markets participant without a chief compliance officer, an individual acting in a similar capacity.

3.4 Late fee

(1) A person or company that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each business day on which any portion of the participation fee was due and unpaid.

(2) A late fee calculated under subsection (1) is deemed to be nil if it is less than $100.

Division 2: Calculating Specified Ontario Revenues

3.5 Calculating specified Ontario revenues for IIROC and MFDA members

(1) The specified Ontario revenues for a previous financial year of a registrant firm that was an IIROC or MFDA member at the end of the previous financial year is calculated by multiplying

(a) the registrant firm's total revenues for the previous financial year, less the portion of the total revenue not attributable to capital markets activities,

by

(b) the registrant firm's Ontario percentage for the previous financial year.

(2) For the purpose of paragraph (1)(a), "total revenues" for a previous financial year means,

(a) for a registrant firm that was an IIROC member at the end of the previous financial year, the amount shown as total revenue for the previous financial year on Statement E of the *Joint Regulatory Financial Questionnaire and Report* filed with IIROC by the registrant firm, and

(b) for a registrant firm that was an MFDA member at the end of the previous financial year, the amount shown as total revenue for the previous financial year on Statement D of the MFDA *Financial Questionnaire and Report* filed with the MFDA by the registrant firm.

3.6 Calculating specified Ontario revenues for others

(1) The specified Ontario revenues for a previous financial year of a registrant firm that was not a member of IIROC or the MFDA at the end of the previous financial year, or an unregistered capital markets participant, is calculated by multiplying

(a) the firm's total revenues, as shown in the audited financial statements prepared in accordance with NI 52-107 for the previous financial year, less deductions permitted under subsection (2),

by

(b) the firm's Ontario percentage for the previous financial year.

(2) For the purpose of paragraph (1)(a), a person or company may deduct the following items, if earned in the previous financial year, from its total revenues:

(a) revenues not attributable to capital markets activities;

(b) redemption fees earned on the redemption of investment fund securities sold on a deferred sales charge basis;

(c) administration fees earned relating to the recovery of costs from investment funds managed by the person or company for operating expenses paid on behalf of the investment funds by the person or company;

(d) advisory or sub-advisory fees paid during the financial year by the person or company to

(i) a registrant firm, as "registrant firm" is defined in this Rule or in Rule 13-503 *(Commodity Futures Act) Fees*, or

(ii) an unregistered exempt international firm;

(e) trailing commissions paid during the financial year by the person or company to a registrant firm described in subparagraph (d)(i).

(3) Despite subsection (1), an unregistered capital markets participant may calculate its gross revenues using unaudited financial statements if it is not required to prepare, and does not ordinarily prepare, audited financial statements.

PART 4 – PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES

4.1 Recognized exchange

(1) A recognized exchange must, no later than April 30 in each calendar year, pay the participation fee shown in Column B of Appendix B.1 opposite the corresponding Canadian trading share of the exchange for the specified period in Rows A1 to A6 of Column A.

(2) If there are two or more recognized exchanges, each of which is related to each other,

(a) the obligation under subsection (1) and Appendix B.1 must be calculated as if the recognized exchanges are a single entity, and

(b) each recognized exchange is jointly and severally liable in respect of the obligation.

4.2 Recognized quotation and trade reporting system

A recognized quotation and trade reporting system must, no later than April 30 in each calendar year, pay the participation fee shown in Column B of Appendix B.1 opposite the corresponding Canadian trading share of the quotation and trade reporting system for the specified period in Rows A1 to A6 of Column A.

4.3 Alternative trading system

(1) An alternative trading system described in Row C1 in Column A of Appendix B.1 must, no later than April 30 in each calendar year, pay a participation fee equal to the lesser of

(a) the participation fee set for the alternative trading system in Column B of Appendix B.1 as if it were a recognized exchange, opposite the corresponding Canadian trading share of the alternative trading system for the specified period in Rows A1 to A6 of Column A, less the capital markets participation fee paid under section 3.1 or 3.2 by the person or company on its specified Ontario revenues in the preceding financial year, and

(b) $17,000

(2) An alternative trading system described in Row C2 in Column A of Appendix B.1 must, no later than April 30 in each calendar year, pay a participation fee equal to the lesser of

(a) $30,000, less the capital markets participation fee paid under section 3.1 or 3.2 by the person or company on its specified Ontario revenues in the preceding financial year, and

(b) $8,750

(3) An alternative trading system described in row C3 in Column A of Appendix B.1 must, no later than April 30 in each calendar year, pay a participation fee equal to the lesser of

(a) $30,000, less the capital markets participation fee paid under section 3.1 or 3.2 by the person or company on its specified Ontario revenues in the preceding financial year, and

(b) $17,000

(4) If the amount determined under paragraph 1(a), 2(a) or 3(a) is negative, the amount must be refunded to the person or company not later than June 1 in the calendar year.

(5) If there are two or more alternative trading systems that trade the same asset class, each of which is related to each other,

(a) the obligation under subsections (1) to (3) and Appendix B.1 must be calculated as if the alternative trading systems are a single entity, and

(b) each alternative trading system is jointly and severally liable in respect of the obligation.

(6) If there are two or more alternative trading systems, each of which is related to each other and each of which trades different asset classes, then each alternative trading system must pay a participation fee as determined under subsection (1), (2) or (3).

4.4 Recognized clearing agencies

A recognized clearing agency must, no later than April 30 in each calendar year, pay the aggregate of the participation fees shown in Column B of Appendix B.1 opposite the services described in Rows D1 to D6 of Column A that are provided by the clearing agency in the specified period.

4.5 Other specified regulated entities

A person or company described in row B1, E1 or F1 in Column A of Appendix B.1 must, no later than April 30 in each calendar year, pay the participation fee shown in Column B of Appendix B.1 opposite the corresponding description in Row B1, E1 or F1, as the case may be.

4.6 Participation fee on recognition, designation, etc.

(1) A person or company must, on the date it first becomes a specified regulated entity, pay a participation fee of

$A \times B \div C$, where

"A" is

(i) in the case of a recognized exchange, a recognized quotation and trade reporting system or an alternative trading system, $30,000,

(ii) in the case of an exchange exempt from recognition under the Act, $10,000,

(iii) in the case of a recognized clearing agency, the aggregate of the participation fees shown in Column B of Appendix B.1 opposite the services described in Rows D1 to D6 of Column A that are to be provided by the clearing agency in the specified period,

(iv) in the case of a clearing agency exempt from recognition under the Act, $10,000,

(v) in the case of a designated trade repository, $30,000,

"B" is the number of complete months remaining from the month in which the person or company first became a specified regulated entity until March 31, and

"C" is 12

(2) If a person or company first becomes a specified regulated entity between January 1 and March 31 of a calendar year, the fee required to be paid under subsection (1) is in addition to the fee required to be paid by the person or company in the same calendar year under section 4.1 to section 4.5.

4.7 Form – A payment made under section 4.1 to section 4.6 must be accompanied by a completed Form 13-502F7.

4.8 Late fee

(1) A person or company that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each business day on which any portion of the participation fee was due and unpaid.

(2) If the late fee calculated under subsection (1) is less than $100, it is deemed to be nil.

PART 5 – PARTICIPATION FEES FOR DESIGNATED CREDIT RATING ORGANIZATIONS

5.1 Payment of participation fee

(1) A designated credit rating organization must, after each financial year,

(a) pay a participation fee of $15,000, and

(b) file a completed Form 13-502F8.

(2) A designated credit rating organization must comply with subsection (1) by the earlier of

(a) the date on which it is required to file a completed Form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year under National Instrument 25-101 *Designated Rating Organizations*, and

(b) the date on which it files a completed form 25-101FI *Designated Rating Organization Application and Annual Filing* in respect of the financial year.

5.2 Late fee

(1) A designated credit rating organization that is late paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each business day on which any portion of the participation fee was due and unpaid.

(2) If a late fee calculated under subsection (1) is less than $100, it is deemed to be nil.

PART 6 – ACTIVITY FEES

6.1 Activity fees – General – A person or company must, when filing a document or taking an action described in any of Rows A to O of Column A of Appendix C, pay the activity fee shown opposite the description of the document or action in Column B.

6.2 Information request – A person or company that makes a request described in any of Rows P1 to P3 of Column A of Appendix C must pay the fee shown opposite the description of the request in Column B of Appendix C before receiving the document or information requested.

6.3 Investment fund families and affiliated registrants – Despite section 6.1, only one activity fee must be paid for an application made by or on behalf of

(a) two or more investment funds that have

(i) the same investment fund manager, or

(ii) investment fund managers that are affiliates of each other; or

(b) two or more registrants that

(i) are affiliates of each other, and

(ii) make an application described in item E of Column A of Appendix C in respect of a joint activity.

6.4 Late fee

(1) A person or company that files or delivers a form or document listed in Row A or B of Column A of Appendix D after the form or document was required to be filed or delivered must, when filing or delivering the form or document, pay the late fee shown in Column B of Appendix D opposite the description of the form or document.

(2) A person or company that files a Form 55-102F2 *Insider Report* after it was required to be filed must pay the late fee shown in Row C of Column B of Appendix D on receiving an invoice from the Commission.

(3) Subsection (2) does not apply to the late filing of Form 55-102F2 *Insider Report* by an insider of a reporting issuer if

(a) the head office of the reporting issuer is located outside Ontario; and

(b) the insider is required to pay a late fee for the filing in another province or territory.

PART 7 – CURRENCY CONVERSION

7.1 Canadian dollars – If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily noon exchange rate for that date as posted on the Bank of Canada website.

PART 8 – EXEMPTION

8.1 Exemption – The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 9 – REVOCATION AND EFFECTIVE DATE

9.1 Revocation – Rule 13-502 *Fees*, which came into force on June 1, 2009, is revoked.

9.2 Effective date – This Rule comes into force on April 6, 2015.

APPENDIX A

CORPORATE FINANCE PARTICIPATION FEES

Capitalization for the Previous Financial Year	Participation Fee (effective April 6, 2015)
Under $10 million	$890
$10 million to under $25 million	$1,070
$25 million to under $50 million	$2,590
$50 million to under $100 million	$6,390
$100 million to under $250 million	$13,340
$250 million to under $500 million	$29,365
$500 million to under $1 billion	$40,950
$1 billion to under $5 billion	$59,350
$5 billion to under $10 billion	$76,425
$10 billion to under $25 billion	$89,270
$25 billion and over	$100,500

APPENDIX A.1

CORPORATE FINANCE PARTICIPATION FEES FOR CLASS 3B ISSUERS

Capitalization for the Previous Financial Year	Participation Fee (effective April 6, 2015)
under $10 million	$890
$10 million to under $25 million	$1,070
$25 million to under $50 million	$1,195
$50 million to under $100 million	$2,135
$100 million to under $250 million	$4,450
$250 million to under $500 million	$9,780
$500 million to under $1 billion	$13,650
$1 billion to under $5 billion	$19,785
$5 billion to under $10 billion	$25,460
$10 billion to under $25 billion	$29,755
$25 billion and over	$33,495

APPENDIX B

CAPITAL MARKETS PARTICIPATION FEES

Specified Ontario Revenues for the Previous Financial Year	Participation Fee (effective April 6, 2015)
under $250,000	$835
$250,000 to under $500,000	$1,085
$500,000 to under $1 million	$3,550
$1 million to under $3 million	$7,950
$3 million to under $5 million	$17,900
$5 million to under $10 million	$36,175
$10 million to under $25 million	$74,000
$25 million to under $50 million	$110,750
$50 million to under $100 million	$221,500
$100 million to under $200 million	$367,700
$200 million to under $500 million	$745,300
$500 million to under $1 billion	$962,500
$1 billion to under $2 billion	$1,213,800
$2 billion and over	$2,037,000

APPENDIX B.1

PARTICIPATION FEES FOR SPECIFIED REGULATED ENTITIES
Part 3.1 of the Rule

Row	Specified Regulated Entity (Column A)	Participation Fee (Column B)
	A. Recognized exchange and recognized quotation and trade reporting system	
A1	A person or company with a Canadian trading share for the specified period of up to 5%.	$30,000
A2	A person or company with a Canadian trading share for the specified period of 5% to up to 15%.	$50,000
A3	A person or company with a Canadian trading share for the specified period of 15% to up to 25%.	$135,000
A4	A person or company with a Canadian trading share for the specified period of 25% to up to 50%.	$275,000
A5	A person or company with a Canadian trading share for the specified period of 50% to up to 75%.	$400,000
A6	A person or company with a Canadian trading share for the specified period of 75% or more.	$500,000
	B. Exchanges Exempt from Recognition under the Act	
B1	A person or company that is exempted by the Commission from the application of subsection 21(1) of the *Act*.	$10,000
	C. Alternative Trading Systems	
C1	Each alternative trading system for exchange-traded securities only.	Lesser of (a) The amount in A1 to A6 determined based on Canadian trading share of alternative trading system less capital markets participation fee paid in respect of previous year, and (b) $17,000
C2	Each alternative trading system only for unlisted debt or securities lending.	Lesser of (a) $30,000 less capital markets participation fee paid in respect of the previous year, and (b) $8,750

Row	Specified Regulated Entity (Column A)	Participation Fee (Column B)
C3	Each alternative trading system not described in Row C1 or C2.	Lesser of (a) $30,000 less capital markets participation fee paid in respect of the previous year, and (b) $17,000
	D. Recognized Clearing Agencies - Services	
D1	Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction.	$10,000
D2	Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money.	$20,000
D3	Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or *vice versa*.	$20,000
D4	Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight.	$150,000
D5	Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight.	$70,000
D6	Depositary services, being the provision of centralized facilities as a depository for securities.	$20,000
	E. Clearing Agencies Exempt from Recognition under the Act	
E1	Each clearing agency that is exempted by the Commission from the application of subsection 21.2(1) of the *Act*.	$10,000
	F. Designated Trade Repositories	
F1	Each designated trade repository designated under subsection 21.2.2(1) of the *Act*.	$30,000

APPENDIX C

ACTIVITY FEES

Row	Document or Activity (Column A)	Fee (Column B)
	A. Prospectus Filings	
A1	Preliminary or Pro Forma Prospectus in Form 41-101F1 (including if PREP procedures are used)	$3,800
A2	Additional fee(s) for Preliminary or Pro Forma Prospectus of an issuer that is accompanied by, or incorporates by reference, technical report(s) that has not or have not been previously incorporated by reference in a Preliminary or Pro Forma Prospectus	$2,500 for each technical report
A3	Preliminary Short Form Prospectus in Form 44-101F1 (including if shelf or PREP procedures are used) or a Registration Statement on Form F-9 or F-10 filed by an issuer that is incorporated or that is organized under the laws of Canada or a jurisdiction in Canada province or territory in connection with a distribution solely in the United States under MJDS as described in the companion policy to National Instrument 71-101 *The Multijurisdictional Disclosure System*.	$3,800
A4	Prospectus Filing by or on behalf of certain investment Funds	
	(a) Preliminary or Pro Forma Simplified Prospectus and Annual Information Form in Form 81-101F1 and Form 81-101F2	The greater of (i) $3,800 for a prospectus, and (ii) $400 for each mutual fund in a prospectus.
	(b) Preliminary or Pro Forma Prospectus in Form 41-101F2 or Scholarship Plan Prospectus in Form 41-101F3	The greater of (i) $3,800 for a prospectus, and (ii) $650 for each investment fund in a prospectus.
A5	Review of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 *Shelf Distributions*).	$3,800
A6	Filing of prospectus supplement in relation to a specified derivative (as defined in National Instrument 44-102 *Shelf Distributions*) for which the amount payable is determined with reference to the price, value or level of an underlying interest that is unrelated to the operations or securities of the issuer.	$500
	B. Fees relating to exempt distributions under OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* and NI 45-106	
B1	Application for recognition, or renewal of recognition, as an accredited investor	$500
B2	Filing of a Form 45-501F1 or Form 45-106F1 for a distribution of securities of an issuer	$500
B3	Filing of a rights offering circular in Form 45-101F	$3,800 (plus an additional fee of $2,000 in connection with any application or filing described

Row	Document or Activity (Column A)	Fee (Column B)
		in any of Rows B1 to B3 if neither the applicant nor the filer or an issuer of which the applicant or filer is a wholly owned subsidiary is subject to, or is reasonably expected to become subject to, a participation fee under this Rule)
	C. Notice of exemption	
C1	Provision of Notice under paragraph 2.42(2)(a) of NI 45-106	$2,000
	D. Syndicate Agreement	
D1	Filing of Prospecting Syndicate Agreement	$500
	E. Applications for specifically enumerated relief, approval, recognition, designation, etc.	
E1	An application for relief from this Rule.	$1,800
E2	An application for relief from any of the following: (a) National Instrument 31-102 *National Registration Database*; (b) NI 33-109 (c) section 3.11 [*Portfolio manager – advising representative*] of NI 31-103; (d) section 3.12 [*Portfolio manager – associate advising representative*] of NI 31-103; (e) section 3.13 [*Portfolio manager – chief compliance officer*] of NI 31-103; (f) section 3.14 [*Investment fund manager – chief compliance officer*] of NI 31-103; (g) section 9.1 [*IIROC membership for investment dealers*] of NI 31-103; (h) section 9.2 [*MFDA membership for mutual fund dealers*] of NI 31-103.	$1,800
E3	An application for relief from any of the following: (a) section 3.3 [*Time limits on examination requirements*] of NI 31-103; (b) section 3.5 [*Mutual fund dealer – dealing representative*] of NI 31-103; (c) section 3.6 [*Mutual fund dealer – chief compliance officer*] of NI 31-103; (d) section 3.7 [*Scholarship plan dealer – dealing representative*] of NI 31-103; (e) section 3.8 [*Scholarship plan dealer – chief compliance officer*] of NI 31-103; (f) section 3.9 [*Exempt market dealer – dealing representative*] of NI 31-103,	$500

Row	Document or Activity (Column A)	Fee (Column B)
	(g) section 3.10 [*Exempt market dealer – chief compliance officer*] of NI 31-103.	
E4	An application under subparagraph 1(10)(a)(ii) of the *Act*	$1,000
E5	An application (a) under section 30 or subsection 38(3) of the *Act* or subsection 1(6) of the *Business Corporations Act*; and (b) under subsection 144(1) of the *Act* for an order to partially revoke a cease-trade order to permit trades solely for the purpose of establishing a tax loss, as contemplated under section 3.2 of National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order*.	Nil
E6	An application other than a pre-filing, where the discretionary relief or regulatory approval is evidenced by the issuance of a receipt for the applicants' final prospectus (such as certain applications under National Instrument 41-101 *General Prospectus Requirements* or National Instrument 81-101 *Mutual Fund Prospectus Disclosure*).	(a) $4,800 for an application for relief from, or approval under, one section of the *Act*, a regulation or a rule (b) $7,000 for an application for relief from, or approval under, two or more sections of the *Act*, a regulation or a rule
E7	An application for approval under subsection 213(3) of the *Loan and Trust Corporations Act*	$1,500
E8	An application (a) made under subsection 46(4) of the *Business Corporations Act* for relief from the requirements under Part V of that Act (b) for consent to continue in another jurisdiction under paragraph 4(b) of Ont. Reg. 289/00 made under the *Business Corporations Act* *Note: These fees are in addition to the fee payable to the Minister of Finance as set out in the Schedule attached to the Minister's Fee Orders relating to applications for exemption orders made under the Business Corporations Act to the Commission*.	$400
	F. Market Regulation Recognitions and Exemptions	
F1	An application for recognition of an exchange under section 21 of the *Act*	$110,000
F2	An application for exemption from the requirement to be recognized as an exchange under section 21 of the *Act*	$83,000
F3	An application by a marketplace that trades OTC derivatives, including swap execution facilities, for exemption from the requirement to be recognized under section 21 of the *Act*	$20,000
F4	An application by clearing agencies for recognition under section 21.2 of the *Act*	$110,000
F5	An application for exemption from the requirement to be recognized as a clearing agency under section 21.2 of the *Act*	$83,000 (plus an additional fee of $100,000 in connection with an application described in any of Rows F1 to F5 that

Row	Document or Activity (Column A)	Fee (Column B)
		(a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
	G. Initial Filing for ATS	
G1	Review of the initial Form 21-101F2 of a new alternative trading system	$55,000
	H. Trade Repository	
H1	Application for designation as a trade repository under section 21.2.2 of the *Act*	$83,000
	I. Pre-Filings	
I1	Each pre-filing relating to the items described in Rows F1 to F5, G1 and H1 of Appendix C	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
I2	Any other pre-filing *Note: The fee for a pre-filing under this section will be credited against the applicable fee payable if and when the corresponding formal filing (e.g., an application or a preliminary prospectus) is actually proceeded with; otherwise, the fee is nonrefundable.*	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
	J. Take-Over Bid and Issuer Bid Documents	
J1	Filing of a take-over bid or issuer bid circular under subsection 94.2(2),(3) or (4) of the *Act*, the filing of an information circular by a person or company in connection with a solicitation that is not made by or on behalf of management, or the filing of an information circular in connection with a special meeting to be held to consider the approval of a going private transaction, reorganization, amalgamation, merger, arrangement, consolidation or similar business combination (other than a second step business combination in compliance with MI 61-101).	$4,500 (plus $2,000 if neither the offeror nor an issuer of which the offeror is a wholly-owned subsidiary is subject to, or reasonably expected to become subject to, a participation fee under this Rule)
J2	Filing of a notice of change or variation under section 94.5 of the *Act*	Nil
	K. Registration-Related Activity	
K1	New registration of a firm in one or more categories of registration	$1,300
K2	Addition of one or more categories of registration	$700

Row	Document or Activity (Column A)	Fee (Column B)
K3	Registration of a new representative as a dealer and/or adviser on behalf of a registrant firm	$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.
K4	Review of permitted individual	$100 per individual, unless the individual is already registered as a dealer and/or adviser on behalf of a registrant firm
K5	Change in status from not being a representative on behalf of a registrant firm to being a representative on behalf of the registrant firm	$200 per individual
K6	Registration as a chief compliance officer or ultimate designated person of a registrant firm, if the individual is not registered as a representative on behalf of the registrant firm	$200 per individual
K7	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	$1,000
K8	Application for amending terms and conditions of registration	$800
	L. Registrant Acquisitions	
L1	Notice required under section 11.9 [*Registrant acquiring a registered firm's securities or assets*] or 11.10 [*Registered firm whose securities are acquired*] of NI 31-103	$3,600
	M. Certified Statements	
M1	Request for certified statement from the Commission or the Director under section 139 of the Act	$100
	N. Designated Rating Organizations	
N1	An application for designation of a credit rating organization under section 22 of the *Act*	$15,000
N2	An application for a variation of a designation of a credit rating organization under subsection 144(1) of the *Act* if the application (a) reflects a merger of a credit rating organization, (b) reflects an acquisition of a major part of the assets of a credit rating organization, (c) involves the introduction of a new business that would significantly change the risk profile of a credit rating organization, or (d) reflects a major reorganization or restructuring of a credit rating organization	$15,000
N3	Any other application for a variation of a designation of a credit rating organization under subsection 144(1) of the *Act*	$4,800
	O. Any Application not otherwise Listed in this Rule	
O1	An application for (a) relief from one section of the Act, a regulation or a rule, or	$4,800

Row	Document or Activity (Column A)	Fee (Column B)
	(b) recognition or designation under one section of the Act, a regulation or a rule.	
O2	An application for (a) relief from two or more sections of the Act, a regulation or a rule made at the same time, or (b) recognition or designation under two or more sections of the *Act*, a regulation or a rule made at the same time.	$7,000
O3	An application made under O1 or O2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-503 (*Commodity Futures Act*) *Fees*: (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary; (iii) the investment fund manager of the applicant);	The amount in O1 or O2 is increased by $2,000
O4	An application under subsection 144(1) of the *Act* if the application (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or (d) reflects a major reorganization or restructuring of an exchange or clearing agency.	The amount in O1 or O2 is increased by $100,000
	P. Requests to the Commission	
P1	Request for a copy (in any format) of Commission public records	$0.50 per image
P2	Request for a search of Commission public records	$7.50 for each 15 minutes search time spent by any person
P3	Request for one's own individual registration form.	$30

APPENDIX D

ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document (Column A)	Late Fee (Column B)
A. Fee for late filing or delivery of any of the following forms documents: (a) Annual financial statements and interim financial information; (b) Annual information form filed under NI 51-102 or National Instrument 81-106 *Investment Fund Continuous Disclosure*; (c) Notice under section 11.9 [*Registrant acquiring a registered firm's securities or assets*] of NI 31-103; (d) Form 33-109F1; (e) Form 33-109F5, if the Commission is the principal regulator for the registrant firm or the individual and the filing is made for the purpose of amending: (i) one or more of items 10, 12, 13, 14, 15, 16, or 17 of Form 33-109F4, or (ii) one or more of items 1, 2, 3, 4, 5.3, 5.4, 5.5, 5.8, 5.9, 5.10, 5.11, 5.12, 6, 7, or 8 of Form 33-109F6 if the information being amended relates to the registrant firm and not a specified affiliate (as defined in Form 33-109F6) of the registrant firm; (f) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (g) Form 13-502F1; (h) Form 13-502F2; (i) Form 13-502F3A; (j) Form 13-502F4; (k) Form 13-502F5; (l) Form 13-502F6; (m) Form 13-502F7; (n) Form 13-502F8	For each form or document required to be filed or delivered, $100 for every business day following the date the form or document was required to be filed or delivered until the date the form or document is filed or delivered, subject to a maximum aggregate late fee of, (a) if the person or company is subject to a participation fee under Part 3 of the Rule and the estimated specified Ontario revenues for the previous financial year are greater than or equal to $500 million, $10,000 for all forms or documents required to be filed or delivered by the person or company in the calendar year, or (b) in all other cases, $5,000 for all forms or documents required to be filed or delivered by the person or company in the calendar year.
B. Fee for late filing or delivery of Form 33-109F5 if the Commission is the principal regulator for the registrant firm and the filing is made for the purpose of amending Form 33-109F6 for information of a specified affiliate (as defined in Form 33-109F6) of the registrant firm.	$100

Document (Column A)	Late Fee (Column B)
C. Fee for late filing Forms 45-501F1 and 45-106F1	$100 for every business day following the date the form was required to be filed by a person or company until the date the form is filed, to a maximum of $5,000 for all forms required to be filed by the person or company in the calendar year.
D. Fee for late filing of Form 55-102F2 – *Insider Report*	$50 per calendar day per insider per issuer (subject to a maximum of $1,000 per issuer within any one year beginning on April 1st and ending on March 31st.). The late fee does not apply to an insider if (a) the head office of the issuer is located outside Ontario, and (b) the insider is required to pay a late fee for the filing in a jurisdiction in Canada other than Ontario.

FORM 13-502F1
CLASS 1 AND CLASS 3B REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F1 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

Reporting Issuer Name: _____

End date of previous financial year: _____

Type of Reporting Issuer: ☐ **Class 1 reporting issuer** ☐ **Class 3B reporting issuer**

Highest Trading Marketplace: _____
(refer to the definition of "highest trading marketplace" under OSC Rule 13-502 *Fees*)

Market value of listed or quoted equity securities:
(in Canadian Dollars - refer to section 7.1 of OSC Rule 13-502 *Fees*)

Equity Symbol _____

1st Specified Trading Period (dd/mm/yy)
(refer to the definition of "specified trading period" under OSC Rule 13-502 *Fees*) _____ to _____

Closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace		**$**_____	(i)
Number of securities in the class or series of such security outstanding at the end of the last trading day of the specified trading period		_____	(ii)
Market value of class or series	(i) x (ii)	**$**_____	(A)

2nd Specified Trading Period (dd/mm/yy)
(refer to the definition of "specified trading period" under OSC Rule 13-502 *Fees*) _____ to _____

Closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace		**$**_____	(iii)
Number of securities in the class or series of such security outstanding at the end of the last trading day of the specified trading period		_____	(iv)
Market value of class or series	(iii) x (iv)	**$**_____	(B)

3rd Specified Trading Period (dd/mm/yy)
(refer to the definition of "specified trading period" under OSC Rule 13-502 *Fees*) _____ to _____

Closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace **$** _____ (v)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the specified trading period _____ (vi)

Market value of class or series (v) x (vi) **$**_____ (C)

4th Specified Trading Period (dd/mm/yy)
(refer to the definition of "specified trading period" under OSC Rule 13-502 *Fees*) _____ to _____

Closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace _____ (vii)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the specified trading period _____ (viii)

Market value of class or series (vii) x (viii) **$**_____ (D)

5th Specified Trading Period (dd/mm/yy)
(if applicable – refer to the definition of "specified trading period" under OSC Rule 13-502 *Fees*) _____ to _____

Closing price of the security in the class or series on the last trading day of the specified trading period in which such security was listed or quoted on the highest trading marketplace **$**_____ (ix)

Number of securities in the class or series of such security outstanding at the end of the last trading day of the specified trading period _____ (x)

Market value of class or series (ix) x (x) **$**_____ (E)

Average Market Value of Class or Series
(Calculate the simple average of the market value of the class or series of security for each applicable specified trading period (i.e. A through E above))

$_____ **(1)**

(Repeat the above calculation for each other class or series of equity securities of the reporting issuer (and a subsidiary pursuant to paragraph 2.8(1)(c) of OSC Rule 13-502 *Fees*, if applicable) that was listed or quoted on a marketplace at the end of the previous financial year)

Fair value of outstanding debt securities: (See paragraph 2.8(1)(b), and if applicable, paragraph 2.8(1)(c) of OSC Rule 13-502 *Fees*) (Provide details of how value was determined)		**$_____ (2)**
Capitalization for the previous financial year	(1) + (2)	**$_____**
Participation Fee (For Class 1 reporting issuers, from Appendix A of OSC Rule 13-502 *Fees*, select the participation fee) (For Class 3B reporting issuers, from Appendix A.1 of OSC Rule 13-502 *Fees*, select the participation fee)		**$_____**
Late Fee, if applicable (As determined under section 2.7 of OSC Rule 13-502 *Fees*)		**$_____**
Total Fee Payable (Participation Fee plus Late Fee)		**$_____**

FORM 13-502F2
CLASS 2 REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F2 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

Reporting Issuer Name: _____

End date of previous financial year: _____

Financial Statement Values:
(Use stated values from the audited financial statements of the reporting issuer as of the end of its previous financial year)

Retained earnings or deficit	$_____(A)
Contributed surplus	$_____(B)
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	$_____(C)
Non-current borrowings (including the current portion)	$_____(D)
Finance leases (including the current portion)	$_____(E)
Non-controlling interest	$_____(F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	$_____(G)
Any other item forming part of equity and not set out specifically above	$_____(H)
Capitalization for the previous financial year (Add items (A) through (H))	$_____
Participation Fee (From Appendix A of OSC Rule 13-502 *Fees*, select the participation fee beside the capitalization calculated above)	$_____
Late Fee, if applicable (As determined under section 2.7 of OSC Rule 13-502 *Fees*)	$_____
Total Fee Payable (Participation Fee plus Late Fee)	$_____

FORM 13-502F2A
ADJUSTMENT OF FEE PAYMENT FOR CLASS 2 REPORTING ISSUERS

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F2A (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

Reporting Issuer Name: _____

Financial year end date used to calculate capitalization: _____

State the amount of participation fee paid under subsection 2.2(1) of OSC

Rule 13-502 *Fees*: $_____ (i)

Show calculation of actual capitalization based on audited financial statements:

Financial Statement Values:

Retained earnings or deficit	$_____ (A)
Contributed surplus	$_____ (B)
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes	$_____ (C)
Non-current borrowings (including the current portion)	$_____ (D)
Finance leases (including the current portion)	$_____ (E)
Non-controlling interest	$_____ (F)
Items classified on the statement of financial position as non-current liabilities (and not otherwise listed above)	$_____ (G)
Any other item forming part of equity and not set out specifically above	$_____ (H)
Capitalization (Add items (A) through (H))	$_____
Participation Fee (From Appendix A of OSC Rule 13-502 *Fees*, select the participation fee beside the capitalization calculated above)	$_____ (ii)
Refund due (Balance owing) (Indicate the difference between (i) and (ii) and enter nil if no difference) (i) – (ii) =	$_____

FORM 13-502F3A
CLASS 3A REPORTING ISSUERS – PARTICIPATION FEE

MANAGEMENT CERTIFICATION

I, _____, an officer of the reporting issuer noted below have examined this Form 13-502F3A (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

Reporting Issuer Name: _____
(Class 3A reporting issuer cannot be incorporated or organized under the laws of Canada or a province or territory of Canada)

Financial year end date: _____

Indicate, by checking the appropriate box, which of the following criteria the issuer meets:

☐ (a) had no securities listed or quoted on any marketplace at the end of its previous financial year, or

☐ (b) had securities listed or quoted on a marketplace at the end of its previous financial year and all of the following apply:

(i) at the end of its previous financial year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all of the reporting issuer's outstanding securities for which it or its transfer agent or registrar maintains a list of registered owners;

(ii) the reporting issuer reasonably believes that, at the end of its previous financial year, securities beneficially owned by persons or companies resident in Ontario represented less than 1% of the market value of all its outstanding securities;

(iii) the reporting issuer reasonably believes that none of its securities traded on a marketplace in Canada during its previous financial year;

(iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than

(A) to its employees or to employees of one or more of its subsidiaries, or

(B) to a person or company exercising a right previously granted by the reporting issuer or its affiliate to convert or exchange its previously issued securities without payment of any additional consideration;

Participation Fee
(From subsection 2.2(2) of OSC Rule 13-502 *Fees*) $1,070

Late Fee, if applicable
(As determined under section 2.7 of OSC Rule 13-502 *Fees*) **$**_____

Total Fee Payable
(Participation Fee plus Late Fee) **$**_____

FORM 13-502F4
CAPITAL MARKETS PARTICIPATION FEE CALCULATION

General Instructions

1. This form must be completed and returned to the Ontario Securities Commission by December 1 each year, as required by section 3.1 or 3.2 of OSC Rule 13-502 *Fees* (the Rule), except in the case where firms register after December 1 in a calendar year or provide notification after December 1 in a calendar year of their status as an unregistered capital markets participant. In these exceptional cases, this form must be filed within 60 days of registration or notification after December 1.

2. This form is to be completed by firms registered under the *Securities Act* or by firms that are registered under both the *Securities Act* and the *Commodity Futures Act*. This form is also completed by unregistered capital markets participants.

3. For firms registered under the *Commodity Futures Act*, the completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.

4. IIROC members must complete Part I of this form and MFDA members must complete Part II. Unregistered capital markets participants and registrant firms that are not IIROC or MFDA members must complete Part III.

5. IIROC Members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.

6. MFDA members may refer to Statement D of the MFDA Financial Questionnaire and Report for guidance.

7. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the previous financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a previous financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from capital markets activities in Ontario.

8. All figures must be expressed in Canadian dollars. All figures other than the participation fee must be rounded to the nearest thousand.

9. Information reported on this form must be certified by the chief compliance officer or equivalent to attest to its completeness and accuracy.

Chief Compliance Officer Certification

I, _____, of the registrant firm / unregistered capital markets participant noted below have examined this Form 13-502F4 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

1. Firm Information

Firm NRD number: _____

Firm legal name: _____

2. Contact Information for Chief Compliance Officer

Please provide the name, e-mail address, phone number and fax number for your Chief Compliance Officer.

Name: _____

E-mail address: _____

Phone: _____ Fax: _____

3. Membership Status (one selection)

☐ The firm is a member of the Mutual Fund Dealers Association (MFDA).

☐ The firm is a member of the Investment Industry Regulatory Organization of Canada (IIROC).

For a firm that does not hold membership with the MFDA or IIROC:

☐ The firm is an unregistered investment fund manager only

☐ All other firms

4. Financial Information

Is the firm providing a good faith estimate under section 3.2 of the Rule?

☐ Yes ☐ No (one selection)

If no, end date of previous financial year: _____/____/___
yyyy mm dd

If yes, end date of financial year for which the good faith estimate is provided: _____/____/___
yyyy mm dd

5. Participation Fee Calculation

Previous financial year

Note: Dollar amounts stated in thousands, rounded to the neared thousand.

Part I – IIROC Members

1.	Total revenue for previous financial year from Statement E of the Joint Regulatory Financial Questionnaire and Report	$_____
2.	Less revenue not attributable to capital markets activities	$_____
3.	Revenue subject to participation fee (line 1 less line 2)	$_____
4.	Ontario percentage for previous financial year (See definition of "Ontario percentage" in the Rule)	_____%
5.	Specified Ontario revenues (line 3 multiplied by line 4)	$_____
6.	Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	$_____

Part II – MFDA Members

1.	Total revenue for previous financial year from Statement D of the MFDA Financial Questionnaire and Report	$_____
2.	Less revenue not attributable to capital markets activities	$_____
3.	Revenue subject to participation fee (line 1 less line 2)	$_____
4.	Ontario percentage for previous financial year (See definition of "Ontario percentage" in the Rule)	_____%
5.	Specified Ontario revenues (line 3 multiplied by line 4)	$_____
6.	Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	$_____

Part III – Advisers, Other Dealers, and Unregistered Capital Markets Participants Notes:

1. Total revenues is defined as the sum of all revenues reported on the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection 3.6(3) of the Rule. Audited financial statements should be prepared in accordance with NI 52-107. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.

2. Redemption fees earned upon the redemption of investment fund units sold on a deferred sales charge basis are permitted as a deduction from total revenue on this line.

3. Administration fees permitted as a deduction are limited solely to those that are otherwise included in total revenues and represent the reasonable recovery of costs from the investment funds for operating expenses paid on their behalf by the registrant firm or unregistered capital markets participant.

4. Where the advisory services of a registrant firm, within the meaning of this Rule or OSC Rule 13-503 (*Commodity Futures Act*) *Fees*, or of an unregistered exempt international firm, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in gross revenues.

5. Trailer fees paid to registrant firms or unregistered exempt international firms described in note 4 are permitted as a deduction on this line to the extent they are otherwise included in gross revenues.

1.	Total revenue for previous financial year (note 1)	$_____
Less the following items:		
2.	Revenue not attributable to capital markets activities	$_____
3.	Redemption fee revenue (note 2)	$_____
4.	Administration fee revenue (note 3)	$_____
5.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 4)	$_____
6.	Trailer fees paid to registrant firms or unregistered exempt international firms (note 5)	$_____
7.	Total deductions (sum of lines 2 to 6)	$_____
8.	Revenue subject to participation fee (line 1 less line 7)	$_____
9.	Ontario percentage for previous financial year (See definition of “Ontario percentage” in the Rule)	_____%
10.	Specified Ontario revenues (line 8 multiplied by line 9)	$_____
11.	Participation fee (From Appendix B of the Rule, select the participation fee beside the specified Ontario revenues calculated above)	$_____

FORM 13-502F5
ADJUSTMENT OF FEE FOR REGISTRANT FIRMS AND UNREGISTERED CAPITAL MARKETS PARTICIPANTS

Firm name: _____

End date of previous completed financial year: _____

Note: Paragraph 3.2(2)(c) of OSC Rule 13-502 *Fees* (the Rule) requires that this form must be filed concurrent with a completed Form 13-502F4 that shows the firm's actual participation fee calculation.

1.	Estimated participation fee paid under section 3.2 of the Rule:	$_____
2.	Actual participation fee calculated under paragraph 3.2(2)(b) of the Rule:	$_____
3.	Refund due (Balance owing): (Indicate the difference between lines 1 and 2)	$_____

FORM 13-502F6
SUBSIDIARY EXEMPTION NOTICE

MANAGEMENT CERTIFICATION

I, _____, an officer of the subsidiary noted below have examined this Form 13-502F6 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

Name of Subsidiary: _____

Name of Parent: _____

End Date of Subsidiary's Previous Financial Year: _____

The reporting issuer (subsidiary) meets the following criteria set out under subsection 2.4(1) of OSC Rule 13-502 *Fees*:

(a) at the end of the subsidiary's previous financial year, a parent of the subsidiary was a reporting issuer;

(b) the audited financial statements of the parent prepared in accordance with NI 52-107 require the consolidation of the parent and the subsidiary;

(c) the parent has paid a participation fee under subsection 2.2(1) calculated based on the capitalization of the parent for its previous financial year;

(d) in the case of a parent that is a Class 1 reporting issuer, the capitalization of the parent for its previous financial year included the capitalization of the subsidiary as required under paragraph 2.8(1)(c);

(e) in its previous financial year,

(i) the net assets and total revenues of the subsidiary represented more than 90% of the consolidated net assets and total revenues of the parent for the parent's previous financial year, or

(ii) the subsidiary was entitled to rely on an exemption or waiver from the requirements in subsections 4.1(1), 4.3(1) and 5.1(1) and sections 5.2 and 6.1 of NI 51-102.

If paragraph e(i) above applies, complete the following table:

	Net Assets for previous financial year	**Total Revenues for previous financial year**	
Reporting Issuer (Subsidiary)	$_____	$_____	(A)
Reporting Issuer (Parent)	$_____	$_____	(B)
Percentage (A/B)	_____%	_____%	

FORM 13-502F7
SPECIFIED REGULATED ENTITIES – PARTICIPATION FEE

Name of Specified Regulated Entity: _____

Applicable Calendar Year: _____ (2014 or later)

Type of Specified Regulated Entity: (check one)

☐ Recognized exchange or recognized quotation and trade reporting system (complete (1) below)

☐ Alternative trading system (complete (2) or (3) below, as applicable)

☐ Recognized clearing agency (complete (4) below)

☐ Exempt exchange, Exempt clearing agency or Designated Trade Repository (complete (5) below, as applicable)

(1) Participation Fee for applicable calendar year -- Recognized exchange or recognized quotation and trade reporting system

Filer should enter their Canadian trading share for the specified period below:

Canadian Trading Share Description	_____% (To be Entered by Filer)
Line 1: the share in the specified period of the total dollar values of trades of exchange-traded securities	
Line 2: the share in the specified period of the total trading volume of exchange-traded securities	
Line 3: the share in the specified period of the total number of trades of exchange-traded securities	
Line 4: Average of Lines 1, 2 & 3 above	
Line 5: Filer is required to Pay the Amount from the corresponding column in the table below based on the average calculated on Line 4 above:	**$_____**
Canadian trading share for the specified period of up to 5%	$30,000
Canadian trading share for the specified period of 5% to up to 15%	$50,000
Canadian trading share for the specified period of 15% to up to 25%	$135,000
Canadian trading share for the specified period of 25% to up to 50%	$275,000
Canadian trading share for the specified period of 50% to up to 75%.	$400,000
Canadian trading share for the specified period of 75% or more	$500,000

(2) Participation Fee for applicable calendar year -- Alternative trading system for exchange-traded securities

Line 6: If operating an alternative trading system for exchange-traded securities, enter participation fee based on your Canadian trading share (Line 5)	$_____
Line 7: Enter amount of capital markets participation fee paid based on Form 13-502F4 on December 31 of the prior year	$_____
Line 8: Subtract Line 7 from Line 6. If positive, enter the lesser of this amount and $17,000. If zero or negative, there is no Part 4 fee payable and there is a refund due to you of the amount determined	$_____

(3) Participation fee for applicable calendar year – other alternative trading system

Line 9: If operating as an alternative trading system that is not for exchange-traded securities, enter $30,000	$_____
Line 10: Enter amount of capital markets participation fee based on Form 13-502F4 on December 31 of the prior year	$_____
Line 11: Subtract Line 10 from Line 9. If positive, enter (a) The lesser of this amount and $8,750 if trading in debt or securities lending (b) The lesser of this amount and $17,000 if you are a trading system other than that described in Line 6 or (a) above. If zero or negative, there is no Part 4 participation fee payable and there is a refund due to you.	$_____

(4) Participation Fee for applicable calendar year – Recognized clearing agency

For services offered in Ontario Market the filer should enter the corresponding amount in the Fees Payable Column:

Services:	Fee Payable
Line 12: Matching services, being the provision of facilities for comparing data respecting the terms of settlement of a trade or transaction. Enter $10,000	$_____
Line 13: Netting services, being the provision of facilities for the calculation of the mutual obligations of participants for the exchange of securities and/or money. Enter $20,000	$_____
Line 14: Settlement services, being services that ensure that securities are transferred finally and irrevocably from one participant to another in exchange for a corresponding transfer of money and/or *vice versa.* Enter $20,000.	$_____
Line 15: Acting as a central clearing counterparty by providing novation services, if the Commission does not place reliance on another regulator for direct oversight. Enter $150,000	$_____

Services:	Fee Payable
Line 16: Acting as a central clearing counterparty by providing novation services, if the Commission places reliance on another regulator for direct oversight. Enter $70,000.	$_____
Line 17: Depositary services, being the provision of centralized facilities as a depositary for securities. Enter $20,000.	$_____
Line 18: Total Participation Fee Payable (Sum of Lines 12-17):	$_____

(5) Participation Fee for applicable calendar year for other types of specified regulated entities:

Line 19: Filer is required to pay the amount below, as applicable. (a) If operating as an Exempt Exchange or Exempt Clearing Agency, enter $10,000 (b) If operating as a Designated Trade Repository, enter $30,000	$_____

(6) Prorated Participation Fee:

Line 20: If this is the first time paying a participation fee as a specified regulated entity, prorate the amount under subsection 4.6(1) of the Rule.	$_____

(7) Late Fee

Line 21: Unpaid portion of Participation Fee from Sections (1), (2), (3), (4), (5), (6)	$_____
Line 22: Number of Business Days Late	$_____
Line 23: Fee Payable is as follows: Amount from Line 21*[Amount from Line 22*0.1%]	**$_____**

(8) Total Fee Payable

Line 24: Aggregate Participant Fee from Sections (1), (2), (3), (4), (5), (6)	$_____
Line 25: Late Fee from Line 23	$_____
Line 26: Fee Payable is amount from Line 24 plus amount from Line 25	**$_____**

FORM 13-502F8
DESIGNATED CREDIT RATING ORGANIZATIONS – PARTICIPATION FEE

Name of Designated Credit Rating Organization:

Financial year end date: _____

Participation Fee in respect of the financial year (From subsection 5.1(1) of OSC Rule 13-502 *Fees*)	$15,000
Late Fee, if applicable (From Section 5.2 of OSC Rule 13-502 *Fees*)	$_____
Total Fee Payable (Participation Fee plus Late Fee)	$_____

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP *FEES*

TABLE OF CONTENTS

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP *FEES*

PART 1 – PURPOSE OF COMPANION POLICY

1.1 Purpose of Companion Policy – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to OSC Rule 13-502 *Fees* (the "Rule"), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 – PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and general approach of the Rule

(1) The purpose of the Rule is to establish a fee regime that creates a clear and streamlined fee structure.

(2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

2.2 Participation fees

(1) Reporting issuers, registrant firms and unregistered capital markets participants, as well as specified regulated entities and designated rating organizations, are required to pay participation fees annually.

(2) Participation fees are designed to cover the Commission's costs not easily attributable to specific regulatory activities. The participation fee required of a person or company under Parts 2 and 3 of the Rule is based on a measure of the person's or company's size, which is used as a proxy for its proportionate participation in the Ontario capital markets. In the case of a reporting issuer, the participation fee is based on the issuer's capitalization, which is used to approximate its proportionate participation in the Ontario capital markets. In the case of a registrant firm or unregistered capital markets participant, the participation fee is based on the firm's revenues attributable to its capital markets activity in Ontario.

(3) Participation fees under Part 4 of the Rule are generally fixed annual amounts payable each calendar year. In the case of specified regulated entities to which Part 4 of the Rule applies, participation fees are generally specified for a particular organization or type of organization in Appendix B.1. The level of participation fees for recognized clearing agencies is determined by reference to the services they provide.

(4) Participation fees for designated rating organizations under Part 5 of the Rule are $15,000 per financial year.

(5) A person or company may be subject to participation fees under more than one part of the Rule. There is no cap on multiple participation fees except as described in subsection 2.7(2).

2.3 Application of participation fees – Although participation fees are determined with reference to information from a financial year of the payor generally ending before the time of their payment, they are applied to the costs of the Commission of regulating the ongoing participation in Ontario's capital markets of the payor and other market participants.

2.4 Registered individuals – The participation fee is paid at the firm level under the Rule. For example, a "registrant firm" is required to pay a participation fee, not an individual who is registered as a representative of the firm.

2.5 Activity fees

(1) Activity fees are generally charged where a document of a designated class is filed. Estimates of the direct cost of Commission resources expended in undertaking the activities listed in Appendix C of the Rule are considered in determining these fees (e.g., reviewing prospectuses, registration applications, and applications for discretionary relief). Generally, the activity fee charged for filing a document of a particular class is based on the average cost to the Commission of reviewing documents of the class.

(2) Under certain circumstances, Staff may consider reducing activity fees for applications made by or on behalf of two or more reporting issuers that are affiliates of each other, and who are applying for the same exemptive relief. In such circumstances, the activity fees will be reduced such that the activity fees paid on an application will be the same as if one reporting issuer filed the application.

2.6 Registrants under the *Securities Act* and the *Commodity Futures Act*

(1) The Rule imposes an obligation to pay a participation fee on registrant firms, defined in the Rule as a person or company registered under the *Act* as a dealer, adviser or investment fund manager. An entity so registered may also be registered as a dealer or adviser under the *Commodity Futures Act*. Given the definition of "capital markets activities" under the Rule, the revenue of such an entity from its *Commodity Futures Act* activities must be included in its calculation of revenues when determining its fee under the Rule. Section 2.1 of OSC Rule 13-503 *(Commodity Futures Act) Fees* exempts such an entity from paying a participation fee under that rule if it has paid its participation fees under the *Securities Act* Rule.

(2) Note that dealers and advisers registered under the *Commodity Futures Act* are subject to activity fees under OSC Rule 13-503 *(Commodity Futures Act) Fees* even if they are not required to pay participation fees under that rule.

2.7 Refunds

(1) The Rule provides the specific circumstances where the Commission is required to refund fees in subsections 2.5(3) and 3.2(3) of the Rule. These subsections allow for a refund where a reporting issuer, registrant firm or unregistered capital markets participant overpaid an estimated participation fee provided the request is made within the time the related form was required to be filed.

(2) A further refund mechanism is provided under subsection 4.3(4). This subsection deals with a refund mechanism used to effect a cap of Part 3 and Part 4 participation fees for alternative trading systems, in an attempt to align the participation fees to those charged to other specified regulated entities.

(3) Generally, a person or company that pays a fee under the Rule is not entitled to a refund of that fee unless they meet the conditions set out in the Rule and discussed in subsections (1) and (2) above. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a reporting issuer, registrant firm or unregistered capital markets participant that loses that status later in the financial year in respect of which the fee was paid.

(4) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid.

2.8 Indirect avoidance of Rule – The Commission may examine arrangements or structures implemented by a person or company and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will review circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm to assess whether the firm has artificially reduced the firm's specified Ontario revenues and, consequently, its participation fee. Similarly, registrant firms or unregistered capital markets participants that operate under a cost recovery model in which there are no recorded revenues on their financial statements would be expected to report a reasonable proxy of the firm's capital markets activities in Ontario, subject to the conditions of any exemptive relief granted under section 8.1 of the Rule. In all cases, the Commission expects registrant firms and unregistered capital markets participants to pay participation fees based on all revenues attributable to capital markets activities in Ontario, irrespective of how these revenues are recorded or structured.

PART 3 – CORPORATE FINANCE PARTICIPATION FEES

3.1 Application to investment funds – Part 2 of the Rule does not apply to an investment fund if the investment fund has an investment fund manager. The reason for this is that under Part 3 of the Rule an investment fund's manager must pay a capital markets participation fee in respect of revenues generated from managing the investment fund.

3.2 Late fees – Section 2.7 of the Rule requires a reporting issuer to pay an additional fee when it is late in paying its participation fee. Reporting issuers should be aware that the late payment of participation fees may lead to the reporting issuer being noted in default and included on the list of defaulting reporting issuers available on the Commission's website.

3.3 Exemption for subsidiary entities – Under section 2.4 of the Rule, an exemption from participation fees is available to a reporting issuer that is a subsidiary entity if, among other requirements, the parent of the subsidiary entity has paid a participation fee applicable to the parent under section 2.2(1) of the Rule determined with reference to the parent's capitalization for the parent's financial year. For greater certainty, this condition to the exemption is not satisfied in

circumstances where the parent of a subsidiary entity has paid a participation fee in reliance on subsection 2.2(2) or (3) of the Rule.

3.4 Determination of market value

(1) Paragraph 2.8(1)(a) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total market value of all of its equity securities listed or quoted on a marketplace. This includes, but is not limited to, any listed shares, warrants, subscription receipts and rights.

(2) Paragraph 2.8(1)(b) of the Rule requires the calculation of the capitalization of a reporting issuer to include the total fair value of its debt securities that are listed or quoted on a marketplace, trade over the counter or otherwise generally available for sale without regard to a statutory hold period. This paragraph is intended to include all capital market debt issued by the reporting issuer, whether distributed under a prospectus or prospectus exemption, and includes, but is not limited to, bonds, debentures (including the equity portion of convertible debentures), commercial paper, notes and any debt securities to which a credit rating is attached, but is not intended to include bank debt (such as term loans and revolving credit facilities) and mortgages.

(3) If the closing price of a security on a particular date is not ascertainable because there is no trade on that date or the marketplace does not generally provide closing prices, a reasonable alternative, such as the most recent closing price before that date, the average of the high and low trading prices for that date, or the average of the bid and ask prices on that date is acceptable.

3.5 Owners' equity and non-current borrowings – A Class 2 reporting issuer calculates its capitalization on the basis of certain items reflected in its audited statement of financial position. Two such items are "share capital or owners' equity" and "non-current borrowings, including the current portion". The Commission notes that "owners' equity" is designed to describe the equivalent of share capital for non-corporate issuers, such as partnerships or trusts. "Non-current borrowings" is designed to describe the equivalent of long term debt or any other borrowing of funds beyond a period of twelve months.

3.6 Identification of non-current liabilities – If a Class 2 reporting issuer does not present current and non-current liabilities as separate classifications on its statement of financial position, the reporting issuer will still need to classify these liabilities for purposes of its capitalization calculation. In these circumstances non-current liabilities means total liabilities minus current liabilities, using the meanings ascribed to those terms under the accounting standards pursuant to which the entity's financial statements are prepared under Ontario securities law.

PART 4 – CAPITAL MARKETS PARTICIPATION FEES

4.1 Liability for capital markets participation fees – Capital markets participation fees are payable annually by registrant firms and unregistered capital markets participants, as defined in section 1.1 of the Rule.

4.2 Filing forms under section 3.2 of the Rule – If the estimated participation fee paid under subsection 3.2(1) of the Rule by a registrant firm or an unregistered capital markets participant does not differ from its true participation fee determined under paragraph 3.2(2)(b) of the Rule, the registrant firm or unregistered capital markets participant is not required to file either a Form 13-502F4 or a Form 13-502F5 under paragraph 3.2(2)(c) of the Rule.

4.3 Late fees – Section 3.4 of the Rule prescribes an additional fee if a participation fee is paid late.The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm. The Commission may also consider measures in the case of late payment of fees by an unregistered capital markets participant, such as: in the case of an unregistered investment fund manager, prohibiting the manager from continuing to manage any investment fund or cease trading the investment funds managed by the manager; or, in the case of an unregistered exempt international firm, making an order pursuant to section 127 of the *Act*, that the corresponding exemptions from registration requirements under which the firm acts do not apply to the firm (either permanently or for such other period as specified in the order).

4.4 Form of payment of fees – Registrant firms pay through the National Registration Database. The filings and payments for unregistered capital markets participants should be sent via wire transfer or sent to the Ontario Securities Commission (Attention: Manager, Compliance and Registrant Regulation).

4.5 "Capital markets activities"

(1) A person or company must consider its capital markets activities when calculating its participation fee. The Commission is of the view that these activities include, without limitation, carrying on the business of trading in securities, carrying on the business of an investment fund manager, providing securities-related advice or

portfolio management services. The Commission notes that corporate advisory services may not require registration or an exemption from registration and would therefore, in those contexts, not be capital markets activities.

(2) The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, carrying on the business of providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

4.6 Permitted deductions – Subsection 3.6 of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for unregistered capital markets participants and registrant firms. The purpose of these deductions is to prevent the "double counting" of revenues that would otherwise occur.

4.7 Active solicitation – For the purposes of the definition of unregistered investment fund manager in section 1.1 of the Rule, "active solicitation" refers to intentional actions taken by the investment fund or the investment fund manager to encourage a purchase of the fund's securities, such as proactive, targeted actions or communications that are initiated by an investment fund manager for the purpose of soliciting an investment. Actions that are undertaken by an investment fund manager at the request of, or in response to, an existing or prospective investor who initiates contact with the investment fund manager would not constitute active solicitation.

4.8 Confidentiality of forms – The material filed under Part 3 of the Rule will be kept confidential. The Commission is of the view that the material contains intimate financial, commercial and technical information and that the interests of the filers in non-disclosure outweigh the desirability of the principle that the material be available for public inspection.

PART 5 – OTHER PARTICIPATION FEES

5.1 General – Participation fees are also payable annually by specified regulated entities and designated credit rating organizations under Parts 4 and 5 of the Rule.

5.2 Specified regulated entities – The calculation of participation fees under Part 4 of the Rule is generally determined with reference to described classes of entities. The classes, and their level of participation fees, are set out in Appendix B.1 of the Rule.

(1) To provide more equitable treatment among exchanges and alternative trading systems (ATS) for exchange-traded securities and to take into account Part 3 participation fees payable by an alternative trading system entity for exchange-traded securities, its participation fee is adjusted under section 4.3.

For example, assume that participation fees under Part 3 for an eligible ATS payable on December 31, 2015 is $74,000 and the ATS's Canadian trading share is under 5%. In this case, the ATS would pay $74,000 on December 31 when filing its Form 13-502F4. Before April 30, 2016 when filing form 13-502F7, the fee payable will be shown as $17,000 (the lesser of (a) $30,000 from row A1 of Appendix B.1 and (b) $17,000). In this case, the ATS will be entitled to a refund of $57,000 ($74,000 paid on December 31 less $17,000 required to be paid under Part 4). A mechanism that is similar in principle applies to other ATS entities under subsections 4.2(2) and (3).

An ATS described in subsection 4.3(6) will pay an aggregate participation fee calculated based on the type of securities traded on each of its platforms. For example, an ATS that has a platform for trading equities and another one for trading fixed income securities would pay a participation fee for its equity platform calculated as described above and a participation fee for its fixed income platform as described in Appendix B.1 row C2.

(2) If a specified regulated entity is recognized during the specified period, it must pay to the Commission, immediately upon recognition, designation etc., a participation fee for the remaining specified period. The participation fee owed to the Commission will be pro-rated based on the number of remaining complete months to March 31 subsequent to it being recognized, designated, etc. For example, if an exchange was recognized on January 15, 2016, it will owe to the Commission a pro-rated participation fee in the amount of $5,000 for the two complete months remaining until March 31 (calculated as $30,000 x 2/12). A form 13-502F7 must be filed with the pro-rated payment.

Continuing with the example above, the recognized exchange will also need to calculate the participation fee due before April 30, 2016 and file a second Form 13-502F7 with this payment. For the purpose of calculating its Canadian trading share, the exchange should use the actual Canadian trading share for the months of February and March 2016 and zero for the months before it received recognition (i.e. April 2015 to January 2016).

PART 6 – ACTIVITY FEES

6.1 **Technical reports** – Item A2 of Appendix C requires fee payment of $2,500 for the filing of a technical report, including where a technical report is incorporated by reference into a prospectus. Staff consider that a technical report is incorporated by reference into a prospectus even if the incorporation is indirect; for example, the technical report is referenced in an annual information form that itself is included or incorporated in the prospectus.

6.2 **Concurrent application by permitted individual –** Item K4 of Appendix C imposes a fee of $100 for an individual seeking approval as a permitted individual. Item K5 imposes a fee of $200 for an individual changing his or her status to a representative of a registrant firm. If an individual makes a concurrent application for approval as a permitted individual and as a representative of a registrant firm, staff would expect a fee of $200 in the aggregate.

PART 7 – LATE FEES

7.1 **Late fees relating to Form 33-109F5** – Paragraph (e) to item A of Appendix D to the Rule provides for a late fee of $100 per day to a maximum cap for each year. Form 33-109F5 is required to be filed for changes in registration information within the time periods specified in Parts 3 and 4 of NI 33-109. In some cases, registrants file the form merging a number of changes that have occurred and were required to be reported at different times. Staff will generally apply the late fee under paragraph (e) of Item A for each change reported on the F5 on the basis that a separate form was required to be filed in respect of each change.

7.2 **Late fees under section 6.4 of the Rule for registrant firms** – Appendix D to the Rule outlines additional fees payable by registrant firms for the late filing or delivery of certain forms or documents required under the Act. The Commission may consider the late filing or delivery of forms or documents when assessing the ongoing suitability for registration of a registrant firm.

7.3 **Late filings for the purpose of amending Form 33-109F6** – For amendments to item 5.5 *Bonding or insurance details* on Form 33-109F6, registrant firms are expected to notify the regulator of any change to bonding or insurance details in accordance with section 12.2 of NI 31-103, including the renewal of an insurance policy. The Commission will not charge a late fee with respect to renewal of bonding or insurance policies. However, late notifications of any changes in insurer or coverage amounts are subject to the late fees outlined in the Rule.

5.1.2 OSC Rule 13-503 (Commodity Futures Act) Fees and Companion Policy 13-503CP (Commodity Futures Act) Fees

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

TABLE OF CONTENTS

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

PART 1 – DEFINITIONS

1.1 Definitions – In this Rule

"CFA" means the *Commodity Futures Act*;

"CFA activities" means activities for which registration under the CFA is required, or activities for which an exemption from registration is required under the CFA, or would be so required if those activities were carried out in Ontario;

"generally accepted accounting principles", in relation to a person or company, means the generally accepted accounting principles used to prepare the financial statements of the person or company in accordance with Ontario securities law;

"IIROC" means the Investment Industry Regulatory Organization of Canada;

"Ontario percentage" means, in relation to a person or company for a previous financial year,

(a) in the case of a person or company that has a permanent establishment in Ontario in the previous financial year and no permanent establishment elsewhere, 100%,

(b) in the case of a person or company that has a permanent establishment in Ontario and elsewhere in the previous financial year and has taxable income in the previous financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and

(c) in any other case, the percentage of the total revenues of the person or company for the previous financial year attributable to CFA activities in Ontario;

"permanent establishment" means a permanent establishment as defined in subsection 400(2) of the *Income Tax Regulations* (Canada);

"permitted individual" has the same meaning as in OSC Rule 33-506 *(Commodity Futures Act) Registration Information*;

"previous financial year" means, in relation to a registrant firm, the financial year of the firm ending in the then current calendar year;

"principal regulator" has the same meaning as in National Instrument 33-109 *Registration Information* under the *Securities Act;*

"registrant firm" means a person or company registered as dealer or an adviser under the CFA;

"specified Ontario revenues" means the revenues determined in accordance with section 2.6 or 2.7;

"taxable income" means taxable income as determined under the *Income Tax Act* (Canada); and

"taxable income earned in the year in Ontario", in relation to a person or company for a financial year, means the taxable income of the person or company earned in the financial year in Ontario as determined under Part IV of the *Income Tax Regulations* (Canada).

PART 2 – PARTICIPATION FEES

2.1 Application – This Part does not apply to a registrant firm that is registered under the *Securities Act* and that has paid its participation fee under Rule 13-502 *Fees* under the *Securities Act*.

2.2 Participation fee

(1) A registrant firm must, by December 31 in each year, pay the participation fee shown in Appendix A opposite the specified Ontario revenues for the previous financial year of the firm.

(2) A registrant firm must, by December 1 in each year, file a completed Form 13-503F1 showing the information required to determine the participation fee referred to in subsection (1).

(3) Despite subsection (1), a firm that becomes registered between December 1 and 31 must file a completed Form 13-503F1 within 60 days of the date of registration.

2.3 Estimating specified Ontario revenues for late financial year end

(1) If the annual financial statements of a registrant firm for a previous financial year are not completed by December 1 in the calendar year in which the previous financial year ends, the firm must,

(a) by December 1, file a completed Form 13-503F1 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the previous financial year, and

(b) by December 31, pay the participation fee shown in Appendix A opposite its estimated specified Ontario revenues for the previous financial year.

(2) A registrant firm that estimated its specified Ontario revenues under subsection (1) must, not later than 90 days after the end of the previous financial year,

(a) calculate its specified Ontario revenues,

(b) determine the participation fee shown in Appendix A opposite the specified Ontario revenues, and

(c) if the participation fee determined under paragraph (b) exceeds the participation fee paid under subsection (1), pay the balance owing and file a completed Form 13-503F1 and Form 13-503F2.

(3) A registrant firm that pays an amount under subsection (1) that exceeds the participation fee determined under subsection (2) is entitled to a refund from the Commission of the excess.

(4) A request for a refund under subsection (3) must be made to the Commission by the same date on which the form referred to in paragraph (2)(c) is required to be filed.

2.4 Certification – A form required to be filed under section 2.2 or 2.3 must contain a certification signed by the chief compliance officer of the registrant firm.

2.5 Late fee

(1) A registrant firm that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each business day on which any portion of the participation fee was due and unpaid.

(2) A late fee calculated under subsection (1) is deemed to be nil if it is less than $100.

2.6 Calculating specified Ontario revenues for IIROC members

(1) The specified Ontario revenues for a previous financial year of a registrant firm that was an IIROC member at the end of the previous financial year is calculated by multiplying

(a) the registrant firm's total revenues for the previous financial year, less the portion of the total revenue not attributable to CFA activities,

by

(b) the registrant firm's Ontario percentage for the previous financial year.

(2) For the purpose of paragraph (1)(a), "total revenues" for a previous financial year means the amount shown as total revenue for the previous financial year on Statement E of the *Joint Regulatory Financial Questionnaire and Report* filed with IIROC by the registrant firm.

2.7 Calculating specified Ontario revenues for others

(1) The specified Ontario revenues of a registrant firm that was not a member of IIROC at the end of the previous financial year is calculated by multiplying

(a) the registrant firm's total revenues, as shown in the audited financial statements prepared in accordance with generally accepted accounting principles for the previous financial year, less deductions permitted under subsection (2),

by

(b) the registrant firm's Ontario percentage for the previous financial year.

(2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items if earned in the previous year from its total revenues:

(a) revenues not attributable to CFA activities;

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

(i) a registrant firm under the CFA or a registrant firm under the *Securities Act*, or

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

PART 3 – ACTIVITY FEES

3.1 Activity fees – General – A person or company must, when filing a document or taking an action described in Row A to F of Column A of Appendix B, pay the activity fee shown opposite the description of the document or action in Column B.

3.2 Information request – A person or company that makes a request described in any of Rows G1 to G3 of Column A of Appendix B must pay the fee shown opposite the description of the request in Column B of Appendix B before receiving the document or information requested.

3.3 Late fee – A person or company that files or delivers a form or document listed in Column A of Appendix C after the form or document was required to be filed or delivered must, when filing or delivering the form or document, pay the late fee shown in Column B of Appendix C opposite the description of the form or document.

PART 4 – CURRENCY CONVERSION

4.1 Canadian dollars – If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily noon exchange rate for that date as posted on the Bank of Canada website.

PART 5 – EXEMPTION

5.1 Exemption – The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 6 – REVOCATION AND EFFECTIVE DATE

6.1 Revocation – Rule 13-503 (*Commodity Futures Act*) *Fees* which came into force on June 1, 2009, is revoked.

6.2 Effective date – This Rule comes into force on April 6, 2015.

APPENDIX A – PARTICIPATION FEES

Specified Ontario Revenues for the Previous Financial Year	Participation Fee (effective April 6, 2015)
under $250,000	$835
$250,000 to under $500,000	$1,085
$500,000 to under $1 million	$3,550
$1 million to under $3 million	$7,950
$3 million to under $5 million	$17,900
$5 million to under $10 million	$36,175
$10 million to under $25 million	$74,000
$25 million to under $50 million	$110,750
$50 million to under $100 million	$221,500
$100 million to under $200 million	$367,700
$200 million to under $500 million	$745,300
$500 million to under $1 billion	$962,500
$1 billion to under $2 billion	$1,213,800
$2 billion and over	$2,037,000

APPENDIX B – ACTIVITY FEES

Row	Document or Activity (Column A)	Fee (Column B)
	A. Application for specifically enumerated relief, approval and recognition	
A1	Application under: (a) Section 24 or 40 or subsection 36(1) or 46(6) of the CFA, and (b) Subsection 27(1) of the Regulation to the CFA.	Nil
A2	An application for relief from this Rule.	$1,800
A3	An application for relief from any of the following: (a) OSC Rule 31-509 *(Commodity Futures Act) National Registration Database;* (b) OSC Rule 33-505 *(Commodity Futures Act) Registration Information;* (c) Subsection 37(7) of the Regulation to the CFA	$1,800
	B. Market Regulation Recognitions and Exemptions	
B1	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is not made in conjunction with the application for recognition of an exchange under the *Securities Act*;	$110,000
B2	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is made in conjunction with the application for recognition of an exchange under the *Securities Act*;	$22,000
B3	An application for exemption from registration of an exchange under section 80 of the CFA if the application is not made in conjunction with the application for exemption from the recognition of an exchange under the *Securities Act*;	$83,000
B4	An application for exemption from registration of an exchange under section 80 of the CFA if the application is made in conjunction with the application for exemption from the recognition of an exchange under the *Securities Act;*	$22,000
B5	An application for recognition of a clearing house under section 17 of the CFA if the application is not made in conjunction with the application for recognition of a clearing agency under the *Securities Act;*	$110,000
B6	An application for recognition of a clearing house under section 17 of the CFA if the application is made in conjunction with the application for recognition of a clearing agency under the *Securities Act*.	$22,000 (plus an additional fee of $100,000 in connection with an application described in any of Rows B1 to B6 that (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or

Row	Document or Activity (Column A)	Fee (Column B)
		(c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
	C. Registration-Related Activity	
C1	New registration of a firm in one or more categories of registration	$1,300
C2	Addition of one or more categories of registration	$700
C3	Registration of a new individual to trade or advise on behalf of the registrant firm *Note: (i) If an individual is registering as both a dealer and an adviser, the individual is required to pay only one activity fee.*	$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.
C4	Review of permitted individual	$100, unless the individual is already registered to trade or advise on behalf of the registrant firm
C5	Change in status from a non-trading or non-advising capacity to a trading or advising capacity	$200 per individual
C6	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	$1,000
C7	Application for amending terms and conditions of registration	$800
	D. Director Approval	
D1	An application for approval of the Director under Section 9 of the Regulation to the CFA *Note: No fee for an approval under subsection 9(3) of the Regulation to the CFA is payable if a notice covering the same circumstances is required under sections 11.9 or 11.10 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.*	$3,500
	E. Pre Filings	
E1	Each pre-filing relating to the items described in Rows B1 to B6 of Appendix B	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.

Row	Document or Activity (Column A)	Fee (Column B)
E2	Any other pre-filing of an application *Note: The fee for a pre-filing of an application will be credited against the applicable fee payable if and when the corresponding formal filing is actually proceeded with; otherwise, the fee is nonrefundable.*	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
	F. Any Application not otherwise listed in this Rule	
F1	An application for (a) relief from one section of the CFA, a regulation or a rule, or (b) recognition or designation under one section of the CFA, a regulation or a rule.	$4,800
F2	An application for (a) relief from two or more sections of the CFA, a regulation or a rule made at the same time, or (b) recognition or designation under two or more sections of the CFA, a regulation or a rule made at the same time.	$7,000
F3	An application made under F1 or F2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-502 *Fees*: (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary;	The amount in F1 or F2 is increased by $2,000
F4	An application under subsection 78(1) of the CFA if the application (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or (d) reflects a major reorganization or restructuring of an exchange or clearing agency.	The amount in F1 or F2 is increased by $100,000
	G. Requests to the Commission	
G1	Request for a copy (in any format) of Commission public records	$0.50 per image
G2	Request for a search of Commission public records	$7.50 for each 15 minutes search time spent by any person
G3	Request for one's own individual registration form.	$30

APPENDIX C – ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document (Column A)	Late Fee (Column B)
A. Fee for late filing or delivery of any of the following forms or documents: (a) Annual financial statements and interim financial information; (b) Report under section 15 of the Regulation to the CFA; (c) Report under section 17 of the Regulation to the CFA; (d) Form 33-506F1; (e) Form 33-506F5, if the Commission is the principal regulator for the registrant firm or the individual and the filing is made for the purpose of amending: (i) one or more of items 10, 12, 13, 14, 15, 16, or 17 of Form 33-506F4, or (ii) one or more of items 1, 2, 3, 4, 5.3, 5.4, 5.5, 5.8, 5.9, 5.10, 5.11, 5.12, 6, 7, or 8 of Form 33-506F6 if the information being amended relates to the registrant firm and not a specified affiliate (as defined in Form 33-506F6) of the registrant firm; (f) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the CFA with respect to, (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (g) Form 13-503F1; (h) Form 13-503F2.	For each form or document required to be filed or delivered, $100 for every business day following the date the form or document was required to be filed or delivered until the date the form or document is filed or delivered, subject to a maximum aggregate late fee of, (a) if the person or company is subject to a participation fee under Part 2 of the rule and the estimated specified Ontario revenues for the previous financial year are greater than or equal to $500 million, $10,000 for all forms or documents required to be filed or delivered by the person or company in the calendar year, or (b) in all other cases, $5,000 for all forms or documents required to be filed or delivered by the person or company in the calendar year.
B. Fee for late filing or delivery of Form 33-506F5 if the Commission is the principal regulator for the registrant firm and the filing is made for the purpose of amending Form 33-506F6 for information of a specified affiliate (as defined in Form 33-506F6) of the registrant firm.	$100

FORM 13-503F1
***(Commodity Futures Act)* PARTICIPATION FEE CALCULATION**

General Instructions

1. This form must be completed by firms registered under the *Commodity Futures Act* but not under the *Securities Act*. It must be returned to the Ontario Securities Commission by December 1 each year, as required by section 2.2 of OSC Rule 13-503 (the Rule), except in the case where firms register after December 1 in a calendar year. In this exceptional case, this form must be filed within 60 days of registration.

2. The completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.

3. IIROC members must complete Part I of this form. All other registrant firms must complete Part II.

4. IIROC members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.

5. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the previous financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a previous financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.

6. All figures must be expressed in Canadian dollars. All figures other than the participation fee must be rounded to the nearest thousand.

7. Information reported on this form must be certified by the chief compliance officer to attest to its completeness and accuracy.

Chief Compliance Officer Certification

I, _____, of the registrant firm noted below have examined this Form 13-503F1 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s)_____ _____
Name: Date:
Title:

1. Firm Information

Firm NRD number: _____

Firm legal name: _____

2. Contact Information for Chief Compliance Officer

Please provide the name, e-mail address, phone number and fax number for your Chief Compliance Officer.

Name: _____

E-mail address: _____

Phone: _____ Fax: _____

3. Financial Information

Is the firm providing a good faith estimate under section 2.3 of the Rule?

☐ Yes ☐ No (one selection)

If no, end date of previous financial year: _____/____/___
yyyy mm dd

If yes, end date of financial year for which the good faith estimate is provided: ____/____/___
yyyy mm dd

4. Participation Fee Calculation

Previous financial year

Note: Dollar amounts stated in thousands, rounded to the neared thousand.

Part I – IIROC Members

1.	Total revenue for previous financial year from Statement E of the Joint Regulatory Financial Questionnaire and Report	$_____
2.	Less revenue not attributable to CFA activities	$_____
3.	Revenue subject to participation fee (line 1 less line 2)	$_____
4.	Ontario percentage for previous financial year (See definition of “Ontario percentage” in the Rule)	_____%

5.	Specified Ontario revenues (line 3 multiplied by line 4)	$_____
6.	Participation fee (From Appendix A of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	$_____

Part II – Other Registrants:

1. Total revenues is defined as the sum of all revenues reported on the audited financial statements. Audited financial statements should be prepared in accordance with generally accepted accounting principles. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.

2. Where the advisory services of a registrant firm, or of an unregistered exempt international firm under Rule 13-502 *Fees* of the *Securities Act*, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in total revenues.

1.	Total revenue for previous financial year (note 1)	**$**_____
Less the following items:		
2.	Revenue not attributable to CFA activities	**$**_____
3.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 2)	**$**_____
4.	Revenue subject to participation fee (line 1 less lines 2 and 3)	**$**_____
5.	Ontario percentage for previous financial year (See definition of “Ontario percentage” in the Rule)	_____%
6.	Specified Ontario revenues (line 4 multiplied by line 5)	**$**_____
7.	Participation fee (From Appendix A of the Rule, select the participation fee beside the specified Ontario revenues calculated above)	**$**_____

FORM 13-503F2
ADJUSTMENT OF FEE PAYMENT FOR
***COMMODITY FUTURES ACT* REGISTRANT FIRMS**

Firm name: _____

End date of previous completed financial year: _____

Note: Paragraph 2.3(2) of OSC Rule 13-503 (the Rule) requires that this form must be filed concurrent with a completed Form 13-503F1 that shows the firm's actual participation fee calculation.

1. Estimated participation fee paid under section 2.3(1) of the Rule: _____

2. Actual participation fee calculated under paragraph 2.3(2)(b) of the Rule: _____

3. Refund due (Balance owing):
(Indicate the difference between lines 1 and 2) _____

ONTARIO SECURITIES COMMISSION COMPANION POLICY
13-503CP *(COMMODITY FUTURES ACT) FEES*

TABLE OF CONTENTS

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-503CP *(COMMODITY FUTURES ACT) FEES*

PART 1 – PURPOSE OF COMPANION POLICY

1.1 Purpose of Companion Policy – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to OSC Rule 13-503 *(Commodity Futures Act) Fees* (the "Rule"), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 – PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and general approach of the rule

(1) The general approach of the Rule is to establish a fee regime that is consistent with the approach of OSC Rule 13-502 (the "OSA Fees Rule"), which governs fees paid under the *Securities Act.* Both rules are designed to create a clear and streamlined fee structure.

(2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

2.2 Participation fees

(1) Registrant firms are required to pay participation fees annually.

(2) Participation fees are designed to cover the Commission's costs not easily attributable to specific regulatory activities. The participation fee required of a person or company under Part 2 of the Rule is based on a measure of the person's or company's size, which is used as a proxy for its proportionate participation in the Ontario capital markets. In the case of a registrant firm, the participation fee is based on the firm's revenues attributable to its CFA activity in Ontario.

2.3 Application of participation fees – Although participation fees are determined with reference to information from a financial year of the payor generally ending before the time of their payment, they are applied to the costs of the Commission of regulating the ongoing participation in Ontario's capital markets of the payor and other market participants.

2.4 Registered individuals – The participation fee is paid at the firm level under the Rule. For example, a "registrant firm" is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

2.5 Activity fees – Activity fees are generally charged where a document of a designated class is filed. Estimates of the direct cost of Commission resources expended in undertaking the activities listed in Appendix B of the Rule are considered in determining these fees (e.g., reviewing registration applications and applications for discretionary relief). Generally, the activity fee charged for filing a document of a particular class is based on the average cost to the Commission of reviewing documents of the class.

2.6 Registrants under the CFA and the *Securities Act*

(1) A registrant firm that is registered both under the CFA and the *Securities Act* is exempted by section 2.1 of the Rule from the requirement to pay a participation fee under the Rule if it is current in paying its participation fees under the OSA Fees Rule. The registrant firm will include revenues derived from CFA activities as part of its revenues for purposes of determining its participation fee under the OSA Fees Rule.

(2) A registrant firm that is registered both under the CFA and the *Securities Act* must pay activity fees under the CFA Rule even though it pays a participation fee under the OSA Fees Rule.

2.7 No refunds

(1) The Rule provides the specific circumstances where the Commission is required to refund fees in subsections 2.3(3) of the Rule. This subsection allows for a refund where a registrant firm overpaid an estimated participation fee provided the request is made within the time the related form was required to be filed.

(2) Generally, a person or company that pays a fee under the Rule is not entitled to a refund of that fee unless they meet the conditions set out in the rule and discussed in subsection (1) above. For example, there is no

refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a registrant firm whose registration is terminated later in the year for which the fee was paid.

(3) While the Commission will also review requests for adjustments to fees paid in the case of incorrect calculations, unless there are exceptional circumstances, we will not generally issue a refund if a request is made more than 90 days after the fee was required to be paid.

2.8 Indirect avoidance of rule – The Commission may examine arrangements or structures implemented by a person or company and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will review circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, to assess whether the firm has artificially reduced the firm's specified Ontario revenues and, consequently, its participation fee.

2.9 Confidentiality of forms – The material filed under the Part 2 of the Rule will be kept confidential. The Commission is of the view that the material contains intimate fmancial, commercial and technical information and that the interests of the filers in non-disclosure outweigh the desirability of the principle that the material be available for public inspection.

PART 3 – PARTICIPATION FEES

3.1 Liability for participation fees – Participation fees are payable annually by registrant firms as defined in Section 1.1 of the Rule.

3.2 Filing forms under Section 2.3 – If the estimated participation fee paid under subsection 2.3(1) of the Rule by a registrant firm does not differ from its true participation fee determined under subsection 2.3(2), the registrant firm is not required to file either a Form 13-503F1 or a Form 13-503F2 under subsection 2.3(3) of the Rule.

3.3 Late fees – Section 2.5 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm.

3.4 "CFA activities" – A person or company must consider its CFA activities when calculating its participation fee. The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, carrying on the business of providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

3.5 Permitted deductions – Subsection 2.7 of the Rule permits certain deductions to be made for the purpose of calculating specified Ontario revenues for registrant firms. The purpose of these deductions is to prevent the "double counting" of revenues that would otherwise occur.

PART 4 – ACTIVITY FEES

4.1 Concurrent application by permitted individual – Item C4 of Appendix B imposes a fee of $100 for an individual seeking approval as a permitted individual. Item C5 imposes a fee of $200 for an individual changing his or her status from a non-trading or non-advising capacity to a trading or advising capacity. If an individual makes a concurrent application for approval as a permitted individual and as an individual registered to trade or advise on behalf of a registrant firm, staff would expect a fee of $200 in the aggregate.

PART 5 – LATE FEES

5.1 Late fees relating to Form 33-506F5 – Paragraph (e) to item A of Appendix C to the Rule provides for a late fee of $100 per day to a maximum cap for each year. Form 33-506F5 is required to be filed for changes in registration information within the time periods specified in Parts 3 and 4 of OSC Rule 33-506. In some cases, registrant firms file the form merging a number of changes that have occurred and were required to be reported at different times. Staff will generally apply the late fee under paragraph (e) of Item A for each change reported on the F5 on the basis that a separate form was required to be filed in respect of each change.

5.2 Late fees under section 3.3 of the Rule for registrant firms – Appendix C to the Rule outlines additional fees payable by registrant firms for the late filing or delivery of certain forms or documents required under the Act. The Commission may consider the late filing or delivery of forms or documents when assessing the ongoing suitability for registration of a registrant firm.

5.3 **Late filings for the purpose of amending Form 33-506F6** – For amendments to item 5.5 *Bonding or insurance details* on Form 33-506F6, registrant firms are expected to notify the regulator of any change to bonding or insurance details, including the renewal of an insurance policy. The Commission will not charge a late fee with respect to renewal of bonding or insurance policies. However, late notifications of any changes in insurer or coverage amounts are subject to the late fees outlined in the Rule.

Chapter 6

Request for Comments

6.1.1 CSA Notice and Request for Comment – Proposed Amendments to Multilateral Instrument 11-102 Passport System

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Notice and Request for Comment
Proposed Amendments to
Multilateral Instrument 11-102 *Passport System*

April 16, 2015

INTRODUCTION

The Canadian Securities Administrators (the CSA or we), except for the Ontario Securities Commission (the OSC), are publishing for a 60 day comment period proposed amendments to Multilateral Instrument 11-102 *Passport System* (MI 11-102 or the Instrument). The purpose of these proposed amendments is to expand the passport system to two new areas: applications to cease to be a reporting issuer and the issuance and revocation (including a variation) of failure-to-file cease trade orders.

The CSA, except for the OSC, are also publishing for comment proposed changes to Companion Policy 11-102CP *Passport System* (CP 11-102).

The CSA, including the OSC, are publishing for comment the following two new policies:

- National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206); and
- National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport* (NP 11-207).

We are also publishing for comment the following two replacement policies:

- National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* is withdrawn and replaced by National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders* (Replacement NP 12-202); and
- National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* is withdrawn and replaced by National Policy 12-203 *Management Cease Trade Orders* (Replacement NP 12-203).

The proposed amendments to MI 11-102, the proposed changes to CP 11-102, the two new policies and the two replacement policies are collectively referred to as the Proposed Materials.

The text of the Proposed Materials is published with this notice and is also available, as applicable, on the websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
http://nssc.novascotia.ca/
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

SUBSTANCE AND PURPOSE

The purpose of the Proposed Materials is to expand the passport system to cover the following two areas:

- *Applications to cease to be a reporting issuer.* Currently, these applications are filed with and reviewed by each provincial or territorial securities regulator by following the coordinated review system provided in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. By bringing the process surrounding these applications into passport, an issuer will generally be able to deal only with its principal regulator to obtain an order to cease to be a reporting issuer in all Canadian jurisdictions where it has this status.

- *Failure-to-file cease trade orders.* When a reporting issuer is in default of certain types of continuous disclosure requirements under securities legislation (specified requirement), regulators may issue a cease trade order (failure-to-file cease trade order). Currently, there is no formal coordinated process across Canadian jurisdictions for when other regulators will reciprocate the order first issued against the securities of the defaulting reporting issuer. By bringing this category of cease trade orders into passport, this initial failure-to-file cease trade order will generally result in the same prohibition or restriction in other passport jurisdictions where the issuer is a reporting issuer. It will also enable a reporting issuer to generally deal only with the regulator that issued the failure-to-file cease trade order to obtain a revocation or variation of this order that has the same result in multiple jurisdictions.

BACKGROUND

On September 30, 2004, the ministers responsible for securities regulation in all provinces and territories in Canada, except Ontario, signed a memorandum of understanding under which they agreed to implement a passport system in certain areas of securities regulation.

On March 17, 2008, MI 11-102 came into force in all jurisdictions, except Ontario, in the areas of prospectuses and discretionary exemptions. Amendments to MI 11-102 were implemented on September 28, 2009 to give effect to the passport system in the area of registration and, on April 20, 2012, to permit the use of the passport system for designation applications by credit rating organizations that wish to have their credit ratings eligible for use in Canadian securities legislation.

Under the passport system, market participants can generally gain access to markets across Canada by dealing only with their principal regulator and complying with harmonized legislative provisions. Since the Ontario government has not adopted MI 11-102, streamlined interfaces have been developed to ensure that the passport system is as effective as possible for all market participants.

The ministers responsible for securities regulation asked the CSA to identify further enhancements to Canada's current securities regulatory system. Expansion of the passport system to cover applications to cease to be a reporting issuer and the issuance and revocation (including a variation) of failure-to-file cease trade orders are two of these enhancements.

SUMMARY OF THE PROPOSED MATERIALS

Amendments to MI 11-102

We propose to add the following two parts to MI 11-102:

- Part 4C – *Application to cease to be a reporting issuer*

This part would allow a reporting issuer to apply only to its principal regulator to cease to be a reporting issuer in all jurisdictions where it has this status. The principal regulator's order would be deemed to automatically have the same result in the notified passport jurisdictions. Under the Instrument, the principal regulator for the purposes of this application would usually be the regulator of the jurisdiction where the reporting issuer's head office is located.

- Part 4D – *Failure-to-file cease trade orders*

This part would allow the passport system to be used to more efficiently issue failure-to-file cease trade orders that have effect in more than one Canadian jurisdiction. If an issuer is a reporting issuer in a local jurisdiction and a securities regulatory authority or regulator in another jurisdiction in Canada issues a failure-to-file cease trade order in respect of the reporting issuer's securities, a person or company must not trade in or purchase a security of the issuer in the local jurisdiction, except in accordance with the same conditions that are contained in the order, if any, for so long as the failure-to-file cease trade order remains in effect.

In most cases, the securities regulatory authority or regulator that will issue a failure-to-file cease trade order will be the reporting issuer's principal regulator, that is, the one selected by the issuer at the time that it becomes a reporting issuer and that it identified on its SEDAR profile.

This part would also allow a reporting issuer to deal only with the securities regulatory authority or regulator that issued the failure-to-file cease trade order to obtain a revocation (including a variation) of the order that has the same result in more than one Canadian jurisdiction.

Although the OSC has not adopted MI 11-102 and will not be adopting the proposed amendments to this Instrument, it can be a principal regulator under Part 4C and the regulator that issues a failure-to-file cease trade order referred to under Part 4D of the Instrument, thereby allowing the OSC's orders to have the same result in passport jurisdictions through the application of these new parts of MI 11-102.

New policies NP 11-206 and NP 11-207

As with the other areas of passport already in place, the CSA developed two proposed interface policies, NP 11-206 and NP 11-207, to make the securities regulatory system as efficient and effective as possible for all reporting issuers that wish to obtain an order to cease to be a reporting issuer, or an order to revoke (including vary) a failure-to-file cease trade order, in both passport jurisdictions and Ontario. NP 11-207 also allows for a more efficient and streamlined issuance of failure-to-file cease trade orders that have effect in passport jurisdictions and Ontario. The OSC has participated in developing these new interface policies.

NP 11-206

We propose to implement a new process for the filing and review of an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer. Under NP 11-206, an issuer may only apply to cease to be a reporting issuer in all of the jurisdictions in which it has this status.

NP 11-206 would work in tandem with Part 4C of MI 11-102. It provides for both passport and dual applications to obtain an order to cease to be a reporting issuer in all Canadian jurisdictions where an issuer has reporting issuer status.

- *Passport application:*

  (i) If the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario, the filer files the application with, and pays fees to, the principal regulator. Only the principal regulator reviews the application. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions.

  (ii) If the principal regulator is the OSC and the filer also seeks an order to cease to be a reporting issuer in a passport jurisdiction, the filer files the application with, and pays fees to, the OSC. Only the OSC reviews the application. The OSC's order is deemed to automatically have the same result in the notified passport jurisdictions.

- *Dual application:*

  If the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario, the filer files the application with, and pays fees to, the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions and evidences the decision of the OSC.

In the case of an issuer that is only a reporting issuer in one jurisdiction, it should apply for a local order to cease to be a reporting issuer in that jurisdiction. Although the application would be treated as a local application rather than as an application under NP 11-206, the regulator in the jurisdiction would generally apply the principles set out in NP 11-206 to that application.

NP 11-206 sets out three types of application procedures, with specific conditions to be met, by which a filer can seek an order to cease to be a reporting issuer in all Canadian jurisdictions where it has this status: the simplified procedure, the modified procedure and a procedure for other applications that do not meet the criteria of the first two categories. If NP 11-206 is adopted, CSA Staff Notice 12-307 Applications for a decision that an issuer is not a reporting issuer, which currently sets out the simplified procedure and the modified approach, would be withdrawn.

NP 11-207

NP 11-207 has two main objectives.

First, it provides guidance to issuers, investors and other market participants regarding how the CSA will generally respond to certain types of continuous disclosure defaults (specified defaults as defined in NP 11-207) by a reporting issuer by issuing failure-to-file cease trade orders. The guidance set out in NP 11-207 largely reflects what is currently in NP 12-203 *Cease Trade Orders for Continuous Disclosure Defaults*.

Second, NP 11-207 sets out new processes under passport for the issuance and the full or partial revocation (including a variation) of a failure-to-file cease trade order that have the same result in more than one Canadian jurisdiction. It would apply to a reporting issuer and, where the context permits, to a securityholder or other party seeking a revocation order. NP 11-207 also provides an interface with Ontario for the issuance and revocation (including a variation) of a failure-to-file cease trade order against the securities of an issuer whose principal regulator is in a passport jurisdiction. In NP 11-207, we refer to the securities regulatory authority or regulator that issues the failure-to-file cease trade order as the principal regulator.

NP 11-207 would work in tandem with Part 4D of MI 11-102 as detailed below.

Issuance of a failure-to-file cease trade order

NP 11-207 provides for passport and dual failure-to-file cease trade orders.

- *Passport failure-to-file cease trade order:*

  There are two types of passport failure-to-file cease trade orders:

  (i) where the issuer is not a reporting issuer in Ontario, a failure-to-file cease trade order issued in respect of this issuer by a passport regulator;

  (ii) where the issuer is a reporting issuer in Ontario and the OSC is the issuer's principal regulator, a failure-to-file cease trade order issued in respect of this issuer by the OSC.

  Once a securities regulatory authority or regulator (referred to as the principal regulator in NP 11-207) issues a passport failure-to-file cease trade order, the effect under Part 4D of MI 11-102 in each passport jurisdiction where the issuer is a reporting issuer is that a person or company must not trade in or purchase a security of the issuer, except in accordance with the conditions, if any, contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation.

- *Dual failure-to-file cease trade order:*

  A dual failure-to-file cease trade order is a failure-to-file cease trade order issued in respect of an issuer by a securities regulatory authority or regulator (its principal regulator under NP 11-207), where the principal regulator is a passport regulator, the issuer is a reporting issuer in Ontario and the OSC, as a non-principal regulator, confirms that it is opting into the failure-to-file cease trade order.

  Once the principal regulator issues a failure-to-file cease trade order, the effect under Part 4D of MI 11-102, in each passport jurisdiction where the issuer is a reporting issuer, is that a person or company must not trade in or purchase a security of the issuer, except in accordance with the same conditions, if any, as contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation.The order of the principal regulator also evidences the OSC's decision. As a result, trading in or purchasing the securities that are subject to this order are also prohibited or restricted in Ontario.

Process for a full or partial revocation (including a variation) of a failure-to-file cease trade order

NP 11-207 also sets outs the review process and the criteria that the principal regulator would take into account when determining whether to issue a full or partial revocation (including a variation) of a failure-to-file cease trade order.

In the case of a failure-to-file cease trade order that has been in effect for 90 days or less, the filing of the required continuous disclosure document(s) initiates the review process by the principal regulator for the full revocation of the failure-to-file cease trade order. An issuer is not required to make an application, but is expected to meet the applicable revocation criteria set out in NP 11-207.

An issuer seeking a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days files an application and is expected to meet the applicable revocation criteria set out in NP 11-207. An issuer or other party seeking the partial revocation of a failure-to-file cease trade order also applies under the policy.

NP 11-207 provides for both passport and dual applications for revocation.

- *Passport application:*

  (i) If the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario, the filer files the application with, and pays fees where applicable, to the principal regulator. Only the principal regulator reviews the application.

  (ii) If the principal regulator is the OSC and the issuer is also a reporting issuer in a passport jurisdiction, the filer files the application with, and pays fees to, the OSC. Only the OSC reviews the application.

- *Dual application:*

  If the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario, the filer files the application with, and pays fees where applicable, to the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator.

Effect of revocation under passport

- *Revocation of a passport failure-to-file cease trade order*

  Under Part 4D of MI 11-102, a securities regulatory authority or regulator's (referred to as the principal regulator under NP 11-207) revocation order (including a variation order) has the effect of removing or limiting the prohibition or restriction on trading or purchasing in each passport jurisdiction where the issuer is a reporting issuer to the same extent as in the jurisdiction of the principal regulator.

- *Revocation of dual failure-to-file cease trade order*

  Under Part 4D of MI 11-102, a securities regulatory authority or regulator's (referred to as the principal regulator under NP 11-207) revocation order (including a variation order) has the effect of removing or limiting the prohibition or restriction on trading or purchasing in each passport jurisdiction where the issuer is a reporting issuer to the same extent as in the jurisdiction of the principal regulator. If the OSC has opted into the revocation order, the prohibition or restriction on trading in Ontario is removed or is limited to the same extent as in the jurisdiction of the principal regulator. The order of the securities regulatory authority or regulator also evidences the OSC's decision.

CONSEQUENTIAL AMENDMENTS

National Policy Changes

We are proposing changes to CP 11-102 to reflect Parts 4C and 4D of MI 11-102. These changes are designed to provide a bridge between these new parts of MI 11-102 and the new interface policies, NP 11-206 and NP 11-207, which set out the detailed processes for obtaining the orders that are the object of the proposed passport expansion.

We are also proposing to withdraw NP 12-202 *Revocation of a Compliance-Related Cease Trade Order* and NP 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* and replace them with Replacement NP 12-202 and Replacement NP 12-203. These replacement policies, that include title changes, are being proposed to reflect that the processes surrounding the issuance and the full or partial revocation (including variation) of failure-to-file cease trade orders for specified defaults would be moved to NP 11-207. Replacement NP 12-203 would continue to provide guidance on, as well as set out the processes for, the issuance of management cease trade orders. Replacement NP 12-202 would continue to set out the processes surrounding full or partial revocations (including variations) of all categories of continuous disclosure compliance-related cease trade orders, other than those failure-to-file cease trade orders that would be dealt with under passport.

Local Statutory Amendments

Applications to cease to be a reporting issuer

To bring applications to cease to be a reporting issuer into passport, several jurisdictions will be proposing amendments to their respective securities legislation to obtain a specific rule-making power that will enable the adoption of Part 4C of MI 11-102.

Failure-to-file cease trade orders

To bring failure-to-file cease trade orders into passport, Québec will be proposing an amendment to its securities legislation that would allow for the issuance of this type of cease trade order without first giving a right to be heard. The provision sought would be similar to those that already exist in the other jurisdictions, except Ontario. This statutory amendment would have to be obtained in Québec before new Part 4D of MI 11-102, related changes to CP 11-102 and NP 11-207 could come into effect in this jurisdiction.

Ontario will also be seeking and would require a similar amendment to its statute before NP 11-207 could come into effect in this jurisdiction.

On December 17, 2014, Bill 5, *Securities Amendment Act 2014* amending the *Securities Act* (Alberta) was passed by the Legislature in Alberta. Although passed, section 34 has not yet been proclaimed. On proclamation, new section 198.1 will be effective. Subsection 198.1(3) provides that an order of a securities regulatory authority in Canada imposing sanctions, conditions, restrictions or requirements on a person or company takes effect in Alberta subject to certain conditions. New section 198.1, if proclaimed, could provide an alternative method to the passport system with respect to cease trade orders in Alberta that would lead to the same result.

Local Matters

In addition to the amendments set out under "Local Statutory Amendments" above, Annex G to this notice is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

REQUEST FOR COMMENTS

We welcome your comments on the Proposed Materials and also invite comments on the following specific questions:

Questions relating to failure-to-file cease trade orders

Under proposed Part 4D of MI 11-102, a securities regulatory authority or regulator's failure-to-file cease trade order will generally result in the same prohibition or restriction in other passport jurisdictions where the issuer is a reporting issuer. For investor protection purposes, we are considering extending this effect to any passport jurisdiction regardless of whether or not the issuer is reporting in that jurisdiction. In this context, responses to these two questions would be helpful:

1. Currently, to what extent and in what circumstances does trading occur in jurisdictions where an issuer is not a reporting issuer when it has been cease-traded in one or more jurisdictions in which it is a reporting issuer?

2. Does the application of a trading prohibition or restriction in a jurisdiction where the issuer is not a reporting issuer give rise to any concerns?

Please submit your comments in writing on or before **June 15, 2015**. If you are not sending your comments by email, please send a CD containing the submissions (in Microsoft Word format).

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador

Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Deliver your comments only to the addresses below. Your comments will be distributed to the other participating CSA jurisdictions.

Me Anne-Marie Beaudoin
Corporate Secretary
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All comments will be posted on the the Autorité des marchés financiers website at www.lautorite.qc.ca and on Alberta Securities Commission website at www.albertasecurities.com.

Please note that we cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. In this context, you should be aware that some information which is personal to you, such as your e-mail and address, may appear in the websites. It is important that you state on whose behalf you are making the submission.

CONTENTS OF ANNEXES

The following annexes form part of this CSA Notice:

(a) Annex A, proposed amendments to Multilateral Instrument 11-102 *Passport System*;
(b) Annex B, proposed changes to Companion Policy 11-102CP *Passport System;*
(c) Annex C, National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*;
(d) Annex D, National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations Under Passport*;
(e) Annex E, National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders*;
(f) Annex F, National Policy 12-203 *Management Cease Trade Orders*;
(g) Annex G, Local matters.

QUESTIONS

Please refer your questions to any of the following:

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ANNEX A

PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM*

1. Multilateral Instrument 11-102 Passport System is amended by this Instrument.

2. Section 1.1 is amended by:

(a) adding the following definition:

"failure-to-file cease trade order" means an order in relation to a specified default that prohibits or restricts trading in, or purchasing of, securities of a reporting issuer;**,**

(b) replacing the definition of "principal regulator" with the following:

"principal regulator" means, for a person or company, the securities regulatory authority or regulator determined in accordance with Part 3, 4, 4A, 4B or 4C, as applicable;**, and**

(c) adding the following definition:

"specified default" means a failure by a reporting issuer to comply with the requirement to file, within the time period prescribed, one or more of the following:

(a) annual financial statements;

(b) an interim financial report;

(c) an annual or interim management's discussion and analysis or annual or interim management report of fund performance;

(d) an annual information form;

(e) a certification of filings under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;**.**

3. The Instrument is amended by adding the following Parts:

PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER

4C.1 Specified jurisdiction

For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

4C.2 Principal regulator – general

The principal regulator for an application to cease to be a reporting issuer is,

(a) for an application made with respect to an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the investment fund manager's head office is located, or

(b) for an application made with respect to an issuer other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the issuer's head office is located.

4C.3 Principal regulator – head office not in a specified jurisdiction

If the jurisdiction identified under section 4C.2 is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

4C.4 Discretionary change of principal regulator

Despite sections 4C.2 and 4C.3, if a filer receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

4C.5 Deemed to cease to be a reporting issuer

(1) If an application to cease to be a reporting issuer is made by a reporting issuer in the principal jurisdiction, the reporting issuer is deemed to cease to be a reporting issuer in a local jurisdiction if

(a) the local jurisdiction is not the principal jurisdiction for the application,

(b) the principal regulator for the application granted the order and the order is in effect,

(c) the reporting issuer gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the issuer to be deemed to cease to be a reporting issuer in the local jurisdiction, and

(d) the reporting issuer complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.

(2) For the purpose of paragraph (1)(c), the reporting issuer may give the notice referred to in that paragraph by giving it to the principal regulator.

PART 4D FAILURE-TO-FILE CEASE TRADE ORDERS

4D.1. Issuance and revocation of failure-to-file cease trade order

If an issuer is a reporting issuer in the local jurisdiction and a securities regulatory authority or regulator in another jurisdiction of Canada makes a failure-to-file cease trade order in respect of the issuer's securities, a person or company must not trade in or purchase a security of the issuer in the local jurisdiction, except in accordance with the conditions that are contained in the order, if any, for so long as the failure-to-file cease trade order remains in effect..

4. This Instrument comes into force on ●.

ANNEX B

This Annex shows, by way of blackline, changes to Companion Policy 11-102CP Passport System that are being published for comment.

PROPOSED CHANGES TO COMPANION POLICY 11-102CP
PASSPORT SYSTEM

COMPANION POLICY 11-102CP
PASSPORT SYSTEM

PART 1 GENERAL

1.1 Definitions

In this Policy,

"CP 33-109" means Companion Policy 33-109CP *Registration Information*;

"domestic firm" means a firm whose head office is in Canada;

"domestic individual" means an individual whose working office is in Canada;

"MI 11-101" means Multilateral Instrument 11-101 *Principal Regulator System*;

"non-principal jurisdiction" means, for a person or company, a jurisdiction other than the principal jurisdiction;

"non-principal regulator" means, for a person or company, the securities regulatory authority or regulator of a jurisdiction other than the principal jurisdiction;

"NP 11-202" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

"NP 11-203" means National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*;

"NP 11-204" means National Policy 11-204 *Process for Registration in Multiple Jurisdictions*;

"NP 11-205" means National Policy 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions*;

"NP 11-206" means National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*;

"NP 11-207" means National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*;

"NP 12-202" means National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders*;

"NRD" has the same meaning as in NI 31-102;

"NRD format" has the same meaning as in NI 31-102;

"SRO" means self regulatory organization; and

"T&C" means a term, condition, restriction or requirement imposed by a securities regulatory authority or regulator on the registration of a firm or an individual.

1.2 Additional definitions

~~Terms~~A term used in this policy and that ~~are~~is defined in NP 11-202, NP 11-203, NP 11-204, NP 11-205, NP 11-206 and NP 11-~~205 have~~207 has the same ~~meanings~~meaning as in those national policies.

1.3 Purpose

(1) **General –** Multilateral Instrument 11-102 *Passport System* (the Instrument) and this policy implement the passport system contemplated by the Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation.

The Instrument gives each market participant a single window of access to the capital markets in multiple jurisdictions. It enables a person or company to deal only with its principal regulator to

- get deemed receipts in other jurisdictions (except Ontario) for a preliminary prospectus and prospectus,
- obtain automatic exemptions in other jurisdictions (except Ontario) equivalent to most types of discretionary exemptions granted by the principal regulator, ~~or~~

- register automatically in other jurisdictions (except Ontario)~~.~~,
- ~~The Instrument also enables a~~if the person or company is a credit rating organization ~~to~~, obtain a deemed designation as a designated rating organization in other jurisdictions (except in Ontario)~~.~~,
- be deemed to have ceased to be a reporting issuer in other jurisdictions (except in Ontario).

The Instrument also allows for the passport system to be used to more efficiently issue a failure-to-file cease trade order, that has effect in multiple jurisdictions, in response to a failure by a reporting issuer to file one or more specified continuous disclosure documents within the time period set out in Canadian securities legislation. It also enables a reporting issuer to deal only with the regulator that issued the failure-to-file cease trade order (its principal regulator) to obtain a revocation or variation of the order (except in Ontario).

(2) **Process** – NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-~~205~~206 set out the processes for a market participant in any jurisdiction to obtain a deemed prospectus receipt, an automatic exemption, an automatic registration, a deemed designation as a designated rating organization, or to be deemed to cease to be a reporting issuer in a passport jurisdiction. These policies also set out processes for a market participant in a passport jurisdiction to get a prospectus receipt ~~or~~, a discretionary exemption or an order to cease to be a reporting issuer from the OSC or to register in Ontario or to obtain designation as a designated rating organization in Ontario.

NP 11-207 has two main objectives. First, it provides guidance to issuers, investors and other market participants regarding how regulators will generally respond to certain types of continuous disclosure defaults ("specified defaults" as defined in NP 11-207) by a reporting issuer by issuing a failure-to-file cease trade order. Second, NP 11-207 sets out the process for the issuance of a failure-to-file cease trade order that will have the effect of prohibiting or restricting, by rule, trading in or purchasing of securities of an issuer in each passport jurisdiction where the issuer is a reporting issuer. It explains as well what a reporting issuer should do to apply for a full or partial revocation (including a variation) of a failure–to-file cease trade order issued in these circumstances. It applies, where the context permits, to a securityholder or other party seeking to revoke or vary a failure-to-file cease trade order. NP 11-207 also sets out an interface with Ontario for the issuance and revocation (including a variation) of a failure-to file-cease trade order against the securities of an issuer whose principal regulator is in a passport jurisdiction. Under NP 11-207, a variation order is included as part of the definition of "partial revocation order".

NP 11-203 also sets out the process for seeking exemptive relief in multiple jurisdictions that falls outside the scope of the Instrument. NP 11-203 applies to a broad range of exemptive relief applications, not just discretionary exemption applications from the provisions listed in Appendix D of the Instrument. For example, NP 11-203 applies to an application to be designated a reporting issuer, a mutual fund, a non-redeemable investment fund or an insider. However, it does not apply to an application to be designated as a designated rating organization, specifically covered in NP 11-205~~. It also applies~~, or to an application for an order to cease to be a ~~discretionary exemption from a provision not listed~~reporting issuer, specifically covered in ~~Appendix D of the Instrument~~NP 11-206.

Please refer to NP 11-202, NP 11-203, NP 11-204, NP 11-205, NP 11-206 and NP 11-~~205~~207 for more details on these processes.

(3) **Interpretation of the Instrument** – As with all national or multilateral instruments, you should read the Instrument from the perspective of the local jurisdiction ~~in which you seek a deemed prospectus receipt, an automatic exemption or registration or a deemed designation as a designated rating organization~~. For example, if the Instrument does not specify where you file a document, it means that you must file it in the local jurisdiction. In this policy, we generally use the term 'non-principal jurisdiction' instead of 'local jurisdiction'.

To get a deemed receipt for a prospectus in the non-principal jurisdiction, a filer must file the prospectus in the jurisdiction through SEDAR. Similarly, to get an automatic exemption based on a discretionary exemption granted in the principal jurisdiction, a filer must give notice under section 4.7(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4.7(2) of the Instrument, a filer can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To register in the non-principal jurisdiction, a firm or individual must make the required submission in the non-principal jurisdiction. To streamline the process, section 4A.3(3) of the Instrument allows a firm to make its submission to the principal regulator instead of the non-principal regulator. Submissions for individuals are made through NRD. If the principal regulator imposes a T&C on a firm's or individual's registration, or suspends, terminates or accepts the surrender of registration of the firm or individual, that decision applies automatically in the non-principal jurisdiction, whether or not the firm or individual registered in the non-principal jurisdiction under the Instrument.

To obtain a deemed designation as a designated rating organization in ~~another~~the non-principal jurisdiction, a credit rating organization must give notice under section 4B.6(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4B.6(2) of the Instrument, a credit rating organization can satisfy the latter requirement

by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To be deemed to cease to be a reporting issuer in the non-principal jurisdiction, an issuer must give notice under section 4C.5(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4C.5(2) of the Instrument, the issuer can satisfy this requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

(4) **Operation of law** – The provisions of the Instrument on prospectus receipt, discretionary exemptions, registration ~~and~~, designation as a designated rating organization, applications for an order to cease to be a reporting issuer and failure-to-file cease trade orders and their revocations (including variations) produce automatic legal outcomes in the non-principal jurisdiction that result from a decision made by the principal regulator. The effect is to make the law of the non-principal jurisdiction apply to a market participant as if the non-principal regulator had made the same decision as the principal regulator.

(5) **Applicable requirements** – A market participant must comply with the law of each jurisdiction in which it files a prospectus, is a reporting issuer, seeks registration, is registered or seeks designation as a designated rating organization.

- Most prospectus, continuous disclosure, registration requirements and requirements relating to designated rating organizations are harmonized and are in rules or regulations commonly referred to as 'national instruments'. The securities regulatory authorities and regulators intend to interpret and apply the harmonized requirements in national instruments in a consistent way, and we have put practices and procedures in place to achieve this objective.

- Some jurisdictions have non-harmonized requirements in Securities Acts or local rules or regulations. In addition, some national instruments contain requirements or carve-outs for specific jurisdictions, which are apparent on the face of the instruments.

- Registrants will be subject to a few non-harmonized requirements. Section 4A.5 contains a description of these requirements.

~~(6)~~ **Ontario** – The OSC has not adopted the Instrument, but the Instrument provides that the OSC can be a principal regulator for purposes of a prospectus filing under Part 3, a discretionary exemption application under Part 4, registration under Part 4A, ~~or~~ an application for designation as a designated rating organization under Part 4B and an application for an order to cease to be a reporting issuer under Part 4C. The OSC can also be the regulator that issues and revokes (including varies) a failure-to-file cease trade order under Part 4D. Consequently, Ontario market participants have direct access to passport as follows:

- When the OSC issues a receipt for a prospectus to an issuer whose principal jurisdiction is Ontario, a deemed receipt is automatically issued in each passport jurisdiction where the market participant filed the prospectus under the Instrument.

- When the OSC grants a discretionary exemption to a market participant whose principal jurisdiction is Ontario, the person obtains an automatic exemption from the equivalent provision of securities legislation of each passport jurisdiction for which the person gives the notice described in section 4.7(1)(c) of the Instrument.

- A firm or individual whose principal jurisdiction is Ontario and who is registered in a category in Ontario is automatically registered in the same category in a passport jurisdiction when the firm or individual makes the required submission under the Instrument.

- When the OSC designates a credit rating organization as a designated rating organization, the credit rating organization obtains a deemed designation in each passport jurisdiction for which the credit rating organization gives the notice described in section 4B.6(1)(c) of the Instrument.

- When the OSC issues an order to cease to be a reporting issuer to an issuer whose principal jurisdiction is Ontario, the issuer is deemed to cease to be a reporting issuer in each passport jurisdiction for which the issuer gives the notice described in section 4C.5(1)(c) of the Instrument.

- As a result of a failure-to-file cease trade order issued by the OSC against the securities of a reporting issuer whose principal jurisdiction is Ontario, trading in or purchasing of the securities that are subject to this order are prohibited or restricted in each passport jurisdiction where the issuer is a reporting issuer. The OSC's revocation order (including a variation order) has the effect of removing or limiting the prohibition or restriction on trading or purchasing in each passport jurisdiction to the same extent as in Ontario.

1.4 Language of documents – Québec

The Instrument does not relieve issuers filing in Québec from the linguistic obligations prescribed by Québec law, including the specific obligations in the Québec *Securities Act* (e.g. section 40.1). For example, where a prospectus is filed in several jurisdictions including Québec, the prospectus must be in French or in French and English.

PART 2 [REPEALED]

PART 3 PROSPECTUS

3.1 Principal regulator for prospectus

For a prospectus filing subject to Part 3 of the Instrument, the principal regulator is the principal regulator identified under section 3.1 of the Instrument. Under this section, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 3.1(1) of the Instrument specifies the following jurisdictions for purposes of that section: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 3.4 of NP 11-202 gives guidance on how to identify the principal regulator for a prospectus filing subject to Part 3 of the Instrument.

3.2 Discretionary change in principal regulator for prospectus

Section 3.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a prospectus filing subject to Part 3 of the Instrument on its own motion or on application. Section 3.5 of NP 11-202 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a prospectus filing subject to Part 3 of the Instrument.

3.3 Deemed issuance of receipt

Section 3.3 of the Instrument deems a receipt to be issued for a preliminary prospectus or prospectus in the non-principal jurisdiction if certain conditions are met. A deemed receipt in the non-principal jurisdiction has the same legal effect as a receipt issued in the principal jurisdiction.

To rely on section 3.3 of the Instrument in the non-principal jurisdiction, a filer must file on SEDAR the preliminary prospectus or the pro forma prospectus, and the prospectus, in both the non-principal jurisdiction and the principal jurisdiction. When filing, the filer must also indicate that it is filing the preliminary prospectus or pro forma prospectus under the Instrument. Under the law of the non-principal jurisdiction, these filings trigger the obligation to file supporting documents (e.g., consents and material contracts) and to pay required fees.

NP 11-202 sets out the process for making a waiver application for a prospectus filing subject to Part 3 of the Instrument.

If the principal regulator refuses to issue a receipt for a prospectus, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR. In these circumstances, the Instrument will no longer apply to the filing and the filer may deal separately with the local securities regulatory authority or regulator in any non-principal jurisdiction in which the prospectus was filed to determine if the local securities regulatory authority or regulator would issue a local receipt.

3.4 [REPEALED]

3.5 Transition for section 3.3

Section 3.3 of the Instrument applies to a preliminary prospectus or pro forma prospectus and their related prospectus, and to an amendment to a prospectus, filed on or after March 17, 2008.

Section 3.5(1) of the Instrument removes the deemed receipt that would otherwise be available in the non-principal jurisdiction under section 3.3 of the Instrument if a preliminary prospectus amendment is filed after March 17, 2008 and the related preliminary prospectus was filed before March 17, 2008.

Section 3.5(2) provides an exemption from the requirement in section 3.3(2)(b) of the Instrument to indicate on SEDAR, at the time of filing the preliminary prospectus or pro forma prospectus, that the preliminary prospectus or pro forma prospectus is filed under Instrument. This means there is a deemed receipt in the non-principal jurisdiction for a prospectus amendment if the related preliminary prospectus or pro forma prospectus was filed before March 17, 2008 and the filer indicated on SEDAR that it filed the amendment under the Instrument at the time of filing the amendment.

PART 4 DISCRETIONARY EXEMPTIONS

4.1 Application

Part 4 of the Instrument applies to an application for a discretionary exemption from a provision listed in Appendix D of the Instrument. Part 4 does not apply to a discretionary exemption application from a provision not listed in Appendix D of the Instrument or to other types of exemptive relief applications. For example, Part 4 does not apply to an application to designate a person to be a reporting issuer, mutual fund, non-redeemable investment fund or insider.

4.2 Principal regulator for discretionary exemption applications

For purposes of a discretionary exemption application under Part 4 of the Instrument, the principal regulator is the principal regulator identified under sections 4.1 to 4.5 of the Instrument. Except under section 4.4.1, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 4.4.1 of the Instrument provides that the principal regulator for an application for exemption from a requirement in Parts 3 and 12 of NI 31-103 and Part 2 of NI 33-109 made in connection with an application for registration in the principal jurisdiction is the principal regulator as determined under section 4A.1 of the Instrument. The securities regulatory authority or regulator of each jurisdiction may be a principal regulator under section 4A.1 of the Instrument.

Section 3.6 of NP 11-203 gives guidance on how to identify the principal regulator for a discretionary exemption application under Part 4 of the Instrument.

4.3 Discretionary change of principal regulator for discretionary exemption applications

Section 4.6 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a discretionary exemption application under Part 4 of the Instrument on its own motion or on application. Section 3.7 of NP 11-203 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a discretionary exemption application under Part 4 of the Instrument.

4.4 Passport application of discretionary exemptions

Section 4.7(1) of the Instrument exempts a person or company from an equivalent provision of securities legislation in the non-principal jurisdiction if the principal regulator for the application grants the discretionary exemption, the filer gives the notice required under paragraph (c) of that section and other conditions are met. The equivalent provisions from which an automatic exemption is available under section 4.7(1) of the Instrument are set out in Appendix D of the Instrument.

If the principal regulator revokes or cancels the discretionary exemption or it expires under a sunset clause, the exemption in section 4.7 is no longer available in the non-principal jurisdiction.

A discretionary exemption under section 4.7(1) of the Instrument is available in the passport jurisdictions for which the filer gives the required notice when filing the application. However, the discretionary exemption can become available later in other passport jurisdictions if the circumstances warrant. For example, if a reporting issuer obtains a discretionary exemption from a national continuous disclosure requirement in its principal jurisdiction and an automatic exemption under section 4.7(1) in three non-principal jurisdictions in 2008 and the issuer becomes a reporting issuer in a fourth non-principal jurisdiction in 2009, the issuer could obtain an automatic exemption in the new jurisdiction. To obtain the automatic exemption in the new jurisdiction, the issuer would have to give the notice referred to in section 4.7(1)(c) of the Instrument in respect of that jurisdiction and meet the other condition of the exemption.

Under section 4.7(2) of the Instrument the filer may give the required notice to the principal regulator instead of the non-principal regulator.

A filer should identify in the application all the exemptions required and give notice for all the jurisdictions in which section 4.7(1) of the Instrument is intended to be relied upon. If an exemption is required in a non-principal jurisdiction when the filer files the application, but the filer does not give the required notice for that jurisdiction until after the principal regulator grants the exemption, the securities regulatory authority or regulator of the non-principal jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer may have an opportunity to be heard in that jurisdiction in appropriate circumstances.

A principal regulator's decision to vary a decision the principal regulator previously made to exempt a person or company from a provision set out in Appendix D of the Instrument has automatic effect in a non-principal jurisdiction if

- the person or company applied in the principal jurisdiction to have the decision varied and gave the notice required under section 4.7(1)(c) of the Instrument in respect of the non-principal jurisdiction,
- the principal regulator grants the exemption and the exemption is in effect, and
- the other conditions of section 4.7(1) of the Instrument are met.

If the principal regulator for an application for exemption from a filing requirement under section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) grants an exemption under section 4.7(1) of the Instrument, a person or company has an automatic exemption in a non-principal jurisdiction under the section only if

- the filing requirement arises from the person or company relying on one of the provisions referred to in section 6.1 of NI 45-106 in the principal jurisdiction,
- the person or company is relying on the equivalent exemption in the non-principal jurisdiction, and
- the person or company complies with the conditions of section 4.7(1) of the Instrument.

Because, under the Instrument, a person or company files an application for a discretionary exemption only in the principal jurisdiction to obtain an automatic exemption in multiple jurisdictions, the filer is required to pay fees only in the principal jurisdiction.

NP 11-203 sets out the process for seeking exemptive relief in multiple jurisdictions, including the process for seeking a discretionary exemption under Part 4 of the Instrument.

4.5 Availability of passport for discretionary exemptions applied for before March 17, 2008

Under section 4.8(1) of the Instrument, an exemption from the equivalent provision is automatically available in the local jurisdiction if

- an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of the Instrument,
- the securities regulatory authority or regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and
- certain other conditions are met.

These conditions include giving the notice required under section 4.8(1)(c). Section 4.8(2) permits the filer to give the required notice to the securities regulatory authority or regulator that would be the principal regulator for the application under Part 4 if an application were to be made under that Part at the time the notice is given, instead of to the non-principal regulator.

Under section 4.1, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

A specified jurisdiction for purposes of section 4.8 of the Instrument is a principal jurisdiction under MI 11-101.

The combined effect of sections 4.8(1) and 4.8(3) is to make an exemption from a CD requirement granted by the principal regulator before March 17, 2008 under MI 11-101 automatically available in the non-principal jurisdiction, even though the decision of the principal regulator under MI 11-101 does not refer to the non-principal jurisdiction. To benefit from this, however, the reporting issuer must comply with the terms and conditions of the decision of the principal regulator under MI 11-101. Only exemptions granted from CD requirements that are now listed in Appendix D of the Instrument become available in the non-principal jurisdiction in this way.

Appendix A of this policy lists the CD requirements from which a reporting issuer could get an exemption under section 3.2 of MI 11-101. Appendix D of the Instrument sets out the list of equivalent provisions.

PART 4A REGISTRATION

4A.1 Application

The Instrument permits a firm or individual to register automatically in a non-principal jurisdiction based on its principal jurisdiction registration. It also makes some types of regulatory decisions by a firm's or individual's principal regulator apply automatically in each non-principal jurisdiction where the firm or individual is registered, whether or not the firm or individual is registered automatically under the Instrument.

Permitted individual

The Instrument does not apply to "permitted individuals" under NI 33-109 because these individuals are not registered under securities legislation. The Instrument applies to a permitted individual only if the permitted individual becomes registered in a category in his or her principal jurisdiction and seeks registration in the same category in a non-principal jurisdiction.

Restricted dealers and their representatives

Section 4A.3 of the Instrument does not apply to a firm registered in the category of "restricted dealer" under NI 31-103. To register in a non-principal jurisdiction, a restricted dealer must apply directly to the non-principal regulator. Automatic registration under the Instrument does not apply to restricted dealers because there are no standard requirements for this category and most firms registered as restricted dealers operate in a single jurisdiction. However, if a restricted dealer registers directly in the same category in a non-principal jurisdiction, the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8) apply to the firm.

All the provisions of the Instrument apply to the dealing representatives of a restricted dealer. This includes automatic registration under section 4A.4 of the Instrument if the representative's sponsoring firm is registered as a restricted dealer in the representative's principal jurisdiction and the non-principal jurisdiction in which the representative seeks registration. It also includes the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8).

4A.2 Registration by SRO

The securities regulatory authority or regulator in some jurisdictions has delegated, assigned or authorized an SRO to perform all or part of its registration function. The instrument applies to the decisions made by SROs under these arrangements. For more details, refer to section 3.5 of NP 11-204.

4A.3 Principal regulator for registration

The principal regulator of a firm or individual is the securities regulatory authority or regulator identified under section 4A.1 of the Instrument. The securities regulatory authority or regulator of any jurisdiction can be a principal regulator for registration.

Section 3.6 of NP 11-204 gives guidance on how to identify the principal regulator of a firm or individual under Part 4A of the Instrument.

4A.4 Discretionary change of principal regulator for registration

Section 4A.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for the purpose of Part 4A of the Instrument. Section 3.7 of NP 11-204 gives guidance on the process for a discretionary change of principal regulator for registration under Part 4A of the Instrument.

4A.5 Registration

Sections 4A.3 and 4A.4 of the Instrument are available for firms or individuals required to be registered under NI 31-103, except for firms registering as restricted dealers.

A firm or individual who registers in a non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument must comply with all applicable requirements of the non-principal jurisdiction, including the obligation to pay the required fees in that jurisdiction and any non-harmonized requirements.

In Québec, firms and individuals in the mutual fund and scholarship plan sectors are subject to a specific regulatory framework that also applies under passport:

- mutual fund firms registered in Québec are not required to be members of the Mutual Fund Dealers Association of Canada (MFDA) and are under the direct supervision of the Autorité des marchés financiers, as are scholarship plan firms,
- individuals in the mutual fund and scholarship plan sectors are required to be members of the Chambre de la sécurité financière,
- firms and individuals must maintain professional liability insurance, and
- firms must contribute to the Fonds d'indemnisation des services financiers which provides financial compensation to investors who are victims of fraudulent tactics or embezzlement committed by these firms or individuals.

In addition, in Québec, an individual who is a representative of an investment dealer cannot concurrently be employed by a financial institution and carry on business as a representative in a Québec branch of a financial institution unless he or she is a representative specialized in mutual funds or scholarship plans.

In British Columbia, investment dealers that trade in the U.S. over-the-counter markets must comply with local requirements to manage the risks of trading these securities, retain records and report quarterly to the Commission.

To register in a non-principal jurisdiction

Before making a submission under section 4A.3 or 4A.4, the firm or individual should ensure that the firm's or individual's principal jurisdiction is correctly identified in the firm's or individual's latest submission under NI 33-109.

Firm

Under section 4A.3(1) of the Instrument, if a firm is registered in its principal jurisdiction in a category set out in NI 31-103, other than the category of "restricted dealer", the firm is registered in the same category in a non-principal jurisdiction if the firm

(a) has submitted a completed Form 33-109F6 in accordance with NI 33-109, and

(b) is a member of an SRO if required for that category.

A firm should refer to Part 4 and section 5.2 of NP 11-204 for guidance on how to make its submission under the Instrument.

Under section 4A.3(3) of the Instrument, a firm may make the relevant submission by giving it to its principal regulator instead of the non-principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to register firms, the firm should make the submission by giving it to the relevant office of the SRO.

To register under section 4A.3(1) of the Instrument, the firm must be a member of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the firm has an exemption in the local jurisdiction from the requirement to be a member of the SRO. All jurisdictions require investment dealers to be members of the Investment Industry Regulatory Organization of Canada. All jurisdictions, except Québec, require mutual fund dealers to be members of the MFDA. A mutual fund dealer whose principal jurisdiction is Québec must be a member of the MFDA before it can register in another jurisdiction.

Individual

Under section 4A.4 of the Instrument, if an individual acting on behalf of a sponsoring firm is registered in his or her principal jurisdiction in a category set out in NI 31-103, the individual is registered in the same category in a non-principal jurisdiction if

(a) the individual's sponsoring firm is registered in the non-principal jurisdiction in the same category as in the firm's principal jurisdiction,

(b) the individual submitted a completed Form 33-109F2 or Form 33-109F4 in accordance with NI 33-109, and

(c) the individual is a member or an approved person of an SRO if required for that category.

Section 5.2 of NP 11-204 provides guidance on how to make a submission.

To register under section 4A.4 of the Instrument, the individual must be a member or an approved person of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the individual has an exemption in the

local jurisdiction from the requirement to be a member or approved person of the SRO. Québec legislation requires individuals who are representatives of mutual fund or scholarship plan dealers to be members of the Chambre de la sécurité financière. Other jurisdictions require individuals who are representatives of mutual fund dealers to be approved persons under the rules of the MFDA.

For greater certainty, if an individual is registered in a category in his or her principal jurisdiction for more than one sponsoring firm, each sponsoring firm must be registered in the same category in the non-principal jurisdiction in which the individual seeks registration under section 4A.4 of the Instrument.

4A.6 Terms and conditions of registration

Section 4A.5 (1) of the Instrument provides that, if a firm or individual is registered in the same category in the principal jurisdiction and in the non-principal jurisdiction, a T&C imposed on the registration in the principal jurisdiction applies to the firm or individual as if it were imposed in the non-principal jurisdiction (i.e., by operation of law). Under section 4A.5(2) of the Instrument, a T&C continues to apply until the earlier of the date the securities regulatory authority or regulator that imposed it, cancels or revokes it, or it expires.

Under section 4A.5 of the Instrument, if the principal regulator amends or adds a T&C to a category in which a firm or individual is registered, the amended or additional T&C automatically applies to the firm's or individual's registration in the same category in the non-principal jurisdiction.

In the event of a change of principal regulator, and for each category in which a firm or an individual is registered in the non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument, the firm's or individual's

- original principal regulator will revoke any T&C it imposed, and
- new principal regulator will adopt any T&C's that are appropriate.

This will enable the new principal regulator to amend the firm's or individual's T&Cs in appropriate circumstances and result in any T&C amended by the new principal regulator applying automatically in a non-principal jurisdiction as if it had been imposed in that jurisdiction (i.e., by operation of law).

4A.7 Suspension

Under section 4A.6 of the Instrument, if a firm's or an individual's registration in the principal jurisdiction is suspended, the firm's or individual's registration is automatically suspended in any non-principal jurisdiction where the firm or individual is registered. For greater certainty, a suspension of registration is a suspension of a firm's or individual's trading or advising privileges and the firm or individual remains registered under securities legislation. A firm's or individual's registration is suspended on the same day in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same suspension date in each relevant jurisdiction.

A firm's or individual's registration is suspended in the non-principal jurisdiction for as long as the firm's or individual's registration is suspended in the principal jurisdiction. If the principal regulator lifts a firm's or individual's suspension, the firm or individual may resume trading or advising in the non-principal jurisdiction on the date NRD shows that the suspension has been lifted. Any T&C imposed by the principal regulator when it lifts a suspension applies automatically in the non-principal jurisdiction under section 4A.5 of the Instrument.

4A.8 Termination

Under section 4A.7 of the Instrument, if a firm's or individual's registration in the principal jurisdiction is cancelled, revoked or terminated, as applicable, the firm's or individual's registration in the non-principal jurisdiction is automatically cancelled, revoked or terminated, as applicable. A firm's or individual's registration is terminated on the same date in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same termination date in each relevant jurisdiction.

4A.9 Surrender

Under section 4A.8 of the Instrument, a firm's or individual's registration is automatically cancelled, revoked or terminated, as applicable, in a category in **all** non-principal jurisdictions in which the firm or individual is registered if the firm or individual applies to surrender registration in the category in its principal jurisdiction and the principal regulator accepts the surrender.

A firm should submit an application to surrender registration in one or more categories in the firm's principal jurisdiction and Ontario, if Ontario is a non-principal jurisdiction. The application should identify any non-principal jurisdiction where the firm is registered in the same category(ies). In a jurisdiction where the principal regulator has delegated, assigned or authorized an

SRO to perform registration functions, a firm should submit its application to surrender to the relevant office of the SRO. A firm should refer to Appendix B of CP 33-109 for guidance on how to submit its application for surrender to the principal regulator or the relevant office of the SRO.

An individual should make the relevant NRD submission under NI 33-109 to surrender registration.

If a firm or individual applies to surrender a category in the principal jurisdiction, the principal regulator may suspend registration in the category pending surrender, or impose a T&C. See section 4A.7 of this Policy for guidance on suspension of registration.

If the principal regulator imposes a T&C, section 4A.5 of the Instrument provides that the T&C applies in each non-principal jurisdiction where a firm or individual is registered in the same category as if the T&C had been imposed in the non-principal jurisdiction.

The Instrument does not deal with a firm or individual that seeks to surrender a category in a non-principal jurisdiction only. If a firm or individual seeks to surrender a category in a non-principal jurisdiction, other than Ontario,

- the firm may still submit its application by giving it to the principal regulator only or, if the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the relevant office of the SRO in the principal jurisdiction,
- the individual should make the relevant NRD submission under NI 33-109,
- the firm's or individual's submission should indicate the non-principal jurisdiction where the firm or individual is applying to surrender registration, and
- the fact that a securities regulatory authority, regulator or SRO accepts the surrender of registration of a firm or individual in the non-principal jurisdiction does not affect the registration of the firm or individual in another jurisdiction.

4A.10 Transition – terms and conditions in non-principal jurisdiction

The purpose of section 4A.9(1) of the Instrument is to delay until October 28, 2009 the automatic application of section 4A.5 of the Instrument in a non-principal jurisdiction in which a firm or individual is registered on September 28, 2009. This gives the firm or individual time to make an application under section 4A.9(2) of the Instrument for an exemption from having a T&C imposed by the principal regulator apply automatically in the non-principal jurisdiction.

A firm or individual should apply for the exemption contemplated in section 4A.9(2) of the Instrument separately in each non-principal jurisdiction because the purpose of the exemption application is to give the firm or individual an opportunity to be heard on the automatic application in the non-principal jurisdiction of a T&C imposed by the principal regulator. For this reason, a firm or individual should not make the application under NP 11-203.

If a firm or individual does not apply for an exemption under section 4A.9(2) of the Instrument in a non-principal jurisdiction,

- a T&C imposed by the principal regulator automatically applies on October 28, 2009 in the non-principal jurisdiction , and
- a T&C previously imposed by the non-principal regulator ceases to apply unless it is enforcement related.

4A.11 Transition – notice of principal regulator for foreign firm

Under section 4A.10(1) of the Instrument, a foreign firm registered in a category in multiple jurisdictions before September 28, 2009 is required to submit the information to identify its principal jurisdiction in item 2.2(b) in Form 33-109F6 by submitting a Form 33-109F5 on or before October 28, 2009. This information will determine the foreign firm's principal regulator under section 4A.1 of the Instrument.

Section 4A.10(2) of the Instrument permits the foreign firm to make this submission to a non-principal regulator by giving it only to its principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the foreign firm should make the submission to the relevant office of the SRO. Foreign firms should refer to Appendix B of CP 33-109 for guidance on how to make a submission.

Because the principal regulator for a foreign individual is the same as the principal regulator for the individual's sponsoring firm, the Instrument does not require the foreign individual to make a submission to identify the individual's principal regulator.

PART 4B APPLICATION TO BECOME A DESIGNATED RATING ORGANIZATION

4B.1 Application

Part 4B of the Instrument only applies to an application for designation as a designated rating organization. Designated rating organizations applying for a discretionary exemption from a provision of National Instrument 25-101 *Designated Rating Organizations* should refer to Part 4 of the Instrument.

4B.2 Principal regulator for application for designation

For purposes of an application for designation as a designated rating organization under Part 4B of the Instrument, the principal regulator is the principal regulator identified under sections 4B.2 to 4B.5 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4B.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and New Brunswick.

Section 7 of NP 11-205 gives guidance on how to identify the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

4B.3 Discretionary change of principal regulator for application for designation

Section 4B.5 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument on its own motion or on application. Section 8 of NP 11-205 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

4B.4 Passport application of designation

Section 4B.6(1) of the Instrument provides that a credit rating organization is deemed to be designated as a designated rating organization in the non-principal jurisdiction if the principal regulator for the application grants the designation, the credit rating organization gives the notice required under paragraph (c) of that section and other conditions are met.

A deemed designation under section 4B.6(1) of the Instrument is available in the passport jurisdictions for which the credit rating organization gives the required notice when filing the application for designation. Credit rating organizations should give the notice in paragraph (c) of that section for all passport jurisdictions. However, the deemed designation can become available later in other passport jurisdictions if the circumstances warrant. To obtain the deemed designation in the new jurisdiction, the credit rating organization would have to give the notice referred to in section 4B.6(1)(c) of the Instrument in respect of that jurisdiction and meet the other conditions of the designation.

Because, under the Instrument, a credit rating organization makes an application for designation only in the principal jurisdiction to obtain a deemed designation in multiple jurisdictions, the credit rating organization is required to pay fees only in the principal jurisdiction.

NP 11-205 sets out the process for seeking designation as a designated rating organization in multiple jurisdictions under Part 4B of the Instrument.

PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER

4C.1 Application

Part 4C of the Instrument only applies to an application for an order to cease to be a reporting issuer.

4C.2 Principal regulator for application to cease to be a reporting issuer

For purposes of an application for an order to cease to be a reporting issuer under Part 4C of the Instrument, the principal regulator is the principal regulator identified under sections 4C.2 and 4C.3 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4C.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 8 of NP 11-206 gives guidance on how to identify the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

4C.3 Discretionary change of principal regulator

Section 4C.4 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument on its own motion. Section 9 of NP 11-206 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

4C.4 Deemed to cease to be a reporting issuer

Subsection 4C.5(1) of the Instrument provides that an issuer is deemed to cease to be a reporting issuer in the non-principal jurisdiction if the principal regulator for the application issues the order, the issuer gives the notice required under paragraph (c) of that subsection and other conditions are met. Issuers should give this notice in each passport jurisdiction in which it is a reporting issuer. Under subsection 4C.5(2) of the Instrument, the filer may satisfy this notice requirement by giving the required notice to the principal regulator.

Under the Instrument, an issuer makes an application only in the principal jurisdiction to obtain an order deeming it to cease to be a reporting issuer in multiple jurisdictions. As a result, the issuer is required to pay fees only in the principal jurisdiction.

NP 11-206 sets out the process for seeking an order to cease to be a reporting issuer in multiple jurisdictions under Part 4C of the Instrument.

4C.5 Transition

Subsection 40(1) of NP 11-206 provides that the coordinated review process set out in NP 11-203 will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before ●.

Subsection 40(2) of NP 11-206 provides that the coordinated review process set out under the heading “The Simplified Procedure” in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before ●.

PART 4D FAILURE-TO-FILE CEASE TRADE ORDERS

4D.1 Issuance and revocation of a failure-to-file cease trade order

Under section 4D.1 of the Instrument, if an issuer is a reporting issuer in the local jurisdiction and a securities regulatory authority or regulator in another jurisdiction of Canada issues a failure-to-file cease trade order in respect of the issuer's securities, a person or company must not trade in or purchase a security of the issuer in the local jurisdiction, except in accordance with the same conditions that are contained in the order, if any, for so long as the failure-to-file cease trade order remains in effect.

In most cases, the securities regulatory authority or regulator that will issue a failure-to-file cease trade order will be the reporting issuer’s principal regulator, that is, the one selected by the issuer at the time that it becomes a reporting issuer and that it identified on its SEDAR profile. In NP 11-207, we refer to the securities regulatory authority or regulator that issues the failure-to-file cease trade order as the principal regulator.

Part 4 of NP 11-207 sets out the process for the issuance of a failure-to-file cease trade order and Part 5 of NP 11-207 sets out the process for its revocation (including a variation) under Part 4D of the Instrument.

4D.2 Transition

Section 53 of NP 11-207 provides that the processes set out in NP 12-202 will continue to apply for a revocation of a cease trade order that was issued before ●.

PART 5 EFFECTIVE DATE

5.1 Effective date

The Instrument applies to continuous disclosure documents, prospectuses and discretionary exemption applications filed on or after March 17, 2008.

The Instrument applies to an individual or firm seeking registration outside its principal jurisdiction on or after September 28, 2009. In addition, it applies to an individual or firm that is registered on that date unless the individual or firm requests and obtains an exemption under ~~section~~subsection 4A.9(2).

The Instrument applies to applications for designation as a designated rating organization filed on or after April 20, 2012.

The Instrument applies to applications for an order to cease to be a reporting issuer filed on or after ●.

The Instrument applies to failure-to-file cease trade orders issued on or after ●.

COMPANION POLICY 11-102CP
PASSPORT SYSTEM

Appendix A

CD requirements under MI 11-101

For ease of reference, this appendix reproduces the definition of CD requirements in MI 11-101 even though some references might no longer be relevant because sections were repealed after September 19, 2005 when MI 11-101 came into force.

British Columbia:	
Securities Act:	section 85 and 117
Securities Rules:	section 144 (except as it relates to fees), 145 (except as it relates to fees) 152 and 153
	sections 2, 3 and 189 as they relate to a filing under another CD requirement, as defined in MI 11-101
Alberta:	
Securities Act:	sections 146, 149 (except as it relates to fees), 150, 152 and 157.1
Securities Commission Rules (General):	except as it relates to a prospectus, section 143 – 169, 196 and 197
Saskatchewan:	
The Securities Act, 1988:	section 84, 86 – 88, 90, 94 and 95
The Securities Regulations:	section 117 – 138.1 and 175 as it relates to a filing under another CD requirement, as defined under MI 11-101
Manitoba:	
Securities Act:	sections 101(1), 102(1), 104, 106(3), 119, 120 (except as it relates to fees) and 121– 130
Securities Regulation:	sections 38 – 40 and 80 – 87
Québec:	
Securities Act:	sections 73 excluding the filing requirement of a statement of material change, 75 excluding the filing requirement, 76, 77 excluding the filing requirement, 78, 80 – 82.1, 83.1, 87, 105 excluding the filing requirement, 106 and 107 excluding the filing requirement
Securities Regulation:	sections 115.1 – 119, 119.4, 120 – 138 and 141 – 161
Regulations:	No. 14, No. 48, Q-11, Q-17 (Title IV) and 62 – 102
	A document filed with or delivered to the Autorité des marchés financiers, delivered to securityholder in Québec or disseminated in Québec under section 3.2 of the Instrument, is deemed, for the purposes of securities legislation in Québec, to be a document filed, delivered or disseminated under Chapter II of Title III or section 84 of the *Securities Act* (Québec).
New Brunswick:	
Securities Act:	sections 89(1) – (4), 90, 91, 100 and 101
Nova Scotia:	
Securities Act:	section 81, 83, 84 and 91
General Securities Rules:	sections 9, 140(2), 140(3) and 141

Newfoundland and Labrador:

Securities Act:	except as they relate to fees, sections 76, 78 – 80, 82, 86 and 87
Securities Regulations:	sections 4 – 14 and 71 – 80

Yukon:

Securities Act:	section 22(5) except as it relates to filing a new or amended prospectus

All jurisdictions:

(a) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, except as it relates to a prospectus,

(b) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, except as it relates to a prospectus,

(c) National Instrument 51-102 *Continuous Disclosure Obligations*,

(d) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards,*

(e) National Instrument 52-108 *Auditor Oversight*,

(f) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*,

(g) National Instrument 52-110 *Audit Committees*, except in British Columbia,

(h) BC Instrument 52-509 *Audit Committees*, only in British Columbia,

(i) National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer,*

(j) National Instrument 58-101 *Disclosure of Corporate Governance Practices*,

(k) section 8.5 of National Instrument 81-104 *Commodity Pools*, and

(l) National Instrument 81-106 *Investment Fund Continuous Disclosure*.

ANNEX C

PROPOSED NATIONAL POLICY 11-206
PROCESS FOR CEASE TO BE A REPORTING ISSUER APPLICATIONS

PART 1
APPLICATION

Application

1. This policy describes the process for the filing and review of an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer.

PART 2
DEFINITIONS

Definitions

2. In this policy

"AMF" means the regulator in Québec;

"application" means a request by a filer for an order for an issuer to cease to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer;

"beneficial owner" means a beneficial owner as defined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"dual application" means an application described in section 7 of this policy;

"dual review" means the review under this policy of a dual application;

"filer" means

(a) an issuer filing an application, or

(b) an agent of a person referred to in paragraph (a);

"marketplace" means a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

"modified procedure" means the procedure for issuers with a *de minimis* connection to Canada described in section 20 of this policy;

"notified passport jurisdiction" means a passport jurisdiction for which a filer gave the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*;

"OSC" means the regulator in Ontario;

"passport application" means an application described in section 6 of this policy;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport regulator" means a regulator that has adopted Multilateral Instrument 11-102 *Passport System*;

"pre-filing" means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular application;

"regulator" means a securities regulatory authority or regulator;

"securityholder" means, for a security, the beneficial owner of the security;

"simplified procedure" means the procedure for issuers that have a *de minimis* number of securityholders as described in section 19 of this policy.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System*, National Instrument 14-101 *Definitions* or, in Québec, in *Regulation 14-501Q on definitions*, have the same meanings as in those instruments.

Interpretation

4. For the purposes of this policy, a reference to an application for an order that an issuer has ceased to be a reporting issuer is deemed to include:

(a) an application under section 153 of the *Securities Act* (Alberta) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(b) an application under section 88 of the *Securities Act* (British Columbia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(c) an application under subparagraph 1(1.2)(b) of the *Securities Act* (Manitoba) for an order declaring that an issuer has ceased to be a reporting issuer,

(d) an application under subparagraph 1.1(1)(b) of the *Securities Act* (New Brunswick) for an order designating for the purposes of New Brunswick securities law, a person not to be a reporting issuer,

(e) an application under section 84 of the *Securities Act* (Newfoundland and Labrador) for an order that the reporting issuer is no longer a reporting issuer,

(f) an application under subparagraph 6(1)(a) of the *Securities Act* (Northwest Territories) for an order designating an issuer to cease to be a reporting issuer,

(g) an application under section 89 of the *Securities Act* (Nova Scotia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(h) an application under subparagraph 6(1)(a) of the *Securities Act* (Nunavut) for an order designating an issuer to cease to be a reporting issuer,

(i) an application under clause 1(10)(a)(ii) of the *Securities Act* (Ontario) for an order that, for the purposes of Ontario securities law, a person or company is not a reporting issuer,

(j) an application under subparagraph 6(1)(a) of the *Securities Act* (Prince Edward Island) for an order designating an issuer to cease to be a reporting issuer,

(k) an application under section 92 of the *Securities Act. 1988* (Saskatchewan), for an order that the reporting issuer is no longer a reporting issuer,

(l) an application under section 69 or 69.1 of the *Securities Act* (Québec), for an order to revoke the issuer's status as a reporting issuer, and

(m) an application under subparagraph 6(1) (a) of the Securities Act (Yukon) for an order designating an issuer to cease to be a reporting issuer.

PART 3
OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES

Overview

5. This policy applies to an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer. An issuer may not apply to cease to be a reporting issuer in only some, but not all, of the jurisdictions in which it is a reporting issuer.

These are the possible types of applications:

(a) the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario. This is a "passport application",

(b) the principal regulator is the OSC and the issuer is also a reporting issuer in a passport jurisdiction. This is also a "passport application",

(c) the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario. This is a "dual application".

An application under this policy may not be combined with an application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

Passport application

6. **(1)** If the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions.

(2) If the principal regulator is the OSC and the filer also seeks an order for the issuer to cease to be a reporting issuer in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC's order is deemed to automatically have the same result in the notified passport jurisdictions.

Dual application

7. If the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions and evidences the decision of the OSC.

Principal regulator

8. **(1)** For any application under this policy, the principal regulator is identified in the same manner as in sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System*. This section summarizes sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System* and provides guidance on identifying the principal regulator for an application under this policy.

(2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.

(3) Except as provided in subsection (4) and in section 9 of this policy, the principal regulator is

(a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager's head office is located, or

(b) for an application made for an issuer other than an investment fund, the regulator of the jurisdiction in which the issuer's head office is located.

(4) If the jurisdiction identified under subsection (3) is not a specified jurisdiction, the principal regulator for the application is the regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

(5) The factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:

(a) location of management,

(b) location of assets and operations,

(c) location of majority of securityholders or clients, and

(d) location of trading market or quotation and trade reporting system in Canada.

Discretionary change in principal regulator

9. **(1)** If the principal regulator identified under section 8 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the other regulator it thinks would be more appropriate. If all agree, the first identified principal regulator will give the filer written notice of the new principal regulator and the reasons for the change.

(2) A filer may request a discretionary change of principal regulator for an application if

(a) the filer believes the principal regulator identified under section 8 of this policy is not the appropriate principal regulator,

(b) the location of the head office changes over the course of the application, or

(c) the most significant connection to a specified jurisdiction changes over the course of the application.

(3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.

(4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change. The current principal regulator will consult with the other regulator the filer thinks would be more appropriate. If they both agree, the first identified principal regulator will give the filer written notice of the new principal regulator.

General guidelines

10. **(1)** A regulator will generally send communications to a filer by e-mail.

(2) The British Columbia Securities Commission allows reporting issuers to voluntarily surrender their reporting issuer status under certain circumstances set out in British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. However, that procedure is only available for an issuer that is only a reporting issuer in British Columbia and may not be used by an issuer that intends to apply for an order under this policy.

Issuers subject to business corporations legislation in certain jurisdictions

11. In certain jurisdictions of Canada, the local business corporations legislation:

(a) contains certain provisions that apply to reporting issuers that were incorporated, continued or amalgamated under the business corporations legislation, and

(b) provides that if a reporting issuer no longer wants those provisions to apply to it, it must obtain an order from the relevant regulator that it is no longer a public company for the purposes of the business corporations legislation.

Issuers should review their business corporations legislation to determine if they need to make a separate application to the relevant regulator for an order under the business corporations legislation. An order obtained under this policy is only for the purposes of securities legislation.

Reporting issuer that has been dissolved or terminated

12. **(1)** A reporting issuer does not need to apply for an order that it has ceased to be a reporting issuer if it is:

(a) a corporation that was dissolved under applicable corporate legislation,

(b) a limited partnership that was dissolved under applicable limited partnership legislation,

(c) a trust that was terminated under its declaration of trust, or

(d) another form of business organization that was dissolved or terminated under its applicable governing legislation or constating or establishing document.

(2) In each case, it will be sufficient if an agent files evidence of the dissolution or termination with the regulator in each jurisdiction where the issuer was a reporting issuer.

(3) For a corporation, sufficient evidence includes a copy of the certificate and articles of dissolution.

(4) For a limited partnership, sufficient evidence typically includes:

(a) a copy of the declaration of dissolution or similar document filed under applicable limited partnership legislation, and

(b) a written representation from the general partner about the effective date of dissolution under applicable limited partnership legislation.

(5) For a trust, sufficient evidence typically includes:

(a) a copy of the resolution authorizing the termination of the trust,

(b) a report on voting results indicating that the resolution was passed,

(c) a written representation that the trust no longer exists (it is sufficient if this representation is provided by an agent or former trustees or officers),

(d) a copy of the change in corporate structure notice filed under section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations* or a copy of the change in legal structure notice filed under section 2.10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*, and

(e) evidence such as a copy of a news release or written submission from an agent that the trust has no securities outstanding and none are traded on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

(6) If an issuer has commenced dissolution proceedings but still exists, it will remain a reporting issuer in the absence of an order that it has ceased to be a reporting issuer.

Issuers that are only a reporting issuer in one jurisdiction

13. If an issuer is only a reporting issuer in one jurisdiction, it may apply for a local order to cease to be a reporting issuer in that jurisdiction. Although the application will be treated as a local application rather than as an application under this policy, the regulator in the jurisdiction will generally apply the principles set out in this policy to that application.

The British Columbia Securities Commission allows reporting issuers that are only reporting in British Columbia to voluntarily surrender their reporting issuer status under certain circumstances set out in British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status.*

Resale restrictions

14. For applications under the modified procedure or in the procedure for other applications described in section 21 of this policy, a filer should consider whether any of the issuer's securities may be subject to any resale restrictions under applicable securities legislation following the issuance of an order that the issuer has ceased to be a reporting issuer.

If the issuer has, at any time in the past, issued securities to Canadian securityholders pursuant to certain prospectus exemptions, those Canadian securityholders would no longer be able to rely on the resale provisions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* to sell their securities if the issuer has ceased to be a reporting issuer.

The issuer should disclose, in its application, what efforts it has conducted to ascertain the number of Canadian securityholders who purchased securities pursuant to a prospectus exemption and still hold those securities. The issuer should provide an analysis of whether those Canadian securityholders can rely on section 2.14 or any other provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the order that the issuer has ceased to be a reporting issuer.

If Canadian securityholders would not be able to rely on a provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the requested order, the issuer should disclose, in its application, whether the issuer will be filing a separate application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* to permit such sales.

PART 4
PRE-FILINGS

General

15. **(1)** A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the processing of the application.

(2) Generally, a pre-filing should only be made where an application will involve a novel and substantive issue or raise a novel policy concern.

(3) The principal regulator will treat the pre-filing as confidential except that it may:

(a) provide copies or a description of the pre-filing to other regulators for discussion purposes, and

(b) have to release the pre-filing under freedom of information and protection of privacy legislation.

Procedure for passport application pre-filing

16. A filer should submit a pre-filing for a passport application by letter to the principal regulator and should:

(a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and

(b) submit the pre-filing to the principal regulator only.

Procedure for dual application pre-filing

17. **(1)** A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and Ontario.

(2) The filer should submit the pre-filing to the principal regulator and the OSC.

(3) The principal regulator will arrange with the OSC to discuss the pre-filing within 7 business days, or as soon as practicable after the pre-filing is submitted.

Disclosure in related application

18. The filer should include in the application that follows a pre-filing,

(a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and

(b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

PART 5
TYPES OF APPLICATION PROCEDURES

The simplified procedure

19. The simplified procedure is available to a filer that is seeking an order for an issuer to cease to be a reporting issuer in each of the jurisdictions in Canada in which it is a reporting issuer and meets all of the following criteria:

(a) it is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets,*

(b) its outstanding securities, 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,

(c) its securities, including debt securities, are not traded in Canada or another country on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, and

(d) it is not in default of securities legislation in any jurisdiction.

The modified procedure

20. (1) A reporting issuer that is incorporated or organized under the laws of a foreign jurisdiction may make an application under the modified procedure if it meets all of the following criteria:

(a) the issuer files continuous disclosure reports under U.S. securities laws and is listed on a U.S. exchange,

(b) the issuer is able to make a representation that residents of Canada do not:

(i) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the issuer worldwide, and

(ii) directly or indirectly comprise more than 2% of the total number of securityholders of the issuer worldwide,

(c) in the 12 months before applying for the order, the issuer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus offering in Canada, establishing or maintaining a listing on an exchange in Canada or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported.

If the issuer is unable to meet the above 12 month requirement because its securities have only recently been delisted from an exchange in Canada or have only recently been removed from trading on a marketplace or other facility in Canada for bringing together buyers and sellers where trading data is publicly reported, CSA staff may nevertheless be willing to recommend that an order be granted if the issuer is able to show that:

(i) prior to the delisting or the removal from trading, the issuer only attracted a *de minimis* number of Canadian investors, in particular, the daily average volume of trading of the issuer's securities in Canada during the 12 months prior to the delisting or the removal from trading was less than 2% of the worldwide daily average volume of trading of the issuer's securities during that 12 month period, and

(ii) the issuer did not take any other steps that indicate there is a market for its securities in Canada,

(d) the issuer provides advance notice to Canadian resident securityholders in a news release that it has applied for an order to cease to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer and, if that order is made, the issuer will no longer be a reporting issuer in any jurisdiction of Canada. If applicable, the news release should also disclose that some of the issuer's outstanding securities may be subject to resale restrictions. There should be sufficient time between the news release and the issuance of the order to provide securityholders with the opportunity to object to the order,

(e) the issuer undertakes to concurrently deliver to its Canadian securityholders, all disclosure the issuer would be required to deliver to U.S. resident securityholders under U.S. securities law or exchange requirements.

(2) The representation in paragraph (1)(b) should not be qualified or limited to the knowledge of the issuer, unless the issuer can fully demonstrate that it has made diligent enquiry to support the representation and why it cannot give an unqualified representation. CSA staff recognize that some issuers have difficulty making representations on the beneficial ownership of securities by residents of Canada. However, CSA staff will not generally recommend granting the order without the issuer satisfying the 2% test in paragraph (1)(b).

(3) A non-U.S. issuer incorporated or organized under the laws of a foreign jurisdiction can also seek an order under the modified procedure if the issuer

(a) is listed on a major foreign exchange and meets the 2% test described in paragraph (1)(b), and

(b) demonstrates that its Canadian securityholders will receive adequate continuous disclosure under the foreign securities law or exchange requirements.

Procedure for other applications

21. An issuer that does not meet the criteria in section 19 or 20 may make an application under this policy. In the application, the issuer should clearly explain why it does not meet the criteria in section 19 or 20, as applicable, and state the reasons and provide submissions as to why regulators should grant the order.

An example would be a situation where the issuer has completed a going-private transaction and would otherwise meet the criteria in section 19, but for the fact that it is in default of securities legislation as a result of failing to file financial statements that were due after the completion of the transaction.

However, it is important for filers to realize that unless the filer can identify a previous order that is directly on point, CSA staff will treat any application filed under this section as novel. Novel applications may take more time to consider and the filer may not get the desired result.

PART 6
FILING MATERIALS

Election to file under this policy and identification of principal regulator

22. **(1)** In its application, the filer should indicate whether it is filing a passport application or a dual application under this policy and identify the principal regulator for the application.

(2) A filer should file an application sufficiently in advance of any deadline to ensure that staff has a reasonable opportunity to complete the review and make recommendations for an order.

(3) A filer seeking an order in Québec should file a French language version of the draft order when the AMF is acting as principal regulator.

Materials to be filed with an application under the simplified procedure

23. **(1)** For a passport application under the simplified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application, in the format of the sample application letter set out in Schedule 1, in which the filer:

(i) states that the application is being made under the simplified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(v) sets out any request for confidentiality,

(vi) includes representations that confirm that the issuer meets each of the criteria in section 19, and

(vii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(b) a draft form of order, in the format set out in Annex A, with representations that confirm that the issuer meets the 4 criteria in section 19.

(2) For a dual application under the simplified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application, in the format of the sample application letter set out in Schedule 2, in which the filer:

(i) states that the application is being made under the simplified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(v) sets out any request for confidentiality,

(vi) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,

(vii) includes representations that confirm that the issuer meets each of the criteria in section 19, and

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(b) a draft form of order, in the format set out in Annex B, with representations that confirm that the issuer meets the 4 criteria in section 19.

(3) If the issuer is in the process of completing a going-private transaction following which it will want an order that it has ceased to be a reporting issuer, the issuer may apply for relief using the simplified procedure prior to completing the transaction. The principal regulator cannot make an order until the transaction is complete and the issuer can represent that it has satisfied all the criteria for the simplified procedure.

(4) In circumstances where an issuer has exchanged its securities with another party (or that party's securityholders) in connection with a statutory arrangement or procedure, the issuer should consider whether any other party in the transaction will or has become a reporting issuer following the exchange. If so, the issuer should disclose in its application the name of that party and the jurisdictions in which that party will or has become a reporting issuer and provide a brief summary of the statutory arrangement or procedure and the parties involved.

Materials to be filed with an application under the modified procedure

24. (1) For a passport application under the modified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application in which the filer:

(i) states that the application is being made under the modified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,

(v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(vi) sets out any request for confidentiality,

(vii) provides submissions on how the issuer meets each of the criteria in section 20,

(viii) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,

(ix) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,

(x) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(xi) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,

(b) supporting materials, and

(c) a draft form of order, in the format set out in Annex C, with representations that explain how the issuer meets each of the criteria in section 20 and states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.

(2) For a dual application under the modified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application in which the filer:

(i) states that the application is being made under the modified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,

(v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(vi) sets out any request for confidentiality,

(vii) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,

(viii) provides submissions on how the issuer meets each of the criteria in section 20,

(ix) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,

(x) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,

(xi) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(xii) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,,

(b) supporting materials, and

(c) a draft form of order, in the format set out in Annex D, with representations that explain how the issuer meets each of the criteria in section 20 and that states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.

(3) The application filed under this section should describe what due diligence the filer has done to ascertain:

(a) the number of securities of the issuer (of each class or series) directly or indirectly beneficially owned by residents of Canada, and

(b) the number of securityholders of the issuer resident in Canada.

If an issuer has outstanding American Depositary Receipts (ADR), American Depositary Shares (ADS) or Global Depositary Receipts (GDR), the number of shares represented by ADR, ADS or GDR should be considered in the 2% test.

(4) The due diligence conducted by the issuer described in subsection (3) would normally include the following:

(a) where a registered holder of securities of the issuer is a depository or an intermediary located in Canada, procedures similar to the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to obtain beneficial ownership information,

(b) where a registered holder of securities of the issuer is a depository or an intermediary located in a foreign jurisdiction, similar procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* if it is reasonable to expect that the depository or intermediary may be holding securities of the issuer that are directly or beneficially owned by residents of Canada.

For example, if the securities of the issuer are traded in a foreign jurisdiction on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, similar inquiries should be made of depositories or intermediaries in that jurisdiction if it is reasonable to expect that residents of Canada may have purchased securities of the issuer through that marketplace or facility.

Similarly, if securities of the issuer are held in a foreign jurisdiction by a foreign intermediary that is an affiliate of a Canadian intermediary, the foreign intermediary should be asked if it is holding securities of the issuer on behalf of residents of Canada.

Materials to be filed with other applications

25. An issuer described in section 21 of this policy should file the materials listed in section 24 of this policy. In its application, instead of providing submissions on how the issuer meets the criteria in the modified procedure, the issuer should provide submissions on why it does not meet the criteria in section 19 or 20 of this policy, as applicable, and state the reasons and provide submissions as to why regulators should grant the order.

Request for confidentiality

26. (1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) CSA staff is unlikely to recommend that an order be held in confidence after its effective date. However, if a filer requests that the regulators hold the application, supporting materials, or order in confidence after its effective date, the filer should describe the request for confidentiality separately in its application, and pay any required fee:

(a) in the principal jurisdiction, if the filer is making a passport application, or

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application.

(3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by telephone.

Filing

27. **(1)** Except as set out in subsections (3) and (4), a filer should send the application materials in paper and in electronic format together with the fees to

(a) the principal regulator, in the case of a passport application, or

(b) the principal regulator and the OSC, in the case of a dual application.

(2) The filer should also provide an electronic copy of the application materials, including the draft order, by e-mail. For a dual application, filing the application concurrently with the principal regulator and the OSC will enable these regulators to process the application expeditiously.

(3) In British Columbia, an electronic filing system is available for filing and tracking applications. Filers should file an application in British Columbia using that system instead of e-mail.

(4) In Ontario, an electronic system is available for filing applications. Filers should file an application in Ontario using that system instead of e-mail.

(5) Filers should send pre-filing and application materials by e-mail (or through the electronic system in British Columbia and Ontario) using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on *BCSC e-services* and follow the steps)
Alberta	legalapplications@asc.ca
Saskatchewan	exemptions@gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	www.osc.gov.on.ca/filings (follow the steps for submitting applications)
Québec	Dispenses-Passeport@lautorite.qc.ca
New Brunswick	Passport-passeport@fcnb.ca
Nova Scotia	nsscexemptions@ gov.ns.ca

Incomplete or deficient material

28. If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

Acknowledgment of receipt of filing

29. After the principal regulator receives a complete application, the principal regulator will send the filer an acknowledgment of receipt of the application. For a dual application, the principal regulator will send a copy of the acknowledgement to the OSC. The acknowledgement will identify the name, phone number and e-mail address of the individual reviewing the application and, for a dual application, the end date of the review period identified in subsection 32(3) of this policy.

Withdrawal or abandonment of application

30. **(1)** If a filer decides to withdraw an application at any time during the process, the filer must notify the principal regulator and, for a dual application, the principal regulator and the OSC and provide an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file unless the filer provides acceptable reasons not to close the file in writing within 10 business days of the notification from the principal regulator. If the filer does not provide acceptable reasons, the principal regulator will notify the filer and for a dual application, the OSC, that the principal regulator has closed the file.

PART 7
REVIEW OF MATERIALS

Review of passport application

31. **(1)** The principal regulator will review a passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and consideration of previous orders.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

Review and processing of dual application

32. **(1)** The principal regulator will review a dual application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and consideration of previous orders. The principal regulator will consider any comments from the OSC.

(2) The filer will generally deal only with the principal regulator, who will be responsible for providing comments to the filer once it has considered the comments from the OSC and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to the OSC.

(3) The OSC will have 7 business days from receiving the acknowledgement referred to in section 29 of this policy to review the application. In exceptional circumstances, the principal regulator may abridge the review period if the filer filed the dual application concurrently with the OSC and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention.

(4) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:

(a) the recent closing of a take-over bid, plan of arrangement or similar transaction that resulted in the issuer being eligible to make an application,

(b) the upcoming deadline for the filing of a continuous disclosure document that would result in the issuer being in default of securities legislation if the order that the issuer has ceased to be a reporting issuer is not granted before that deadline,

(c) an upcoming date on which the issuer must have ceased to be a reporting issuer for legal, tax or business reasons, or

(d) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

(5) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or an order by that date, the filer should explain why staff's view or the order to cease to be a reporting issuer is required by the specific date and identify these time constraints in its application.

(6) In a dual application, the OSC will advise the principal regulator, before the expiration of the review period, of any substantive issues that would cause OSC staff to recommend that the order not be granted. The principal regulator may assume that the OSC does not have comments on the application if the principal regulator does not receive them within the review period.

PART 8
DECISION-MAKING PROCESS

Passport application

33. **(1)** After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a passport application.

(2) If the principal regulator is not prepared to grant the order based on the information before it, the principal regulator will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

Dual application

34. **(1)** After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a dual application and immediately circulate its decision to the OSC.

(2) In a dual application, the OSC will have 5 business days from receipt of the principal regulator's order to confirm whether:

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(3) If the OSC is silent, the principal regulator will consider that the OSC will not be making the same decision as the principal regulator.

(4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the OSC to abridge the opt-in period. In some circumstances, abridging the opt-in period may not be feasible. For example, only a panel of the OSC that convenes according to a schedule can make some types of decisions.

(5) The principal regulator will not send the filer an order for a dual application until receipt from the OSC of the confirmation referred to in paragraph (2)(a). If the OSC does not provide the confirmation, the principal regulator will advise the filer that it will not be receiving an order from the principal regulator or the OSC.

(6) If the principal regulator is not prepared to grant the order based on the information before it, it will notify the filer and the OSC.

(7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the OSC.

PART 9
ORDER

Effect of order made under passport application

35. **(1)** Under a passport application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application.

(2) The order is effective in each notified passport jurisdiction on the date of the principal regulator's order (even if the regulator in the notified passport jurisdiction is closed on that date).

Effect of order made under dual application

36. Under a dual application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an

issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application. The order of the principal regulator under a dual application also evidences the OSC's decision, if the OSC provided the confirmation referred to in paragraph 34(2)(a) of this policy.

Listing non-principal jurisdictions

37. **(1)** For convenience, the order of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon. A filer must give the notice for each jurisdiction of Canada in which the issuer is a reporting issuer.

(2) The order of the principal regulator on a dual application will contain wording that makes it clear that the order evidences and sets out the decision of the OSC.

Form of order

38. An order under this policy will be in the form set out in one of the following:

(a) Annex A, Form of order for a passport application under the simplified procedure,

(b) Annex B, Form of order for a dual application under the simplified procedure,

(c) Annex C, Form of order for a passport application under the modified procedure,

(d) Annex D, Form of order for a dual application under the modified procedure,

(e) Annex E, Form of order for a passport application for other applications, or

(f) Annex F, Form of order for a dual application for other applications.

Issuance of order

39. For a dual application, the principal regulator will send the order to the filer and to the OSC.

PART 10
TRANSITION AND EFFECTIVE DATE

Transition

40. (1) The coordinated review process set out in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before ●.

(2) The coordinated review process set out under the heading "The Simplified Procedure" in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before ●.

Effective date

41. This policy comes into effect on ●.

Annex A

Form of order for a passport application under the simplified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (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 [*name of the principal regulator*] 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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions,* (when Québec is PR)] 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.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Annex B

Form of order for a dual application under the simplified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (the Filer)]

Order

Background

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

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

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when Québec is PR)] 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

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

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

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Annex C

Form of order for a passport application under the modified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (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 [*name of the principal regulator*] 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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* , (when Québec is PR)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

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

1. [*Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

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.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Annex D

Form of order for a dual application under the modified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (the Filer)

Order

Background

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

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

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions*, (when Québec is PR)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

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

1. [*Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

Order

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

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

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Annex E

Form of order for a passport application for other applications

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (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 [*name of the principal regulator*] 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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when Québec is PR)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

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

1. [*Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

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.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Annex F

Form of order for a dual application for other applications

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (the Filer)

Order

Background

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

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

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(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 [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions*, (when Québec is PR)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

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

1. [*Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application*.]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default*.]

Order

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

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

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)

(*justify signature block*)

Schedule 1

Example of an Application Letter under the Simplified Procedure for a Passport Application

[Enter date]

[Name of the principal regulator]

Dear Sirs/Mesdames:

Re: [Enter name of issuer] (the Filer) – passport application for an order under the securities legislation of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria of section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).]

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

- the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
- 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;
- 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;
- 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
- the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]

[Enter name of Filer]

[Signature of the person who has signing authority]

[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]

Schedule 2

Example of an Application Letter under the Simplified Procedure for a Dual Application

[Enter date]

[List name of the principal regulator and the Ontario Securities Commission]

Dear Sirs/Mesdames:

Re: [Enter name of issuer] (the Filer) – dual application for an order under the securities legislation of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator and the Ontario Securities Commission for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria of section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).]

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

- the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
- 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;
- 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;
- 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
- the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]

[Enter name of Filer]

[Signature of the person who has signing authority]

[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]

ANNEX D

PROPOSED NATIONAL POLICY 11-207
FAILURE-TO-FILE CEASE TRADE ORDERS AND REVOCATIONS UNDER PASSPORT

PART 1
INTRODUCTION

Scope of this policy

1. Reporting issuers are subject to continuous disclosure requirements under securities legislation so that there is information in the marketplace to enable investors and prospective investors to make an informed investment decision. The integrity and fairness, or confidence in the integrity and fairness, of the capital markets may be compromised if trading in securities of a reporting issuer is permitted to continue when the reporting issuer is not in compliance with the continuous disclosure requirements.

This policy provides guidance to issuers, investors and other market participants regarding how the Canadian Securities Administrators (CSA or we) will generally respond to certain types of continuous disclosure defaults by a reporting issuer, referred to as specified defaults in this policy. The term "specified default" is defined in part 2 of this policy and is based on the harmonized list of deficiencies developed by the CSA and described in CSA Notice 51-322 *Reporting Issuer Defaults.*[1]

This policy also explains why we issue a failure-to-file cease trade order in response to a specified default and, beginning in part 4, describes our process for issuing and revoking a failure-to-file cease trade order in multiple jurisdictions under the passport system (passport). This policy applies to a reporting issuer and, where the context permits, to a securityholder or other party.

Cease trade orders outside of the scope of this policy

2. Cease trade orders that are not issued under the passport system are outside of the scope of this policy. The following cease trade orders for continuous disclosure defaults are not currently part of passport:

(a) a cease trade order issued in respect of a failure-to-file that is not a specified default;

(b) a cease trade order issued where a reporting issuer has made a required filing but the required filing is deficient in terms of content (a content deficiency)[2];

(c) a management cease trade order as defined in National Policy 12-203 *Management Cease Trade Orders*;

(d) a cease trade order issued in respect of an OTC reporting issuer as defined in Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-The-Counter Markets* (Multilateral Instrument 51-105 is not applicable in Ontario);

(e) a cease trade order issued in respect of an issuer that is only a reporting issuer in one jurisdiction[3];

(f) a cease trade order issued prior to the effective date of this policy**.**

Cease trade orders that are not issued under passport will generally be issued by the CSA regulators following principles of mutual reliance. Typically the CSA regulator that will first issue a cease trade order in one of these circumstances will be the CSA regulator that is the issuer's principal regulator applying the principles set out in part 3 of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. This is usually the CSA regulator in the jurisdiction where the reporting issuer's head office is located. Once that CSA regulator issues a cease trade order, each of the other CSA regulators will then decide whether to issue a similar order in its jurisdiction.

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1 The definition of "specified default" does not include certain failure-to-file deficiencies described in section 1 of CSA Notice 51-322 *Reporting Issuer Defaults*, such as a failure-to-file a material change report or a failure-to-file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities.* We have omitted these items from the definition because these filings will generally be non-periodic in nature and in some cases it may be unclear whether a filing requirement has been triggered.

2 Examples of content deficiencies are set out in section 2 of CSA Notice 51-322 *Reporting Issuer Defaults.*

3 A local CSA regulator will generally apply the same principles and considerations as set out in this policy when issuing a local cease trade order.

The application process for a revocation of a cease trade order that was not issued under the passport system is described in National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders*.

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

3. In this policy:

"cease trade order" means an order under a provision of Canadian securities legislation, set out in Annex A, that one or more persons or companies must not trade in securities of a reporting issuer, whether directly or indirectly;

"CSA regulator" means a securities regulatory authority or regulator, as applicable;

"dual application" means an application described in section 26;

"dual failure-to-file cease trade order" means an order described in section 16;

"failure-to-file cease trade order" has the same meaning as in Multilateral Instrument 11-102 *Passport System*;

"filer" means the person or company filing an application to revoke or partially revoke a failure-to-file cease trade order;

"management cease trade order" has the same meaning as in National Policy 12-203 *Management Cease Trade Orders*;

"MD&A" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations;*

"MRFP" means a management report of fund performance as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure;*

"OSC" means the regulator in Ontario;

"partial revocation order" means an order that permits one or more persons or companies to conduct specific trades when a failure-to-file cease trade order is in effect, and includes a variation of the failure-to-file cease trade order;

"passport application" means an application described in section 25;

"passport failure-to-file cease trade order" means an order described in section 15;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport regulator" means a regulator or securities regulatory authority that has adopted Multilateral Instrument 11-102 *Passport System*;

"principal regulator" means the regulator described in section 13;

"revocation order" means either a partial revocation order or an order fully revoking a failure-to-file cease trade order;

"SEDAR" means System for Electronic Document Analysis and Retrieval;

"SEDI" means System for Electronic Disclosure by Insiders;

"specified default" means a failure by a reporting issuer to comply with a specified requirement;

"specified requirement" means the requirement to file within the time period prescribed by securities legislation one or more of the following:

(a) annual financial statements;

(b) an interim financial report;

(c) annual or interim MD&A or annual or interim MRFP;

(d) an annual information form;

(e) a certification of filings under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings.*

Further definitions

4. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System* or National Instrument 14-101 *Definitions* have the same meaning as in those instruments.

Interpretation

5. **(1)** In certain jurisdictions, the regulator may issue a failure-to-file cease trade order that prohibits trading in, and the acquisition or purchase of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, acquisition of, or purchase of securities of the reporting issuer, as applicable.

(2) In Québec, "trade" is not defined in the *Securities Act* (Québec). Part 4D of Multilateral Instrument 11-102 *Passport System* covers all securities transactions that may be the object of an order provided for in paragraph 3 of section 265 of the *Securities Act* (Québec).

PART 3
OVERVIEW AND IMPLICATIONS OF CEASE TRADE ORDERS ISSUED FOR CONTINUOUS DISCLOSURE DEFAULTS

DIVISION 1 OVERVIEW

Possible regulatory responses to a specified default

6. In the jurisdictions where the issuer is a reporting issuer, the CSA regulators will generally respond to a specified default by noting the issuer in default on their default lists. For more information about the CSA default lists, refer to CSA Notice 51-322 *Reporting Issuer Defaults*.

The CSA regulators will then respond to a specified default in one of two ways:

(a) by issuing a failure-to-file cease trade order;

(b) if an issuer applies under National Policy 12-203 *Management Cease Trade Orders*, and demonstrates that it is able to comply with that policy, by issuing a management cease trade order.

If the outstanding filing is expected to be filed relatively quickly, the default is not expected to be recurring and the issuer meets the eligibility criteria, a management cease trade order may be an appropriate response to the default.

While we recognize that issuers may sometimes face difficulties in complying with filing deadlines due to circumstances beyond their control, we do not believe it is appropriate to vary a filing deadline simply to allow an issuer to avoid being in default. The CSA regulators will consider the issuer's circumstances in deciding what action, if any, is appropriate to respond to a default. Once an issuer is in default, a failure-to-file cease trade order may be issued by the CSA regulator at any time.

Reasons for issuing a failure-to-file cease trade order in response to a specified default

7. If a reporting issuer fails to comply with a specified requirement, the CSA regulators generally respond by issuing a failure-to-file cease trade order. Some of the reasons for issuing a failure-to-file cease trade order are listed below.

(a) Investors and prospective investors should be able to make an informed investment decision about the securities of the defaulting reporting issuer. This ability may be compromised if certain disclosures have not been made when required.

(b) The integrity and fairness, or confidence in the integrity and fairness, of the capital markets may be compromised if trading in securities of the reporting issuer is permitted to continue during the period of default (when there is heightened potential that some people may have access to information that would normally be reflected in the continuous disclosure document that the reporting issuer is in default of filing).

(c) The practice of responding to a specified default with a failure-to-file cease trade order has a significant positive effect on general compliance. The prospect of a cease trade order creates a strong incentive for the reporting issuer's management to avoid a specified default. Similarly, the issuance of a cease trade order once the issuer is in default creates a strong incentive on the part of management to diligently rectify the specified default.

(d) A failure-to-file cease trade order represents a rapid, public response by the CSA regulators to a specified default by a reporting issuer. This sends a message to issuers and investors that filing deadlines are important and that there will be serious consequences for a specified default, helping to preserve integrity and fairness in the securities marketplace.

We acknowledge that a failure-to-file cease trade order can impose a burden on issuers and investors because existing investors may be unable to sell their securities and prospective investors are unable to purchase securities of the issuer while the cease trade order remains in effect. In addition, issuers are generally unable to access financing while the cease trade order remains in effect. Nevertheless, if a reporting issuer is in default of a specified requirement, the issuance of a failure-to-file cease trade order addresses our overriding concern of investor protection.

Enforcement action

8. If a reporting issuer is in default of a continuous disclosure requirement, CSA regulators may also consider taking enforcement action against the reporting issuer, the directors and officers of the reporting issuer, or any other responsible party. Nothing in this policy should be interpreted as limiting the discretion of the CSA regulators in responding to such a default through enforcement action.

Insider trading

9. The guidelines below should be considered if a reporting issuer is or reasonably anticipates being in default of a specified requirement or another continuous disclosure requirement, and a cease trade order has not yet been issued in respect of the issuer.

(a) We expect an issuer to monitor and restrict trading by a director, officer and other insider of the issuer due to the increased risk that these individuals may have access to material undisclosed information. This may include information that would otherwise have been reflected in the continuous disclosure filing in respect of which the issuer is or reasonably anticipates being in default, information about any investigation into the events that may have led to the default or anticipated default, and information about the status of remediation activities.

(b) Management and other insiders of the issuer should consider the insider trading prohibitions under securities legislation before entering into any transaction involving securities of the issuer that is or reasonably anticipates being in default.

Refer to National Policy 51-201 *Disclosure Standards* for guidance regarding disclosure, the maintenance of confidential information, and the application of insider trading laws.

(c) We also remind issuers and other market participants that an officer or other insider of a reporting issuer in default will generally be unable to sell securities acquired from the issuer on a prospectus exempt basis because of the resale restrictions in subsections 2.5(2)7 and 2.6(3)5 of National Instrument 45-102 *Resale of Securities* which require that a selling security holder have no reasonable grounds to believe that the issuer is in default of securities legislation.

DIVISION 2 OTHER IMPLICATIONS OF A CEASE TRADE ORDER

Effect of a cease trade order in a jurisdiction where an issuer is not a reporting issuer

10. Although a trade in a jurisdiction where an issuer is not a reporting issuer may not violate a cease trade order in another jurisdiction, the trading activity may still be contrary to the public interest and therefore subject to enforcement or other administrative proceedings. Market participants in a jurisdiction in which an issuer is not a reporting issuer should be cautious about trading in a security if a CSA regulator in another jurisdiction has issued a cease trade order. Continuous disclosure obligations reflect the minimum requirements we think are necessary to generate sufficient public disclosure to permit investors to make informed investment decisions. The issuance of a cease trade order by a CSA regulator will generally mean that an issuer has not met the required standard and that there is significant risk of harm to investors if trading is allowed to continue. Accordingly, market participants should carefully consider the existence of the continuous disclosure default, and the determination of the principal regulator, before effecting a trade in a jurisdiction where the issuer is not reporting.

Effect of a cease trade order in a foreign jurisdiction

11. If a market participant intends to execute a trade in securities of a cease-traded issuer on an exchange or marketplace outside of Canada, the market participant should consider whether the trade may be considered to be a trade in one or more jurisdictions in Canada where either the cease trade order is in effect or trading is prohibited or restricted by operation of the passport system. For example, a transaction may be a trade in a jurisdiction if "acts in furtherance of the trade" occur within that jurisdiction. A transaction may also be a trade in a jurisdiction if there are connecting factors or other facts and circumstances that indicate that the securities may not "come to rest" outside Canada but may be resold to investors in a jurisdiction where a cease trade order is in effect or trading is prohibited under Multilateral Instrument 11-102 *Passport System*.

Effect of a cease trade order on market participants subject to Investment Industry Regulatory Organization of Canada regulation

12. Presently, all marketplaces (including exchanges, alternative trading systems and quotation and trade reporting systems) in Canada have retained Investment Industry Regulatory Organization of Canada (IIROC) as their regulation services provider. Under the Universal Market Integrity Rules (UMIR), which have been adopted by IIROC, if a CSA regulator issues a cease trade order with respect to an issuer whose securities are traded on a marketplace, IIROC imposes a regulatory halt on trading of those securities on all marketplaces for which IIROC acts as the regulation services provider. Once the halt is imposed by IIROC, no person subject to the UMIR may trade those securities on any marketplace in Canada, over-the-counter or on a foreign organized regulated market.

PART 4
ISSUANCE OF A FAILURE-TO-FILE CEASE TRADE ORDER UNDER PASSPORT

DIVISION 1 OVERVIEW

Principal regulator

13. Under section 4D.1 of Multilateral Instrument 11-102 *Passport System*, if a CSA regulator in another jurisdiction of Canada issues a failure-to-file cease trade order in respect of a reporting issuer's securities, a person or company must not trade in a security of the issuer in any passport jurisdiction where the issuer is a reporting issuer, except in accordance with any conditions of the order, including any variation or partial revocation of it. In most cases, the CSA regulator that will issue a failure-to-file cease trade order will be the reporting issuer's principal regulator, that is, the one selected by the issuer at the time that it becomes a reporting issuer and that it identified on its SEDAR profile. For the purposes of this policy, we will refer to the CSA regulator that issues the failure-to-file cease trade order as the principal regulator.

Types of failure-to-file cease trade orders

14. The possible types of failure-to-file cease trade orders are

(a) a passport failure-to-file cease trade order, and

(b) a dual failure-to-file cease trade order.

Passport failure-to-file cease trade order

15. The possible types of passport failure-to-file cease trade orders are

(a) where the issuer is not a reporting issuer in Ontario, a failure-to-file cease trade order issued in respect of this issuer by a passport regulator, and

(b) where the issuer is a reporting issuer in Ontario and the OSC is the issuer's principal regulator, a failure-to-file cease trade order issued in respect of this issuer by the OSC.

Dual failure-to-file cease trade order

16. A dual failure-to-file cease trade order is a failure-to-file cease trade order issued in respect of an issuer by its principal regulator where the principal regulator is a passport regulator, the issuer is a reporting issuer in Ontario and the OSC, as a non-principal regulator, confirms that it is opting into the failure-to-file cease trade order.

DIVISION 2 DECISION-MAKING PROCESS

Passport failure-to-file cease trade orders

17. After considering the recommendation of its staff, the principal regulator will determine whether or not to issue the passport failure-to-file cease trade order.

Dual failure-to-file cease trade orders

18. **(1)** After considering the recommendation of its staff, the principal regulator will determine whether or not to issue the failure-to-file cease trade order and circulate its order to the OSC before 12:00 pm (noon) local time in the jurisdiction of the principal regulator.

(2) The OSC, on the same business day that it receives the principal regulator's order, will confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will opt-out and not make the same decision as the principal regulator.

(3) If the OSC elects to opt-out, it will notify the principal regulator and give its reasons for opting out.

(4) If the OSC does not provide a response before the expiry of the opt-in period referred to in subsection (2), the principal regulator will consider that the OSC has opted out.

(5) The principal regulator generally will not issue the failure-to-file cease trade order before the earlier of

(a) the expiry of the opt-in period referred to in subsection (2), and

(b) receipt from the OSC of the confirmation referred to in subsection (2).

(6) If the OSC does not opt into or is considered to have opted out of the principal regulator's order as set out in subsections (3) and (4), the principal regulator will issue a passport failure-to-file cease trade order.

DIVISION 3 EFFECT OF A FAILURE-TO-FILE CEASE TRADE ORDER

Effect of a passport failure-to-file cease trade order

19. Once the principal regulator issues a passport failure-to-file cease trade order, the effect under section 4D.1 of Multilateral Instrument 11-102 *Passport System*, in each passport jurisdiction where the issuer is a reporting issuer, is that a person or company must not trade in a security of the issuer, except in accordance with the conditions, if any, contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation.

Effect of a dual failure-to-file cease trade order

20. Once the principal regulator issues a dual failure-to-file cease trade order, the effect under section 4D.1 of Multilateral Instrument 11-102 *Passport System*, in each passport jurisdiction where the issuer is a reporting issuer, is that a person or company must not trade in a security of the issuer, except in accordance with the conditions, if any, contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation. The order of the principal regulator also evidences the OSC's decision. As a result, trading in the securities that are subject to the failure-to-file cease trade order is also prohibited in Ontario.

Transmission of failure-to-file cease trade orders

21. **(1)** The principal regulator will send the failure-to-file cease trade order to the reporting issuer.

(2) The principal regulator will send the OSC a copy of the dual failure-to-file cease trade order.

PART 5
REVOCATION OF A FAILURE-TO-FILE CEASE TRADE ORDER UNDER PASSPORT

DIVISION 1 INITIATING THE REVOCATION PROCESS

Full revocation

22. The way an issuer initiates the process to obtain a full revocation of a failure-to-file cease trade order depends on how long the failure-to-file cease trade order has been in effect.

(a) In the case of a failure-to-file cease trade order that has been in effect for 90 days or less, the filing of the required continuous disclosure documents initiates the review process by the principal regulator for a revocation of the failure-to-file cease trade order. We will not require an issuer to make an application in this circumstance.[4]

(b) In the case of a failure-to-file cease trade order that has been in effect for more than 90 days, the issuer should make an application as set out in section 37.

Partial revocation

23. An issuer seeking a partial revocation order should meet the revocation qualification criteria under Division 3 and make an application as set out in section 38.

Types of applications

24. The types of applications to obtain a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days or a partial revocation order are

(a) a passport application, and

(b) a dual application.

Passport application

25. A passport application means,

(a) if the issuer is not a reporting issuer in Ontario, an application made by this issuer to its principal regulator, or

(b) if the issuer is a reporting issuer in Ontario and the OSC is the issuer's principal regulator, an application made by this issuer to the OSC.

Dual application

26. An issuer whose principal regulator is a passport regulator and that is also a reporting issuer in Ontario will make an application to both its principal regulator and to the OSC.

Principal regulator

27. The principal regulator for a revocation order is the CSA regulator that issued the failure-to-file cease trade order.

DIVISION 2 FULL REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

Filing outstanding continuous disclosure for a full revocation

28. **(1)** We will generally not exercise our discretion to revoke a failure-to-file cease trade order that has been in effect for 90 days or less, unless the issuer has filed all of the outstanding continuous disclosure documents specified in the failure-to-file cease trade order, and any annual or interim financial statements, MD&A or MRFP, and certification of filings, that subsequently became due.

(2) We will generally not exercise our discretion to revoke a failure-to-file cease trade order that has been in effect

[4] In the jurisdictions where an application is required by law to obtain a revocation order, the filing of the outstanding documents referred to in the failure-to-file cease trade order will be deemed to be the application.

for more than 90 days, subject to sections 29 and 30, unless the issuer has filed all of its outstanding continuous disclosure.

Exceptions to interim filing requirements

29. In exercising their discretion to revoke a failure-to-file cease trade order that has been in effect for more than 90 days, the principal regulator, under a passport application, or the principal regulator and the OSC under a dual application, may elect not to require the issuer to file certain outstanding interim financial reports, interim MD&A, interim MRFP, or interim certificates under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, subject to section 30, if the issuer has filed all of the following:

(a) audited annual financial statements, annual MD&A, annual MRFP, and annual certificates, required to be filed under applicable securities legislation;

(b) annual information forms, information circulars and material change reports required to be filed under applicable securities legislation;

(c) for all interim periods in the current fiscal year, interim financial reports (which include the applicable comparatives from the prior fiscal year), interim MD&A, interim MRFP, and interim certificates, required to be filed under applicable securities legislation.

Exceptions to annual filing requirements

30. In certain cases, an issuer seeking to revoke a failure-to-file cease trade order that has been in effect for more than 90 days may consider that the length of time that has elapsed since the date of the failure-to-file cease trade order makes the preparation and filing of all outstanding disclosure impractical, or of limited use to investors. This may apply to disclosure for periods that ended more than 3 years before the date of the application, or periods prior to a significant change in the issuer's business. An issuer seeking a full revocation order in these circumstances should make detailed submissions explaining its position. In appropriate cases, the principal regulator, under a passport application, or the principal regulator and the OSC, under a dual application, will consider whether the filing of certain outstanding disclosure may be unnecessary as a condition of a full revocation order. The factors that may be considered include one or more of the following:

(a) the age of information to be contained in the continuous disclosure filing: information from older periods may be less relevant than information from more recent periods;

(b) whether there is access to records of the issuer: lack of access to records may hinder compliance with some filing requirements;

(c) whether the issuer conducted activity during the period: if an issuer was inactive or changed its business at any time while it was cease-traded, disclosure of information from or prior to this time may be less relevant;

(d) the length of time the failure-to-file cease trade order has been in effect;

(e) whether the historical disclosure relates to significant transactions or litigation.

We generally consider that disclosure for periods within the most recent 3 financial years of the issuer provides useful information for investors. We generally do not consider the time and cost required to prepare disclosure to be a compelling factor in the determination of the disclosure to be provided in connection with an application to revoke a failure-to-file cease trade order.

Outstanding fees

31. Before a full revocation order is issued, the issuer should pay all outstanding fees to each jurisdiction in which it is a reporting issuer. Outstanding fees generally include, where applicable, all activity and participation fees, and late filing fees.

Depending on how long the failure-to-file cease trade order has been in effect, and whether the issuer filed its continuous disclosure documents in a timely manner while it was cease-traded, the amount of outstanding fees can be considerable. Before submitting an application, an issuer should contact each of the CSA regulators to confirm the fees that will be payable.

Annual meeting

32. An issuer should ensure that it has complied with the requirement in applicable corporate or similar governing legislation or any equivalent requirement in its constating documents to hold an annual meeting of securityholders. If the issuer has not complied with the annual meeting requirement, the CSA regulator will generally not exercise its discretion to issue a full revocation order unless the issuer provides an undertaking to hold an annual meeting within 3 months after the date on which the failure-to-file cease trade order is revoked.

An undertaking does not relieve the issuer from any obligation it may have regarding an annual meeting requirement.

News release

33. If the issuance of an order revoking a failure-to-file cease trade order or the circumstances giving rise to the issuer seeking the revocation order is a "material change", the issuer is required by Canadian securities legislation to issue and file a news release and material change report. For example, if the issuer has ceased to carry on an active business, or its business purpose has been abandoned, the circumstances giving rise to the issuer seeking the revocation order may be a "material change". If so, the news release and material change report should disclose that the issuer has ceased to carry on an active business or that its business purpose has been abandoned, and should disclose the issuer's future business plans or that the issuer has no future business plans.

Even if there is no material change, the issuer should consider issuing a news release that announces the revocation order.

DIVISION 3 PARTIAL REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

Permitted transactions

34. We will consider granting a partial revocation order to permit certain transactions involving trades in securities of the issuer, such as a private placement to raise sufficient funds to prepare and file outstanding continuous disclosure documents or a shares-for-debt transaction to allow the issuer to recapitalize. We will generally not exercise our discretion to grant a partial revocation order unless the issuer intends to subsequently apply for a full revocation order and reasonably anticipates having sufficient resources after the proposed transaction to bring its continuous disclosure and fees up to date.

Other circumstances may arise that warrant a partial revocation order. For example, we will generally consider granting a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss, or if the issuer is winding up or in the context of insolvency.

Issuers may wish to consult their legal counsel to determine whether a particular transaction constitutes a trade and therefore requires an application for a partial revocation order. For example, in most jurisdictions of Canada, a disposition of securities by way of a bona fide gift, made in good faith and not as part of a plan or scheme to evade requirements of securities legislation, would generally not be considered a "trade" under securities legislation. As such, a partial revocation order would not typically be required in these circumstances. However, after the gift, the securities will generally remain subject to the cease trade order.

Acts in furtherance of a trade

35. The definition of trade, where applicable, includes acts in furtherance of a trade. In any particular case, it is a question of legal interpretation whether a step taken by an issuer or other party is an act in furtherance of a trade, and therefore a breach of the failure-to-file cease trade order. If securities have been issued in breach of a cease trade order, we will consider whether enforcement action is appropriate. Issuers should consult their legal counsel whenever there is doubt as to whether a proposed action would be an act in furtherance of a trade. We generally expect an issuer to obtain a partial revocation order before carrying out an act in furtherance of a trade. For example, we expect an issuer or other party intending to conduct a trade to obtain a partial revocation order before entering into an agreement to transfer securities and before publicly disclosing an intended transaction in securities.

Continuing effect of failure-to-file cease trade order

36. Following the completion of a trade permitted by a partial revocation order, all securities of the issuer remain subject to the failure-to-file cease trade order until a full revocation is granted.

DIVISION 4 FILING MATERIALS FOR A REVOCATION APPLICATION

Materials to be filed with an application for a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days

37. **(1)** To make a passport application to fully revoke a passport failure-to-file cease trade order that has been in effect for more than 90 days, a filer should remit the fees payable, where applicable, under the securities legislation of the principal regulator, as set out in Annex B. The application should include all of the following information:

(a) details of any revocation applications currently in progress in other jurisdictions;

(b) a copy of any draft material change report or news release as discussed in section 33;

(c) confirmation that all continuous disclosure documents have been filed with the relevant regulator or a description of the documents that will be filed;

(d) confirmation that the issuer has the necessary financial resources to pay all outstanding fees, referred to in section 31, or has paid these fees to each relevant jurisdiction;

(e) confirmation that the issuer's SEDAR and SEDI profiles are up-to-date;

(f) a draft full revocation order as contemplated in section 40;

(g) a completed personal information form and authorization in the form set out in Appendix A of National Instrument 41-101 *General Prospectus Requirements* for each current and incoming director, executive officer and promoter of the issuer;

(h) if the issuer has been subject to another cease trade order within the 12-month period before the date of the current failure-to-file cease trade order, a detailed explanation of the reasons for the multiple defaults.

(2) To make a dual application to fully revoke a dual failure-to-file cease trade order that has been in effect for more than 90 days, a filer should remit the application fees payable, where applicable, under the securities legislation of the principal regulator and the OSC. The application should include the same information as set out in subsection (1).

(3) With respect to paragraph (1)(g), if the promoter is not an individual, the issuer should provide a completed personal information form and authorization for each director and executive officer of the promoter. If the issuer is an investment fund, the issuer should also provide a completed personal information form and authorization for each director and executive officer of the manager of the investment fund.

Materials to be filed with an application for a partial revocation

38. **(1)** To make a passport application for a partial revocation order, a filer should submit the application and remit the application fees payable, where applicable, under the securities legislation of the principal regulator, as set out in Annex B. The application should include all of the following information:

(a) the jurisdictions where the proposed trades would occur;

(b) details of any revocation applications currently in progress in other jurisdictions;

(c) a description of the proposed trades and their purpose;

(d) a draft partial revocation order as contemplated in section 40 that includes conditions that the applicant will

(i) obtain, and provide upon request to the principal regulator, signed and dated acknowledgements from all participants in the proposed trades, which clearly state that the securities of the issuer acquired by the participant will remain subject to the failure-to-file cease trade order until a full revocation order is granted, the issuance of which is not certain, and

(ii) provide a copy of the failure-to-file cease trade order and the partial revocation order to all participants in the proposed trades;

(e) if the purpose of the proposed partial revocation is to permit the issuer to raise funds, use of proceeds information as discussed in subsection (4);

(f) if applicable, details of the exemptions the issuer intends to rely on to complete the proposed trades;

(g) if the proposed trades are the result of a decision by a court, a copy of the relevant court order.

(2) To make a dual application for a partial revocation order, a filer should submit the application and remit the application fees payable, where applicable, under the securities legislation of the principal regulator and the OSC. The application should include the same information as set out in subsection (1).

(3) A filer requesting a partial revocation order only in one jurisdiction should contact the CSA regulator of that jurisdiction so that appropriate steps can be taken regarding the filer's request.

(4) If the purpose of a proposed partial revocation of a failure-to-file cease trade order is to permit the issuer to raise funds, the application and the offering document, if any, should contain all of the following:

(a) an estimate, reasonably supported, of the amount the issuer expects to raise from the financing;

(b) a reasonably detailed explanation of the purpose of the financing and how the issuer plans to use the funds;

(c) an estimate, reasonably supported, of the total amount the issuer will need in order to apply for a full revocation order, which includes the amount of funds required to prepare and file the documents that are necessary to bring the issuer's continuous disclosure up to date and pay outstanding fees.

Request for confidentiality

39. (1) A filer requesting that the CSA regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(3) Staff of the CSA regulators are unlikely to recommend that an order be held in confidence after its effective date. However, if a filer requests that the CSA regulators hold the application, supporting materials, or order in confidence after its effective date, the filer should describe the request for confidentiality separately in its application, and pay any required fee

(a) in the principal jurisdiction, if the filer is making a passport application, or

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by telephone.

Form of order

40. For the purposes of preparing a draft order to be included in an application for a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days or a partial revocation order, an issuer can refer to one of the following forms set out in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*:

(a) if the application is a passport application, under Annex A — *Form of decision for a passport application*;

(b) if the application is a dual application, under Annex B — *Form of decision for a dual application.*

Filing

41. (1) Except as set out in subsections (3) and (4), a filer should send the application materials in paper format, including the draft order together with the fees, where applicable, and by e-mail to

(a) the principal regulator, in the case of a passport application, or

(b) the principal regulator and the OSC, in the case of a dual application.

(2) For a dual application, filing the application concurrently with the principal regulator and the OSC will enable these CSA regulators to process the application expeditiously.

(3) In British Columbia, an electronic filing system is available for filing and tracking applications. Filers should file an application in British Columbia using that system instead of e-mail.

(4) In Ontario, an electronic system is available for filing applications. Filers should file an application in Ontario using that system instead of e-mail.

(5) Filers should send application materials by e-mail (or through the electronic systems in British Columbia and Ontario) using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on *BCSC e-services* and follow the steps)
Alberta	legalapplications@asc.ca
Saskatchewan	exemptions@gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	www.osc.gov.on.ca/filings (follow the steps for submitting applications)
Québec	Dispenses-Passeport@lautorite.qc.ca
New Brunswick	Passport-passeport@fcnb.ca
Nova Scotia	nsscexemptions@novascotia.ca

Incomplete or deficient material

42. If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

Acknowledgment of receipt of filing

43. After the principal regulator receives a complete application, the principal regulator for a passport application will send the filer an acknowledgment of receipt of the application. For a dual application, the principal regulator will send a copy of the acknowledgement to the OSC. The acknowledgement will identify the name, phone number and e-mail address of the individual reviewing the application and, for a dual application, the end date of the review period identified in subsections 47(3), (4) or (5), as applicable.

Withdrawal or abandonment of application

44. (1) If a filer decides to withdraw an application at any time during the process, the filer must notify the principal regulator or, for a dual application, the principal regulator and the OSC, and provide an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file unless the filer provides acceptable reasons not to close the file in writing within 10 business days of the notification from the principal regulator. If the filer does not provide acceptable reasons, the principal regulator will notify the filer and, for a dual application, the filer and the OSC, that the principal regulator has closed the file.

DIVISION 5 REVIEW PROCESS FOR A REVOCATION ORDER

Review of continuous disclosure

45. (1) All full revocations will involve some level of review of the filings the issuer made in order to rectify the specified default. If the failure-to-file cease trade order has been in effect for more than 90 days, this review will be similar to the full review under the harmonized continuous disclosure review program described in CSA Staff Notice 51-312 *Harmonized Continuous Disclosure Review Program.*

(2) Partial revocations generally do not involve a review of the issuer's continuous disclosure record.

Review process for a revocation of a passport failure-to-file cease trade order

46. (1) The principal regulator will conduct a review in relation to the revocation of a passport failure-to-file cease trade order in accordance with its securities legislation and securities directions and based on its review procedures, analysis and consideration of previous orders.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

Review process for a revocation of a dual failure-to-file cease trade order

47. (1) The principal regulator will conduct a review in relation to the revocation of a dual failure-to-file cease trade order in accordance with its securities legislation and securities directions, based on its review procedures, analysis and consideration of previous orders. The principal regulator will consider any comments from the OSC.

(2) The filer will generally deal only with the principal regulator. The principal regulator will provide comments to the filer once it has completed its own review and considered any comments from the OSC. In exceptional circumstances, the principal regulator may refer the filer to the OSC.

(3) For a dual failure-to-file cease trade order that has been in effect for 90 days or less, the OSC will have one business day from being notified by the principal regulator that the issuer has filed the continuous disclosure documents specified in the failure-to-file cease trade order to conduct a review in relation to the revocation of the order.

(4) For a dual failure-to-file cease trade order that has been in effect for more than 90 days, the OSC will have 7 business days from receiving the acknowledgement referred to in section 43 to conduct a review in relation to the revocation of the order.

(5) For a partial revocation of a dual failure-to-file cease trade order, the OSC will have 7 business days from receiving the acknowledgement referred to in section 43 to conduct a review.

(6) For the revocation of a dual failure-to-file cease trade order, the OSC will advise the principal regulator, before the expiration of the review period, of any substantive issues that would cause OSC staff to recommend that the revocation order not be granted. The principal regulator may assume that the OSC does not have comments in respect of the revocation if the principal regulator does not receive the comments from the OSC within the review period.

DIVISION 6 DECISION-MAKING PROCESS

Revocation of a passport failure-to-file cease trade order

48. (1) After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the revocation of a passport failure-to-file cease trade order.

(2) If the principal regulator is not prepared to grant the revocation order based on the information before it, the principal regulator will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the jurisdiction of the principal regulator, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

Revocation of a dual failure-to-file cease trade order

49. (1) After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the revocation of a dual failure-to-file cease trade order and promptly circulate its decision to the OSC.

(2) For a full revocation of a dual failure-to-file cease trade order that has been in effect for 90 days or less, the OSC will have one business day from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(3) For a full revocation of a dual failure-to-file cease trade order that has been in effect for more than 90 days, the OSC will have 5 business days from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(4) For a partial revocation of a dual failure-to-file cease trade order, the OSC will have 5 business days from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(5) If the OSC elects to opt out as referred to in subsection (2), (3), or (4) as applicable, it will notify the principal regulator and give its reasons for opting out.

(6) If the OSC does not provide a response in the time frames contemplated under subsection (2), (3), or (4), as applicable, the principal regulator will consider that the OSC has opted out.

(7) The principal regulator will not send the filer an order for the revocation of a dual failure-to-file cease trade order before the earlier of

(a) the expiry of the opt-in period referred to in subsection (2), (3) or (4), as applicable, and

(b) receipt from the OSC of the confirmation referred to in subsection (2), (3) or (4), as applicable.

(8) If the OSC does not provide the confirmation referred to in subsection (2), (3) or (4), the principal regulator will advise the filer that it will not be receiving an order from the OSC and direct the filer to consult the OSC on this matter.

(9) If the principal regulator is not prepared to grant the order based on the information before it, it will notify the filer and the OSC.

(10) If a filer receives a notice under subsection (9) and this process is available in the jurisdiction of the principal regulator, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the OSC.

DIVISION 7 EFFECT OF A REVOCATION ORDER

Effect of a revocation of a passport failure-to-file cease trade order

50. Under section 4D.1 of Multilateral Instrument 11-102 *Passport System,* a principal regulator's revocation order has the effect of removing or limiting the prohibition or restriction on trading in each passport jurisdiction where the issuer is a reporting issuer, to the same extent as in the jurisdiction of the principal regulator.

Effect of a revocation of a dual failure-to-file cease trade order

51. **(1)** Under section 4D.1 of Multilateral Instrument 11-102 *Passport System*, a principal regulator's revocation order has the effect of removing or limiting the prohibition or restriction on trading in each passport jurisdiction where the issuer is a reporting issuer, to the same extent as in the jurisdiction of the principal regulator.

(2) If the OSC has opted into the principal regulator's revocation order under section 49, the prohibition or restriction on trading in Ontario, referred to in section 20, is removed or limited to the same extent as in the jurisdiction of the principal regulator. The order of the principal regulator also evidences the OSC's decision.

(3) If the OSC has opted out or is considered to have opted out of the principal regulator's revocation order under section 49, the prohibition or restriction on trading in Ontario referred to in section 20 continues to apply.

Listing non-principal jurisdictions

52. **(1)** For convenience, the order of the principal regulator for a revocation of a passport failure-to-file cease trade order or for a revocation of a dual failure-to-file cease trade order will refer to the passport jurisdictions where the issuer is a reporting issuer.

(2) The order of the principal regulator for a revocation of a dual failure-to-file cease trade order will contain wording that makes it clear that the order evidences and sets out the decision of the OSC.

DIVISION 8 TRANSITION

Transition

53. The process set out in National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders* will continue to apply for the revocation of a cease trade order that was issued before ●.

PART 6
EFFECTIVE DATE

Effective Date

54. This policy comes into effect o ●.

Annex A
***Securities Act* provisions for Cease Trade Orders**

Jurisdiction	Legislative reference
British Columbia	Section 164
Alberta	Section 33.1
Saskatchewan	Section 134.1
Manitoba	Sections 147.1 and 148
Ontario	Section 127
Quebec	Section 265 paragraph 3
New Brunswick	Section 188.2
Nova Scotia	Section 134A
Prince Edward Island	Section 59
Newfoundland and Labrador	Section 127(1)
Yukon	Section 59
Northwest Territories	Section 59
Nunavut	Section 59

Annex B
***Securities Act* provisions for full or partial revocation applications**

Jurisdiction	Legislative reference
British Columbia	Section 171
Alberta	Section 214
Saskatchewan	Sections 158(3) and (4)
Manitoba	Section 147.1(1)
Ontario	Section 144
Québec	Section 265 paragraph 3 and 318
New Brunswick	Sections 188.2(3) and (4)
Nova Scotia	Section 151
Prince Edward Island	Section 15
Newfoundland and Labrador	Section 142.1
Yukon	Section 15
Northwest Territories	Section 15
Nunavut	Section 15

ANNEX E

This Annex sets out proposed National Policy 12-202 Revocations of Non-Passport Cease Trade Orders that would replace NP 12-202 Revocation of a Compliance-Related Cease Trade Order.

PROPOSED NATIONAL POLICY 12-202
REVOCATIONS OF NON-PASSPORT CEASE TRADE ORDERS

PART 1
INTRODUCTION

Scope of this policy

1. This policy[1] provides guidance for issuers applying for the revocation of a CTO (as defined below) for a continuous disclosure default that was not issued under the passport system (passport). These CTOs include all of the following:

(a) a CTO issued in respect of a failure-to-file deficiency that is not included in the definition of a specified default, as defined in Multilateral Instrument 11-102 *Passport System*[2];

(b) a CTO issued where a reporting issuer has made a required filing but the required filing is deficient in terms of content (a content deficiency)[3];

(c) a management cease trade order as defined in National Policy 12-203 *Management Cease Trade Orders*;

(d) a CTO issued in respect of an OTC reporting issuer as defined in Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-The-Counter Markets* (Multilateral Instrument 51-105 is not applicable in Ontario);

(e) a CTO issued in respect of an issuer that is only a reporting issuer in one jurisdiction;

(f) a CTO issued prior to the effective date of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*.

This policy describes what the issuer should file, the general type of review that the Canadian Securities Administrators (or we) will perform, and explains some of the factors that we will consider when determining whether to grant a full or partial revocation of the CTO. It also applies, where the context permits, to a securityholder or other party applying for a revocation order.

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

2. In this policy:

"application" means an application for a partial or full revocation of a CTO submitted to the applicable jurisdictions (see Appendix A for section references); in British Columbia, if the CTO has been in effect for 90 days or less, the filing of the required continuous disclosure documents constitutes the application;

"CSA regulator" means a securities regulatory authority or regulator, as applicable;

"CTO" or "cease trade order" means a cease trade order as defined in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport;*

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1 National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* has been withdrawn and replaced by this policy, National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders.* This replacement policy, that includes a title change, reflects that the processes surrounding the full or partial revocation (including variation) of cease trade orders issued under passport have been moved to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport.*

2 The definition of "specified default" does not include certain failure-to-file deficiencies described in section 1 of CSA Notice 51-322 *Reporting Issuer Defaults*, such as a failure-to-file a material change report, or a failure-to-file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities.* We have omitted these items from the definition because these filings will generally be non-periodic in nature and in some cases it may be unclear whether a filing requirement has been triggered.

3 Examples of content deficiencies are set out in section 2 of CSA Notice 51-322 *Reporting Issuer Defaults.*

"MD&A" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*;

"MRFP" means a management report of fund performance as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"partial revocation order" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*;

"SEDAR" means System for Electronic Document Analysis Retrieval;

"SEDI" means System for Electronic Disclosure by Insiders.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System* or National Instrument 14-101 *Definitions* have the same meaning as in those instruments.

Interpretation

4. **(1)** In certain jurisdictions, the CSA regulator may issue a CTO that prohibits trading in, and the acquisition or purchase of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, purchase of, or acquisition of securities of the reporting issuer, as applicable.

(2) In Québec, "trade" is not defined in the *Securities Act* (Québec). This policy covers all securities transactions that may be the object of an order provided for in paragraph 3 of section 265 of the *Securities Act* (Québec).

PART 3
REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

DIVISION 1 FULL REVOCATION

Filing outstanding continuous disclosure for a full revocation

5. **(1)** We will generally not exercise our discretion to grant a full revocation order, subject to sections 6 and 7, unless the issuer has filed all of its outstanding continuous disclosure.

(2) Most of the continuous disclosure requirements are in the following rules or regulations:

(a) National Instrument 51-102 *Continuous Disclosure Obligations*;

(b) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

(c) National Instrument 81-106 *Investment Fund Continuous Disclosure*;

(d) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

(e) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

(f) Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

(g) National Instrument 52-110 *Audit Committees*;

(h) National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Exceptions to interim filing requirements

6. In exercising our discretion to revoke a CTO, we may elect not to require the issuer to file certain outstanding interim financial reports, interim MD&A, interim MRFP, or interim certificates under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, subject to section 7, if the issuer has filed all of the following:

(a) audited annual financial statements, annual MD&A, annual MRFP, and annual certificates, required to be filed under applicable securities legislation;

(b) annual information forms, information circulars and material change reports required to be filed under applicable securities legislation;

(c) for all interim periods in the current fiscal year, interim financial reports (which include the applicable comparatives from the prior fiscal year), interim MD&A, interim MRFP, and interim certificates, required to be filed under applicable securities legislation.

Exceptions to annual filing requirements

7. In certain cases, an issuer seeking a revocation order may consider that the length of time that has elapsed since the date of the CTO makes the preparation and filing of all outstanding disclosure impractical, or of limited use to investors. This may particularly apply to disclosure for periods that ended more than 3 years before the date of the application, or periods prior to a significant change in the issuer's business. An issuer seeking a revocation order in these circumstances should make detailed submissions explaining its position. In appropriate cases, we will consider whether the filing of certain outstanding disclosure may be unnecessary as a pre-condition of a full revocation order. The factors we may consider include one or more of the following:

(a) the age of information to be contained in the continuous disclosure filing: information from older periods may be less relevant than information from more recent periods;

(b) whether there is access to records of the issuer: lack of access to records may hinder compliance with some filing requirements;

(c) whether the issuer conducted activity during the period: if an issuer was inactive or changed its business at any time while it was cease-traded, disclosure of information from or prior to this time may be less relevant;

(d) the length of time the CTO has been in effect;

(e) whether the historical disclosure relates to significant transactions or litigation.

We generally consider that disclosure for periods within the most recent 3 financial years of the issuer provides useful information for investors. We generally do not consider the time and cost required to prepare disclosure to be a compelling factor in our determination of the disclosure to be provided in connection with an application to revoke a CTO.

Outstanding fees

8. Before a full revocation order is issued, the issuer should pay all outstanding fees to each jurisdiction in which it is a reporting issuer. Outstanding fees generally include, where applicable, all activity and participation fees, and late filing fees.

Depending on how long the CTO has been in effect, and whether the issuer filed its continuous disclosure documents in a timely manner while it was cease-traded, the amount of outstanding fees can be considerable. Before submitting an application, issuers should contact the relevant CSA regulators to confirm the fees that will be payable.

Annual meeting

9. An issuer should ensure that it has complied with the annual meeting requirement. The annual meeting requirement refers to the requirement in applicable corporate legislation or any equivalent non-corporate requirement to hold an annual meeting of securityholders. If the issuer has not complied with the annual meeting requirement, we will generally not exercise our discretion to issue a full revocation order unless the issuer provides an undertaking to the relevant CSA regulator(s) to hold the annual meeting within 3 months after the date on which the CTO is revoked.

Any such undertaking does not relieve the issuer from any obligation it may have regarding an annual meeting requirement.

News release

10. If the issuance of a revocation order or the circumstances giving rise to the issuer seeking the revocation order is a “material change”, the issuer is required by Canadian securities legislation to issue and file a news release and material change report. For example, if the issuer has ceased to carry on an active business, or its business purpose has been abandoned, the circumstances giving rise to the issuer seeking the revocation order may be a “material change”. If so, the news release and material change report should disclose that the issuer has ceased to carry on an active business

or that its business purpose has been abandoned, and should disclose the issuer's future business plans or that the issuer has no future business plans.

Even if there is no material change, the issuer should consider issuing a news release that announces the revocation order.

DIVISION 2 PARTIAL REVOCATIONS

Permitted transactions

11. We will consider granting a partial revocation order to permit certain transactions involving trades in securities of the issuer, such as a private placement to raise sufficient funds to prepare and file outstanding continuous disclosure documents or a shares-for-debt transaction to allow the issuer to recapitalize. We will generally not exercise our discretion to grant a partial revocation order unless the issuer intends to subsequently apply for a full revocation order and reasonably anticipates having sufficient resources after the proposed transaction to bring its continuous disclosure and fees up to date.

Other circumstances may arise that warrant a partial revocation order. For example, we will generally grant a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss, or if the issuer is winding up or in the context of insolvency.

Issuers may wish to consult their legal counsel to determine whether a particular transaction constitutes a trade and therefore requires an application for a partial revocation order. For example, in most jurisdictions, a disposition of securities by way of a bona fide gift, made in good faith and not as part of a plan or scheme to evade requirements of securities legislation, would generally not be considered a "trade" under securities legislation in the jurisdictions of Canada. As such, where applicable, a partial revocation order would not typically be required in these circumstances. However, after the gift, the securities will generally remain subject to the CTO.

Acts in furtherance of a trade

12. The definition of trade, where applicable, includes acts in furtherance of a trade. In any particular case, it is a question of legal interpretation whether a step taken by an issuer or other party is an act in furtherance of a trade, and therefore a breach of the CTO. If securities have been issued in breach of a CTO, we will consider whether enforcement action is appropriate. Issuers should consult their legal counsel whenever there is doubt as to whether a proposed action is an act in furtherance of a trade. We generally expect an issuer to obtain a partial revocation order before carrying out an act in furtherance of a trade. For example, we expect an issuer or other party intending to conduct a trade to obtain a partial revocation order before entering into an agreement to transfer securities and before publicly disclosing an intended transaction in securities.

Continuing effect of CTO

13. Following the completion of the trades permitted by a partial revocation of a CTO against an issuer, all securities of the issuer may remain subject to the CTO until a full revocation is granted, depending on the terms of the CTO.

PART 4

APPLICATIONS

Application for a full revocation

14. **(1)** All applications for a full revocation will result in some level of review of the issuer's continuous disclosure record for compliance.

(2) An issuer requesting a full revocation order should submit an application, with the application fees, to the CSA regulator in all jurisdictions where the issuer's securities are cease-traded. The application should include all of the following information:

(a) the jurisdictions where the issuer's securities are cease-traded;

(b) details of any revocation applications currently in progress in the other jurisdictions;

(c) copies of any draft material change report or news release as discussed in section 10;

(d) confirmation that all continuous disclosure documents have been filed with the relevant CSA regulator or a description of the documents that will be filed;

(e) confirmation that the issuer's SEDAR and SEDI profiles are up-to-date;

(f) a draft revocation order;

(g) a completed personal information form and authorization in the form set out in Appendix A of National Instrument 41-101 *General Prospectus Requirements* or Form 51-105F3A, for issuers subject to Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets,* for each current and incoming director, executive officer and promoter of the issuer;

(h) if the issuer has been subject to another CTO within the 12-month period before the date of the current CTO, the issuer should provide a detailed explanation of the reasons for the multiple defaults.

(3) With respect to paragraph 14(2)(g), if the promoter is not an individual, the issuer should provide the information for each director and executive officer of the promoter. If the issuer is an investment fund, the issuer should also provide the information for each director and executive officer of the manager of the investment fund.

Application for a partial revocation

15. (1) An issuer requesting a partial revocation order should submit an application with the application fees, where applicable, to the CSA regulator in all jurisdictions where the issuer's securities are cease-traded and where the proposed trades would occur. The application should include all of the following information:

(a) the jurisdictions where the issuer's securities are cease-traded and where the proposed trades would occur;

(b) details of any revocation applications currently in progress in the other jurisdictions;

(c) a description of the proposed trades and their purpose;

(d) a draft partial revocation order that includes a condition that the applicant will

(i) obtain, and provide upon request to the relevant CSA regulators, signed and dated acknowledgements from all participants in the proposed trades, which clearly state that the securities of the issuer acquired by the participant will remain subject to the CTO until a full revocation order is granted, the issuance of which is not certain, and

(ii) provide a copy of the CTO and partial revocation order to all participants in the proposed trades;

(e) if the purpose of the proposed partial revocation is to permit an issuer to raise funds, use of proceeds information as discussed in subsection (2);

(f) if applicable, details of the exemptions the issuer intends to rely on to complete the proposed trades;

(g) if the proposed trades are the result of a decision by a court, a copy of the relevant court order.

(2) If the purpose of a proposed partial revocation of a CTO is to permit an issuer to raise funds, the application and the offering document, if any, should contain all of the following:

(a) an estimate, reasonably supported, of the amount the issuer expects to raise from the financing;

(b) a reasonably detailed explanation of the purpose of the financing and how the issuer plans to use the funds;

(c) an estimate, reasonably supported, of the total amount the issuer will need in order to apply for a full revocation order, which includes the amount of funds required to prepare and file the documents that are necessary to bring the issuer's continuous disclosure up to date and pay outstanding fees.

Request for confidentiality

16. **(1)** An issuer requesting that a CSA regulator hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(3) Staff of a CSA regulator is unlikely to recommend that an order be held in confidence after its effective date. However, if an issuer requests that a CSA regulator hold the application, supporting materials, or order in confidence after its effective date, the issuer should describe the request for confidentiality separately in its application, and pay any required fee to the CSA regulator.

(4) Communications on requests for confidentiality will normally take place by e-mail. If an issuer is concerned with this practice, the issuer may request in the application that all communications take place by telephone.

PART 5
EFFECTIVE DATE

Prior policy

17. National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* is withdrawn and replaced by this policy.

Effective date

18. This new policy comes into effect on ●.

Appendix A

Section references for an application under local securities legislation.

British Columbia:
Securities Act: sections 164 and 171.

Alberta:
Securities Act: section 214.

Saskatchewan:
The Securities Act, 1988: subsections 158(3) and (4).

Manitoba:
Securities Act: subsection 148(1).

Ontario:
Securities Act: section 144.

Quebec:
Securities Act: section 265 paragraph 3 and section 318.

New Brunswick:
Securities Act: section 188.2.

Nova Scotia:
Securities Act: section 151.

Prince Edward Island:
Securities Act: sections 15 and 59.

Newfoundland and Labrador:
Securities Act: section 142.1.

Yukon:
Securities Act: sections 15 and 59.

Northwest Territories:
Securities Act: sections 15 and 59.

Nunavut:
Securities Act: sections 15 and 59.

ANNEX F

This Annex sets out Proposed National Policy12-203 Management Cease Trade Orders that would replace National Policy 12-203 Cease Trade Orders for Continuous Disclosure Defaults.

PROPOSED NATIONAL POLICY 12-203
MANAGEMENT CEASE TRADE ORDERS

PART 1
INTRODUCTION

Scope of this policy

1. This policy[1] provides guidance to issuers, investors and other market participants as to when the Canadian Securities Administrators (CSA or we) will consider responding to a specified default by issuing a management cease trade order (MCTO). It explains what we mean by the term MCTO and why we issue MCTOs, addresses what other actions we will ordinarily take when issuing an MCTO, and identifies what we expect from defaulting reporting issuers in these circumstances.

The guidance in this policy is general in nature. Each CSA regulator will decide how to respond to a specified default, including whether to issue an MCTO on a case-by-case basis after considering all relevant facts and circumstances.

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

2. In this policy:

"alternative information guidelines" means the guidelines relating to a default announcement and default status report described in sections 9 and 10;

"cease trade order" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*;

"CSA regulator" means a securities regulatory authority or regulator, as applicable;

"default announcement" means a news release and material change report as described in section 9;

"default status report" means a report as described in section 10;

"failure-to-file cease trade order" means an order as defined in Multilateral Instrument 11-102 *Passport System*;

"management cease trade order" and "MCTO" mean a cease trade order issued under this policy that prohibits or restricts trading in securities of a reporting issuer, whether directly or indirectly, by one or more of the following:

(a) the chief executive officer of the reporting issuer or a person acting in a similar capacity;

(b) the chief financial officer of the reporting issuer or a person acting in a similar capacity;

(c) at the discretion of the PR, one or more other officers or directors of the reporting issuer or other persons or companies who had, or may have had, access directly or indirectly to any material fact or material change with respect to the reporting issuer that has not been generally disclosed;

"principal regulator" and "PR" mean an issuer's principal regulator as determined in accordance with part 3 of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*;

[1] National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* has been withdrawn and replaced by this policy, National Policy 12-203 *Management Cease Trade Orders*. This replacement policy, that includes a title change, reflects that the process surrounding the issuance of failure-to-file cease trade orders has been moved to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport.*

"specified default" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations Under Passport*;

"specified requirement" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations Under Passport*;

"SEDAR" means System for Electronic Document Analysis and Retrieval.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System* or National Instrument 14-101 *Definitions* have the same meaning as in those instruments.

Interpretation

4. In certain jurisdictions, the CSA regulator may issue cease trade orders and management cease trade orders that prohibit trading in, and the purchase or acquisition of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, purchase of, or acquisition of, securities of the reporting issuer, as applicable.

In Québec, "trade" is not defined in the *Securities Act* (Québec). This policy covers all securities transactions that may be the object of an order provided for in paragraph 3 of section 265 of the *Securities Act* (Québec).

PART 3
ISSUANCE AND REVOCATION OF A MANAGEMENT CEASE TRADE ORDER

Possible regulatory responses to a specified default

5. In the jurisdictions where the issuer is a reporting issuer, the CSA regulators will generally respond to a specified default by noting the issuer in default on their default lists. For more information about the CSA default lists, refer to CSA Notice 51-322 *Reporting Issuer Defaults*.

The CSA regulators will then respond to a specified default in one of two ways:

(a) by issuing a failure-to-file cease trade order;

(b) if an issuer applies under section 8, and demonstrates that it is able to comply with this policy, by issuing a management cease trade order.

For more information about failure-to-file cease trade orders refer to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*.

If the outstanding filing is expected to be filed relatively quickly, the default is not expected to be recurring and the issuer otherwise meets the eligibility criteria outlined in section 6, a management cease trade order may be an appropriate response to the default.

If the issuer's principal regulator decides that an MCTO is appropriate, it will similarly decide whether to extend it to the issuer's directors or other persons or companies. Since MCTOs are not covered by the passport system, the non-principal regulators in the jurisdictions in which the issuer is a reporting issuer will generally issue reciprocal MCTOs in respect of persons or companies named in the PR's MCTO that reside in their jurisdiction.

Eligibility criteria

6. We will consider granting an MCTO if the issuer satisfies all of the following criteria:

(a) the outstanding filings are expected to be filed as soon as they are available and within a reasonable period. In most cases, we expect this to be within 2 months. However, in exceptional circumstances, as determined by the PR, we may permit an issuer to take longer than 2 months to remedy the default;

(b) the issuer is generating revenue from its principal business or, if it is in the development stage, the issuer is actively pursuing the development of its products or properties;

(c) the issuer has the necessary financial and human resources, including a reasonable number of directors and officers in place, to remedy the default in a timely and effective manner and complies with all other continuous disclosure requirements (other than requirements reasonably linked to the specified default) for the duration of the default;

(d) the issuer's securities are listed on a Canadian stock exchange and there is an active, liquid market for those securities. Thinly traded issuers will generally not be considered eligible for an MCTO;

(e) the issuer is not on the defaulting reporting issuer list in any CSA jurisdiction for any reason other than the failure to comply with the specified requirement (and any other requirement that is reasonably linked to the specified requirement).

We will also consider an issuer's history of complying with its continuous disclosure obligations when evaluating the issuer's request for an MCTO. A reporting issuer subject to insolvency proceedings should also refer to section 14 for additional considerations.

Application timing

7. If an issuer satisfies the eligibility criteria set out above, it should contact its PR at least 2 weeks before the due date for the required filings and apply in writing for an MCTO instead of a having a cease trade order issued against the issuer.

We believe that, in most cases, an issuer exercising reasonable diligence should be able to determine whether it can comply with a specified requirement at least 2 weeks in advance of the deadline. We acknowledge, however, that there will be rare situations where an issuer, notwithstanding the exercise of reasonable diligence, will be unable make this determination at least 2 weeks before the due date. In these rare cases, the issuer should include a brief explanation of the reasons for the delayed filing in its application.

We will generally not consider an application for an MCTO that is submitted after a filing deadline.

Application contents

8. An issuer that wishes to apply for an MCTO under this policy should apply to the issuer's PR and send a copy of the application to each CSA regulator in the other jurisdictions of Canada in which the issuer is a reporting issuer.

In its application, the issuer should

(a) identify the specified default, the reasons for the default and the anticipated duration of the default,

(b) explain how the issuer satisfies each of the eligibility criteria described in section 6,

(c) set out a detailed remediation plan that explains how the issuer proposes to remedy the default and includes a realistic timetable for remedying the default,

(d) include consents signed by the Chief Executive Officer and the Chief Financial Officer (or equivalent) to the issuance of an MCTO (see Appendix A),

(e) include a copy of the proposed or actual default announcement,

(f) confirm that the issuer will comply with the alternative information guidelines,

(g) include a copy of the issuer undertaking described in section 13, and

(h) briefly describe the issuer's blackout policies and other policies and procedures relating to insider trading.

Alternative Information Guidelines — Default Announcement

9. If a reporting issuer determines that it will not comply, or subsequently determines that it has not complied, with a specified requirement, this will often represent a material change that the issuer should immediately communicate to the securities marketplace by way of a news release and material change report in accordance with part 7 of National Instrument 51-102 *Continuous Disclosure Obligations*. In determining whether a failure to comply with a specified requirement is a material change, the issuer should consider both the events leading to the failure and the failure itself.

If neither the circumstances leading to the default, nor the default, represent a material change, the issuer should nevertheless consider whether the circumstances involve important information that should be immediately communicated to the marketplace by way of news release.

The CSA regulators will generally not exercise their discretion to issue an MCTO unless the issuer issues and files a default announcement containing the information set out below. If the default involves a material change, the material change report may contain this information, in which case a separate default announcement is not necessary. The default announcement should be authorized by the Chief Executive Officer or the Chief Financial Officer (or equivalent) of the reporting issuer, approved by the board or audit committee and prepared and filed with the CSA regulators on SEDAR in the same manner as a news release and material change report referred to in part 7 of National Instrument 51-102 *Continuous Disclosure Obligations*. An issuer will usually be able to determine that it will not comply with a specified requirement at least 2 weeks before the due date and, as soon as it makes this determination, should issue the default announcement.

The default announcement should

(a) identify the relevant specified requirement and the (anticipated) default,

(b) disclose in detail the reason(s) for the (anticipated) default,

(c) disclose the plans of the reporting issuer to remedy the default, including the date it anticipates remedying the default,

(d) confirm that the reporting issuer intends to satisfy the provisions of the alternative information guidelines so long as it remains in default of a specified requirement,

(e) disclose relevant particulars of any insolvency proceeding to which the reporting issuer is subject, including the nature and timing of information that is required to be provided to creditors, and confirm that the reporting issuer intends to file with the CSA regulators throughout the period in which it is in default, the same information it provides to its creditors when the information is provided to the creditors and in the same manner as it would file a material change report under part 7 of National Instrument 51-102 Continuous *Disclosure Obligations*, and

(f) subject to section 11, disclose any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

A default announcement is not needed if the issuer is in default of a previous specified requirement, has followed the provisions of this section regarding a default announcement of that earlier default and is complying with the provisions of section 10 regarding default status reports.

Alternative Information Guidelines — Default Status Reports

10. After the default announcement, and during the period of the MCTO, the CSA regulators will generally exercise their discretion to issue a cease trade order unless the defaulting reporting issuer issues bi-weekly default status reports, in the form of news releases, containing the following information:

(a) any changes to the information contained in the default announcement or subsequent default status reports that would reasonably be expected to be material to an investor, including a description of all actions taken to remedy the default and the status of any investigations into any events which may have contributed to the default;

(b) particulars of any failure by the defaulting reporting issuer in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines;

(c) information regarding any (anticipated) specified default subsequent to the default which is the subject of the default announcement;

(d) subject to section 11, any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

Where there are no changes otherwise required to be disclosed in items (a) to (d), this fact should be disclosed in a default status report.

To keep the market continuously informed of any developments during the period of default, the issuer should issue default status reports every 2 weeks following the default announcement. If a CSA regulator, at any time, issues a cease trade order against an issuer, default status reports will no longer be necessary.

Every default status report should be prepared, authorized, filed and communicated to the securities marketplace in the same manner as that specified in section 9 for a default announcement.

Confidential material information

11. The alternative information guidelines in this policy supplement the material change reporting requirements in National Instrument 51-102 *Continuous Disclosure Obligations* and should be interpreted in a similar manner. Similar to the procedures in that instrument, an issuer may omit confidential material information from default status announcement or default status reports if in the opinion of the issuer, and if that opinion is arrived at in a reasonable manner, disclosure of the applicable material information would be unduly detrimental to the interests of the reporting issuer.

Compliance with other continuous disclosure requirements

12. The alternative disclosure described in sections 9 and 10 supplements the issuer's disclosure record during the period of default. It does not provide an alternative to the continuous disclosure requirements under Canadian securities legislation.

If a reporting issuer is in default of a specified requirement, the issuer must still comply with all other applicable continuous disclosure requirements, other than requirements reasonably linked to the specified requirement in question. For example, an issuer that has not filed its financial statements on time will also be unable to comply with the requirement to file management's discussion and analysis under National Instrument 51-102 *Continuous Disclosure Obligations*. However, failure to comply with a requirement to file audited financial statements in accordance with the requirements of part 4 of National Instrument 51-102 *Continuous Disclosure Obligations* does not excuse compliance with other requirements of that instrument such as the requirement to file an Annual Information Form in accordance with part 6 or material change reports in accordance with part 7.

Issuer undertaking to cease certain trading activities

13. The reporting issuer should include with the application an undertaking that, for so long as the issuer is in default of the specified requirement in question, the issuer will not, directly or indirectly, issue securities to or acquire securities from an insider or employee of the issuer except in accordance with legally binding obligations to do so existing as of the date of the specified default. The issuer should address the undertaking to the CSA regulator of each jurisdiction in which the issuer is a reporting issuer.

Reporting issuers subject to insolvency proceedings

14. If a reporting issuer is the subject of insolvency proceedings, we will consider an application for an MCTO if in addition to complying with all applicable sections of this policy, including the eligibility criteria in section 6,

(a) the issuer retains title to its assets,

(b) the issuer's directors and officers continue to manage the affairs of the issuer, and

(c) the issuer agrees to file a report disclosing the information it provides to its creditors

(i) simultaneously with delivery to its creditors, and

(ii) in the same manner as a report of a material change referred to in part 7 of National Instrument 51-102 *Continuous Disclosure Obligations.*

If the issuer chooses to file the information provided to creditors with a material change report, then, for the purposes of filing on SEDAR, this should be contained in the same electronic document as the material change report.

Financial information in default announcements and default status reports

15. Any unaudited financial information that is communicated to the marketplace should, except in certain circumstances involving insolvency, be directly derived from financial statements prepared and presented in accordance with generally accepted accounting principles. In default announcements and default status reports, this information should be accompanied by cautionary language that the information has been prepared by management of the defaulting reporting issuer and is unaudited.

Default correction announcement

16. Once the specified default is remedied, the reporting issuer should consider communicating that information to the securities marketplace in the same manner as that specified in this policy for a default announcement.

Revocation of a management cease trade order

17. Some management cease trade orders will include a provision which describes when the management cease trade order will automatically expire.

The process for revoking a management cease trade order that does not automatically expire by its terms is described in National Policy 12-202 *Revocations of Non-Passport Cease Trade Orders*.

PART 4
OTHER CONSIDERATIONS

Trading by management and other insiders during the period of default

18. Certain guidelines regarding trading by management and other insiders during the period of default are set out in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*.

No penalty or sanction for disclosure purposes

19. The CSA regulators do not consider MCTOs issued under this policy to be a "penalty" or "sanction" for the purposes of disclosure obligations in Canadian securities legislation relating to penalties or sanctions. They are not issued as part of an enforcement process and the CSA regulators do not intend them to suggest a finding of fault or wrongdoing on the part of any individual named in the MCTO. For example, a defaulting issuer's board of directors might invite an individual to serve as an officer or director of the issuer to assist the issuer in remedying its default. The individual might have no prior involvement with the defaulting reporting issuer. The fact that the PR may subsequently name the individual in an MCTO does not mean the individual had any responsibility for the default, which occurred before the individual joined the issuer.

However, issuers are required to disclose MCTOs issued under this policy in accordance with the following disclosure requirements:

(a) Section 16.2 of Form 41-101F1 *Information Required in a Prospectus*;

(b) Item 16 of Form 44-101F1 *Short Form Prospectus*;

(c) Subsection 10.2(1) of Form 51-102F2 *Annual Information Form*;

(d) Item 7.2 of Form 51-102F5 *Information Circular*.

If an issuer is required to include disclosure of an MCTO in a public filing, the issuer may supplement the disclosure with additional information explaining the circumstances of the MCTO.

PART 5
EFFECTIVE DATE

20. National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* is withdrawn and replaced by this policy.

21. This new policy comes into effect on ●.

Appendix A — Sample Form of Consent

Consent

To: [*Name of Issuer's Principal Regulator*], as principal regulator,

And to: [*Name(s) of other Regulator(s) in whose jurisdiction(s) the Issuer is a reporting issuer*] (collectively with the principal regulator, the Regulators)

Re: Consent to issuance of management cease trade order

I, [*name of individual providing the consent*] hereby confirm as follows:

1. I am the [*name of position with the Issuer, e.g., the chief executive officer or chief financial officer*] of [*name of Issuer*] (the Issuer).

2. The Issuer is a [*nature of entity, e.g., a corporation incorporated under the Canada Business Corporations Act*] with a head office located in [*province or territory*].

3. The Issuer is a reporting issuer in [*identify all jurisdictions in which the issuer is a reporting issuer*]. The Issuer's principal regulator, as determined in accordance with part 3 of National Policy 11-203 *Process for exemptive relief applications in multiple jurisdictions* is [*name of principal regulator*].

4. The Issuer [is] [is not] [*delete as applicable*] a “venture issuer” as defined in National Instrument 51-102 *Continuous Disclosure Obligations*. The Issuer has a financial year ending [*state the issuer's year end, e.g., December 31*].

5. On or about [*identify the deadline for filing*] (the filing deadline), the Issuer will be required to file [*briefly describe the required filings, e.g.,*

a. *audited annual financial statements for the year ended December 31, 2014, as required by Part 4 of* National Instrument 51-102 *Continuous Disclosure Obligations;*

b. *management's discussion and analysis (MD&A) relating to the audited annual financial statements, as required by Part 5 of* National Instrument 51-102 *Continuous Disclosure Obligations; and*

c. *CEO and CFO certificates relating to the audited annual financial statements, as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (collectively, the required filings)*].

6. The Issuer has determined that it may not be able to make the required filings by the filing deadline. The Issuer wishes to apply to the Regulators for a management cease trade order (an MCTO) as an alternative to a general cease trade order in accordance with National Policy 12-203 *Management Cease Trade Orders*.

7. I am providing this consent in support of the Issuer's application for an MCTO in accordance with section 8 of National Policy 12-203 *Management Cease Trade Orders*.

8. I hereby consent to the issuance of an MCTO against me by the Issuer's principal regulator under the applicable statutory authority listed in Annex A to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*.

9. Specifically, I understand that the MCTO will prohibit me from trading in or acquiring securities of the Issuer, directly or indirectly, until two full business days following the receipt by the principal regulator of all filings the Issuer is required to make under the securities legislation of the principal regulator or until further Order of the principal regulator.

10. I hereby further consent to the issuance of any substantially similar MCTO that another Regulator may consider necessary to issue by reason of the default described above.

11. I hereby waive any requirement of a hearing, as may be provided for under the applicable statutory authority listed in Annex A to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations under Passport*, and any corresponding notice of hearing, in respect of the issuance of the MCTO.

DATED this day of [DATE]

by: _____

Name:

Title:

Amended ●.

ANNEX G
LOCAL MATTERS

OSC Rule 13-502 *Fees* currently imposes a fee of $4,800 on a person or company that makes an application for revocation of a cease trade order under section 127 of the *Securities Act* (Ontario).

If proposed policy NP 11-207 comes into effect in Ontario in the form published for comment and the related amendments to the *Securities Act* in Ontario are made, revocations of failure to file cease trade orders are required to occur if the deficiency is rectified within 90 days of the cease trade order.

As a consequence, staff intend to recommend an amendment to OSC Rule 13-502 that would remove the fee for revocation of failure-to-file cease trade orders made within 90 days of issuance of the order. Staff would not consider this amendment, if made, to be material.

Questions

Michael Balter
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General Counsel's Office
Ontario Securities Commission
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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.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).

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Alex Media Technology Inc.
Type and Date:
Preliminary Long Form Non-Offering Prospectus dated April 6, 2015
Receipted on April 9, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2334078

Issuer Name:
Canadian Credit Card Trust II
Principal Regulator - Quebec
Type and Date:
Preliminary Base Shelf Prospectus dated April 7, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
Up to $1,700,000,000 Credit Card Receivables-Backed Notes
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
NATIONAL BANK OF CANADA
Project #2333213

Issuer Name:
Carmanah Technologies Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
$28,250,000.00 - 5,650,000 Common Shares
PRICE: $5.00 PER COMMON SHARE
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
SALMAN PARTNERS INC.
Promoter(s):
-
Project #2333339

Issuer Name:
Dream Office Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$2,000,000,000.00
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2333603

Issuer Name:
Fission Uranium Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$17,400,000.00 - 11,600,000 Flow-Through Common Shares
Price $1.50 per Flow-Through Share

Underwriter(s) or Distributor(s):
DUNDEE SECURITIES LTD.
BMO NESBITT BURNS INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
TD SECURITIES INC.
Promoter(s):
-
Project #2333177

Issuer Name:
Industrial Alliance Insurance and Financial Services inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Base Shelf Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 9, 2015
Offering Price and Description:
$2,000,000,000.00
Debt Securities Class
A Preferred Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2333736

Issuer Name:
Innova Gaming Group Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
$ * - * Shares
Price: $ * per Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Cantor Fitzgerald Canada Corporation
Cormark Securities Inc.
Desjardins Securities Inc.
Dundee Securities Ltd.
Clarus Securities Inc.
Promoter(s):
-
Project #2324586

Issuer Name:
Maccabi Ventures Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 9, 2015
Offering Price and Description:
$400,000 - 4,000,000 Common Shares at a price of $0.10 per Common Share
Underwriter(s) or Distributor(s):
Jordan Capital Markets Inc.
Promoter(s):
Roman Rubin and Richard Penn
Project #2333816

Issuer Name:
Mawer Global Bond Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Simplified Prospectus dated April 10, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
Series A and O Units
Underwriter(s) or Distributor(s):
Mawer Investment Management Ltd.
Promoter(s):
Mawer Investment Management Ltd.
Project #2334748

Issuer Name:
National Bank Strategic U.S. Income and Growth Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated April 7, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
Units of the Advisor, F, F5, O and T5 Series
Underwriter(s) or Distributor(s):
National Bank Investments Inc.
National Bank Investments Inc.
Promoter(s):
National Bank Investments Inc.
Project #2333546

Issuer Name:
NUVISTA ENERGY LTD.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
$110,007,700.00:
(1) $90,000,250.00 - 11,465,000 Common Shares
Price $7.85 per Common Share;
(2) $20,007,450.00 - 2,313,000 Flow-Through Shares
Price $8.65 per Flow-Through Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2333426

Issuer Name:
Quinsam Opportunities I Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated April 13, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
$500,000.00 - 5,000,000 common shares
Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Fin- Xo Securities Inc.
Promoter(s):
Roger Dent
Project #2335058

Issuer Name:
RIWI Corp.
Type and Date:
Preliminary Long Form Non-Offering Prospectus dated April 8, 2015
Receipted on April 10, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2334378

Issuer Name:
Symbility Solutions Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 9, 2015
Offering Price and Description:
$4,402,200.00 - 13,340,000 Common Shares
Price: $0.33 per Offered Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
BEACON SECURITIES LIMITED
PARADIGM CAPITAL INC.
SALMAN PARTNERS INC.
Promoter(s):
-
Project #2332151

Issuer Name:
Yorkville Health Care Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 7, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
Series A, Series F and Series O Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
YORKVILLE ASSET MANAGEMENT INC.
Project #2333648

Issuer Name:
1832 AM Canadian Dividend LP
1832 AM Canadian Growth LP
1832 AM Tactical Asset Allocation LP
Type and Date:
Final Simplified Prospectuses dated April 6, 2015
Receipted on April 7, 2015
Offering Price and Description:
Series I Units of a Limited Partnership at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
1832 Asset Management L.P.
Project #2314743

Issuer Name:
Boston Pizza Royalties Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 7, 2015
NP 11-202 Receipt dated April 7, 2015
Offering Price and Description:
$111,552,247.30 - 5,047,613 Subscription Receipts
Price: $22.10 per Subscription Receipt
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Laurentian Bank Securities Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Promoter(s):
Boston Pizza International Inc.
Project #2322843

Issuer Name:
Brickburn Income Growth Class
Brickburn Small Cap Class
Dominion Equity Resource Growth Class
Principal Regulator - Alberta
Type and Date:
Amendment #1 dated January 19, 2015 to Final Simplified Prospectuses and Annual Information Form dated April 30, 2014
NP 11-202 Receipt dated April 10, 2015
Offering Price and Description:
Series MF, F and O Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
BRICKBURN ASSETMANAGEMENT INC.
Project #2185593

Issuer Name:
Counsel Conservative Portfolio

Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 1, 2015 to the Simplified Prospectus and Annual Information Form dated October 28, 2014
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
Sereis E units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2261345

Issuer Name:
Firm Capital Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 10, 2015
NP 11-202 Receipt dated April 10, 2015
Offering Price and Description:
$25,000,000
5.30% Convertible Unsecured Subordinated Debentures due May 31, 2022
PRICE: $1,000 per Debenture
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
CIBC World Markets Inc.
Dundee Securities Ltd.
RBC Dominion Securities Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #2325286

Issuer Name:
Horizons Enhanced Income Energy ETF
Horizons Enhanced Income Equity ETF
Horizons Enhanced Income Financials ETF
Horizons Enhanced Income Gold Producers ETF
Horizons Enhanced Income International Equity ETF
Horizons Enhanced Income US Equity (USD) ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 31, 2015
NP 11-202 Receipt dated April 7, 2015
Offering Price and Description:
Class E units and Advisor Class units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2311167

Issuer Name:
Lysander-18 Asset Management Canadian Equity Fund
Lysander-Crusader Equity Income Fund
Lysander-Seamark Balanced Fund
Lysander-Seamark Total Equity Fund
Lysander-Slater Preferred Share Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 25, 2015 to the Simplified Prospectuses and Annual Information Form dated December 30, 2014
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
Series A and Series F units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #2281216

Issuer Name:
Marquis Institutional Growth Portfolio (Series A, E, F, I, T and V units)
Marquis Institutional Equity Portfolio (Series A, E, F, I, T and V units)
Marquis Institutional Canadian Equity Portfolio (Series A, E, F, I, O, T and V units)
Marquis Institutional Bond Portfolio (Series A, E, F, I, O and V units)
Marquis Balanced Class Portfolio (Series A, E, F, I and T shares)
Marquis Balanced Growth Class Portfolio (Series A, E, F, I and T shares)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 6, 2015 to the Simplified Prospectuses and Annual Information Form dated November 25, 2014
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2266893

Issuer Name:
Mira VII Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated April 7, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$250,000.00 (2,500,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
RICHARDSON GMP LIMITED
Promoter(s):
-
Project #2326132

Issuer Name:
RBC Balanced Growth & Income Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 10, 2015
NP 11-202 Receipt dated April 13, 2015
Offering Price and Description:
Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series F, Series FT5, Series I and Series O mutual fund shares @ Net Asset Value
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2316761

Issuer Name:
Sun Life Financial Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$5,000,000,000.00
Debt Securities
Class A Shares
Class B Shares
Common Shares
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2319035

Issuer Name:
TECSYS Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$5,999,997.30
674,157 Common Shares
Price: $8.90 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Laurentian Bank Securities Inc.
Industrial Alliance Securities Inc.
Beacon Securities Limited
Promoter(s):
-
Project #2323036

Issuer Name:
Tidewater Midstream and Infrastructure Ltd.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
3000000.00 - Minimum: 2,000,000 Common Shares ($2,000,000); Maximum: 3,000,000 Common Shares ($3,000,000)
Price: $1.00 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
CIBC World Markets Inc.
Canaccord Genuity Corp.
Promoter(s):
Joel A. MacLeod
Tobias (Toby) J. McKenna
Project #2317291

Issuer Name:
TransAlta Renewables Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 8, 2015
NP 11-202 Receipt dated April 8, 2015
Offering Price and Description:
$200,123,000.00 - 15,820,000 Subscription Receipts each representing the right to receive one Common Share
Price $12.65 per Subscription Receipt
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
Transalta Corporation
Project #2322946

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Firm Name Change	From: NYLCAP Canada GenPar Inc. To: GoldPoint Partners Canada GenPar Inc.	Investment Fund Manager	March 18, 2015
Voluntary Surrender	Harbour Securities Inc.	Exempt Market Dealer	April 6, 2015
New Registration	Dorchester Wealth Management Company	Investment Fund Manager and Portfolio Manager	April 1, 2015
Voluntary Surrender	NorRock Asset Management Ltd.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	April 7, 2015
Consent to Suspension (Pending Surrender)	The Martello Group Inc.	Exempt Market Dealer	April 9, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – OSC Staff Notice of Request for Comment – Proposed amendments to Dealer Member Rules 8.7 and corollary amendments to Dealer Member Rule 8.3A relating to the Requirement to Pay IIROC Membership Fees

OSC STAFF NOTICE OF REQUEST FOR COMMENT

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

REQUIREMENT TO PAY IIROC MEMBERSHIP FEES

AMENDMENTS TO DEALER MEMBER RULE 8.7 AND COROLLARY AMENDMENTS TO DEALER MEMBER RULE 8.3A

On March 31, 2015, the Board of Directors (the "Board") of the Investment Industry Regulatory Organization of Canada ("IIROC") approved the publication for comment of proposed amendments to Dealer Member Rule 8.7 and 8.3A ("Proposed Amendments") setting the IIROC Dealer Regulation fees that are payable by a Dealer Member that resigns, is suspended, is terminated or surrenders its membership. The primary objective of the Proposed Amendments is to recognize that a Dealer Member's share of fees should be based on its usage or consumption of IIROC's regulatory services.

A copy of the IIROC Notice including the amended documents was also published on our website at http://www.osc.gov.on.ca. The comment period ends on May 15, 2015.

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Smart Investments Ltd. and the Smart Fund Family – s. 6.1 of OSC Rule 13-502 Fees

Headnote

Application pursuant to section 6.1 of OSC Rule 13-502 Fees – Exemption based on specific facts, from requirement to pay late fees in connection with late filing of interim financial statements by certain mutual funds - Not a precedent

Statutes Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 2.4.

Rules Cited

Ontario Securities Commission Rule 13-502 Fees, s. 4.3(1), Appendix D – Item A(a).

March 2, 2015

Wildeboer Dellelce LLP
365 Bay Street
Suite 800
Toronto, Ontario
M5H 2V1

Attention: Julie Anderson

Dear Sirs/Mesdames:

Re: Smart Investments Ltd., and the Smart Fund Family - Application under s. 6.1 of OSC Rule 13-502–Fees (Rule 13-502)

Application No. 2015/0018

By letter dated January 14, 2015 (the **Application**), you applied on behalf of Smart Investments Ltd. (**Smart Investments** or the **Applicant**), the investment fund manager of the Funds comprising the Smart Fund Family (as defined in the Application), for an exemption, pursuant to subsection 6.1 of Rule 13-502 (the **Fee Exemption**), from the requirement of the Funds to pay late fees of $5,000 each in connection with late filings of the Funds' interim financial statements due August 29, 2014 as per Appendix D of Rule 13-502 (the **Late Fee**).

From our review of the Application and other information communicated to staff, we understand the relevant facts and representations to be as follows:

1. The Applicant is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office located in Mississauga, Ontario. The Applicant is the investment fund manager and trustee of the Funds.

2. The Funds are mutual fund trusts established under the laws of the Province of Ontario. The Funds are currently in default for non-payment of the Late Fee and have been noted in default for this reason on the OSC's Reporting issuer List.

Annual Financial Statements

3. In a decision dated July 16, 2014 referenced as I*n the Matter of Kingship Capital Corporation, 2389401 Ontario Inc., Kenneth White, David Hopps, Stuart McKinnon and Pro-Financial Asset Management Inc.* (the **Commission Decision**), the Commission exempted the Funds from the requirement in section 4.3(1) of Rule 13-502 to pay late fees in respect of the Funds' late filing of their annual audited financial statements for the year ended December 31, 2013 (the **2013 Annual Financial Statements**). Due to this late filing, the Funds had incurred late fees totalling $43,200.

The 2013 Annual Financial Statements were due on March 30, 2014 and were filed with the Commission on June 6, 2014.

4. At the time of the Commission Decision, the Funds' then investment fund manager, Pro-Financial Asset Management Inc. (**Pro-Financial**), was involved in a dispute with a former service provider to the Funds that maintained the Funds' accounting records. Among other facts, the Commission heard that the circumstances of that dispute faced by Pro-Financial at the time contributed to the delay in the filing of the 2013 Annual Financial Statements.

Interim Financial Statements

5. Under section 2.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), Pro-Financial, on behalf of the Funds, was required to file the Funds' the interim financial statements, for the period ending June 30, 2014 (the **Interim Financial Statements**), within 60 days of June 30, 2014, which was August 29, 2014. The Interim Financial Statements were filed on January 9, 2015 by the Applicant.

6. At the time the Interim Financial Statements were due, the Funds' investment fund manager was Pro-Financial. The Applicant acquired the management contracts of the Funds on December 12, 2014, while requiring Pro-Financial to complete the work necessary to file the Interim Financial Statements.

7. The Applicant submits that the reason for the filing delay in the Interim Financial Statements is the same reason attributed to the delay in the filing of the 2013 Annual Financial Statements. Pro-Financial did not file the Interim Financial Statements on behalf of the Funds within the time frame required by NI 81-106 due to the ongoing dispute between Pro-Financial and a former service provider that maintained the fund accounting records of the Funds. Subsequent to filing the 2013 Annual Financial Statements, the continuation of this dispute inhibited Pro-Financial's ability to timely file the Interim Financial Statements by the required deadline.

8. On or about August 8, 2014, Pro-Financial formally terminated its engagement with the former service provider who maintained fund accounting records of the Funds.

9. Pursuant to Appendix D of Rule 13-502, the Funds are required to pay the Late Fee in respect of the late filing of the Interim Financial Statements. Appendix D of Rule 13-502 imposes the late fee at a rate of $100 per business day and caps such late fee at a maximum of $5,000 per issuer.

10. As the Interim Financial Statements were filed 90 business days after the required deadline of August 29, 2014, the maximum late fee applicable to each Fund, pursuant to Appendix D of Rule 13-502, is $5,000.

11. As the Funds' new investment fund manager, the Applicant is now responsible for all future filings by the Funds. The Applicant submits that it has put measures in place to prevent future delays in the filing of the Funds' continuous disclosure documents, in particular, the Funds' financial statements and Management Reports of Fund Performance.

12. The Applicant submits that the legacy issues which inhibited the ability of Pro-Financial to timely file the Funds' financial statements are not applicable to the Applicant in its capacity as the Funds' new investment fund manager. The Applicant confirms that the dispute between Pro-Financial and the former service provider responsible for maintaining the fund accounting records of the Funds will not impact the ability of the Applicant going forward, to perform the fund accounting and administrative functions required by the Funds in house.

13. To perform the fund accounting and administrative functions required by the Funds, the Applicant has licensed fund accounting software and hired additional staff. The Funds' current registrar will continue to act as registrar of the Funds and will ensure that data required to audit and review the Funds' financial statements is readily available to the Applicant and the Funds' auditor. In addition, the Applicant is currently working closely with a compliance consultant to ensure that all compliance matters related to the Funds are addressed.

14. The Applicant confirms that it expects to file the Funds' annual financial statements for the year ended December 31, 2014, prior to, and not later than, the required deadline of March 31, 2015.

Decision

This letter confirms that, based on the information provided in the Application, the facts and representations above, and for the purposes described in the Application, the Director is satisfied that it would not be prejudicial to the public interest to grant the Fee Exemption.

The decision of the Director, pursuant to section 6.1 of the Fee Rule, is that each Fund is exempted from paying the $5,000 Late Fee, totaling $45,000 in Late Fees for all of the Funds, incurred in connection with the late filing of the Funds' Interim Financial Statements.

DATED at Toronto on this 2nd day of March, 2015.

Yours truly,

"Vera Nunes"
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

25.2 Extensions

25.2.1 Heritage Education Funds Inc. and Heritage Optimal Plan – s. 2.3(1.1), 19.1 of NI 41-101 General Prospectus Requirements

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from section 2.3(1.1) of NI 41-101 to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus – National Instrument 41-101 General Prospectus Requirements.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1.1), 19.1.

April 9, 2015

McMillan LLP

Attention: Patrick Phelan

Dear Sirs/Mesdames:

Re: Heritage Education Funds Inc. (the Filer), Heritage Optimal Plan (the Plan)

Preliminary Long Form Prospectus dated December 23, 2014

Application under section 19.1 of National Instrument 41-101 General Prospectus Requirements (NI 41-101) for an extension of the 90 day period under subsection 2.3(1.1) of NI 41-101

Application No. 2015/0180; SEDAR Project No. 2296033

By letter dated March 23, 2015 (the Application), the Filer, as manager of the Plan, applied to the Director of the Ontario Securities Commission (the Director) under section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1.1) of NI 41-101 which prohibits an issuer from filing a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus which relates to the final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Funds' final prospectus, subject to the condition that the final prospectus be filed no later than May 29, 2015.

Yours very truly,

"Darren McKall"
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

Index

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