The Ontario Securities Commission

OSC Bulletin

November 5, 2015

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The Ontario Securities Commission administers the
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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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments Related to the Recognition of Aequitas Neo Exchange Inc.

NOTICE OF MINISTERIAL APPROVAL OF
AMENDMENTS RELATED TO THE RECOGNITION OF
AEQUITAS NEO EXCHANGE INC.

November 5, 2015

On October 23, 2015, the Minister of Finance approved amendments related to the recognition of Aequitas NEO Exchange Inc. (the Rule Amendments) made by the Ontario Securities Commission (OSC or Commission) to the following instruments:

- National Instrument 41-101 *General Prospectus Requirements*;
- National Instrument 44-101 *Short Form Prospectus Distributions*;
- National Instrument 45-106 *Prospectus Exemptions*;
- National Instrument 51-102 *Continuous Disclosure Obligations*;
- National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- National Instrument 52-110 *Audit Committees*;
- National Instrument 58-101 *Disclosure of Corporate Governance Practices*;
- Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*;
- National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure*; and
- Ontario Securities Commission Rule 56-501 *Restricted Shares*.

The Rule Amendments were made by the Commission on July 28, 2015.

On July 28, 2015, the Commission also adopted changes (the Policy Changes) to National Policy 46-201 *Escrow for Initial Public Offerings*.

The Rule Amendments and Policy Changes (collectively, the Amendments) were published on the OSC website at http://www.osc.gov.on.ca and in the OSC Bulletin at (2015), 38 OSCB 7551 on September 3, 2015. The Amendments come into force on November 17, 2015. The text of the Amendments is set out in Chapter 5 of this Bulletin.

1.1.2 CSA Staff Notice 51-345 Disclosure of Abandonment and Reclamation Costs in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and Related Forms

CSA Staff Notice 51-345 *Disclosure of Abandonment and Reclamation Costs in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and Related Forms*

November 5, 2015

This Staff Notice is published in response to numerous inquiries concerning disclosure requirements for abandonment and reclamation costs in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) and its related forms. Some of these inquiries relate to amendments to NI 51-101 and its related forms that were effective July 1, 2015 (**Amendments**). Reporting issuers engaged in oil and gas activities are reminded that publicly disclosed estimates of future net revenue must be net of abandonment and reclamation costs.

With the Amendments, definitions for future net revenue and abandonment and reclamation costs were added to section 1.1 of NI 51-101.

> **Future net revenue** – A forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs and abandonment and reclamation costs.
>
> **Abandonment and reclamation costs** – All costs associated with the process of restoring a reporting issuer's property that has been disturbed by oil and gas activities to a standard imposed by applicable government or regulatory authorities.

Item 2.1(2) of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* (**Form 51-101F1**) mandates disclosure of future net revenue. Disclosure is required in aggregate by country and product type for the reserves categories specified in Item 2.1(1). Item 2.1(3) details specific disclosure of abandonment and reclamation costs. New Part 7 of Form 51-101F1 provides requirements regarding the optional disclosure of resources other than reserves.

Form 51-101F1 requires additional disclosure concerning significant abandonment and reclamation costs. In particular, Item 5.2 addresses instances where these costs affect particular components of reserves data and Item 6.2.1, in situations where they have affected or are reasonably expected to affect activities on properties with no attributed reserves.

Reporting issuers and their independent qualified reserves evaluators or auditors are reminded of their responsibilities, as described in Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* and Form 51-101F2 *Report on [Reserves Data][,] [Contingent Resources Data] [and] [Prospective Resources Data] by Independent Qualified Reserves Evaluator or Auditor*, respectively.

Questions

Please refer your questions to any of the following:

Craig Burns
Manager, Petroleum
Alberta Securities Commission
403-355-9029
craig.burns@asc.ca

Floyd Williams
Senior Petroleum Evaluation Engineer
Alberta Securities Commission
403-297-4145
floyd.williams@asc.ca

Gordon Smith
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
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gsmith@bcsc.bc.ca

Darin Wasylik
Senior Geologist
British Columbia Securities Commission
604-899-6517 or 800-373-6393 (toll free across Canada)
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jwhyte@osc.gov.on.ca

Jason Alcorn
Legal Counsel
Financial and Consumer Services Commission, New Brunswick
506-643-7857
jason.alcorn@fcnb.ca

Luc Arsenault
Géologue
Autorité des marchés financiers
514-395-0337 ext. 4373 or 877-525-0337 (toll free across Canada)
luc.arsenault@lautorite.qc.ca

1.1.3 OSC Staff Notice 11-773 – The Investor Perspective

The Ontario Securities Commission recently launched the Investor Office, and with it, OSC Staff Notice 11-773 – *The Investor Perspective*. This report helps to relay the Office's vision, priorities and approach to investor education, policy and outreach.

Within the pages of *The Investor Perspective* is information about the Investor Office mandate, approach, initiatives and activities.

A PDF of OSC Staff Notice 11-773 – *The Investor Perspective* can be found online at

https://www.osc.gov.on.ca/documents/en/Securities-Category1/SecuritiesLaw_sn_20151030_11-773_investor-perspective.pdf

1.2 Notices of Hearing

1.2.1 Argosy Securities Inc. and Keybase Financial Group Inc. – s. 8(4)

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

AND

IN THE MATTER OF
ARGOSY SECURITIES INC. AND
KEYBASE FINANCIAL GROUP INC.

NOTICE OF HEARING
(Section 8(4) of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing, at the offices of the Commission located at 20 Queen Street West, 17th Floor, on November 6, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider, pursuant to section 8(4) *Securities Act*, R.S.O., c. S.5, as amended (the "Act"), a request for stay of a decision of a Director of the Compliance and Registrant Regulation Branch dated August 18, 2015 (the "Director's Decision"), pending the hearing and review of the Director's Decision.

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon 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 TAKE FURTHER NOTICE that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plut tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

DATED at Toronto, November 3, 2015.

"Josée Turcotte"
Secretary to the Commission

1.5 Notices from the Office of the Secretary

1.5.1 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
October 28, 2015

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

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and
XUNDONG QIN also known as SAM QIN

TORONTO – The Commission issued an Order pursuant to Subsections 127(1) and 127(8) in the above named matter which provides that:

1. the hearing in this matter scheduled for November 9, 2015 at 10:00 a.m. is vacated; and

2. the hearing in this matter be held on October 30, 2015, at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated October 27, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
October 28, 2015

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

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and
XUNDONG QIN also known as SAM QIN

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

1. the Third Appearance in this matter scheduled for November 9, 2015 at 10:00 a.m. is vacated; and

2. the Third Appearance in this matter be held on October 30. 2015 at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated October 27, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.3 Robert Laudy Williams

FOR IMMEDIATE RELEASE
October 28, 2015

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

AND

IN THE MATTER OF
ROBERT LAUDY WILLIAMS

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

1. this proceeding shall continue by way of a written hearing;

2. Staff's materials shall be served and filed no later than November 5, 2015;

3. Laudy Williams's responding materials, if any, shall be served and filed no later than December 4, 2015; and

4. Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

A copy of the Order dated October 26, 2015 dated is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.4 David Charles Phillips and John Russell Wilson

FOR IMMEDIATE RELEASE
October 29, 2015

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

AND

IN THE MATTER OF DAVID CHARLES PHILLIPS and JOHN RUSSELL WILSON

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated October 28, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

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For investor inquiries:

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

1.5.5 Mark Allen Dennis

FOR IMMEDIATE RELEASE
November 2, 2015

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

AND

IN THE MATTER OF
MARK ALLEN DENNIS

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

a. Staff's application to continue this proceeding by way of a written hearing is granted;

b. Staff's materials shall be served and filed no later than November 5, 2015;

c. Dennis's responding materials, if any, shall be served and filed no later than December 4, 2015; and

d. Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

A copy of the Order dated October 27, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.6 Sharon Downing

FOR IMMEDIATE RELEASE
November 2, 2015

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

AND

IN THE MATTER OF
SHARON DOWNING

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

a. Staff's application to continue this proceeding by way of a written hearing is granted;

b. Staff's materials in respect of the written hearing shall be served and filed no later than November 5, 2015;

c. Downing's responding materials, if any, shall be served and filed no later than December 4, 2015; and

d. Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

A copy of the Order dated October 27, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.7 Daniel Quo Ming Sam

FOR IMMEDIATE RELEASE
November 3, 2015

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

AND

IN THE MATTER OF
DANIEL QUO MING SAM

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

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Sam shall cease until April 27, 2020, except that he may trade securities through one account in his own name through a registrant if he first provides a copy of this order to the registrant;

2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Sam is prohibited until April 27, 2020; and

3. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Sam is prohibited until April 27, 2020, from becoming or acting as a registrant or promoter.

A copy of the Order dated November 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:

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

1.5.8 Argosy Securities Inc. and Keybase Financial Group Inc.

FOR IMMEDIATE RELEASE
November 3, 2015

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

AND

IN THE MATTER OF
ARGOSY SECURITIES INC. AND
KEYBASE FINANCIAL GROUP INC

TORONTO – The Ontario Securities Commission will hold a hearing to consider, pursuant to section 8(4) *Securities Act*, R.S.O., c. S.5, as amended (the "Act"), a request for stay of a decision of a Director of the Compliance and Registrant Regulation Branch dated August 18, 2015 (the "Director's Decision"), pending the hearing and review of the Director's Decision.

The hearing will be held on November 6, 2015 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Application and the Notice of Hearing dated November 3, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Boulder Energy Ltd.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the requirements of Paragraph 2.2(d) of National Instrument 44-101 Short Form Prospectus Distributions requiring an issuer to have current annual financial statements and a current AIF in order to be eligible to file a short form prospectus.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(d), 8.1.

Citation: Re Boulder Energy Ltd., 2015 ABASC 913

October 27, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
BOULDER ENERGY LTD.
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from paragraph 2.2(d) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101** or the **Instrument**), which would require the Filer to have current annual financial statements and a current AIF to be qualified to file a prospectus in the form of a short form prospectus as contemplated in the Instrument (a **Short Form Prospectus**).

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

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

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 44-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Alberta).

2. The Filer's head office is located in Calgary, Alberta.

3. Upon completion of a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta) (the **Arrangement**) on 15 May 2015 involving DeeThree Exploration Ltd. (**DeeThree**) (now called Granite Oil Corp.) and the Filer, the Filer became a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

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

5. The Filer's common shares (**Boulder Shares**) are listed and posted for trading on the Toronto Stock Exchange under the symbol "BXO".

6. Pursuant to the Arrangement, among other things, the Filer acquired DeeThree's oil and gas assets

located in west central and northern Alberta (together the **Acquired Assets**), and Holders of DeeThree common shares (**DeeThree Shareholders**) received half of a Boulder Share for every common share of DeeThree held.

7. Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), DeeThree prepared and mailed a management information circular dated effective 9 April 2015 (the **Circular**) to the DeeThree Shareholders in connection with seeking shareholder approval of the Arrangement. Section 14.2 of Form 51-102F5 *Information Circular* required DeeThree to include in the Circular disclosure regarding, among other things, the Filer, according to the form of prospectus that the Filer would have been eligible to use immediately prior to the sending and filing of the Circular, which was Form 41-101F1 *Information Required in a Prospectus*. The Circular was filed on the Filer's SEDAR profile on 22 May 2015, and included full, true and plain disclosure of all material facts related to the Filer and the Acquired Assets.

8. The Filer is not required to file annual financial statements nor an AIF pursuant to NI 51-102 until 30 March 2016. As a result, the Filer does not have current annual financial statements or a current AIF. Consequently, the Filer does not meet paragraph 2.2(d) of NI 44-101 and is therefore not eligible under section 2.2 of NI 44-101 to file a Short Form Prospectus.

9. The Filer is not eligible for the exemption for successor issuers under subsection 2.7(2) of NI 44-101 because the Acquired Assets were only a portion of DeeThree's business.

10. Subsection 2.7(1) of NI 44-101 provides, among other things, that paragraph 2.2(d) of the Instrument does not apply to an issuer if the issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet been required under the applicable CD rule to file any annual financial statements, and the issuer has filed and obtained a receipt for a final prospectus that included the issuer's or each predecessor entity's comparative annual financial statements for its most recently completed financial year (the **Previously Filed Prospectus Exemption**).

11. The Filer is not eligible for the Previously Filed Prospectus Exemption because it has not filed a prospectus.

12. Absent the Exemption Sought, the Filer is not eligible to file a Short Form Prospectus.

13. Section 2.1 of Companion Policy 44-101CP to National Instrument 44-101 *Short Form Prospectus Distributions* indicates that the rationale underlying the Previously Filed Prospectus Exemption is that the prospectus filed included the disclosure that would have been in current annual financial statements and a current AIF.

14. The disclosure in the Circular included substantively all the disclosure that would have been in current annual financial statements and a current AIF for the Filer.

Decision

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

(a) the Filer is not exempt from the requirement under NI 51-102 to file annual financial statements and an AIF within the prescribed periods after its financial year ended 31 December 2015;

(b) the Filer has not yet been required under NI 51-102 to file annual financial statements or an AIF; and

(c) until the Filer has filed in respect of its financial year ended 31 December 2015 annual financial statements and an AIF, or until 30 March 2016, whichever occurs first, the Filer incorporates by reference into any Short Form Prospectus the portions of the Circular that are in respect of the Filer, namely Schedules E, F, H, I and J.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.2 1042573 B.C. Ltd. – 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).

October 27, 2015

1042573 B.C. Ltd.
c/o Cassels Brock & Blackwell LLP
2100 Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Dear Sirs/Mesdames:

Re: 1042573 B.C. Ltd. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta and Quebec (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 not a reporting issuer.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Ryan Gold Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of its obligation to file and deliver its quarterly financial statements and related management's discussion and analysis – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer.

October 26, 2015

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

AND

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

AND

IN THE MATTER OF
RYAN GOLD CORP.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer in the Jurisdictions (the **Exemptive Relief Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The head office of the Filer is located at 155 University Ave., Suite 1440, Toronto, Ontario, M5H 3B7 and the registered office of the Filer is located at 1 Adelaide Street East, Suite 2100, Toronto, Ontario, M5C 2V9.

2. The Filer is a reporting issuer, or the equivalent, in the provinces of Ontario and Alberta.

3. On June 29, 2015, the Filer entered into an arrangement agreement with Oban Mining Corporation (**Oban**), Eagle Hill Exploration Corporation and Corona Gold Corporation, pursuant to which Oban agreed to acquire all of the common shares of each of the Filer, Eagle Hill Exploration Corporation and Corona Gold Corporation by way of a plan of arrangement (the **Plan of Arrangement**) under Section 182 of the *Business Corporations Act* (Ontario) (the **Arrangement**).

4. Upon the completion of the Arrangement on August 25, 2015, Oban acquired all of the common shares of the Filer and the Filer became a wholly-owned subsidiary of Oban.

5. As a result of the Arrangement: (i) each of the holders of common shares of the Filer immediately before the effective time of the Arrangement received 1.880 common shares of Oban for each common share of the Filer held, following which the common shares of Oban were consolidated on the basis of one post-consolidation share for each 20 pre-consolidation shares; and (ii) all of the options to acquire common shares of the Filer were terminated without any payment therefor, in accordance with the Plan of Arrangement.

6. As a result of the Arrangement, all of the securities of the Filer are held by Oban. The outstanding securities of the Filer, including debt securities, are now beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide.

7. Effective as at the close of business on August 26, 2015, the TSX Venture Exchange delisted the common shares of the Filer.

8. No securities of the Filer, including debt securities, are listed, traded or quoted 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 and the Filer does not intend to have any of its securities listed, traded or quoted on such a marketplace in Canada or any other jurisdiction.

9. The Filer has no intention to seek public financing by way of an offering of securities.

10. 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 September 8, 2015.

11. The Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its quarterly financial statements for the period ended June 30, 2015 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on August 31, 2015.

12. The Filer is not eligible to use the simplified procedure under the CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* as it is in default for failure to file the Filings.

13. The Filer 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.

14. Upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Sarah B. Kavanagh"
Ontario Securities Commission

"Mary Condon"
Ontario Securities Commission

2.1.4 American Hotel Income Properties REIT LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – business acquisition report – the applicant requires relief from the requirement to file a business acquisition report – the acquisition is insignificant applying the asset and investment tests but applying the profit or loss test produces an anomalous results because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors – the applicant has provided additional measures that demonstrate the insignificance of the property to the applicant and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

October 26, 2015

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

AND

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

AND

IN THE MATTER OF A
MERICAN HOTEL INCOME PROPERTIES REIT LP
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to file a business acquisition report (BAR) in connection with the Filer's acquisition of a portfolio of five railway lodging facilities located in New Mexico, South Dakota, Wyoming and Nebraska (the Railway Portfolio) on September 16, 2015 (the Exemption Sought).

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

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut, and

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

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 51-102 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

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

The Filer

1. the Filer is an Ontario limited partnership established under the laws of the Province of Ontario pursuant to a declaration of limited partnership and its head office is located in Vancouver, British Columbia;

2. the Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada;

3. the limited partnership units of the Filer are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "HOT.UN";

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

5. the Filer is in the business of indirectly acquiring hotel properties substantially in the United States;

6. from its February 20, 2013 initial public offering and several subsequent bought deals, the Filer has raised over Cdn$340 million in gross proceeds, the net proceeds of which have been used by the Filer to, among other things, partially finance its indirect acquisition of 78 hotel properties in the United States;

The Acquisition

7. on September 16, 2015, the Filer acquired the Railway Portfolio for a total gross purchase price of approximately US$44.8 million, excluding customary closing and post-closing acquisition adjustments;

8. the acquisition of the Railway Portfolio constitutes a "significant acquisition" of the Filer for the purposes of Part 8 of NI 51-102, requiring the Filer to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102;

Significance Tests for the BAR

9. under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102;

10. the acquisition of the Railway Portfolio is not a significant acquisition under the asset test in section 8.3(2)(a) of NI 51-102 as the value of the Railway Portfolio represented only approximately 10.3% of the consolidated assets of the Filer as of December 31, 2014;

11. the acquisition of the Railway Portfolio is not a significant acquisition under the investment test in section 8.3(2)(b) of NI 51-102 as the Filer's acquisition costs represented only approximately 10.3% of the consolidated assets of the Filer as of December 31, 2014;

12. the acquisition of the Railway Portfolio would, however, be a significant acquisition under the profit or loss test in section 8.3(2)(c) of NI 51-102; in particular, the Filer's proportionate share of the consolidated specified profit or loss of the Railway Portfolio exceeds 20% of the consolidated specified profit or loss of the Filer calculated using audited annual financial statements of the Filer and unaudited annual financial information for the Railway Portfolio, in each case, for the year ended December 31, 2014;

13. the application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test;

De Minimis Acquisition

14. the Filer does not believe (nor did it at the time that it made the acquisition) that the acquisition of the Railway Portfolio is significant to it from a commercial, business, practical or financial perspective; and

15. the Filer has provided the principal regulator with additional operational measures that demonstrate the non-significance of the acquisition of the Railway Portfolio to the Filer; these additional operational measures

compared other operational information such as net operating income, revenue and number of rooms for the Railway Portfolio to that of the Filer, and the results of those measures are generally consistent with the results of the asset test and the investment test.

Decision

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

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

"Peter J. Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.1.5 Corona Gold Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of its obligation to file and deliver its quarterly financial statements and related management's discussion and analysis – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer.

October 26, 2015

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

AND

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

AND

IN THE MATTER OF
CORONA GOLD CORPORATION (the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer in the Jurisdictions (the **Exemptive Relief Sought**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The head office of the Filer is located at 155 University Ave., Suite 1440, Toronto, Ontario, M5H 3B7 and the registered office of the Filer is located at 1 Adelaide Street East, Suite 2100, Toronto, Ontario, M5C 2V9.

2. The Filer is a reporting issuer, or the equivalent, in the provinces of Ontario and Alberta.

3. On June 29, 2015, the Filer entered into an arrangement agreement with Oban Mining Corporation (**Oban**), Eagle Hill Exploration Corporation and Ryan Gold Corp., pursuant to which Oban agreed to acquire all of the common shares of each of the Filer, Eagle Hill Exploration Corporation and Ryan Gold Corp. by way of a plan of arrangement (the **Plan of Arrangement**) under Section 182 of the *Business Corporations Act* (Ontario) (the **Arrangement**).

4. Upon the completion of the Arrangement on August 25, 2015, Oban acquired all of the common shares of the Filer and the Filer became a wholly-owned subsidiary of Oban.

5. As a result of the Arrangement: (i) each of the holders of common shares of the Filer immediately before the effective time of the Arrangement received 7.671 common shares of Oban for each common share of the Filer held, following which the common shares of Oban were consolidated on the basis of one post-consolidation share for each 20 pre-consolidation shares; and (ii) all of the options to acquire common shares of the Filer were terminated without any payment therefor, in accordance with the Plan of Arrangement.

6. As a result of the Arrangement, all of the securities of the Filer are held by Oban. The outstanding securities of the Filer, including debt securities, are now beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide.

7. Effective as at the close of business on August 26, 2015, the Canadian Stock Exchange delisted the common shares of the Filer.

8. No securities of the Filer, including debt securities, are listed, traded or quoted 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 and the Filer does not intend to have any

of its securities listed, traded or quoted on such a marketplace in Canada or any other jurisdiction.

9. The Filer has no intention to seek public financing by way of an offering of securities.

10. 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 September 8, 2015.

11. The Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its quarterly financial statements for the period ended June 30, 2015 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on August 31, 2015.

12. The Filer is not eligible to use the simplified procedure under the CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* as it is in default for failure to file the Filings.

13. The Filer 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.

14. Upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Mary Condon"
Ontario Securities Commission

"Sarah B. Kavanagh"
Ontario Securities Commission

2.1.6 Medworxx Solutions Inc. – 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).

November 3, 2015

Medworxx Solutions Inc.
c/o Zohar Barzilai
Cassels Brock & Blackwell LLP
2100 Scotia Plaza, 40 King Street West
Toronto ON M5H 3C2

Dear Sirs/Mesdames:

Re: Medworxx Solutions Inc. (the Applicant) – Application for a decision under the securities legislation of Ontario and Alberta (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 not a reporting issuer.

"Sonny Randhawa"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Future Solar Developments Inc. et al. – ss. 127(1), 127(8)

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

AND

**IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and X
UNDONG QIN also known as SAM QIN**

**TEMPORARY ORDER
(Subsections 127(1) and 127(8))**

WHEREAS:

1. on February 17, 2015, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to subsection 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following:

   a. pursuant to paragraph 2 of subsection 127(1) of the Act, Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together the "Corporate Respondents") and Xundong Qin (also known as Sam Qin) ("Qin") (together with the Corporate Respondents, the "Respondents") cease trading in all securities;

   b. pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in the securities of FSD shall cease; and

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

2. the Commission ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

3. on February 19, 2015, the Commission issued a Notice of Hearing (the "Notice of Hearing") to consider the extension of the Temporary Order, to be held on March 2, 2015 at 11:00 a.m.;

4. Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing and Staff's supporting

materials as evidenced by Affidavit of Service filed with the Commission;

5. the Commission held a hearing on March 2, 2015 and counsel for Staff and Qin, on behalf of himself and behalf of the Corporate Respondents, attended the hearing;

6. the Commission ordered that pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until June 12, 2015 and that the hearing of the matter is adjourned until June 8, 2015 at 3:00 p.m.;

7. the Commission held a hearing on June 8, 2015, and counsel for Staff and counsel for the Respondents attended the hearing;

8. counsel for the Respondents did not oppose an extension of the Temporary Order for a period of three months;

9. the Commission ordered that pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until September 11, 2012 and that the hearing of the matter be adjourned until September 9, 2015 at 10:00 a.m.;

10. the Commission held a hearing on September 9, 2015, and counsel for Staff and Qin, personally and on behalf of Cenith Energy, Cenith Air, and Angel Immigration, appeared and made submissions;

11. on September 9, 2015 no one appeared on behalf of FSD;

12. the Commission ordered that pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until November 12, 2015 and that the hearing of the matter be adjourned until November 9, 2015 at 10:00 a.m.;

13. a request was made to the Office of the Secretary to reschedule the hearing in this matter, and the parties agreed to such other date and time as provided by the Office of the Secretary;

14. the Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED that:

1. the hearing in this matter scheduled for November 9, 2015 at 10:00 a.m. is vacated; and

2. the hearing in this matter be held on October 30, 2015, at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 27th day of October, 2015.

"Mary Condon"

2.2.2 Future Solar Developments Inc. et al. – 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
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and
XUNDONG QIN also known as SAM QIN

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS

1. on March 26, 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 relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 26, 2015, to consider whether it is in the public interest to make certain orders against Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together, the "Corporate Respondents") and Xundong Qin, also known as Sam Qin ("Qin") (together with the Corporate Respondents, the "Respondents");

2. the Notice of Hearing set April 15, 2015 as the hearing date in this matter;

3. on April 15, 2015, Staff and counsel for the Respondents appeared and made submissions;

4. the Commission ordered that the matter be adjourned to a confidential pre-hearing conference on June 8, 2015 at 3:00 p.m.;

5. on June 8, 2015, the Commission held a confidential pre-hearing conference and counsel for Staff and counsel for the Respondents attended the hearing;

6. the Commission ordered that:

    1. the Second Appearance in this matter be held on September 9, 2015 at 10:00 a.m.; and

    2. that Staff shall provide to the Respondents, no later than five (5) days before the Second Appearance, their witness lists and indicate any intent to call an expert witness, including the name of the expert witness and the issue on when the expert will be giving evidence;

7. on September 9, 2015, the Commission held a Second Appearance and counsel for Staff and Qin, personally and on behalf of Cenith Energy, Cenith Air and Angel Immigration, appeared and made submissions;

8. on September 9, 2015, no one appeared on behalf of FSD;

9. the Commission ordered that:

    1. the Third Appearance in this matter be held on November 9, 2015 at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties;

    2. Staff shall provide to the Respondent their witness summaries by September 18, 2015; and

    3. the Respondents shall provide to Staff by October 21, 2015 their witness lists and witness summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence.

10. a request was made to the Office of the Secretary to reschedule the Third Appearance in this matter and the parties agreed to such other date and time as provided by the Office of the Secretary;

11. the Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED that:

1. the Third Appearance in this matter scheduled for November 9, 2015 at 10:00 a.m. is vacated; and

2. the Third Appearance in this matter be held on October 30. 2015 at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 27th day of October, 2015.

"Mary Condon"

2.2.3 Robert Laudy Williams – s. 127(1)

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

AND

**IN THE MATTER OF
ROBERT LAUDY WILLIAMS**

**ORDER
(Subsection 127(1) of the Securities Act)**

WHEREAS:

1. on September 28, 2015,

   a. Staff of the Ontario Securities Commission ("Staff") filed a Statement of Allegations, in which Staff sought an order against Robert Laudy Williams ("Laudy Williams") pursuant to subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"); and

   b. the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in respect of that Statement of Allegations;

2. on October 26, 2015,

   a. Staff appeared before the Commission and made submissions, and filed an affidavit of service sworn by Lee Crann on October 19, 2015, indicating steps taken by Staff to serve Laudy Williams with the Notice of Hearing, Statement of Allegations, and Staff's disclosure materials; and

   b. Laudy Williams did not appear or make submissions although properly served; and

3. the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

1. this proceeding shall continue by way of a written hearing;

2. Staff's materials shall be served and filed no later than November 5, 2015;

3. Laudy Williams's responding materials, if any, shall be served and filed no later than December 4, 2015; and

4. Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

DATED at Toronto this 26th day of October, 2015.

"Timothy Moseley"

2.2.4 David Charles Phillips and John Russell Wilson

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

AND

**IN THE MATTER OF
DAVID CHARLES PHILLIPS AND
JOHN RUSSELL WILSON**

ORDER

WHEREAS

1. On June 4, 2012, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing in relation to a Statement of Allegations filed by Staff of the Commission ("**Staff**") against David Charles Phillips ("**Phillips**") and John Russell Wilson ("**Wilson**") (together, the "**Respondents**");

2. On April 25, 2013, Staff filed an Amended Statement of Allegations;

3. Following the hearing on the merits which commenced on June 5, 2013 and continued on June 6, 7, 10, 11, 12, 13, 17, 19, 20 and 24, 2013, the Commission issued its Reasons and Decision with respect to the merits on January 14, 2015 (the "**Merits Decision**");

4. The Commission determined that the Respondents had not complied with Ontario securities law and had acted contrary to the public interest, as described in the Merits Decision;

5. On May 11, 2015, the Commission held a hearing with respect to the sanctions and costs, if any, to be imposed in this matter;

6. On October 28, 2015, the Commission released its Reasons and Decision on Sanctions and Costs in this matter;

7. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by each of Phillips and Wilson shall cease permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Phillips and Wilson shall be prohibited permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, the acquisition of any securities by the Respondent shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

3. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of Phillips and Wilson permanently;

4. pursuant to paragraph 7 of subsection 127(1) of the Act, Phillips and Wilson shall resign any position that they hold as a director or officer of an issuer;

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

6. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Phillips and Wilson shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

7. pursuant to paragraph 9 of subsection 127(1) of the Act, Phillips shall pay an administrative penalty of $700,000 for his non-compliance with Ontario securities

law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

8. pursuant to paragraph 9 of subsection 127(1) of the Act, Wilson shall pay an administrative penalty of $400,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

9. pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips and Wilson shall jointly and severally disgorge to the Commission a total of $7,817,739 that was obtained as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

10. pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips, in addition, shall disgorge to the Commission a total of $8,779,515 that was obtained as a result of his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act; and

11. pursuant to subsection 127.1 of the Act, Phillips and Wilson shall jointly and severally pay $340,867.50 for the costs incurred in this matter.

DATED at Toronto this 28th day of October, 2015.

"Edward Kerwin"

2.2.5 Ryan Gold Corp. – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

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
RYAN GOLD CORP.
(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 155 University Ave., Suite 1440, Toronto, Ontario, M5H 3B7.

3. On August 25, 2015, Oban Mining Corporation (**Oban**) acquired all of the issued and outstanding Common Shares by way of a plan of arrangement under the OBCA and became the sole beneficial holder of all of the Common Shares.

4. As of the date of this decision, all of the issued and outstanding securities of the Applicant, including debt securities, if any, are beneficially owned, directly or indirectly, by the sole securityholder, Oban.

5. The Common Shares have been delisted from the TSX Venture Exchange, effective as of the close of trading on August 26, 2015.

6. 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.

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 September 8, 2015.

8. The Applicant is a reporting issuer, or the equivalent, in the provinces of Ontario and Alberta (the **Jurisdictions**).

9. The Applicant is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its quarterly financial statements for the period ended June 30, 2015 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on August 31, 2015.

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

11. On August 31, 2015, the Applicant made an application to the Ontario Securities Commission, as principal regulator on behalf of the securities regulatory authorities in the Jurisdictions, for a decision that the Applicant is not a reporting issuer in the Jurisdictions (the "**Reporting Issuer Relief Requested**").

12. Upon the grant of the Reporting Issuer Relief Requested, the Applicant will not be a reporting issuer or equivalent in any jurisdiction of Canada.

AND UPON the Commission being satisfied 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 this 20th day of October, 2015

"Sarah B. Kavanagh"
Ontario Securities Commission

"Mary Condon"
Ontario Securities Commission

2.2.6 Corona Gold Corporation – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

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
CORONA GOLD CORPORATION
(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 155 University Ave., Suite 1440, Toronto, Ontario, M5H 3B7.

3. On August 25, 2015, Oban Mining Corporation (**Oban**) acquired all of the issued and outstanding Common Shares by way of a plan of arrangement under the OBCA and became the sole beneficial holder of all of the Common Shares.

4. As of the date of this decision, all of the outstanding securities of the Applicant, including debt securities, if any, are beneficially owned, directly or indirectly, by the sole securityholder, Oban.

5. The Common Shares have been delisted from the Canadian Securities Exchange, effective as of the close of trading on August 26, 2015.

6. 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.

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 September 8, 2015.

8. The Applicant is a reporting issuer, or the equivalent, in the provinces of Ontario and Alberta (the **Jurisdictions**).

9. The Applicant is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its quarterly financial statements for the period ended June 30, 2015 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on August 31, 2015.

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

11. On August 31, 2015, the Applicant made an application to the Ontario Securities Commission, as principal regulator on behalf of the securities regulatory authorities in the Jurisdictions, for a decision that the Applicant is not a reporting issuer in the Jurisdictions (the "**Reporting Issuer Relief Requested**").

12. Upon the grant of the Reporting Issuer Relief Requested, the Applicant will not be a reporting issuer or equivalent in any jurisdiction of Canada.

AND UPON the Commission being satisfied 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 this 20th day of October, 2015.

"Mary Condon"
Ontario Securities Commission

"Sarah B. Kavanagh"
Ontario Securities Commission

2.2.7 Mark Allen Dennis – s. 127(1)

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

AND

IN THE MATTER OF
MARK ALLEN DENNIS

ORDER
(Subsection 127(1) of the Securities Act)

WHEREAS:

1. on September 28, 2015, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff sought an order against Mark Allen Dennis ("Dennis") pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. on September 30, 2015, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting October 27, 2015, as the date of the hearing;

3. at the hearing on October 27, 2015,

   a. Staff appeared before the Commission and made submissions, and filed:

      i. an affidavit sworn by Cameron Gaines on October 19, 2015 and an affidavit sworn by Lee Crann on October 20, 2015, both of which described steps taken by Staff to serve Dennis with the Notice of Hearing, Statement of Allegations, and Staff's disclosure materials;

      ii. an affidavit of Allister Field sworn October 20, 2015;

      iii. an affidavit of Allister Field sworn October 21, 2015; and

      iv. a copy of an email from Dennis to Clare Devlin dated October 23, 2015, in which Dennis indicated that he had received Staff's materials, that he would not be able to attend the hearing on October 27, and that he did not object to the hearing being held in writing; and

   b. Dennis did not appear although properly served; and

   c. Staff applied to continue this proceeding by way of a written hearing; and

4. the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

(a) Staff's application to continue this proceeding by way of a written hearing is granted;

(b) Staff's materials shall be served and filed no later than November 5, 2015;

(c) Dennis's responding materials, if any, shall be served and filed no later than December 4, 2015; and

(d) Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

DATED at Toronto this 27th day of October, 2015.

"Timothy Moseley"

2.2.8 Sharon Downing – s. 127(1)

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

AND

IN THE MATTER OF
SHARON DOWNING

ORDER
(Subsection 127(1) of the Securities Act)

WHEREAS:

1. on September 28, 2015, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations in which Staff sought an order against Sharon Downing ("Downing"), pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. on September 28, 2015, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting October 27, 2015, as the date of the hearing;

3. at the hearing on October 27, 2015,

   a. Staff appeared before the Commission, made submissions, and filed an affidavit sworn by Lee Crann on October 19, 2015, describing steps taken by Staff to serve Downing with the Notice of Hearing, Statement of Allegations, and Staff's disclosure materials;

   b. Downing did not appear or make submissions although properly served; and

   c. Staff applied to continue this proceeding by way of a written hearing; and

4. the Commission is of the opinion that it is in the public interest to make this order,

IT IS HEREBY ORDERED THAT:

(a) Staff's application to continue this proceeding by way of a written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than November 5, 2015;

(c) Downing's responding materials, if any, shall be served and filed no later than December 4, 2015; and

(d) Staff's reply materials, if any, shall be served and filed no later than December 18, 2015.

DATED at Toronto this 27th day of October, 2015.

"Timothy Moseley"

2.2.9 Moody's Canada Inc.

Headnote

National Policy 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions – Application by a designated rating organization to amended and restate its designation order.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 22.
National Instrument 25-101 Designated Rating Organizations, s. 6, Part 3 and ss. 2.22 to 2.25 of Appendix A.

November 2, 2015

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

AND

IN THE MATTER OF
THE PROCESS FOR DESIGNATION OF CREDIT RATING ORGANIZATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MOODY'S CANADA INC.
(the Filer)

AMENDED AND RESTATED DESIGNATION ORDER

IT IS ORDERED THAT effective as of November 2, 2015, the order issued by the Ontario Securities Commission (the principal regulator in the Jurisdiction) on October 31, 2012 which designated the Filer as a designated rating organization as contemplated by National Instrument 25-101 *Designated Rating Organizations*, subject to the conditions provided for in that order, be amended and restated as follows:

Background

On October 31, 2012, the Ontario Securities Commission (the **Commission**) issued an order (the **Original Designation Order**) which designated the Filer as a designated rating organization (**DRO**) as contemplated by National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**), subject to the conditions provided for in that order. One of these conditions is that either (i) the MIS Committee (as defined in the Original Designation Order) assumes responsibility for performing the functions that section 2.25 of Appendix A to NI 25-101 allocates to the board of directors of a DRO (the **Governance Functions**) and the composition of such committee is as described in paragraph 14 of the Original Designation Order (the **MIS Governance Option**), or (ii) the board of directors of the Filer complies with Part 3 of NI 25-101 (including sections 2.22 to 2.24 of Appendix A to NI 25-101) and performs the Governance Functions.

The Commission has received an application from the Filer (also referred to as **MIS Canada**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) to amend and restate the Original Designation Order to, among other things, allow the MIS Governance Option to be satisfied by the board of directors (the **MIS Board**) of Moody's Investors Service, Inc. (**MIS Inc.**), a wholly owned subsidiary of Moody's Corporation (**MCO**), rather than the MIS Committee.

Under the Process for Designation of Credit Rating Organizations in Multiple Jurisdictions (for a passport application):

(a) the Commission is the principal regulator (the **Principal Regulator**) for this application; and

(b) the Filer has provided notice that section 4B.6 of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 25-101 have the same meanings in this decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation governed by the federal laws of Canada with its registered and head office located in Toronto, Ontario.

2. The Filer provides credit rating opinions, research and risk analysis regarding a broad range of financial institutions, corporate entities, government bodies and various structured finance product groups in Canada, which may from time to time be used outside of Canada.

3. The Filer is a wholly owned subsidiary of Moody's Overseas Holdings, Inc. (**MOH**), which itself is a wholly-owned subsidiary of MCO. MCO, the parent company, is a publicly held Delaware corporation whose board of directors is subject to the full corporate governance regime imposed by Delaware law, rules made under the Securities Exchange Act of 1934 and the New York Stock Exchange.

4. The Filer has filed all documentation required under Part 2 of NI 25-101.

5. The Filer is: (i) a "credit rating affiliate" of MIS Inc., which is a Nationally Recognized Statistical Rating Organization (**NRSRO**) in the United States (**US**); (ii) listed on MIS Inc.'s Form NRSRO as a credit rating affiliate; and (iii) in compliance in all material respects with US federal securities law applicable to NRSROs and their credit rating affiliates.

6. In general terms, MCO and its direct and indirect subsidiaries (collectively, **Moody's**) are organized as follows. Moody's has two principal businesses. Moody's Investors Service (**MIS**) is the credit rating agency. The term MIS refers to MIS Inc. and the wholly owned subsidiaries of MCO that engage in rating services. The term Moody's Analytics (**MA**) refers to the companies that carry out all other, non-rating commercial activities.

7. The Filer's credit ratings are determined collectively by rating committees by a majority vote, and not by any individual analyst. Rating committees, which are constituted individually for each issuer and obligation, have members who may be based in different MIS offices around the world. Rating committees that determine credit ratings assigned by the Filer consist of analysts who have the appropriate knowledge and experience to address the analytical perspectives relevant to the issuer and obligation. Rating committees for Canadian-based issuers often, but do not necessarily, include one or more analysts based in Canada and employed by MIS Canada. Factors considered in determining the make-up of a rating committee may include the size of the issue, the complexity of the credit and the introduction of a new instrument. This approach to the composition of rating committees helps MIS provide high quality credit ratings that are comparable across sectors, regions and countries. Therefore, for purposes of this Amended and Restated Designation Order, any credit ratings of MIS that are required under the Legislation to be issued by a DRO shall be deemed to be credit ratings of MIS Canada.

8. MIS has a Credit Policy Group, separate from the rating groups that are principally responsible for rating issuers and obligations. The Credit Policy Group is charged with promoting consistency, quality and transparency in MIS' rating practices globally and across diverse sectors and regions. The Moody's Investor's Services Code of Professional Conduct (the **MIS Code**) and the MIS Canada Code (as defined below) allocate to the Credit Policy Group responsibility for:

   (1) conducting research on ratings performance;

   (2) reviewing and approving methodologies and models; and

   (3) overseeing credit policy committees that formulate high-level rating policies and practices for each of the rating groups.

9. Moody's maintains independent Internal Audit and Compliance functions with global remits that extend to MIS, its activities and those of its employees.

10. Certain activities or functions that are required to be undertaken by a DRO pursuant to NI 25-101 are centralized within MIS or Moody's, as the case may be, and are performed by other employees of other Moody's entities. For example, the Compliance and Internal Audit functions are shared services across MIS, MA and MCO. The Credit Policy function is centralized within MIS, and the Credit Policy staff may be employed by MIS entities other than MIS Canada. Also, many of the disclosures that MIS is required to disseminate under various laws are effected through moodys.com, which is managed centrally within MCO. The centralization of these and other functions promotes global consistency in the performance of these functions. The Filer also sometimes employs third parties to perform certain services that are referred to in NI 25-101.

11. The Filer has appointed a compliance officer of MIS as its "designated compliance officer" (**DCO**) to fulfill the functions prescribed by Part 5 of NI 25-101.

12. Pursuant to a unanimous shareholder declaration, the powers of the directors of the Filer to manage, or supervise the management of, the business and affairs of the Filer have been given to MOH, the sole shareholder of the Filer.

13. As a result of recent changes to United States laws, specifically Rule 17g-8(a)(1) of the Securities Exchange Act of 1934, the MIS Committee can no longer perform the governance and oversight functions required by section 2.25 of Appendix A of NI 25-101 and Section 15E(t)(3) of the Securities Exchange Act of 1934. Consequently, such functions will be fulfilled by the MIS Board effective as of the date of the Amended and Restated Designation Order.

14. Upon the coming into effect of this Amended and Restated Designation Order, at least half, and no fewer than two of the directors of the MIS Board will be independent for the purposes of NI 25-101, a majority of its board of directors, including its independent directors, will have, what a reasonable person would consider, sufficient expertise in financial services to fully understand and properly oversee the business activities of the Filer, and at least one independent member and one other member of the MIS Board will have what a reasonable person would consider to be, in-depth knowledge and experience at a senior level, regarding structured finance products.

15. In addition to the independence requirements in Part 3 of NI 25-101, a director of the MIS Board will not be considered "independent" for the purposes of Part 3 of NI 25-101 if:

    (a) the director previously served on the MIS Committee for more than five years in total; or

    (b) the director's cumulative service on the MIS Committee and the MIS Board is more than five years in total.

16. It is contemplated that the MIS Board will act in a capacity similar to a board of directors for the Filer in respect of the requirements and functions prescribed by NI 25-101 for the board of directors of a DRO, including Part 3 of NI 25-101, subsection 12(1) and 12(2) of NI 25-101, section 2.11 and sections 2.22 to 2.25 of Appendix A to NI 25-101. The MIS Board will comply with those requirements as if MIS Inc. was a DRO affiliate that is a parent of the Filer.

The Filer's Compliance with NI 25-101

17. MIS Inc. has adopted the MIS Code, which is designed to be substantially aligned with the International Organization of Securities Commissions Code of Conduct Fundamentals for Credit Rating Agencies (the **IOSCO Code**). The Filer has adopted and implemented the Moody's Canada Inc. Code of Professional Conduct (the **MIS Canada Code**), which is similarly designed to be substantially aligned with the IOSCO Code and includes provisions adopted to satisfy the requirements of NI 25-101.

18. MCO and MIS Inc. have also implemented a range of globally applicable policies, procedures and guidance (the **Global Policies**) that are designed to achieve the objectives set out in the IOSCO Code and satisfy regulatory requirements that MIS implements globally. The Filer has adopted and implemented Canada-specific policies, procedures, guidance and internal controls as necessary (the **Canada Policies**) in order to comply with NI 25-101.

19. On October 31, 2012:

    (a) the Commission issued the Original Designation Order which designated the Filer as a DRO pursuant to NI 25-101, subject to the conditions provided for in that order. The Original Designation Order requires that either (i) the MIS Committee assumes responsibility for performing the Governance Functions, or (ii) the board of directors of the Filer complies with Part 3 of NI 25-101 (including sections 2.22 to 2.24 of Appendix A to NI 25-101) and performs the Governance Functions. The Original Designation Order also prohibits the Filer from making amendments to the MIS Canada Code unless the amendments do not derogate in any material respect therefrom or are necessary or desirable for MIS to comply with applicable law or achieve the objectives of the IOSCO Code as it might be amended from time to time; and

(b) the Filer was granted exemptive relief from certain aspects of NI 25-101 pursuant to an order granted by the Principal Regulator on October 31, 2012 (the **Exemption Order**).

20. Upon the coming into effect of this Amended and Restated Designation Order, the MIS Board will assume responsibility for performing the Governance Functions for the Filer.

21. The Filer believes that the MIS Canada Code, the Global Policies and the Canada Policies are consistent in all material respects with the objectives of NI 25-101 and will enable the Filer to:

(a) accommodate the global nature of MIS's operations;

(b) provide independent and globally consistent credit ratings; and

(c) maintain and enforce globally consistent policies and procedures designed to achieve regulatory objectives.

22. The Filer is in compliance in all material respects with the Original Designation Order, the Exemption Order, NI 25-101 and the securities legislation applicable to credit rating organizations in each jurisdiction in Canada and in any other jurisdiction in which the Filer operates.

23. The Filer is subject to the requirements set out in the Legislation and the securities legislation in each of the Passport Jurisdictions.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Filer is designated as a designated rating organization under the Legislation provided that:

1. either:

(a) the MIS Board assumes responsibility for performing the functions prescribed by NI 25-101 for the board of directors of a DRO and the MIS Board complies with (i) the independence requirements described in paragraph 15 of this Amended and Restated Designation Order, (ii) Part 3 of NI 25-101 and (iii) sections 2.22 to 2.25 of Appendix A to NI 25-101; in each case, as if MIS Inc. was a DRO affiliate that is a parent of the Filer, or

(b) the board of directors of the Filer performs the functions prescribed by NI 25-101 for the board of directors of a DRO and complies with Part 3 of NI 25-101 and sections 2.22 to 2.25 of Appendix A to NI 25-101, and

2. the Filer continues to designate a compliance officer of an affiliate as its DCO to fulfill the functions prescribed by Part 5 of NI 25-101 and the DCO has a direct reporting relationship to either the MIS Board or the board of directors of the Filer, in accordance with paragraph 1 above.

“Grant Vingoe”
Vice-Chair
Ontario Securities Commission

“Howard Wetston”
Chair
Ontario Securities Commission

2.2.10 Daniel Quo Ming Sam – s. 127(1)

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

AND

IN THE MATTER OF
DANIEL QUO MING SAM

ORDER
(Subsection 127(1) of the Securities Act)

WHEREAS:

1. on September 28, 2015, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations in which Staff sought an order against Daniel Quo Ming Sam ("Sam") pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. on September 28, 2015, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting October 26, 2015, as the date of the hearing;

3. at the hearing on October 26, 2015, Staff appeared before the Commission and made submissions;

4. Sam consents to this order, as appears from the email to Staff from his counsel dated October 28, 2015, a copy of which was marked as Exhibit 2 in this proceeding;

5. Sam is subject to an order of the British Columbia Securities Commission made against him on April 27, 2015, which order imposes sanctions and restrictions upon him;

6. pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority in any jurisdiction that imposes sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order made under subsection 127(1) of the Act; and

7. the Commission is of the opinion that it is in the public interest to make this order,

IT IS HEREBY ORDERED THAT:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Sam shall cease until April 27, 2020, except that he may trade securities through one account in his own name through a registrant if he first provides a copy of this order to the registrant;

2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Sam is prohibited until April 27, 2020; and

3. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Sam is prohibited until April 27, 2020, from becoming or acting as a registrant or promoter.

DATED at Toronto this 2nd of November, 2015.

"Timothy Moseley"

2.2.11 Metro Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,140,000 of its common shares from two of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
METRO INC.

ORDER
(Clause 104(2)(c))

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the **Act**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to an aggregate of 1,140,000 (the **Subject Shares**) of the Issuer's common shares (the **Common Shares**) in one or more trades with the Bank of Montreal and BMO Nesbitt Burns Inc. (each, a **Selling Shareholder**, and together, the **Selling Shareholders**);

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

AND UPON the Issuer (and each Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24, as they relate to such Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act (*Québec).

2. The head office and registered office of the Issuer is located at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "MRU". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized capital stock of the Issuer consists of: (i) an unlimited number of Common Shares, of which 241,740,744 Common Shares were issued and outstanding as of October 10, 2015; and (ii) an unlimited number of Preferred Shares, none of which are currently issued and outstanding.

5. The corporate headquarters of each of the Selling Shareholders is located in the Province of Ontario. The Selling Shareholders are affiliates of each other.

6. Neither Selling Shareholder directly or indirectly owns more than 5% of the issued and outstanding Common Shares.

7. The Bank of Montreal is the beneficial owner of at least 410,000 Common Shares and BMO Nesbitt Burns Inc. is the beneficial owner of at least 730,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, either of the Selling Shareholders in anticipation or contemplation of resale by either of the Selling Shareholders to the Issuer.

8. The Subject Shares are held by the Selling Shareholders in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, neither Selling Shareholder will purchase, have purchased on its behalf, or otherwise accumulate, any Common

Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Common Shares were purchased by, or on behalf of, either of the Selling Shareholders on or after September 13, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by either of the Selling Shareholders to the Issuer.

10. Each Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. Each Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the **Notice**) that was submitted to, and accepted by, the TSX, effective September 10, 2015, the Issuer is permitted to make a normal course issuer bid (the **Normal Course Issuer Bid**) to purchase up to 18,000,000 Common Shares, representing approximately 9.5% of the Issuer's public float of Common Shares as of the date specified in the Notice, during the 12-month period beginning on September 10, 2015 and ending on September 9, 2016. In accordance with the Notice, the Normal Course Issuer Bid is to be conducted through the facilities of the TSX or through such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **Off-Exchange Block Purchase**). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and each Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the applicable Selling Shareholder by way of one or more purchases, each occurring on or before September 9, 2016 (each such purchase, a **Proposed Purchase**) for a purchase price (each such price, a **Purchase Price** in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the applicable Selling Shareholder. The Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholders in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the applicable Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security

holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 10, 2015, the "public float" of the Common Shares represented approximately 77% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the applicable Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Trading Products Group of either Selling Shareholder, nor any personnel of the Selling Shareholders that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from each Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made three other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,240,000 Common Shares from the Canadian Imperial Bank of Commerce, up to 1,800,000 Common Shares from The Toronto-Dominion Bank, and up to 982,000 Common Shares from the Royal Bank of Canada, each pursuant to one or more private agreements (the **Concurrent Applications**).

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 6,000,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods designated and administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,140,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 4,022,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 5,162,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 28.68% of the maximum 18,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in clause 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to

the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from a Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the applicable Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Trading Products Group of either Selling Shareholder, nor any personnel of the Selling Shareholders that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each such purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one third being equal to, as of the date of this Order, 6,000,000 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from each Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 27th day of October, 2015.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.12 Metro Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,800,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
METRO INC.

ORDER
(Clause 104(2)(c))

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the **Act**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 1,800,000 (the **Subject Shares**) of the Issuer's common shares (the **Common Shares**) in one or more trades with The Toronto-Dominion Bank (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).

2. The head office and registered office of the Issuer is located at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "MRU". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized capital stock of the Issuer consists of: (i) an unlimited number of Common Shares, of which 241,740,744 Common Shares were issued and outstanding as of October 10, 2015; and (ii) an unlimited number of Preferred Shares, none of which are currently issued and outstanding.

5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.

6. The Selling Shareholder does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,800,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after September 13, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the **Notice**) that was submitted to, and accepted by, the TSX, effective September 10, 2015, the Issuer is permitted to make a normal course issuer bid (the **Normal Course Issuer Bid**) to purchase up to 18,000,000 Common Shares, representing approximately 9.5% of the Issuer's public float of Common Shares as of the date specified in the Notice, during the 12-month period beginning on September 10, 2015 and ending on September 9, 2016. In accordance with the Notice, the Normal Course Issuer Bid is to be conducted through the facilities of the TSX or through such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **Off-Exchange Block Purchase**). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases each occurring on or before September 9, 2016 (each such purchase, a **Proposed Purchase**) for a purchase price (each such price, a **Purchase Price** in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 10, 2015, the "public float" of the Common Shares represented approximately 77%

of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made three other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,240,000 Common Shares from the Canadian Imperial Bank of Commerce, up to an aggregate of 1,140,000 Common Shares from the Bank of Montreal and BMO Nesbitt Burns Inc., and up to 982,000 Common Shares from the Royal Bank of Canada, each pursuant to one or more private agreements (the **Concurrent Applications**).

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 6,000,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods designated and administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,800,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 3,362,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 5,162,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 28.68% of the maximum 18,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in clause 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the

Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each such purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one third being equal to, as of the date of this Order, 6,000,000 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 27th day of October, 2015.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.13 Metro Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 982,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
METRO INC.

ORDER
(Clause 104(2)(c))

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the *Securities Act (*Ontario) (the **Act**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 982,000 (the **Subject Shares**) of the Issuer's common shares (the **Common Shares**) in one or more trades with the Royal Bank of Canada (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).

2. The head office and registered office of the Issuer is located at 11011 Maurice-Duplessis Boulevard, Montréal, Québec, H1C 1V6.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "MRU". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized capital stock of the Issuer consists of: (i) an unlimited number of Common Shares, of which 241,740,744 Common Shares were issued and outstanding as of October 10, 2015; and (ii) an unlimited number of Preferred Shares, none of which are currently issued and outstanding.

5. The Selling Shareholder has its corporate headquarters in the Province of Québec. Each Proposed Purchase (as defined below) will be executed and settled in the Province of Ontario. The Selling Shareholder's corporate branch office located in the Province of Ontario has undertaken the negotiation, execution and delivery of the Agreement (as defined below) and the execution and settlement of the Proposed Purchases.

6. The Selling Shareholder does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 982,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or

otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after September 13, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the **Notice**) that was submitted to, and accepted by, the TSX, effective September 10, 2015, the Issuer is permitted to make a normal course issuer bid (the **Normal Course Issuer Bid**) to purchase up to 18,000,000 Common Shares, representing approximately 9.5% of the Issuer's public float of Common Shares as of the date specified in the Notice, during the 12-month period beginning on September 10, 2015 and ending on September 9, 2016. In accordance with the Notice, the Normal Course Issuer Bid is to be conducted through the facilities of the TSX or through such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **Off-Exchange Block Purchase**). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases each occurring on or before September 9, 2016 (each such purchase, a **Proposed Purchase**) for a purchase price (each such price, a **Purchase Price** in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing

market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 10, 2015, the "public float" of the Common Shares represented approximately 77% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made three other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,240,000 Common Shares from the Canadian Imperial Bank of Commerce, up to an aggregate of 1,140,000 Common Shares from the Bank of Montreal and BMO Nesbitt Burns Inc., and up to 1,800,000 Common Shares from The Toronto-Dominion Bank, each pursuant to one or more private agreements (the **Concurrent Applications**).

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 6,000,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods designated and administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 982,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 4,180,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 5,162,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 28.68% of the maximum 18,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in clause 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX

NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each such purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one third being equal to, as of the date of this Order, 6,000,000 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 27th day of October, 2015.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

Commissioner
Ontario Securities Commission

2.2.14 Metro Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 982,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
METRO INC.

ORDER
(Clause 104(2)(c))

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the **Act**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 1,240,000 (the **Subject Shares**) of the Issuer's common shares (the **Common Shares**) in one or more trades with the Canadian Imperial Bank of Commerce (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).

2. The head office and registered office of the Issuer is located at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "MRU". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized capital stock of the Issuer consists of: (i) an unlimited number of Common Shares, of which 241,740,744 Common Shares were issued and outstanding as of October 10, 2015; and (ii) an unlimited number of Preferred Shares, none of which are currently issued and outstanding.

5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.

6. The Selling Shareholder does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,240,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after September 13, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the **Notice**) that was submitted to, and accepted by, the TSX, effective September 10, 2015, the Issuer is permitted to make a normal course issuer bid (the **Normal Course Issuer Bid**) to purchase up to 18,000,000 Common Shares, representing approximately 9.5% of the Issuer's public float of Common Shares as of the date specified in the Notice, during the 12-month period beginning on September 10, 2015 and ending on September 9, 2016. In accordance with the Notice, the Normal Course Issuer Bid is to be conducted through the facilities of the TSX or through such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the TSX NCIB Rules), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **Off-Exchange Block Purchase**). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases each occurring on or before September 9, 2016 (each such purchase, a **Proposed Purchase**) for a purchase price (each such price, a **Purchase Price** in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of October 10, 2015, the "public float" of the Common Shares represented approximately 77%

of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Canadian Equity Derivative Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made three other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,800,000 Common Shares from The Toronto-Dominion Bank, up to an aggregate of 1,140,000 Common Shares from the Bank of Montreal and BMO Nesbitt Burns Inc., and up to 982,000 Common Shares from the Royal Bank of Canada, each pursuant to one or more private agreements (the **Concurrent Applications**).

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 6,000,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods designated and administered in accordance with the Issuer's corporate policies.

29. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,240,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 3,922,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 5,162,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 28.68% of the maximum 18,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in clause 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the

Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Canadian Equity Derivative Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each such purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one third being equal to, as of the date of this Order, 6,000,000 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 27th day of October, 2015.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.15 Canadian National Railway Company – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to 4,000,000 of its common shares from a third party purchasing as agent – third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – due to the discounted purchase price, the common shares cannot be acquired through the TSX trading system – but for the fact that the common shares cannot be acquired through the TSX trading system, the Issuer could otherwise acquire such shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the parameters pursuant to which the third party will purchase common shares under the program are established at the time that the agreement governing same is entered into – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – acquisition of securities exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the agreement governing the program will prohibit the third party from selling common shares from its existing inventory to the issuer under the program unless it has purchased, or had purchased on its behalf, an equivalent number of common shares on the markets and such number of common shares so purchased must be equal to the number of common shares sold to the issuer.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7 104(2)(c).

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

AND

IN THE MATTER OF CANADIAN NATIONAL RAILWAY COMPANY

ORDER (Clause 104(2)(c))

UPON the application (the "**Application**") of Canadian National Railway Company (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 4,000,000 of its common shares (the "**Program Maximum**") from The Bank of Nova Scotia ("**Scotia**") pursuant to a repurchase program (the "**Program**");

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

AND UPON the Issuer (and Scotia in respect of paragraphs 5, 6, 7, 8, 11, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 34 and 35 as they relate to Scotia and its agents) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The registered and head office of the Issuer is located at 935 de La Gauchetière Street West, Montréal, Quebec, H3B 2M9.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the "**Jurisdictions**") and the Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbols "CNR" and "CNI", respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions in which it is a reporting issuer.

4. The authorized common share capital of the Issuer consists of an unlimited number of common shares (the "**Common Shares**"), of which 793,872,323 were issued and outstanding as of September 30, 2015.

5. Scotia is a full service Schedule 1 Bank under the *Bank Act* (Canada). The corporate headquarters of Scotia are located in the Province of Ontario.

6. Scotia does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. Scotia is the beneficial owner of at least 4,000,000 Common Shares, none of which were acquired by, or on behalf of, Scotia in anticipation or contemplation of resale to the Issuer (such Common Shares over which Scotia has beneficial ownership, the "**Inventory Shares**").

8. Scotia is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. Scotia is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

9. Subject to approval of its Board of Directors, the Issuer intends to announce on October 27, 2015 that it is engaging in a normal course issuer bid (the "**Normal Course Issuer Bid**") for up to

33,000,000 Common Shares, representing 4.9% of the Issuer's public float of Common Shares as of the date specified in the Notice of Intention to Make a Normal Course Issuer Bid (the "**Notice**") to be submitted to the TSX for acceptance. The Notice will specify that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and the NYSE or alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX Rules**"), including under automatic trading plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.

10. To the best of the Issuer's knowledge, the "public float" (calculated in accordance with the TSX Rules) for the Common Shares as at September 30, 2015 consisted of 680,382,309 Common Shares. The Common Shares are "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* ("**OSC Rule 48-501**") and section 1.1 of the Universal Market Integrity Rules ("**UMIR**").

11. Pursuant to the TSX Rules, the Issuer will appoint Scotia Capital Inc. ("**Scotia Capital**") as its designated broker in Canada and Merrill Lynch, Pierce, Fenner & Smith as its designated broker in the United States under the Normal Course Issuer Bid (the "**Responsible Brokers**").

12. The Issuer may, from time to time, appoint a non-independent purchasing agent (a "**Plan Trustee**") to fulfill requirements for the delivery of Common Shares under the Issuer's security-based compensation plans (the "**Plan Trustee Purchases**"). The maximum number of Common Shares that the Issuer is permitted to repurchase under the Normal Course Issuer Bid will be reduced by the number of Plan Trustee Purchases.

13. The Issuer will implement an automatic repurchase plan (the "**ARP**") to permit the Issuer to make purchases under the Normal Course Issuer Bid during internal blackout periods, including regularly scheduled quarterly blackout periods and at such times when the Issuer would not otherwise be permitted to trade in its Common Shares. The ARP will be submitted to the TSX for its approval and will be in compliance with the TSX Rules and applicable securities law.

14. The Normal Course Issuer Bid will be conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 101.2(1) of the Act in Ontario, and its equivalent provision in the securities legislation of the other Jurisdictions. Subsection 101.2(1) provides that an issuer bid that is made in the normal course through the facilities of a designated exchange is exempt from the formal bid requirements if the bid is made in accordance with the by-laws, rules, regulations and policies of that exchange. The Commission has recognized the TSX as a designated exchange for the purposes of subsection 101.2(1) of the Act.

15. The Normal Course Issuer Bid will also be conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the "**Other Published Markets**") in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 101.2(2) of the Act in Ontario, and its equivalent provision in the securities legislation of the other Jurisdictions (the "**Other Published Markets Exemption**", and together with the TSX Rules, the "**NCIB Rules**"). The Other Published Markets Exemption provides that an issuer bid that is made in the normal course on a published market, other than a designated exchange, is exempt from the formal bid requirements if the bid is, among other things, for not more than 5% of the outstanding securities of a class of securities of the issuer and the aggregate number of securities acquired in reliance upon the Other Published Markets Exemption by the issuer and any person or company acting jointly or in concert with the issuer within any period of 12 months does not exceed 5% of the outstanding securities of that class at the beginning of the 12-month period.

16. The Issuer proposes to participate in the Program during the Normal Course Issuer Bid, which will be governed by, and conducted in accordance with, the terms and conditions of a Repurchase Program Agreement (the "**Program Agreement**") that will be entered into between the Issuer and Scotia prior to the commencement of the Program and a copy of which will be delivered by the Issuer to the Commission.

17. The term of the Program Agreement will be from October 30, 2015 to the earlier of December 24, 2015 or the date on which the Issuer will have purchased the Program Maximum from Scotia (the "**Program Term**"). The Issuer will not be in any internal blackout periods during the Program Term.

18. The Issuer is of the view that (a) it will be able to purchase Common Shares from Scotia at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and/or on Other Published Markets, and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes a desirable use of the Issuer's funds.

19. The Notice and a press release announcing the Normal Course Issuer Bid and the Program (the "**Press Release**") will describe the material features of the Program and disclose the Issuer's intention to participate in the Program during the Normal Course Issuer Bid. Once the Notice and the Press Release are in a form that is acceptable to the TSX, they will be filed with the TSX and the Press Release will be issued by the Issuer at least two clear trading days prior to the commencement of the Program.

20. Scotia will retain the services of Scotia Capital to acquire Common Shares on its behalf through the facilities of the TSX and on Other Published Markets in Canada (each, a "**Canadian Other Published Market**" and collectively with the TSX, the "**Canadian Markets**") under the Program.

21. Scotia Capital is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, Yukon and Nunavut. It is also registered as a futures commission merchant under the *Commodity Futures Act* (Ontario), a derivatives dealer under the *Derivatives Act* (Québec), and as dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). Scotia Capital is a member of the Investment Industry Regulatory Organization of Canada ("**IIROC**") and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of Scotia Capital is located in Toronto, Ontario.

22. The Program Agreement will provide that all Common Shares acquired by, or on behalf of, Scotia on a day (each, a "**Trading Day**") during the Program Term when Canadian Markets are open for trading must be acquired on Canadian Markets in accordance with the NCIB Rules that would be applicable to the Issuer in connection with the Normal Course Issuer Bid, provided that:

    (i) Scotia will purchase Common Shares in accordance with the instructions received from the Issuer, which instructions will be the same instructions that the Issuer would give if it were conducting the Normal Course Issuer Bid itself;

    (ii) the aggregate number of Common Shares to be acquired on Canadian Markets by, or on behalf of, Scotia on each Trading Day will not exceed the maximum daily limit that is imposed upon the Normal Course Issuer Bid pursuant to the TSX Rules determined with reference to an average daily trading volume that is based on the trading volume on all Canadian Markets rather than being limited to the trading volume on the TSX only (the "**Modified Maximum Daily Limit**"), being understood that the aggregate number of Common Shares to be acquired on the TSX by, or on behalf of, Scotia on each Trading Day will not exceed the maximum daily limit that is imposed on the Normal Course Issuer Bid pursuant to the TSX Rules;

    (iii) the aggregate number of Common Shares acquired by, or on behalf of, Scotia pursuant to the Program Agreement may not exceed the Program Maximum;

    (iv) the aggregate number of Common Shares acquired by, or on behalf of, Scotia pursuant to the Program Agreement on Canadian Other Published Markets may not exceed that number of Common Shares remaining eligible for purchase pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement;

    (v) upon the occurrence of a cessation of trading on the TSX or other event that would impair Scotia's ability to acquire Common Shares on Canadian Markets (a "**Market Disruption Event**"), Scotia will cease acquiring Common Shares and the number of Common Shares acquired by Scotia to such time will be the "**Acquired Shares**" for such purposes of the Program; and

    (vi) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by, or on behalf of, Scotia on any Canadian Markets pursuant to a pre-arranged trade.

23. Scotia will deliver to the Issuer a number of Common Shares equal to the number of Common Shares purchased by, or on behalf of, Scotia under the Program on any Trading Day on the second Trading Day thereafter, and the Issuer will pay Scotia the Discounted Price for each such Common Share. The "**Discounted Price**" per Common Share will be equal to (i) the volume weighted average price of the Common Shares on the Trading Day on which purchases were made less an agreed upon discount, or (ii) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares at the time of the Market Disruption Event less an agreed upon discount.

24. Each Common Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer. The Common Shares delivered by Scotia to the Issuer will be from the Inventory Shares.

25. Scotia will not sell Inventory Shares to the Issuer under the Program unless it has purchased, or had purchased on its behalf, an equivalent number of Common Shares on Canadian Markets, and the number of Common Shares that are purchased by, or on behalf of, Scotia on the Canadian Markets on a Trading Day will be equal to the Number of Common Shares for such Trading Day.

26. Neither the Issuer nor Scotia may unilaterally terminate the Program Agreement prior to the last day of the Program Term, except in the case of an event of default by a party thereunder.

27. The Program Agreement will (a) prohibit the Issuer from purchasing any Common Shares (other than Common Shares purchased under the Program), (b) require the Issuer to prohibit the Responsible Brokers from acquiring any Common Shares on behalf of the Issuer, except for purchases by Scotia Capital as agent for Scotia under the Program, (c) require the Issuer to prohibit the Plan Trustee from undertaking any Plan Trustee Purchases, and (d) require the Issuer to prohibit the designated broker under the ARP from acquiring any Common Shares on behalf of the Issuer, in each case, during the conduct of the Program by Scotia and Scotia Capital.

28. The Program Agreement will provide that all purchases of Common Shares under the Program by, or on behalf of, Scotia will be done as agent of the Issuer and neither Scotia nor Scotia Capital will engage in any hedging activity in connection with the conduct of the Program.

29. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) file a notice on the System for Electronic Document Analysis and Retrieval (SEDAR) disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

30. But for the fact that the Discount Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time that the Issuer purchases the Common Shares from Scotia, the Issuer could otherwise acquire such Common Shares through the facilities of the TSX as a "block purchase" in accordance with the block purchase exception in paragraph 629(1)7 of the TSX Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

31. The entering into of the Program Agreement, the purchase of Common Shares by, or on behalf of, Scotia and the sale of Common Shares by Scotia to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.

32. The sale of Common Shares to the Issuer by Scotia will not be a "distribution" (as defined in the Act).

33. The Issuer will be able to acquire the Common Shares from Scotia without the Issuer being subject to the dealer registration requirements of the Act.

34. At the time that the Issuer and Scotia enter into the Program Agreement, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group of Scotia, nor any personnel of Scotia that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").

35. Each of Scotia and Scotia Capital has policies and procedures that are designed to ensure conduct of the Program in accordance with, among other things, the Program Agreement and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in respect of the entering into of the Program Agreement and the delivery of the Inventory Shares by Scotia to the Issuer pursuant to the Program, provided that:

(a) following acceptance of the Notice by the TSX and at least two clear Trading Days prior to the commencement of the Program, the Issuer will issue the Press Release, which will describe, among other things, the material features of the Program and disclose the Issuer's intention to participate in the Program during the Normal Course Issuer Bid;

(b) the Program Agreement will require Scotia and its agents to abide by the NCIB Rules applicable to the Normal Course Issuer Bid, subject to clauses 22(ii) and (vi) hereof;

(c) the Program Agreement will require that Scotia and its agents maintain records of all purchases of Common Shares that are made by, or on behalf of, Scotia pursuant to the Program, which will be available to the Commission and IIROC upon request;

(d) the Program Agreement will prohibit Scotia from selling Inventory Shares to the Issuer under the Program unless Scotia has purchased, or had purchased on its behalf, an equivalent number of Common Shares on Canadian Markets, and the Program Agreement will provide that the number of Common Shares that are purchased by, or on behalf of, Scotia on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for that Trading Day;

(e) the Common Shares acquired by Scotia under the Program will be taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the Normal Course Issuer Bid in accordance with the TSX Rules and those Common Shares that were purchased by or on behalf of Scotia on Canadian Other Published Markets will be taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;

(f) the Program Agreement will (i) prohibit the Issuer from purchasing any Common Shares (other than Common Shares purchased under the Program), (ii) require the Issuer to prohibit the Responsible Brokers from acquiring any Common Shares on behalf of the Issuer, except for purchases by Scotia Capital as agent for Scotia under the Program, (iii) require the Issuer to prohibit the Plan Trustee from undertaking any Plan Trustee Purchases, and (iv) require the Issuer to prohibit the designated broker under the ARP from acquiring any Common Shares on behalf of the Issuer, in each case, during the conduct of the Program by Scotia and Scotia Capital;

(g) each purchase made by or on behalf of Scotia through the facilities of Canadian Markets pursuant to the Program shall be marked with such designation as would be required by the applicable market-place and UMIR for a trade made by an agent on behalf the Issuer;

(h) at the time that the Program Agreement is entered into by the Issuer and Scotia, the Common Shares must be "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR;

(i) at the time that the Issuer and Scotia enter into the Program Agreement, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group of Scotia, nor any personnel of Scotia that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and deliver the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed; and

(j) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) file a notice on SEDAR disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

DATED at Toronto this 27th day of October, 2015.

“Grant Vingoe”
Commissioner
Ontario Securities Commission

“Edward P. Kerwin”
Commissioner
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 David Charles Phillips and John Russell Wilson – 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
DAVID CHARLES PHILLIPS and JOHN RUSSELL WILSON

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 127 and 127.1 of the Securities Act)

Hearing:	May 11, 2015		
Decision:	October 28, 2015		
Panel:	Edward P. Kerwin	–	Chair of the Panel and Commissioner
Appearances:	Yvonne Chisholm Brooke Shulman	–	For Staff of the Commission
	Bruce O'Toole	–	For David Charles Phillips and John Russell Wilson

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REASONS AND DECISION ON SANCTIONS AND COSTS

I. INTRODUCTION

[1] This was a hearing, held on May 11, 2015, before the Ontario Securities Commission (the "**Commission**") 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 an order with respect to sanctions and costs against David Charles Phillips ("**Phillips**") and John Russell Wilson ("**Wilson**"), (together, the "**Respondents**").

[2] In the decision on the merits, issued on January 14, 2015 (the "**Merits Decision**"), the Panel found that each of the Respondents breached subsections 126.1(b) and 44(2) of the Act and section 2.1 of Commission Rule 31-505, and acted contrary to the public interest

[3] The Panel found that each of the Respondents breached subsection 126.1(b) of the Act and acted contrary to the public interest by selling securities of First Leaside Group ("**FLG**") entities during the period between August 22 and October 28, 2011 (the "**Sales Period**") to investors (the "**FLG Sales Investors**"), without disclosing a report prepared by Grant Thornton Limited (the "**Grant Thornton Report**") and, in particular, the important facts in that report. The Respondents had the subjective knowledge that by not disclosing the Grant Thornton Report and the important facts in that report to FLG Sales Investors they put the financial or pecuniary interests of FLG Sales Investors at risk. Instead of disclosing the report, the Respondents represented that the state of FLG was of a certain character, when in reality, it was not. The Respondents' actions were deliberate and formed part of a willful strategy to continue to raise capital for FLG in order to meet its obligations across the spectrum of its entities.

[4] The Panel found that each of the Respondents breached subsection 44(2) of the Act and acted contrary to the public interest by making statements about FLG that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship with the respective Respondent. In light of the findings and recommendations in the Grant Thornton Report, the Respondents each made statements that were untrue or omitted information necessary to prevent their respective statements from being false or misleading in the circumstances in which they were made, thereby breaching subsection 44(2) of the Act and acting contrary to the public interest.

[5] The Panel found that each of Phillips and Wilson, as registrants, had a duty to deal fairly, honestly and in good faith with FLG Sales Investors, who were their clients, and that each of the Respondents failed to meet that duty, thereby breaching section 2.1 of Commission Rule 31-505 and acting contrary to the public interest. The Respondents prejudiced FLG Investors by favouring their own interests to raise additional capital for FLG. The Respondents' conduct constituted a breach of their duties as gatekeepers of the integrity of the capital markets by not disclosing the risks associated with an investment in FLG products, including the viability of FLG.

II. APPROPRIATE SANCTIONS

[6] In determining what sanctions should be imposed on the Respondents, I am guided by the underlying purposes of the Act set out in section 1.1: to provide protection to investors from unfair, improper or fraudulent practices; and to foster fair and efficient capital markets and confidence in those markets.

[7] The purpose of an order imposing sanctions under section 127 of the Act is protective and preventative. It is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. As stated by the Supreme Court of Canada, "the role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."[1]

[8] The Supreme Court of Canada has recognized that general deterrence is an essential factor in imposing sanctions that are both protective and preventative.[2]

[9] In determining the appropriate sanctions, I must ensure that the sanctions are proportionate to both the particular circumstances of the case and the conduct of each Respondent.[3] I will also consider the range of sanctions ordered in similar cases.

[10] The Commission has considered the following non-exhaustive list of factors in determining the appropriate sanctions:

(a) the seriousness of the conduct and the breaches of the Act;

(b) the respondent's experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been a recognition by a respondent of the seriousness of the improprieties;

(e) whether or not the sanctions imposed may serve to deter not only those involved in the case being considered but any like-minded people from engaging in similar abuses of the capital markets;

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1 *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132, at para. 43; *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600.

2 *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 ("***Cartaway***") at para. 60.

3 *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 ("***M.C.J.C. Holdings***"), at 1134.

(f) the size of any profit made or loss avoided from the illegal conduct;

(g) the size of any financial sanction or voluntary payment when considering other factors;

(h) the reputation and prestige of the respondent;

(i) the shame or financial pain that any sanction would reasonably cause to the respondent;

(j) the effect any sanction might have on the livelihood of the respondent;

(k) the restraint any sanction may have on the ability of a respondent to participate without check in the capital markets; and

(l) any mitigating factors, including the remorse of the respondent.[4]

[11] The applicability and importance of each factor will depend on the particular circumstances of each respondent.

III. ISSUES

[12] The substantive issues raised by the parties' submissions regarding the appropriate sanctions are:

a. Should I order that the Respondents disgorge to the Commission amounts obtained as a result of their conduct and, if so, what amount should each of the Respondents be ordered to disgorge?

b. Should I order that the Respondents pay an administrative penalty and, if so, what amount should each of the Respondents be ordered to pay?

c. Should I impose securities trading, acquisition and exemption prohibitions on the Respondents and, if so, for how long, and what exceptions, if any, should be allowed?

d. Should I impose director, officer and registrant prohibitions on the Respondents, and, if so, for how long, and what exceptions, if any, should be allowed?

IV. ANALYSIS

A. Disgorgement

[13] Pursuant to paragraph 10 of subsection 127(1) of the Act, if a person or company has not complied with Ontario securities law, the Commission may order the person or company to disgorge to the Commission "any amounts obtained as a result of the non-compliance."

[14] Staff submit that Phillips, as the directing mind of the fraudulent scheme, bears responsibility for every sale made to FLG Sales Investors as part of the fraudulent scheme, including his sales of $3,388,626 of units to 46 FLG Sales Investors, and that he should be ordered to disgorge the entire amount of funds raised from FLG Sales Investors during the Sales Period of $18,756,168, less the amount of completed and pending distributions of $2,167,914 to FLG Sales Investors via the FLG receivership proceeding[5] for a net amount of $16,597,254.

[15] Staff submit that Wilson should be ordered to disgorge $7,817,739, which represents his sales of units to 94 FLG Sales Investors during the Sales Period totalling $8,945,865, less the amount of completed and pending distributions of $1,128,126 to those FLG Sales Investors via the FLG receivership proceeding.[6] Staff also submit that Wilson's obligation to disgorge the net amount of $7,817,739 should be joint and several with Phillips.

[16] The Respondents submit that no disgorgement order should be made because the FLG Sales Investors' funds were received by FLG entities who are not respondents in the proceeding, and not by the Respondents. If the FLG entities who ultimately received the funds were respondents, the Respondents acknowledge that they could have been jointly and severally obligated with those FLG entities to disgorge the funds obtained from the FLG Sales Investors. However, since those FLG entities are not respondents, the Respondents submit that the Commission cannot impose any disgorgement obligation on them. To do so, the Respondents submit, would be punitive and restitutionary and beyond the Commission's jurisdiction.

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4 *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at 7746 ("***Belteco Holdings***"); *M.C.J.C. Holdings*, at 1136.

5 FLG Sales Investors have received $1,734,325 in the FLG receivership proceeding, and could receive a maximum of $2,167,914 (Affidavit of Jonathan Krieger, sworn February 17, 2015 ("***Krieger Affidavit***"), at para. 12).

6 Affidavit of Stephanie Collins, sworn February 18, 2015 ("***Collins Affidavit***"), at para. 5.

[17] I will first address the Commission's authority to make a disgorgement order. I will then address the factors the Commission considers when determining whether to make a disgorgement order and the circumstances of the Respondents' conduct.

(a) The Commission's authority to order disgorgement

[18] In *Limelight*,[7] the Commission held that it may order that all money illegally obtained from investors be disgorged. The Commission described its authority to order disgorgement as follows:

> [P]aragraph 10 of subsection 127(1) of the Act provides that disgorgement can be ordered with respect to "any amounts obtained" as a result of non-compliance with the Act. Thus, the legal question is not whether a respondent "profited" from the illegal activity but whether the respondent "obtained amounts" as a result of that activity. In our view, this distinction is made in the Act to make clear that all money illegally obtained from investors can be ordered to be disgorged, not just the "profit" made as a result of the activity. This approach also avoids the Commission having to determine how "profit" should be calculated in any particular circumstance. Establishing how much a respondent obtained as a result of his or her misconduct is a much more straightforward test. In our view, where there is a breach of Ontario securities law that involves the widespread and illegal distribution of securities to members of the public, it is appropriate that a respondent disgorge all the funds that were obtained from investors as a result of that illegal activity. In our view, such a disgorgement order is authorized under paragraph 10 of subsection 127(1) of the Act.[8]

[19] The "amount obtained" does not mean "the amount retained, the profit, or any other amount calculated by considering expenses and other possible deductions."[9] In short, it does not matter how the funds were used after they were obtained in contravention of the Act.

[20] The Commission may order a particular respondent to disgorge funds obtained in contravention of the Act regardless of whether that particular respondent personally obtained the funds.[10] For example, in *Streamline*, the British Columbia Securities Commission ("**BC Commission**") found that there was no evidence that the individual respondents personally benefitted or were personally enriched, in any material way, by the funds obtained from investors.[11] Nonetheless, the BC Commission ordered the individual respondents, jointly and severally with the corporate respondents, to disgorge the full amount of the funds obtained from investors. The BC Commission stated:

> In light of the critical importance of investor protection, the fact that the proceeds raised were used for the stated purpose of the investments should not automatically reduce a section 161(1)(g) [disgorgement] sanction. Whether the money raised was used for the stated purpose or not, the end result is the same – the investors have been denied the protections required by our securities laws and were harmed as a result of the misconduct. The purpose of a section 161(1)(g) payment is to remove from a respondent any amounts obtained through a violation of the Act. Given that, how a respondent spent the funds raised is not relevant for such purpose. Also, a respondent's ability to pay the amount is not relevant for such purpose.
>
> The plain wording of section 161(1)(g) supports our interpretation. To hold otherwise would be tantamount to importing into section 161(1)(g) a requirement that payment to the Commission be limited to personal gains enjoyed by a respondent or to some notion of profits, which interpretations have been specifically rejected by this Commission and by the Ontario and Alberta Securities Commissions.[12]

[21] Contrary to the Respondents' submission, the BC Commission's interpretation of its sanction provision does not depend on differences between the wording of that provision and s. 127 of the Act. The BC Commission held that the disgorgement provisions in the BC and Ontario acts are identical in all relevant respects.[13]

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7 *Re Limelight Entertainment Inc. et al.* (2008), 31 O.S.C.B. 12030 ("***Limelight***").

8 Ibid. at para. 49.

9 *Streamline Properties Inc.*, 2015 BCSECCOM 66 ("***Streamline***"), at paras. 49-50, quoting *Arbour Energy Inc.*, 2012 ABASC 416 with approval.

10 *Re Global Energy Group, Ltd.* (2013), 36 OSCB 12153 ("***Global Energy***"), at para. 80; *Limelight*, at paras. 59-62; *Re Sabourin* (2010), 33 OSCB 5299 ("***Sabourin***"), at paras. 69-70; *Streamline*, at para. 46; *Michael Patrick Lathigee,* 2015 BCSECCOM 78 ("***Lathigee***"), at paras. 37, 42-46; *Oriens Travel & Hotel Management Corp.*, 2014 BCSECCOM 352 ("***Oriens***"), at paras. 62-67; *David Michael Michaels*, 2014 BCSECOM 457 ("***Michaels***"), at para. 42; *Manna Trading Corp Ltd.*, 2009 BCSECCOM 595 ("***Manna***"), at paras. 42-44.

11 *Streamline*, at paras. 20-21.

12 *Streamline*, at paras. 55-56.

13 *Streamline*, at para. 47; see also *Lathigee*, at para. 40.

[22] Individual respondents cannot shelter behind the corporate vehicles through which their conduct was carried out.[14] The Commission may order an individual respondent to disgorge funds obtained by a corporation involved in the misconduct. In a number of decisions of the Commission and the BC Commission, individual respondents have been ordered to disgorge amounts obtained by corporate respondents, on a joint and several basis.[15] Such an order contemplates that the individual respondents may ultimately be required to disgorge the full amount obtained in contravention of the Act if the corporate respondents do not satisfy the obligation.

[23] The Respondents submit that the Commission does not have the authority to order them to disgorge funds they did not receive because such an order would be punitive. This submission is clearly contradicted by the principles and authorities referred to above. For example, in *Streamline*, the BC Commission stated (at para. 54) "[a]s a matter of general principle, we do not find payment of the full amount raised to be inequitable or punitive in circumstances where the proceeds raised were used for the purpose of the investments and not kept for personal gain by the respondents."

[24] The Respondents submit that the Commission does not have the authority to order them to disgorge funds they did not receive because such an order would be restitutionary. The Respondents cite *Strother v. 3464920 Canada Inc.*[16] in support of their submission that ordering a respondent to disgorge amounts he or she did not receive would be restitutionary, and *Fischer v. IG Investment Management Ltd.*[17] in support of their submission that the Commission may not make a restitutionary order.

[25] In *Strother*, the Supreme Court of Canada was not considering the disgorgement power in s. 127 of the Act. The Court was considering what measure of damages the plaintiff was entitled to for breach of fiduciary duty. In that context, the Court held that damages measured by the plaintiff's loss served a restitutionary purpose whereas damages measured by the defendant's gain served a prophylactic purpose. Disgorgement under s. 127 of the Act is not the same as damages and is not intended to compensate individual investors.[18] As noted by the Five Year Review Committee,

> "…restitution is not the same as disgorgement. Restitution is a remedy that aims to restore a person to the position they would have been in if not for the improper action of another. Disgorgement is an equitable remedy that aims to deprive a wrong-doer of illegally obtained amounts. These amounts may not necessarily be paid to the person who suffered loss, and even if they are so paid, may not be sufficient to return that person to their original position.
>
> (Five Year Review Committee, "Reviewing the Securities Act (Ontario)" Final Report (2003), at p. 223)

[26] The Commission is authorized to order that the full amount obtained in contravention of the Act be disgorged, which amount may equate, and has equated in some cases, to the amount of the losses of the investors, but that does not make the order restitutionary.

[27] In oral submissions, the Respondents acknowledged the Commission's authority to order them to disgorge amounts they did not receive. However, they submit that the Commission may only do so if the FLG entities that ultimately received the funds are respondents in the proceeding. Because those FLG entities are not respondents in this proceeding, the Respondents submit that no disgorgement order may be made.

[28] In February 2012, prior to the commencement of this proceeding, almost all of the FLG entities, including First Leaside Wealth Management Inc. ("**FLWM**"), First Leaside Securities Inc. ("**FLSI**"), First Leaside Finance Inc. ("**FL Finance**"), Wimberly Apartments Limited Partnership ("**WALP**"), 960510 Ontario Inc. which was WALP's general partner, and those entities in which FLG Sales Investors purchased units, became subject to a court-supervised wind-up. As a result, Staff submits, the FLG entities were not named as respondents in this proceeding to avoid depleting assets available to investors. Staff notes that in *XI Biofuels*,[19] the Commission did not make disgorgement orders against the corporate respondents in order to avoid depleting the assets available to investors.

[29] The Commission's decision in *Al-tar* is in keeping with the principles and authorities set out above. In particular, it is in keeping with the principle that the Commission's authority to order disgorgement is not limited to ordering an individual respondent to disgorge amounts he or she obtained personally.

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14 *Limelight*, at para. 59; *Lathigee*, at para. 46.
15 *Limelight*, at paras. 59-62; *Re Al-tar Energy Corp* (2011), 34 OSCB 447 ("***Al-tar***"), at para. 71; *Sabourin*, at paras. 69-73; *Re Moncasa Capital Corp.* (2014), 37 OSCB 229 ("***Moncasa***"), at paras. 44-45; *Streamline*, at paras. 52-58; and *Lathigee*, at paras. 43-49.
16 *Strother v. 3464920 Canada Inc.,* 2007 SCC 24 ("***Strother***") (at paras. 75-77).
17 *Fischer v. IG Investment Management Ltd.*, 2012 ONCA 47 ("***Fischer***"), (at para. 52), aff'd *AIC Limited v. Fischer*, 2013 SCC 69.
18 Ibid. at para. 52.
19 *Re XI Biofuels* (2010), 33 OSCB 10963 ("***XI Biofuels***").

[30] I find that the Commission has the authority to order the Respondents to disgorge the funds obtained in contravention of the Act in circumstances where the FLG entities that ultimately received the funds are not respondents in this proceeding.

(b) Disgorgement by the Respondents

[31] The Commission has considered the following factors, in addition to the general factors for sanctions, when contemplating a disgorgement order:

(a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(b) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(c) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(d) whether the individuals who suffered losses are likely to be able to obtain redress; and

(e) the deterrent effect of a disgorgement order on the respondents and other market participants.[20]

[32] In prior decisions of the Commission and the BC Commission, the panel has exercised its discretion to order one or more of the respondents to disgorge less than the full amount obtained in contravention of the Act. The circumstances in which less than full disgorgement has been ordered generally fall into two categories.

[33] In the first category are those cases in which the funds obtained in contravention of the Act went to a third party over which the respondents did not have any control. In *Global Energy*, the Commission did not order disgorgement of funds it found were obtained by an individual, who was not a respondent, and who directed the funds to accounts over which the respondents did not have any control or authority.[21] In *Re MBS Group (Canada) Ltd.*,[22] Staff did not request, and the Commission did not order, the individual respondent, Balbir, to disgorge amounts that were transferred to the bank accounts of Electrolinks, which was not a respondent in the proceeding, because those amounts were transferred in the period before Balbir became a director of Electrolinks. In *Pacific Ocean Resources Corporation*,[23] the BC Commission did not make a disgorgement order because the investors' funds did not go to either of the respondents but went to a corporation over which neither of the respondents had control.[24] In *Michaels*, the BC Commission did not order the respondent to disgorge amounts retained by third party issuers in whose exempt market securities Michael's clients invested on his recommendation.[25]

[34] In *Re XI Biofuels*, the circumstances were somewhat different. In that case, the Commission did not order disgorgement by the corporate respondents, who had not been discharged from bankruptcy proceedings, in order to avoid depleting the assets available to compensate investors who lost money as a result of the respondents' non-compliance with the Act[26] but restricted the monetary orders, including disgorgement, to the individual respondents.

[35] In the second category are cases in which a respondent is found to be less culpable than other respondents. In *Sabourin*, the Commission made no disgorgement order against one of the individual respondents and ordered certain of the other individual respondents to disgorge only their net commissions, on the basis that those respondents were less culpable and to avoid double counting of the amounts "obtained" from investors. The directing mind of the corporate respondent was ordered to make full disgorgement.[27] In *Oriens*, the BC Commission did not make a disgorgement order against one respondent on the basis that he was less culpable. The directing mind of the corporate respondent was ordered to make full disgorgement.[28]

[36] In *M P Global*,[29] the Commission found that full disgorgement was not warranted in the circumstances of the respondents' conduct because that conduct did not involve an allegation of fraud. Instead of ordering full disgorgement, the Commission ordered the respondents to disgorge the amounts used by them for their personal benefit.[30]

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20 *Limelight*, at para. 52.
21 *Global Energy*, at para. 81.
22 *Re MBS Group (Canada) Ltd.* (2013), 36 OSCB 3915, at para. 11.
23 *Pacific Ocean Resources Corporation*, 2012 BCSECCOM 104.
24 Ibid. at para. 27.
25 *Michaels*, at para. 46.
26 *XI Biofuels*, at paras. 25, 72.
27 *Sabourin*, at paras. 69-73.
28 *Oriens*, at paras. 70-71.
29 *Re M P Global Financial Ltd.* (2012), 35 OSCB 9061 ("***M P Global***").
30 Ibid. at paras. 49-51.

[37] I now consider the circumstances of the Respondents' conduct.

[38] The Respondents were registrants. Phillips was registered with the Commission in various capacities since 1981 and held many roles as a registrant in respect of FLG entities, including Ultimate Designated Person of FLSI, before his registrations were suspended in February 2012. Wilson was registered with the Commission in various capacities since 2004, until his registrations were suspended in February 2012.

[39] Registrants hold a position of trust in the securities industry, and have a duty to deal fairly, honestly and in good faith with their clients. The Respondents failed to meet that duty.

[40] The Respondents committed fraud, which is one of the most egregious contraventions of the Act. The Respondents' actions were deliberate and formed part of a willful strategy to continue to raise capital for FLG in order to meet its obligations across the spectrum of its entities.

[41] FLG had a complex corporate structure comprised of about 161 limited partnerships and companies, with significant interrelationships among and a significant number of transactions and internal transfers between FLG entities.

[42] Phillips was the founder and CEO of FLG. He was FLG's directing mind, oversaw all aspects of its business and signed off on every sale of securities to investors.

[43] Wilson was a member of FLG's five-member senior management team.

[44] FLWM was the *de facto* parent company and the main operating entity of FLG. Phillips owned 100% of the common shares of and was the "driving mind" of FLWM. Wilson was a director of FLWM.

[45] Within FLWM, there were seven operating companies that provided all of the advisory services for FLG.

[46] One of the seven operating companies within FLWM was FLSI, which was registered as an investment dealer under the Act and as a member with IIROC. Phillips was CEO, President, Secretary, a director and Ultimate Designated Person of FLSI. Wilson was a director of FLSI and Vice President, Sales. He oversaw a sales team and also helped to co-ordinate communications to investors.

[47] The sales of securities of FLG entities to investors were completed through FLSI.

[48] During the Sales Period, FLG Sales Investors were sold securities of FLG entities with a total value of $18,756,168. In the Merits Decision, the Panel found that those funds were obtained as a result of the Respondents' fraud and in contravention of the Act.

[49] Phillips and Wilson were responsible for the majority of the sales of securities of FLG entities to FLG Sales Investors during the Sales Period. Phillips sold $3,388,626 of securities of FLG entities to 46 FLG Sales Investors and Wilson sold $8,945,865 of securities of FLG entities to 94 FLG Sales Investors.

[50] During the Sales Period, FLG Sales Investors were sold securities of eight FLG entities. Of the securities sold, only $78,448 were securities of WALP. However, unbeknownst to the FLG Sales Investors in securities of the other FLG entities, their funds were being used to fund a portion of WALP's operating costs in order to keep it afloat. It was noted in the Grant Thornton Report that WALP had a recurring cash flow deficiency and had become a drain on the resources of FLG.

[51] Wilson was a founding investor in WALP, and director of 960510 Ontario Inc., WALP's general partner.

[52] Funds were transferred between FLG entities, including to WALP, through FL Finance, which was FLG's central bank. Phillips was President, Secretary and a director of FL Finance. WALP borrowed the majority of money from FL Finance, which FL Finance, in turn, borrowed from other FLG entities. By August 2011 – the start of the Sales Period – the practice of lending funds from one LP to another though FL Finance resulted in a cash flow shortfall within FLG. FL Finance did not have sufficient liquid assets to pay back the outstanding loans to the other LPs within FLG from which FL Finance had borrowed the funds. The Grant Thornton Report concluded that FLG, as a whole, would be facing a cash flow deficiency of approximately $15.9 mm, and its viability was dependent on continuing to raise new capital by attracting additional funds from investors.

[53] The court-supervised wind-up of the FLG entities is nearly complete. The FLG Sales Investors have received $1,734,325 in distributions, and as such their losses to the date of this sanctions hearing are $17,030,844. The evidence indicates that the maximum total potential distribution to FLG Sales Investors is approximately, $2,167,914, which would reduce their total losses to $16,597,254.

[54] In my view, a disgorgement order is appropriate in these circumstances because ascertainable amounts have been obtained as a result of the non-compliance of the Respondents with Ontario securities law and such an order will deter the Respondents and other market participants from similar misconduct.

[55] I find that it is in the public interest in these circumstances to order that Wilson disgorge, jointly and severally with Phillips, $7,817,739, being the amount of securities Wilson personally sold to FLG Sales Investors less the maximum distribution to those investors from the court-supervised wind-up. Although Wilson was a member of management of FLG, he was not the directing mind of FLG.

[56] I find that it is in the public interest in these circumstances to order that Phillips disgorge a total amount of $16,597,254 including the $7,817,739 that is to be disgorged jointly and severally with Wilson, which is the total amount obtained in contravention of the Act less the maximum distribution to investors from the court-supervised wind-up because Phillips was FLG's directing mind, oversaw all aspects of FLG's business and signed off on every sale of securities to FLG Sales Investors.

[57] The amounts disgorged by Phillips and Wilson are to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

B. Administrative Penalties

[58] The purpose of an administrative penalty is to deter the particular respondents and other like-minded persons from engaging in the same or similar conduct in the future.[31] In order to be a deterrent, the amount of an administrative penalty should bear some reference to the amount raised from investors. Larger administrative penalties may be appropriate where multiple violations of the Act occur or when the respondents have raised large amounts of money in contravention of the Act.[32] With respect to the Respondents' conduct, fraud generally requires higher administrative penalties.[33] I will consider the circumstances of the specific conduct of each of the two Respondents and the level of administrative penalties imposed in similar cases.[34] I will also consider the total financial sanctions – administrative penalty and disgorgement – ordered in respect of each Respondent.[35]

[59] Staff and the Respondents referred to the following cases in their submissions regarding the appropriate administrative penalty: *Al-tar*; *Limelight*; *Re Moncasa Capital Corp.* (2014), 37 O.S.C.B. 229 ("***Moncasa***"); *Re Pogachar* (2012), 35 OSCB 6479 ("***Pogachar***"); *Re Rezwealth Financial Services Inc.* (2014), 37 OSCB 6731 ("***Rezwealth***"); *Sabourin*; and *Re York Rio Resources Inc.* (2014), 37 OSCB 3422 ("***York Rio***"). The table below briefly summarizes the range of administrative penalties imposed in these cases, in descending order, and the amounts ordered disgorged:

Sabourin:	• The panel ordered Sabourin and the corporate respondents to pay an administrative penalty of $1.2 million, on a joint and several basis, and the other respondents to pay administrative penalties ranging from $50,000 to $150,000. • The panel distinguished between Sabourin and the other individual respondents based on, among other things, that Sabourin concocted and orchestrated the investment scheme and knew that the investments were a sham, and was the directing mind of the corporate respondents.[36] • The panel ordered Sabourin and the corporate respondents to disgorge $27.9 million, on a joint and several basis, and certain of the other respondents to disgorge commissions received by them.

31 *Limelight*, at para. 67.
32 *Al-tar*, at para. 47; *Limelight*, at para. 78.
33 *Sabourin*, at para. 77.
34 *Sabourin*, at para. 75; *Limelight*, at para. 71.
35 *Sabourin* at paras. 59 and 74; *Limelight*, at para. 78.
36 *Sabourin*, at paras. 7, 77-86.

York Rio:	• The panel ordered the two corporate respondents and three of the individual respondents, York, Schwartz and Runic, to pay an administrative penalty of $1.0 million each and the remaining four individual respondents to pay administrative penalties ranging from $75,000 to $200,000. • The Panel distinguished between York, Schwartz and Runic and the other individual respondents on the basis that these three respondents were the directing minds of the schemes, whereas the other individual respondents' participation was more limited.[37] • The panel ordered the individual respondents to disgorge, on a joint and several basis with the corporate respondents, a total of $16.7 million.
Pogachar:	• The panel ordered each of the individual respondents to pay an administrative penalty of $750,000. • The panel ordered the individual and corporate respondents to disgorge $21,908,607, on a joint and several basis.
Al-tar:	• The panel ordered the following administrative penalties: $750,000 (Campbell), $650,000 (Da Silva), $500,000 (O'Brien), $200,000 (Sylvester) • The panel distinguished between the respondents based on, among other things, the degree of their involvement in the fraud, prior discipline (Campbell and Da Silva), and breach of a Commission cease trade order (Campbell and Da Silva).[38] • The panel ordered: the respondents Al-tar, O'Brien, Campbell and Da Silva to disgorge $615,199.50, on a joint and several basis; and the respondents Alberta Energy, Drago Gold, Campbell and Sylvester to disgorge $42,909.53, on a joint and several basis.
Rezwealth:	• The panel ordered the following administrative penalties: Blackett ($500,000); Ms. Ramoutar ($250,000); Mr. Ramoutar ($150,000); Smith ($25,000) and Tiffin ($25,000). • The panel distinguished between Blackett and the Ramoutars on the basis that Blackett created and operated a fraudulent Ponzi scheme from its inception, while the Ramoutars became participants in the fraud at a later date.[39] Smith and Tiffin were not found to have committed fraud. • The Panel ordered: Blackett to disgorge $1,474,377, on a joint and several basis with one of the corporate respondents; Rezwealth and the Ramoutars to disgorge a total of $1,146,936, and the other respondents to disgorge fees received by them.
Moncasa:	• The panel ordered the individual and corporate respondent to pay an administrative penalty of $400,000, on a joint and several basis. • The panel ordered the individual and corporate respondent to disgorge $1,231,800, on a joint and several basis.
Limelight:	• The panel ordered the following administrative penalties: Limelight ($200,000); Da Silva ($200,000); Campbell ($175,000); and Daniels ($50,000). • The Panel determined that Da Silva and Campbell should pay higher administrative penalties than Daniels to reflect that they were the directing minds, and that Da Silva should pay a higher administrative penalty than Campbell to reflect other conduct.[40] • The panel ordered that Limelight, Da Silva and Campbell disgorge $2,747,089.45, on a joint and several basis.

37 *York Rio*, at paras. 78-81.
38 *Al-tar*, at paras. 48-57.
39 *Rezwealth*, at para. 108-110.
40 *Limelight*, at paras. 75-79.

[60] Staff seek an administrative penalty in the amount of $1,000,000 as against Phillips and $750,000 against Wilson. Staff submit that administrative penalties in these amounts are appropriate given the range of administrative penalties imposed in *Sabourin*, *York Rio* and *Pogachar*. Staff submit that those cases establish the appropriate range because the amount obtained from investors in those matters is comparable to the almost $19 million that Phillips and Wilson obtained from FLG Sales Investors. Staff submit that FLG Sales Investors were no less entitled to the protection of securities laws simply because there was some real estate involved and because FLG had been a real business. Staff submit that there are no mitigating factors.

[61] Staff submit that it is appropriate to impose a higher administrative penalty on Phillips because he was the directing mind of the fraud.

[62] The Respondents also distinguish between Phillips and Wilson in their submissions.

[63] The Respondents submit that the appropriate administrative penalties are $300,000 against Phillips and $150,000 against Wilson. The Respondents submit that the administrative penalties sought by Staff are not warranted by the Respondents' conduct, which, they submit, is distinguishable from the conduct in Sabourin, York Rio and Pogachar for three reasons. First, FLG was a real business, in which the Respondents invested. The Commission found that the Respondents perpetrated a fraud by failing to disclose important information, which is not the same as finding that the business was a fraud and created solely to defraud investors. Second, the Respondents' conduct occurred over a short period of time: the Sales Period was between August 22 and October 28, 2011. Third, none of the funds obtained from FLG Sales Investors was used by the Respondents for their personal benefit.

[64] The Respondents submit that administrative penalties in the amounts suggested by them are appropriate given the range of administrative penalties imposed in *Rezwealth* and *Moncasa*, cases in which the businesses were wholly fraudulent and the fraud committed by the respondents was planned from the outset. In addition, the Respondents submit that the circumstances of their conduct includes the following, which they submit are mitigating factors:

a. The Board of Directors was fully aware of the Grant Thornton Report;

b. The independent directors had met with Grant Thornton to discuss the Grant Thornton Report;

c. The sales made during the Sales Period were done with the knowledge of the board of directors and external corporate counsel;

d. Several directors and their family members, made purchases during the Sales Period;

e. All sales made during the Sales Period were reported to the OSC on a weekly basis;

f. The Respondents' conduct was not the cause of investors' losses. It was only when it became clear that the cease trade order would not be lifted that the independent committee determined that there was too much "regulatory risk" and FLG was not going to be viable;

g. The Respondents cooperated with Staff through its lengthy investigation of FLG.

[65] I agree with Staff and the Respondents that there is a distinction between Phillips and Wilson in the sense that Phillips was the directing mind of FLG and of the fraud, and that it would be appropriate to impose a larger administrative penalty on Phillips. As is clear from the table above, the Commission has previously made such a distinction.

[66] In my view, the circumstances of the Respondents' conduct warrants higher administrative penalties than those imposed in *Moncasa* and *Rezwealth*, but less than those imposed in *Sabourin*, *York Rio* and *Pogachar*. While I agree with the Respondents' submissions that their conduct is distinguishable from the conduct of the respondents in *Sabourin*, *York Rio* and *Pogachar*, for the reasons they submitted, nonetheless, their conduct was still very serious. The Commission found that their actions were deliberate and formed part of a willful strategy to continue to raise capital for FLG, in breach of the Act, in order to meet its obligations across the spectrum of its entities. The Respondents obtained approximately $19 million from investors in contravention of the Act, which is far greater than the amounts at issue in Moncasa and Rezwealth, and in the range of the amounts at issue in *Sabourin*, *York Rio* and *Pogachar*.

[67] I do not accept the Respondents' submission that the circumstances set forth in paragraph [64] above are mitigating factors. In particular, I do not agree with the Respondents' submission that their conduct was not the cause of investors' losses.

[68] The Commission found that each of the Respondents engaged in or participated in an act, practice or course of conduct relating to securities that they knew would perpetrate a fraud on FLG Sales Investors, contrary to subsection

126.1(b) of the Act and contrary to the public interest. The Respondents sold securities of FLG entities without disclosing the Grant Thornton Report and the important facts therein, which they knew would perpetrate a fraud on the FLG Sales Investors. The Respondents' conduct put the financial or pecuniary interests of FLG Sales Investors at risk. The Commission also found that each of the Respondents breached subsection 44(2) of the Act and section 2.1 of Commission Rule 31-505 and acted contrary to the public interest.

[69] I find that in these circumstances it is in the public interest to impose an administrative penalty of $700,000 on Phillips and an administrative penalty of $400,000 on Wilson. These amounts are proportionate to their misconduct and, together with the amounts that they are to disgorge, will deter them and other like-minded persons from engaging in similar conduct in the future.

[70] The amounts paid to the Commission in satisfaction of the administrative penalties are to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

C. Trading and Other Prohibitions

[71] Staff submit that the Respondents should be subject to permanent trading, acquisition and exemption prohibitions in order to remove them permanently from participation in Ontario's capital markets. Staff submit that permanent bans are appropriate given that the Respondents committed fraud. The Commission has repeatedly ordered permanent trading, acquisition and exemption prohibitions in circumstances where the respondents were found to have engaged in fraud. Participation in the capital markets is a privilege, not a right[41] and, Staff submit, the Respondents cannot be trusted to participate in the capital markets in the future. Staff submit that there should be no "carve-out" from these prohibitions.

[72] The Respondents submit that any trading, acquisition and exemption prohibitions imposed must relate to their misconduct, and note that in *Re Conrad M. Black et al.*[42] the Commission did not impose a trading prohibition because the allegations did not involve trading. The Respondents submit that five year trading, acquisition and exemption prohibitions are proportionate to the circumstances of their conduct, including factors that they submit are mitigating and are discussed above. The Respondents submit that these prohibitions should have a "carve-out" so that the Respondents may trade in their own accounts on their own behalf. Their misconduct, they submit, did not involve trading on their own behalf in a manner that affected the integrity of the markets like market manipulation or insider trading. Therefore, the Respondents submit, the purpose of investor protection is not met by prohibiting the Respondents from trading on their own behalf.

[73] The Commission has found that the Respondents' conduct involved selling securities to FLG Sales Investors without disclosing the Grant Thornton Report. That conduct of the Respondents involved trading, as that term is defined in the Act. In imposing sanctions, the Commission has not drawn a distinction between conduct where the trading itself affected the integrity of the markets – e.g. market manipulation – and conduct where the trading is part of a scheme to obtain funds from investors in contravention of the Act. The Commission has imposed permanent trading, acquisition and exemption prohibitions in a number of cases involving the latter conduct in order to remove the respondents from participation in the capital markets.[43] The Commission has also not granted the respondent's request for a carve-out in cases where the respondents' conduct involved fraud, but did not include trading on their own behalf.[44]

[74] I find it appropriate and in the public interest in these circumstances that the Respondents cease trading in securities, be prohibited from acquiring securities, and that exemptions contained in Ontario securities law not apply to them permanently in order to remove the Respondents from participation in the capital markets.

[75] I do not agree with the request of the Respondents for a broad, general "carve-out". Nonetheless, I find it appropriate and in the public interest that the Respondents be granted a limited exemption for certain personal trading after they have made full satisfaction of the payments ordered in respect of administrative penalties and disgorgement for each Respondent.

[76] Each Respondent will be ordered to cease trading permanently in any securities, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

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41 *Erikson v. Ontario (Securities Commission)*, [2003] O.J. No. 593 (Div. Ct.) at para. 55.

42 *Re Conrad M. Black et al.* (2015), 38 OSCB 2043 ("***Black***"), at para. 162.

43 See *Al-tar*, *supra*, at paras. 31-33; *Pogachar*, *supra*, at paras. 5, 28; *Moncasa*, *supra*, at paras. 9, 26-28; *York Rio*, *supra*, at paras. 14-18, 61

44 *Al-tar*, *supra*, at para. 33.

[77] Each Respondent will be prohibited permanently from acquiring securities, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, the acquisition of any securities by the Respondent shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

D. Director, Officer and Registrant Prohibitions

[78] Staff submit that the Respondents should be subject to permanent director and officer prohibitions to ensure that neither of them will be placed in a position of control or trust with respect to any issuer or registrant in the future. Staff submit that permanent prohibitions are appropriate given that the Respondents committed fraud, and note that the Commission has repeatedly ordered permanent director and officer prohibitions in circumstances where the respondents were found to have engaged in fraud.[45]

[79] The Respondents submit that any prohibitions imposed must relate to their misconduct, and cite *Black* as an example of a case where the prohibitions requested by Staff were not imposed because those prohibitions did not relate to the respondents' conduct. In oral submissions the Respondents conceded that their misconduct related to their roles as registrants, and a lifetime prohibition on the Respondents becoming registrants was appropriate. The Respondents submit that director and officer prohibitions should not be imposed because their misconduct related to their roles as registrants – selling investments to their clients – and not to their roles as officers or directors of FLG entities. The Respondents submit that this is demonstrated by the fact that Staff has not proceeded against any of the FLG entities or other members of the board of directors.

[80] In the alternative, if director and officer prohibitions are imposed, the Respondents submit that these prohibitions should be limited both in timeframe and scope. With respect to timeframe, they submit that five year prohibitions are appropriate. With respect to scope, the Respondents submit that a restriction on acting as directors or officers of any reporting issuer, registrant or investment fund manager serves the purpose of investor protection. The Respondents submit that prohibiting them from becoming director or officers of an "issuer" as that term is defined in the Act, would be overly broad and not connected to their misconduct.

[81] As discussed in more detail above, the Respondents' fraud was carried out through FLG entities of which they held various positions including director and officer. The Commission has determined in similar circumstances that permanent director and officer prohibitions are appropriate.[46]

[82] Furthermore, the FLG entities, through which the Respondents committed fraud on the FLG Sales Investors, were not "reporting issuers" but were simply "issuers". I am not satisfied that it is in the public interest that they be permitted to continue as directors and officers of an "issuer". There is a need to deter the Respondents and to protect the public from the Respondents in respect of serving as a director or officer of any issuer.

[83] I find that it is appropriate and in the public interest in these circumstances that the Respondents resign any positions each of them holds as a director or officer of an issuer, registrant or investment fund manager, and that each Respondent be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager. Each of the Respondents shall be prohibited permanently from acting as a registrant, an investment fund manager or as a promoter. These orders will ensure that the Respondents will not be placed in a position of control or trust in Ontario's capital markets, and will ensure general and specific deterrence for the Respondents and like-minded individuals.

V. COSTS

[84] The Commission has discretion, under s. 127.1 of the Act, to order a person or company to pay the costs of an investigation and hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest.

[85] Staff seeks to recover costs from the Respondents totaling $340,867.50, on a joint and several basis. In support of its request, Staff provided a Bill of Costs, which includes the Affidavit of Rita Pascuzzi sworn February 17, 2015 (the "**Pascuzzi Affidavit**"). The Pascuzzi Affidavit appends detailed dockets of Staff. The amount sought by Staff does not include all of Staff's time, and represents a discount of almost 50% to the actual costs incurred. Staff submit that the admissions made by the Respondents did not reduce the length of the hearing because the central issues were

[45] See *Al-tar*, *supra*, at paras. 34-37; *Pogachar*, *supra*, at par. 29; *Moncasa*, *supra*, at para. 26; *York Rio*, *supra*, at para. 100; *Rezwealth*, *supra*, at paras. 90-94.

[46] *Al-tar*, *supra*, at paras. 36-37; *Rezwealth*, *supra*, at paras. 90-94.

contested and remained to be proved, including the importance of the Grant Thornton Report and Phillips' and Wilson's interactions with investors.

[86] The Respondents submit that Staff's request is disproportionate, excessive and unjustified based on the facts and precedent, and request that the Respondents pay costs in the amount of $150,000. The Respondents submit that they are unable to provide a detailed response to Staff's request for costs, because there is insufficient detail in the materials provided by Staff. The Respondents submit that they took an efficient and cooperative approach to the hearing on the merits which is a relevant consideration.

[87] In exercising my discretion to order costs, I considered the factors in Rule 18.2 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4168, and the factors cited by the Commission in *Re Ochnik* (2006), 29 OSCB 5917, including:

a. The importance of early notice of an intention to seek costs;

b. The seriousness of the allegations and the conduct of the parties; and

c. The reasonableness of the costs requested by Staff.[47]

[88] I note that costs have been sought from the outset of this proceeding. I also note that the allegations and findings of the Commission in respect of the conduct of the Respondents involve fraud, which is one of the most egregious contraventions of the Act, as well as other serious breaches of the Act and securities law. I find that the complexity of the structure and operations of the FLG entities, and the activities of the Respondents within that structure and those operations, contributed to greater investigative and hearing costs. I find that the costs requested by Staff are reasonable and well supported by the evidence.

[89] Having considered the foregoing, I find that it is appropriate to award costs in the amount of $340,867.50 on a joint and several basis against Phillips and Wilson.

VI. CONCLUSION

[90] For the reasons stated above, I find that it is in the public interest to impose the following sanctions, and will issue an order to that effect:

(a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by each of Phillips and Wilson shall cease permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

(b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Phillips and Wilson shall be prohibited permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, the acquisition of any securities by the Respondent shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.

(c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of Phillips and Wilson permanently;

(d) pursuant to paragraph 7 of subsection 127(1) of the Act, Phillips and Wilson shall resign any position that they hold as a director or officer of an issuer;

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

[47] *Ochnik*, at para. 29.

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

(g) pursuant to paragraph 9 of subsection 127(1) of the Act, Phillips shall pay an administrative penalty of $700,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(h) pursuant to paragraph 9 of subsection 127(1) of the Act, Wilson shall pay an administrative penalty of $400,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(i) pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips and Wilson shall jointly and severally disgorge to the Commission a total of $7,817,739 that was obtained as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

(j) pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips, in addition, shall disgorge to the Commission a total of $8,779,515 that was obtained as a result of his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act; and

(k) pursuant to subsection 127.1 of the Act, Phillips and Wilson shall jointly and severally pay $340,867.50 for the costs incurred in this matter.

Dated at Toronto this 28th day of October, 2015.

“Edward Kerwin”

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
Folkstone Capital Corp.	14 October 2015	26 October 2015		28 October 2015
Minera IRL Limited	16 October 2015	28 October 2015	28 October 2015	

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
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		

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
Boyuan Construction Group, Inc.	02 October 2015	14 October 2015	14 October 2015		
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	04 November 2015			

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Chapter 5

Rules and Policies

5.1.1 Amendments to NI 41-101 General Prospectus Requirements

AMENDMENTS TO
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*

1. National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.

2. Section 1.1 is amended

(a) by adding the following definition:

"Aequitas personal information form" means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time; ***,***

(b) in paragraph (c) of the definition of "IPO venture issuer***", by adding the following subparagraph:***

(i.1) Aequitas NEO Exchange Inc., ***, and***

(c) in the definition of "personal information form***" by deleting "***or***" at the end of paragraph (a), by adding "***, or***" at the end of paragraph (b), and by adding the following paragraph:***

(c) a completed Aequitas personal information form submitted by an individual to Aequitas NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A; ***.***

3. Subsection (4) of the Instruction under Item 1.9 of Form 41-101F1 is amended by adding "Aequitas NEO Exchange Inc.***," after "***on the Toronto Stock Exchange,***".***

4. Item 20.11 of the Instruction to Form 41-101F1 is amended by adding "Aequitas NEO Exchange Inc.,***" after "***on the Toronto Stock Exchange, ***".***

5. This Instrument comes into force on November 17, 2015.

5.1.2 Amendments to NI 44-101 Short Form Prospectus Distributions

AMENDMENTS TO
NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS*

1. National Instrument 44-101 Short Form Prospectus Distributions is amended by this Instrument.

2. Section 1.1 is amended by replacing the definition of "short form eligible exchange" with the following:

"short form eligible exchange" means each of the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange, Aequitas NEO Exchange Inc., and the Canadian Securities Exchange; ***.***

3. This Instrument comes into force on November 17, 2015.

5.1.3 Amendments to NI 45-106 Prospectus Exemptions

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS*

1. National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.

2. Section 2.22 is amended in paragraph (a) of the definition of "listed issuer***" by adding the following subparagraph:***

(ii.1) Aequitas NEO Exchange Inc., ***.***

3. This Instrument comes into force on November 17, 2015.

5.1.4 Amendments to NI 51-102 Continuous Disclosure Obligations

AMENDMENTS TO
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS*

1. National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.

2. Section 1.1 is amended in the definition of "venture issuer***" by adding "***Aequitas NEO Exchange Inc.,***" after "***Toronto Stock Exchange, ***".***

3. This Instrument comes into force on November 17, 2015.

5.1.5 Amendments to NI 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings

AMENDMENTS TO
NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

1. National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings is amended by this Instrument.

2. Section 1.1 is amended in the definition of "venture issuer***" by adding "***Aequitas NEO Exchange Inc.,***" after "***Toronto Stock Exchange, ***".***

3. This Instrument comes into force on November 17, 2015.

5.1.6 Amendments to NI 52-110 Audit Committees

AMENDMENTS TO
NATIONAL INSTRUMENT 52-110 *AUDIT COMMITTEES*

1. National Instrument 52-110 Audit Committees is amended by this Instrument.

2. Section 1.1 is amended in the definition of "venture issuer***" by adding "***Aequitas NEO Exchange Inc.,***" after "***Toronto Stock Exchange, ***".***

3. This Instrument comes into force on November 17, 2015.

5.1.7 Amendments to NI 58-101 Disclosure of Corporate Governance Practices

AMENDMENTS TO
NATIONAL INSTRUMENT 58-101 *DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES*

1. National Instrument 58-101 Disclosure of Corporate Governance Practices is amended by this Instrument.

2. Section 1.1 is amended in the definition of "venture issuer***" by adding "***Aequitas NEO Exchange Inc.,***" after "***Toronto Stock Exchange, ***".***

3. Section 1.3 is amended by replacing paragraph (c) with the following:

(c) an exchangeable security issuer or credit support issuer that is exempt under section 13.3 or 13.4 of NI 51-102, as applicable; and ***.***

4. This Instrument comes into force on November 17, 2015.

5.1.8 Amendments to MI 61-101 Protection of Minority Security Holders in Special Transactions

AMENDMENTS TO
MULTILATERAL INSTRUMENT 61-101
PROTECTION OF MINORITY SECURITY HOLDERS IN SPECIAL TRANSACTIONS

1. Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions is amended by this Instrument.

2. In the following provisions, "Aequitas NEO Exchange Inc.,***" is added after "***Toronto Stock Exchange, ***":***

(a) paragraph 4.4(1)(a);

(b) paragraph 5.5(b);

(c) subparagraph 5.7(1)(b)(i).

3. This Instrument comes into force on November 17, 2015.

5.1.9 Amendments to NI 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers

AMENDMENTS TO
NATIONAL INSTRUMENT 71-102
CONTINUOUS DISCLOSURE AND OTHER EXEMPTIONS RELATING TO FOREIGN ISSUERS

1. National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers is amended by this Instrument.

2. Section 1.1 is amended by replacing the definition of "marketplace***" with the following:***

"marketplace" has the same meaning as in National Instrument 21-101 Marketplace Operation; ***.***

3. In the following provisions, ", Aequitas NEO Exchange Inc., the Canadian Securities Exchange***" is added after "***on the TSX***":***

(a) paragraph 4.7(2)(a);

(b) paragraph 5.8(2)(a).

4. This Instrument comes into force on November 17, 2015.

5.1.10 Amendments to NI 81-101 Mutual Fund Prospectus Disclosure

AMENDMENTS TO
NATIONAL INSTRUMENT 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE*

1. National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.

2. Section 1.1 is amended

(a) by adding the following definition:

"Aequitas personal information form" means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time; ***and***

(b) in the definition of "personal information form***", by deleting "***or***" at the end of paragraph (a), by adding "***, or***" at the end of paragraph (b), and by adding the following paragraph:***

(c) a completed Aequitas personal information form submitted by an individual to Aequitas NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A to National Instrument 41-101 *General Prospectus Requirements*; ***.***

3. This Instrument comes into force on November 17, 2015.

5.1.11 Changes to NP 46-201 Escrow for Initial Public Offerings

CHANGES TO
NATIONAL POLICY 46-201 *ESCROW FOR INITIAL PUBLIC OFFERINGS*

1. The changes to National Policy 46-201 Escrow for Initial Public Offerings are set out in this annex.

2. Section 3.2 is changed by deleting "or" at the end of paragraph (a) and by adding the following paragraph:

(a.i) has securities listed on Aequitas NEO Exchange Inc. and is a Closed End Fund, Exchange Traded Fund or Exchange Traded Product (as defined in the Aequitas NEO Exchange Inc. Listing Manual as amended from time to time); or ***.***

3. Subsection 3.3(2) is changed by deleting "or***" at the end of paragraph (a), by adding "***or***" at the end of paragraph (b) and by adding the following paragraph:***

(c) has securities listed on Aequitas NEO Exchange Inc. and is not an exempt issuer. ***.***

4. Subsection 4.4(1) is changed by replacing paragraph (a) with the following:

(a) lists its securities on the TSX or Aequitas NEO Exchange Inc.; ***.***

5. Item 3 of Form 46-201F1 is changed in section 3.1 by replacing paragraph (a) with the following:

(a) lists its securities on the Toronto Stock Exchange Inc. or Aequitas NEO Exchange Inc.; ***.***

6. These changes become effective on November 17, 2015.

5.1.12 Amendments to OSC Rule 56-501 Restricted Shares

ONTARIO SECURITIES COMMISSION RULE 56-501 *RESTRICTED SHARES*

ONTARIO AMENDMENT INSTRUMENT

1. Ontario Securities Commission Rule 56-501 Restricted Shares is amended by this Instrument.

2. Subsection 2.2(1) is amended by replacing "The Montreal Exchange, the Vancouver Stock Exchange, The Alberta Stock Exchange, the Winnipeg Stock Exchange or the CDN system,***" with "***the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange Inc., ***".***

3. This Instrument comes into force on November 17, 2015.

Chapter 6

Request for Comments

6.1.1 OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting and Companion Policy 91-507CP to OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting

ONTARIO SECURITIES COMMISSION

NOTICE OF AMENDMENTS AND REQUEST FOR COMMENT

ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

AND

COMPANION POLICY 91-507CP TO
ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) is proposing amendments to the following instruments:

- OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**); and
- OSC Companion Policy 91-507CP to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR CP**).

Accordingly, the OSC is publishing the Annexes to this Notice of Amendments and Request for Comment to the TR Rule and the TR CP, which set out the proposed amendments, for a 90 day comment period.

2. Background

On November 14, 2013, the OSC published the TR Rule. The TR Rule became effective on December 31, 2013. Amendments to the TR Rule were: (i) published on April 17, 2014 and became effective on July 2, 2014; (ii) published on June 26, 2014 and became effective on September 9, 2014; and (iii) published on February 12, 2015 and became effective on April 30, 2015.

Based on consultations with and feedback from various market participants, and in order to more effectively and efficiently promote the underlying policy aims, the Commission is proposing to further amend the TR Rule and make changes to the TR CP. The details of the proposed amendments are discussed below.

3. Substance and Purpose of the TR Rule amendments

The key objectives of the proposed amendments to the TR Rule (the **Proposed TR Amendments**) are to:

- clarify the intended application of certain provisions of the TR Rule through non-material drafting revisions;
- alleviate the burden of reporting obligations under the TR Rule for end-user local counterparties engaging in derivatives transactions with their end-user affiliates that are also local counterparties and for end-user local counterparties engaging in derivatives transactions with their foreign affiliates where reporting is done in compliance with equivalent trade reporting laws of specified foreign jurisdictions or under the securities legislation of a province of Canada other than Ontario;
- introduce the requirement for local counterparties to obtain a legal entity identifier, if eligible, to promote data standardization; and
- set out the requirements for public dissemination of transaction-level data in order to promote increased transparency in the Canadian over-the-counter (**OTC**) derivatives market while aiming to preserve the anonymity of counterparties.

The proposed changes to the TR CP correspond to the Proposed TR Amendments.

4. Summary of the Proposed TR Amendments

(a) Subsection 26(5): duty to report; exemption for reporting derivatives data for transactions with foreign affiliates

The Commission is proposing to amend the requirement under subsection 26(5) of the TR Rule to permit local counterparties who are not derivatives dealers, recognized clearing agencies or exempt clearing agencies (**end-users**) and who are subject to the reporting obligation under the TR Rule, to benefit from substituted compliance in respect of reportable transactions entered into with their foreign affiliates when the transactions are reported pursuant to the law of a foreign jurisdiction listed in Appendix B to the TR Rule. Substituted compliance is available to market participants only where all of the conditions set out in paragraphs 26(5)(a) through (c) of the TR Rule are satisfied. This proposed amendment to subsection 26(5) of the TR Rule alleviates the burden of double reporting for counterparties who are already required to report their derivatives transactions under established and reliable reporting legislation elsewhere in the world.

(b) Subsection 26(6): duty to report; locations to report data

The Commission is proposing to amend the requirement under subsection 26(6) of the TR Rule to provide that all derivatives data in respect of a transaction must be reported to the same designated trade repository but not necessarily to the designated trade repository where the initial report was sent. This amendment is intended to facilitate the porting of derivatives data from one designated trade repository to another.

(c) Section 28: Legal entity identifiers; entity ineligible to receive a legal entity identifier

The Commission is proposing to amend section 28 of the TR Rule to provide for situations where a counterparty to a transaction is not eligible to receive a legal entity identifier (**LEI**) as determined by the Global Legal Entity Identifier System. Under new subsection 28(4), the reporting counterparty is required to identify such a counterparty with an alternative identifier and new subsection 28(5) requires the designated trade repository to identify the counterparty with the same alternative identifier. These new subsections provide for consistent identification at all levels of counterparties that are ineligible to receive a LEI.

(d) Section 28.1: Requirement to obtain a legal entity identifier

The Commission is proposing a new requirement as section 28.1 of the TR Rule. The requirement obligates each eligible local counterparty to a transaction that is required to be reported under the TR Rule to obtain a LEI in accordance with the standards set by the Global Legal Entity Identifier System. Prior to the addition of this requirement, reporting counterparties were responsible for ensuring that the counterparties to a transaction were identified using a LEI. This amendment ensures that all local counterparties to reportable transactions are under a direct obligation to acquire a LEI.

The identification of counterparties by LEI is an initiative endorsed by G20 nations and provides a globally recognized and standardised identification system of legal entities engaged in financial transactions. LEIs support authorities and market participants in identifying and managing financial risks and simplify reporting and accessing reported data across jurisdictions.

(e) Subsection 39(3) & Appendix C:Data available to public; public dissemination of transaction-level data

The Commission is proposing to amend subsection 39(3) of the TR Rule to modify the data and asset classes required to be publicly disseminated as of July 29, 2016 under the TR Rule. The data required to be disseminated and the related asset classes are set out in the new Appendix C to the TR Rule.

The Commission appreciates the importance of maintaining the anonymity of OTC derivative transaction counterparties in the context of public dissemination of market data. We note that publication of anonymized transaction-level data by designated trade repositories could potentially allow market participants to determine the identity of one or both of the counterparties to specific transactions through, for example, the size and/or underlying interest of a particular transaction. The indirect identification of counterparties to a transaction could make hedging the risks of a particular transaction more difficult and expensive as market participants adjust pricing in anticipation of the derivative counterparties' immediate hedging needs. This is a particularly relevant risk for those counterparties engaged in transactions related to asset classes that are relatively illiquid in the context of the OTC derivatives market in Canada.

The Commission seeks to balance the benefits of post-trade transparency against the potential harm that may be caused to market participants' ability to hedge risk. Accordingly, it is the Commission's view that transaction details disseminated to the public under the TR Rule should be subject to publication delays and additional anonymity precautions so that market participants may avoid signalling the market.

To effectively protect counterparties and maintain fairness in the market, the Commission is amending subsection 39(3) of the TR Rule to limit the application of the requirement for public dissemination of transaction-level reports to OTC derivatives related to certain asset classes and underlying benchmarks. In addition, the proposed amendment provides for additional anonymising measures such as the rounding and capping of notional amounts to protect counterparty identity without eliminating the value of the published information to the market. Capping levels for each asset class and category were determined by assessing the unique characteristics of each group including the relative size and frequency of trades within each group.

The Commission intends to amend Appendix C over a series of future phases after additional study of trade repository data and public consultation to determine the additional data and product types that are appropriate for public dissemination and the timing for the release of such data to the public. We are particularly interested in the type of post-trade information that can be publicly disseminated for OTC derivative transactions with illiquid underlying assets or that appear infrequently in the Canadian OTC derivatives market.

(f) Section 41.1: Exclusions; exclusion from requirement to report end-user inter affiliate transactions

The Commission has proposed a new exclusion as section 41.1 of the TR Rule. New section 41.1 excludes transactions between end-user local counterparties who are affiliated companies from the requirement to report derivatives data to a designated trade repository. Although inter affiliate reporting provides valuable information to regulators regarding the redistribution of risk between legal entities, the Commission has determined that the value of this information is outweighed by the costs of reporting to end-users. In particular, the Commission has received feedback that due to reporting obligations being assigned to dealers pursuant to paragraph 25(1)(d) of the TR Rule, in many cases end-users would be forced to incur the cost of developing reporting systems and subscribing to trade repository services exclusively for the purpose of reporting inter affiliate transactions. The primary source of risk to a corporate group is derived from its market facing transactions. The Commission will be able to successfully fulfil its oversight mandate, provided that the Commission has access to all market facing transactions and is aware of all exposures at the corporate group level.

The exclusion provided for under paragraph 41.1(c) can be used where a counterparty is a local counterparty in any jurisdiction of Canada. This allows corporate groups with affiliates in multiple jurisdictions with trade reporting rules in force to benefit from this exclusion while ensuring that at least one CSA member has access to any market facing transaction related to the inter affiliate transaction. This exclusion is also available to affiliates located in foreign jurisdictions that qualify as local counterparties pursuant to paragraph (c) of the local counterparty definition in the TR Rule.

This exclusion is not available for inter affiliate transactions involving an affiliate that is not a local counterparty pursuant to the trade reporting rules of a jurisdiction of Canada because the Commission may not have access to the relevant market facing transaction and therefore may not have a comprehensive view of the corporate group exposure. For example, to consolidate risk management in a corporate group an entity that enters into a transaction with an unrelated third party (e.g. a derivatives dealer) may enter into an identical back-to-back transaction with an affiliate to transfer risk to that entity. Where both entities are local counterparties in Ontario, the Commission would have access to the market facing transaction. Conversely, if in a similar situation, the affiliate entering into the market facing transaction was not a local counterparty the Commission would not have access to the market facing trade of the inter affiliate transaction which transfers risk to the local counterparty.

It is the Commission's view that this new exclusion appropriately addresses the Commissions regulatory needs while reducing cost for end-users.

(g) Appendix A: Minimum data fields required to be reported to a designated trade repository; modification of information required for public dissemination

The Commission is proposing to amend Appendix A to the TR Rule by removing the reporting requirements for transaction level data indicated in the column entitled "Required for Public Dissemination". The requirements for transactions reported pursuant to the TR Rule are set out in the new Appendix C to the TR Rule. In addition, the Commission has made some clarifying amendments to the descriptions of the data fields in Appendix A. These changes are reflected in the blackline in Annex B.

(h) TR CP: Update of guidance corresponding to the Proposed TR Amendments

The Commission is proposing to amend the TR CP to provide guidance corresponding to the Proposed TR Amendments.

5. Legislative Authority for Rule Making

The Commission has authority to designate trade repositories under section 21.2.2 of the *Securities Act* (Ontario) (the **Act**). This authority includes the power to impose terms and conditions on the designation and the ability to make any decision with respect to the manner in which a designated trade repository carries on business or any by-law, rule, regulation, policy, procedure, interpretation or practice of a designated trade repository. The Commission's rulemaking authority to regulate designated trade repositories under the TR Rule is provided under paragraph 12 of subsection 143(1) of the Act.

The Proposed TR Amendments and the corresponding amendments to the TR CP will come into force under the rulemaking authority provided under subparagraph 35(ii) of subsection 143(1) of the Act. Subparagraph 35(ii) authorizes the Commission to make rules requiring or respecting record keeping, reporting and transparency relating to derivatives.

6. Annexes

Included as part of this Notice are the following Annexes:

- Annex A, which sets out the Proposed TR Amendments and the corresponding changes to the TR CP;
- Annex B, which is the blackline of the TR Rule corresponding to Annex A; and
- Annex C, in which the TR CP changes are presented by way of blackline.

7. Comments

We request your comments on the Proposed TR Amendments. The Commission also seeks specific feedback on whether the Proposed TR Amendments relating to public dissemination of transaction data have appropriately balanced, (i) the protection of counterparty anonymity and counterparties' ability to efficiently hedge positions and (ii) the benefits to the market of informative, useful and timely transaction level public transparency.

You may provide written comments in hard copy or electronic form. The comment period expires **February 3, 2016**.

The Commission will publish all responses received on the Commission's website (www.osc.gov.on.ca).

Please address your comments to the Ontario Securities Commission, and send your comments to the following address:

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
comments@osc.gov.on.ca

Questions

Please refer your questions to any of:

Kevin Fine
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Ontario Securities Commission
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November 5, 2015

ANNEX A

AMENDMENTS TO ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting (the "Rule") is amended by this Instrument.

2. Section 26 is amended

(a) by replacing subsection (5)(1) with the following:

(1) if

(a) either

(i) the transaction is required to be reported solely because a counterparty to the transaction is a local counterparty pursuant to paragraph (b) or (c) of the definition of "local counterparty", or

(ii) the transaction is between

(A) a local counterparty that is not a derivatives dealer or a recognized or exempt clearing agency, and

(B) an affiliate of the local counterparty to which affiliate each of the following apply:

(I) the affiliate is not a derivatives dealer or a recognized or exempt clearing agency;

(II) the affiliate is organized under the laws of a jurisdiction outside of Canada and has its head office or principal place of business outside of Canada;

(b) the transaction is reported to a designated trade repository pursuant to

(i) the securities legislation of a province of Canada other than Ontario, or

(ii) the laws of a foreign jurisdiction listed in Appendix B; and

(c) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the derivatives data that it is required to report pursuant to this Rule and otherwise uses its best efforts to provide the Commission with access to such derivatives data., and

(b) by replacing subsection (6)(a) with the following:

(a) is reported to the same designated trade repository or, if reported to the Commission under subsection (4), to the Commission, and.

3. Section 28 is amended by adding the following new subsections (4) and (5) immediately after subsection (3):

(4) If a counterparty to a transaction is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, the reporting counterparty must identify such a counterparty with an alternate identifier.

(5) If subsection (4) applies, then despite subsection (1), the designated trade repository must identify such a counterparty with the alternate identifier supplied by the reporting counterparty.

4. The Rule is amended by adding the following new Section 28.1 immediately after Section 28:

28.1 Each local counterparty to a transaction that is required to be reported under this Rule must obtain a legal entity identifier, if eligible to receive one, assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System.

5. Section 39 is amended by replacing subsection (3) with the following:

(3) For each transaction reported pursuant to this Rule, a designated trade repository must make transaction level reports available to the public at no cost, in accordance with the requirements in Appendix C.

6. Section 40 is amended by adding "or a recognized or exempt clearing agency,***" after "***dealer***" in subsection (b).***

7. The Rule is amended by adding the following new Section 41.1 immediately after Section 41:

41.1 Despite any other section of this Rule, a counterparty is under no obligation to report derivatives data in relation to a transaction if,

(a) the transaction is between affiliated companies;

(b) neither counterparty is one or more of the following:

(i) a derivatives dealer;

(ii) a recognized or exempt clearing agency;

(iii) an affiliated entity of a person or company referred to in subparagraph (i) or (ii); and

(c) each counterparty to the transaction is a local counterparty pursuant to the securities legislation of a jurisdiction of Canada.

8. Appendix A is replaced with the following:

Appendix A to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting

Minimum Data Fields Required to be Reported to a Designated Trade Repository

Instructions:

The reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

Data field	Description	Required for Pre-existing Transactions
Transaction identifier	The unique transaction identifier as provided by the designated trade repository or the identifier as identified by the two counterparties, electronic trading venue of execution or clearing agency.	Y
Master agreement type	The type of master agreement, if used for the reported transaction.	N
Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	N
Cleared	Indicate whether the transaction has been cleared by a clearing agency.	Y
Intent to clear	Indicate whether the transaction will be cleared by a clearing agency.	N

Data field	Description	Required for Pre-existing Transactions
Clearing agency	LEI of the clearing agency where the transaction is or will be cleared.	Y
Clearing member	LEI of the clearing member, if the clearing member is not a counterparty.	N
Clearing exemption	Indicate whether one or more of the counterparties to the transaction are exempted from a mandatory clearing requirement.	N
Broker/Clearing intermediary	LEI of the broker acting as an intermediary for the reporting counterparty without becoming a counterparty.	N
Electronic trading venue identifier	LEI of the electronic trading venue where the transaction was executed.	Y
Inter-affiliate	Indicate whether the transaction is between two affiliated entities. (This field is only required to be reported as of April 30, 2015.)	N
Collateralization	Indicate whether the transaction is collateralized. Field Values: • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.	N
Identifier of reporting counterparty	LEI of the reporting counterparty or, in the case of a counterparty that is not eligible to receive a LEI, its alternate identifier.	Y
Identifier of non-reporting counterparty	LEI of the non-reporting counterparty or, in the case of a counterparty that is not eligible to receive a LEI, its alternate identifier.	Y
Counterparty side	Indicate whether the reporting counterparty was the buyer or seller. In the case of swaps, other than credit default, the buyer will represent the payer of leg 1 and the seller will be the payer of leg 2.	Y
Identifier of agent reporting the transaction	LEI of the agent reporting the transaction if reporting of the transaction has been delegated by the reporting counterparty.	N
Jurisdiction of reporting counterparty	If the reporting counterparty is a local counterparty under the derivatives data reporting rules of one or more provinces of Canada, indicate all of the jurisdictions in which it is a local counterparty.	N
Jurisdiction of non-reporting counterparty	If the non-reporting counterparty is a local counterparty under the derivatives data reporting rules of one or more provinces of Canada, indicate all of the jurisdictions in which it is a local counterparty.	N

Data field	Description	Required for Pre-existing Transactions
A. Common Data	• These fields are required to be reported for all derivative transactions even if the information may be entered in an Asset field below. • Fields do not have to be reported if the unique product identifier adequately describes those fields.	
Unique product identifier	Unique product identification code based on the taxonomy of the product.	N
Contract or instrument type	The name of the contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).	Y
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.	Y
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.	Y
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).	N
Effective date or start date	The date the transaction becomes effective or starts.	Y
Maturity, termination or end date	The date the transaction expires.	Y
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).	Y
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).	Y
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).	Y
Delivery type	Indicate whether transaction is settled physically or in cash.	Y
Price 1	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y
Price 2	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y
Price multiplier	The number of units of the underlying reference entity represented by 1 unit of the transaction.	N

Data field	Description	Required for Pre-existing Transactions
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.	Y
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.	Y
Currency leg 1	Currency(ies) of leg 1.	Y
Currency leg 2	Currency(ies) of leg 2.	Y
Settlement currency	The currency used to determine the cash settlement amount.	Y
Up-front payment	Amount of any up-front payment.	N
Currency or currencies of up-front payment	The currency in which any up-front payment is made by one counterparty to another.	N
Embedded option	Indicate whether the option is an embedded option.	N
B. Additional Asset Information	These additional fields are required to be reported for transactions in the respective types of derivatives set out below, even if the information is entered in a Common Data field above.	
i) Interest rate derivatives		
Fixed rate leg 1	The rate used to determine the payment amount for leg 1 of the transaction.	Y
Fixed rate leg 2	The rate used to determine the payment amount for leg 2 of the transaction.	Y
Floating rate leg 1	The floating rate used to determine the payment amount for leg 1 of the transaction.	Y
Floating rate leg 2	The floating rate used to determine the payment amount for leg 2 of the transaction.	Y
Fixed rate day count convention	Factor used to calculate the fixed payer payments (e.g., 30/360, actual/360).	Y
Fixed leg payment frequency or dates	Frequency or dates of payments for the fixed rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating leg payment frequency or dates	Frequency or dates of payments for the floating rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating rate reset frequency or dates	The dates or frequency at which the floating leg of the transaction resets (e.g., quarterly, semi-annually, annually).	Y
ii) Currency derivatives		
Exchange rate	Contractual rate(s) of exchange of the currencies.	Y

Data field	Description	Required for Pre-existing Transactions
iii) Commodity derivatives		
Sub-asset class	Specific information to identify the type of commodity derivative (e.g., Agriculture, Power, Oil, Natural Gas, Freights, Metals, Index, Environmental, Exotic).	Y
Quantity	Total quantity in the unit of measure of an underlying commodity.	Y
Unit of measure	Unit of measure for the quantity of each side of the transaction (e.g., barrels, bushels, etc.).	Y
Grade	Grade of product being delivered (e.g., grade of oil).	Y
Delivery point	The delivery location.	N
Load type	For power, load profile for the delivery.	Y
Transmission days	For power, the delivery days of the week.	Y
Transmission duration	For power, the hours of day transmission starts and ends.	Y
C. Options	These additional fields are required to be reported for options transactions set out below, even if the information is entered in a Common Data field above.	
Option exercise date	The date(s) on which the option may be exercised.	Y
Option premium	Fixed premium paid by the buyer to the seller.	Y
Strike price (cap/floor rate)	The strike price of the option.	Y
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction (e.g., American, European, Bermudan, Asian).	Y
Option type	Put/call.	Y
D. Event Data		
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).	N
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).	Y (If available)
Post-transaction events	Indicate whether the transaction resulted from a post-transaction service (e.g. compression, reconciliation, etc.) or from a lifecycle event (e.g. novation, amendment, etc.).	N
Reporting timestamp	The time and date the transaction was submitted to the trade repository, expressed using UTC.	N
E. Valuation data	These additional fields are required to be reported on a continuing basis for all reported derivative transactions, including reported pre-existing transactions.	

Data field	Description	Required for Pre-existing Transactions
Value of transaction calculated by the reporting counterparty	Mark-to-market valuation of the transaction, or mark-to-model valuation	N
Valuation currency	Indicate the currency used when reporting the value of the transaction.	N
Valuation date	Date of the latest mark-to-market or mark-to-model valuation.	N
F. Other details		
Other details	Where the terms of the transaction cannot be effectively reported in the above prescribed fields, provide any additional information that may be necessary.	Y

9. The Rule is amended by adding the following new Appendix C immediately after Appendix B:

Appendix C to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting

Requirements for the public dissemination of transaction level data

Instructions:

1. A designated trade repository is required to disseminate to the public at no cost the information contained in Table 1 for each of the Asset Classes and Underlying Asset Identifiers listed in Table 2 for:

   a) a transaction reported to the designated trade repository pursuant to the Instrument;

   b) a lifecycle event that changes the pricing of an existing derivative reported to the designated trade repository pursuant to the Instrument;

   c) a cancellation or correction of previously disseminated data relating to a transaction or lifecycle event listed in (a) or (b).

Table 1

Data field	Description
Cleared	Indicate whether the transaction has been cleared by a clearing agency.
Electronic trading venue identifier	Indicate whether the transaction was executed on an electronic trading venue.
Collateralization	Indicate whether the transaction is collateralized. Field Values: • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.
Unique product identifier	Unique product identification code based on the taxonomy of the product.
Contract or instrument type	The name of the contract of instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.

Data field	Description
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).
Effective date or start date	The date the transaction becomes effective or starts.
Maturity, termination or end date	The date the transaction expires.
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).
Price 1	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price 2	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.
Currency leg 1	Currency(ies) of leg 1.
Currency leg 2	Currency(ies) of leg 2.
Settlement currency	The currency used to determine the cash settlement amount.
Embedded option	Indicate whether the option is an embedded option.
Option exercise date	The date(s) on which the option may be exercised.
Option premium	Fixed premium paid by the buyer to the seller.
Strike price (cap/floor rate)	The strike price of the option.
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction. (e.g., American, European, Bermudan, Asian).
Option type	Put, call.
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).

Table 2

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
	USD-LIBOR-BBA
	EUR-EURIBOR-Reuters
	GBP-LIBOR-BBA
Credit	All Indexes
Equity	All Indexes

Exclusions:

2. Notwithstanding item 1, each of the following is excluded from the requirement to be publically disseminated:

   a) a transaction in a derivative that requires the exchange of more than one currency;

   b) a transaction resulting from a multilateral portfolio compression exercise;

   c) a transaction resulting from novation by a recognized or exempt clearing agency.

Rounding:

3. A designated trade repository must round the notional amount of a transaction for which it disseminates transaction level data in accordance with this Instrument and this Appendix in accordance with the rounding conventions contained in Table 3.

Table 3

Reported Notional Amount Leg 1 or 2	Rounded Notional Amount
< 1,000	Round to nearest 5
=>1,000, <10,000	Round to nearest 100
=>10,000, <100,000	Round to nearest 1,000
=>100,000, <1 million	Round to nearest 10,000
=>1 million, <10 million	Round to nearest 100,000
=>10 million, <50 million	Round to nearest 1 million
=>50 million, <100 million	Round to nearest 10 million
=>100 million, <500 million	Round to nearest 50 million
=>500 million, <1 billion	Round to nearest 100 million
=>1 billion, <100 billion	Round to nearest 500 million
>100 billion	Round to nearest 50 billion

Capping:

4. Where the Rounded Notional Amount of a transaction, as set out in Table 3, would exceed the Capped Rounded Notional amount in CAD of that transaction as set out in Table 4, a designated trade repository must disseminate the Capped Rounded Notional Amount for the transaction in place of the Rounded Notional Amount.

5. When disseminating transaction level data according to this Appendix, a designated trade repository must indicate that the notional amount for a transaction has been capped.

6. For each transaction where the Capped Rounded Notional Amount is disseminated, a designated trade repository must adjust the Option Premium in a consistent and proportionate manner.

Table 4

Asset Class	Maturity Date less Effective Date	Capped Rounded Notional Amount in CAD
Interest Rate	Less than or equal to two years (746 days)	250M
Interest Rate	Greater than two years (746 days) and less than or equal to ten years (3,668 days)	100M
Interest Rate	Greater than ten years (3,668 days)	50M
Credit	All dates	50M
Equity	All dates	50M

Timing:

7. A designated trade repository must disseminate the information contained in Table 1 no later than

   a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer or a recognized or exempt clearing agency; or

   b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.

10. This Instrument comes into force on ●, 2015.

ANNEX B

ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

1. (1) In this Rule

"asset class" means the asset category underlying a derivative and includes interest rate, foreign exchange, credit, equity and commodity;

"board of directors" means, in the case of a designated trade repository that does not have a board of directors, a group of individuals that acts in a capacity similar to a board of directors;

"creation data" means the data in the fields listed in Appendix A;

"derivatives dealer" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of trading in derivatives in Ontario as principal or agent;

"derivatives data" means all data related to a transaction that is required to be reported pursuant to Part 3;

"Global Legal Entity Identifier System" means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee;

"Legal Entity Identifier System Regulatory Oversight Committee" means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012;

"life-cycle event" means an event that results in a change to derivatives data previously reported to a designated trade repository in respect of a transaction;

"life-cycle event data" means changes to creation data resulting from a life-cycle event;

"local counterparty" means a counterparty to a transaction if, at the time of the transaction, one or more of the following apply:

(a) the counterparty is a person or company, other than an individual, organized under the laws of Ontario or that has its head office or principal place of business in Ontario;

(b) the counterparty is registered under Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives;

(c) the counterparty is an affiliate of a person or company described in paragraph (a), and such person or company is responsible for the liabilities of that affiliated party;

"participant" means a person or company that has entered into an agreement with a designated trade repository to access the services of the designated trade repository;

"reporting counterparty" means the counterparty to a transaction as determined under section 25 that is required to report derivatives data under section 26;

"transaction" means entering into, assigning, selling or otherwise acquiring or disposing of a derivative or the novation of a derivative;

"user" means, in respect of a designated trade repository, a counterparty (or delegate of a counterparty) to a transaction reported to that designated trade repository pursuant to this Rule; and

"valuation data" means data that reflects the current value of the transaction and includes the data in the applicable fields listed in Appendix A under the heading "Valuation Data".

(2) In this Rule, each of the following terms has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*: "accounting principles"; "auditing standards"; "publicly accountable enterprise"; "U.S. AICPA GAAS"; "U.S. GAAP"; and "U.S. PCAOB GAAS".

(3) In this Rule, "interim period" has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Trade repository initial filing of information and designation

2. (1) An applicant for designation under section 21.2.2 of the Act must file a completed Form 91-507F1 – *Application For Designation and Trade Repository Information Statement*.

(2) In addition to the requirement set out in subsection (1), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located outside of Ontario must

(a) certify on Form 91-507F1 that it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission,

(b) certify on Form 91-507F1 that it will provide the Commission with an opinion of legal counsel that

(i) the applicant has the power and authority to provide the Commission with access to its books and records, and

(ii) the applicant has the power and authority to submit to onsite inspection and examination by the Commission.

(3) In addition to the requirements set out in subsections (1) and (2), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located in a foreign jurisdiction must file a completed Form 91-507F2 – *Submission to Jurisdiction and Appointment of Agent for Service of Process*.

(4) Within 7 days of becoming aware of an inaccuracy in or making a change to the information provided in Form 91-507F1, an applicant must file an amendment to Form 91-507F1 in the manner set out in that Form.

Change in information

3. (1) Subject to subsection (2), a designated trade repository must not implement a significant change to a matter set out in Form 91-507F1 unless it has filed an amendment to Form 91-507F1 in the manner set out in that Form at least 45 days before implementing the change.

(2) A designated trade repository must file an amendment to the information provided in Exhibit I (Fees) of Form 91-507F1 in the manner set out in the Form at least 15 days before implementing a change to the information provided in the Exhibit.

(3) For a change to a matter set out in Form 91-507F1 other than a change referred to in subsection (1) or (2), a designated trade repository must file an amendment to Form 91-507F1 in the manner set out in that Form by the earlier of

(a) the close of business of the designated trade repository on the 10th day after the end of the month in which the change was made, and

(b) the time the designated trade repository publicly discloses the change.

Filing of initial audited financial statements

4. (1) An applicant must file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation under section 21.2.2 of the Act.

(2) The financial statements referred to in subsection (1) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America,

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements,

(c) disclose the presentation currency, and

(d) be audited in accordance with

(i) Canadian GAAS,

(ii) International Standards on Auditing, or

(iii) U.S. AICPA GAAS or U.S. PCAOB GAAS if the person or company is incorporated or organized under the laws of the United States of America.

(3) The financial statements referred to in subsection (1) must be accompanied by an auditor's report that

(a) expresses an unmodified opinion if the financial statements are audited in accordance with Canadian GAAS or International Standards on Auditing,

(b) expresses an unqualified opinion if the financial statements are audited in accordance with U.S. AICPA GAAS or U.S. PCAOB GAAS,

(c) identifies all financial periods presented for which the auditor's report applies,

(d) identifies the auditing standards used to conduct the audit,

(e) identifies the accounting principles used to prepare the financial statements,

(f) is prepared in accordance with the same auditing standards used to conduct the audit, and

(g) is prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

Filing of annual audited and interim financial statements

5. (1) A designated trade repository must file annual audited financial statements that comply with the requirements in subsections 4(2) and 4(3) with the Commission no later than the 90th day after the end of its financial year.

(2) A designated trade repository must file interim financial statements with the Commission no later than the 45th day after the end of each interim period.

(3) The interim financial statements referred to in subsection (2) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America, and

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements.

Ceasing to carry on business

6. (1) A designated trade repository that intends to cease carrying on business in Ontario as a trade repository must make an application and file a report on Form 91-507F3 – *Cessation of Operations Report For Trade Repository* at least 180 days before the date on which it intends to cease carrying on that business.

(2) A designated trade repository that involuntarily ceases to carry on business in Ontario as a trade repository must file a report on Form 91-507F3 as soon as practicable after it ceases to carry on that business.

Legal framework

7. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities.

(2) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that

(a) such rules, policies and procedures and the contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,

(b) the rights and obligations of a user, owner and regulator with respect to the use of the designated trade repository's information are clear and transparent,

(c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, and

(d) the status of records of contracts in its repository and whether those records of contracts are the legal contracts of record are clearly established.

Governance

8. (1) A designated trade repository must establish, implement and maintain written governance arrangements that

(a) are well-defined, clear and transparent,

(b) set out a clear organizational structure with consistent lines of responsibility,

(c) provide for effective internal controls,

(d) promote the safety and efficiency of the designated trade repository,

(e) ensure effective oversight of the designated trade repository,

(f) support the stability of the broader financial system and other relevant public interest considerations, and

(g) properly balance the interests of relevant stakeholders.

(2) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.

(3) A designated trade repository must publicly disclose on its website

(a) the governance arrangements established in accordance with subsection (1), and

(b) the rules, policies and procedures established in accordance with subsection (2).

Board of directors

9. (1) A designated trade repository must have a board of directors.

(2) The board of directors of a designated trade repository must include

(a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and

(b) appropriate representation by individuals who are independent of the designated trade repository.

(3) The board of directors of a designated trade repository must, in consultation with the chief compliance officer of the designated trade repository, resolve conflicts of interest identified by the chief compliance officer.

(4) The board of directors of a designated trade repository must meet with the chief compliance officer of the designated trade repository on a regular basis.

Management

10. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that

(a) specify the roles and responsibilities of management, and

(b) ensure that management has the experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities.

(2) A designated trade repository must notify the Commission no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.

Chief compliance officer

11. (1) The board of directors of a designated trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity and mix of skills necessary to serve in that capacity.

(2) The chief compliance officer of a designated trade repository must report directly to the board of directors of the designated trade repository or, if so directed by the board of directors, to the chief executive officer of the designated trade repository.

(3) The chief compliance officer of a designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,

(b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the designated trade repository complies with securities legislation,

(c) monitor compliance with the rules, policies and procedures required under paragraphs (a) and (b) on an ongoing basis,

(d) report to the board of directors of the designated trade repository as soon as practicable upon becoming aware of a circumstance indicating that the designated trade repository, or an individual acting on its behalf, is not in compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:

(i) the non-compliance creates a risk of harm to a user;

(ii) the non-compliance creates a risk of harm to the capital markets;

(iii) the non-compliance is part of a pattern of non-compliance;

(iv) the non-compliance may have an impact on the ability of the designated trade repository to carry on business as a trade repository in compliance with securities legislation,

(e) report to the designated trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and

(f) prepare and certify an annual report assessing compliance by the designated trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors.

(4) Concurrently with submitting a report under paragraph (3)(d), (3)(e) or (3)(f), the chief compliance officer must file a copy of the report with the Commission.

Fees

12. All fees and other material costs imposed by a designated trade repository on its participants must be

(a) fairly and equitably allocated among participants, and

(b) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data.

Access to designated trade repository services

13. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.

(2) A designated trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).

(3) A designated trade repository must not do any of the following:

(a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the designated trade repository;

(b) permit unreasonable discrimination among the participants of the designated trade repository;

(c) impose a burden on competition that is not reasonably necessary and appropriate;

(d) require the use or purchase of another service for a person or company to utilize the trade reporting service offered by the designated trade repository.

Acceptance of reporting

14. A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository's designation order.

Communication policies, procedures and standards

15. A designated trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of

(a) its participants,

(b) other trade repositories,

(c) exchanges, clearing agencies, alternative trading systems, and other marketplaces, and

(d) other service providers.

Due process

16. For a decision made by a designated trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the designated trade repository must ensure that

(a) the participant or applicant is given an opportunity to be heard or make representations, and

(b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting, denying or limiting access.

Rules, policies and procedures

17. (1) The rules, policies and procedures of a designated trade repository must

(a) be clear and comprehensive and provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the designated trade repository and the risks, fees, and other material costs they incur by using the services of the designated trade repository,

(b) be reasonably designed to govern all aspects of the services offered by the designated trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and

(c) not be inconsistent with securities legislation.

(2) A designated trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

(3) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.

(4) A designated trade repository must publicly disclose on its website

(a) its rules, policies and procedures referred to in this section, and

(b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.

(5) A designated trade repository must file its proposed new or amended rules, policies and procedures for approval in accordance with the terms and conditions of its designation order, unless the order explicitly exempts the designated trade repository from this requirement.

Records of data reported

18. (1) A designated trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.

(2) A designated trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.

(3) Throughout the period described in subsection (2), a designated trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection (2), in a safe location and in a durable form, separate from the location of the original record.

Comprehensive risk-management framework

19. A designated trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.

General business risk

20. (1) A designated trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.

(2) Without limiting the generality of subsection (1), a designated trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.

(3) For the purposes of subsection (2), a designated trade repository must hold, at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.

(4) A designated trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.

(5) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection (4).

(6) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the

requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the designated trade repository or the wind-down of the designated trade repository's operations.

System and other operational risk requirements

21. (1) A designated trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.

(2) The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the designated trade repository.

(3) Without limiting the generality of subsection (1), a designated trade repository must

(a) develop and maintain

(i) an adequate system of internal controls over its systems, and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the Commission of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide a post-incident report that includes a root-cause analysis as soon as practicable.

(4) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to

(a) achieve prompt recovery of its operations following a disruption,

(b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and

(c) provide for the exercise of authority in the event of an emergency.

(5) A designated trade repository must test its business continuity plans, including disaster recovery plans, at least annually.

(6) For each of its systems for collecting and maintaining reports of derivatives data, a designated trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs (3)(a) and (b) and subsections (4) and (5).

(7) A designated trade repository must provide the report prepared in accordance with subsection (6) to

(a) its board of directors or audit committee promptly upon the completion of the report, and

(b) the Commission not later than the 30th day after providing the report to its board of directors or audit committee.

(8) A designated trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(9) A designated trade repository must make available testing facilities for interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(10) A designated trade repository must not begin operations in Ontario unless it has complied with paragraphs (8)(a) and (9)(a).

(11) Paragraphs (8)(b) and (9)(b) do not apply to a designated trade repository if

(a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,

(b) the designated trade repository immediately notifies the Commission of its intention to make the change to its technology requirements, and

(c) the designated trade repository publicly discloses on its website the changed technology requirements as soon as practicable.

Data security and confidentiality

22. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.

(2) A designated trade repository must not release derivatives data for commercial or business purposes unless

(a) the derivatives data has otherwise been disclosed pursuant to section 39, or

(b) the counterparties to the transaction have provided the designated trade repository with their express written consent to use or release the derivatives data.

Confirmation of data and information

23. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to confirm with each counterparty to a transaction, or agent acting on behalf of such counterparty, that the derivatives data that the designated trade repository receives from a reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Rule, is accurate.

(2) Despite subsection (1), a designated trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the designated trade repository.

Outsourcing

24. If a designated trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the designated trade repository, the designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,

(b) identify any conflicts of interest between the designated trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,

(c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,

(d) maintain access to the books and records of the service provider relating to the outsourced activity,

(e) ensure that the Commission has the same access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that it would have absent the outsourcing arrangement,

(f) ensure that all persons conducting audits or independent reviews of the designated trade repository under this Rule have appropriate access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that such persons would have absent the outsourcing arrangement,

(g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,

(h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of derivatives data and of users' confidential information in accordance with the requirements under section 22, and

(i) establish, implement, maintain and enforce written rules, policies and procedures to regularly review the performance of the service provider under the outsourcing arrangement.

PART 3
DATA REPORTING

Reporting counterparty

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is

(a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,

(b) if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers, the derivatives dealer determined to be the reporting counterparty under the ISDA methodology,

(c) if paragraphs (a) and (b) do not apply to the transaction and the transaction is between two derivatives dealers, each derivatives dealer,

(d) if the transaction is not cleared through a recognized or exempt clearing agency and is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,

(e) if paragraphs (a) to (d) do not apply to the transaction, the counterparty determined to be the reporting counterparty under the ISDA methodology, and

(f) in any other case, each local counterparty to the transaction.

(2) A party that would not be the reporting counterparty under the ISDA methodology with regard to a transaction required to be reported under this Rule may rely on paragraph (1)(b) or (e) in respect of that transaction only if

(a) each party to the transaction has agreed to the terms of a multilateral agreement

(i) that is administered by and delivered to the International Swaps and Derivatives Association, Inc., and

(ii) under which the process set out in the ISDA methodology is required to be followed by it with respect to each transaction required to be reported under this Rule,

(b) the ISDA methodology process is followed in determining the reporting counterparty in respect of that transaction, and

(c) each party to the transaction consents to the release to the Commission by the International Swaps and Derivatives Association, Inc. of information relevant in determining the applicability of paragraphs (a) and (b) to it.

(3) For the purposes of this section, "ISDA methodology" means the methodology described in the Canadian Transaction Reporting Party Requirements (issued by the International Swaps and Derivatives Association, Inc. and dated April 4, 2014).

Duty to report

26. (1) A reporting counterparty to a transaction involving a local counterparty must report, or cause to be reported, the data required to be reported under this Part to a designated trade repository.

(2) A reporting counterparty in respect of a transaction is responsible for ensuring that all reporting obligations in respect of that transaction have been fulfilled.

(3) A reporting counterparty may delegate its reporting obligations under this Rule, but remains responsible for ensuring the timely and accurate reporting of derivatives data required by this Rule.

(4) Despite subsection (1), if no designated trade repository accepts the data required to be reported by this Part, the reporting counterparty must electronically report the data required to be reported by this Part to the Commission.

(5) A reporting counterparty satisfies the reporting obligation in respect of a transaction required to be reported under subsection (1) if

(a) either

~~(a)~~ (i) the transaction is required to be reported solely because a counterparty to the transaction is a local counterparty pursuant to paragraph (b) or (c) of the definition of "local counterparty", or

(ii) the transaction is between

(A) a local counterparty that is not a derivatives dealer or a recognized or exempt clearing agency, and

(B) an affiliate of the local counterparty to which affiliate each of the following apply:

(I) the affiliate is not a derivatives dealer or a recognized or exempt clearing agency;

(II) the affiliate is organized under the laws of a jurisdiction outside of Canada and has its head office or principal place of business outside of Canada;

(a) the transaction is reported to a designated trade repository pursuant to

(i) the securities legislation of a province of Canada other than Ontario, or

(ii) the laws of a foreign jurisdiction listed in Appendix B; and

(b) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the derivatives data that it is required to report pursuant to this Rule and otherwise uses its best efforts to provide the Commission with access to such derivatives data.

(6) A reporting counterparty must ensure that all reported derivatives data relating to a transaction

(a) is reported to the same designated trade repository ~~to which the initial report was made~~ or, if ~~the initial report was made~~reported to the Commission under subsection (4), to the Commission, and

(b) is accurate and contains no misrepresentation.

(7) A reporting counterparty must report an error or omission in the derivatives data as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(8) A local counterparty, other than the reporting counterparty, must notify the reporting counterparty of an error or omission with respect to derivatives data relating to a transaction to which it is a counterparty as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(9) A recognized or exempt clearing agency must report derivatives data to the designated trade repository specified by a local counterparty and may not report derivatives data to another trade repository without the consent of the local counterparty where

(a) the reporting counterparty to a transaction is the recognized or exempt clearing agency, and

(b) the local counterparty to the transaction that is not a recognized or exempt clearing agency has specified a designated trade repository to which derivatives data in respect of that transaction is to be reported.

Identifiers, general

27. A reporting counterparty must include the following in every report required by this Part:

(a) the legal entity identifier of each counterparty to the transaction as set out in section 28;

(b) the unique transaction identifier for the transaction as set out in section 29;

(c) the unique product identifier for the transaction as set out in section 30.

Legal entity identifiers

28. (1) A designated trade repository must identify each counterparty to a transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a single legal entity identifier.

(2) Each of the following rules apply to legal entity identifiers

(a) a legal entity identifier must be a unique identification code assigned to a counterparty in accordance with the standards set by the Global Legal Entity Identifier System, and

(b) a local counterparty must comply with all applicable requirements imposed by the Global Legal Entity Identifier System.

(3) Despite subsection (2), if the Global Legal Entity Identifier System is unavailable to a counterparty to a transaction at the time when a report under this Rule is required to be made, all of the following rules apply

(a) each counterparty to the transaction must obtain a substitute legal entity identifier which complies with the standards established March 8, 2013 by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers,

(b) a local counterparty must use the substitute legal entity identifier until a legal entity identifier is assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), and

(c) after the holder of a substitute legal entity identifier is assigned a legal entity identifier in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), the local counterparty must ensure that it is identified only by the assigned legal entity identifier in all derivatives data reported pursuant to this Rule in respect of transactions to which it is a counterparty.

(4) If a counterparty to a transaction is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, the reporting counterparty must identify such a counterparty with an alternate identifier.

(5) If subsection (4) applies, then despite subsection (1), the designated trade repository must identify such a counterparty with the alternate identifier supplied by the reporting counterparty.

28.1 Each local counterparty to a transaction that is required to be reported under this Rule must obtain a legal entity identifier, if eligible to receive one, assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System.

Unique transaction identifiers

29. (1) A designated trade repository must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique transaction identifier.

(2) A designated trade repository must assign a unique transaction identifier to a transaction, using its own methodology or incorporating a unique transaction identifier previously assigned to the transaction.

(3) A designated trade repository must not assign more than one unique transaction identifier to a transaction.

Unique product identifiers

30. (1) For the purposes of this section, a unique product identifier means a code that uniquely identifies a derivative and is assigned in accordance with international or industry standards.

(2) A reporting counterparty must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique product identifier.

(3) A reporting counterparty must not assign more than one unique product identifier to a transaction.

(4) If international or industry standards for a unique product identifier are unavailable for a particular derivative when a report is required to be made to a designated trade repository under this Rule, a reporting counterparty must assign a unique product identifier to the transaction using its own methodology.

Creation data

31. (1) Upon execution of a transaction that is required to be reported under this Rule, a reporting counterparty must report the creation data relating to that transaction to a designated trade repository.

(2) A reporting counterparty in respect of a transaction must report creation data in real time.

(3) If it is not technologically practicable to report creation data in real time, a reporting counterparty must report creation data as soon as technologically practicable and in no event later than the end of the business day following the day on which the data would otherwise be required to be reported.

Life-cycle event data

32. (1) For a transaction that is required to be reported under this Rule, the reporting counterparty must report all life-cycle event data to a designated trade repository by the end of the business day on which the life-cycle event occurs.

(2) If it is not technologically practicable to report life-cycle event data by the end of the business day on which the life-cycle event occurs, the reporting counterparty must report life-cycle event data no later than the end of the business day following the day on which the life-cycle event occurs.

Valuation data

33. (1) For a transaction that is required to be reported under this Rule, a reporting counterparty must report valuation data, based on industry accepted valuation standards, to a designated trade repository

(a) daily, based on relevant closing market data from the previous business day, if the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency , or

(b) quarterly, as of the last day of each calendar quarter, if the reporting counterparty is not a derivatives dealer or a recognized or exempt clearing agency.

(2) Valuation data required to be reported pursuant to paragraph 1(b) must be reported to the designated trade repository no later than 30 days after the end of the calendar quarter.

Pre-existing transactions

34. (1) Despite section 31 and subject to subsection 43(5), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled “Required for Pre-existing Transactions” on or before April 30, 2015 if

(a) the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency,

(b) the transaction was entered into before October 31, 2014, and

(c) there were outstanding contractual obligations with respect to the transaction on October 31, 2014.

(1.1) Despite section 31 and subject to subsection 43(6), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before December 31, 2015 if

(a) the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency,

(b) the transaction was entered into before June 30, 2015, and

(c) there were outstanding contractual obligations with respect to the transaction on June 30, 2015.

(2) Despite section 32, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report life-cycle event data under section 32 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

(3) Despite section 33, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report valuation data under section 33 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

Timing requirements for reporting data to another designated trade repository

35. Despite the data reporting timing requirements in sections 31, 32, 33 and 34, where a designated trade repository ceases operations or stops accepting derivatives data for a certain asset class of derivatives, the reporting counterparty may fulfill its reporting obligations under this Rule by reporting the derivatives data to another designated trade repository, or the Commission if there is not an available designated trade repository, within a reasonable period of time.

Records of data reported

36. (1) A reporting counterparty must keep transaction records for the life of each transaction and for a further 7 years after the date on which the transaction expires or terminates.

(2) A reporting counterparty must keep records referred to in subsection (1) in a safe location and in a durable form.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) A designated trade repository must, at no cost

(a) provide to the Commission direct, continuous and timely electronic access to such data in the designated trade repository's possession as is required by the Commission in order to carry out the Commission's mandate,

(b) accept and promptly fulfil any data requests from the Commission in order to carry out the Commission's mandate,

(c) create and make available to the Commission aggregate data derived from data in the designated trade repository's possession as required by the Commission in order to carry out the Commission's mandate, and

(d) disclose to the Commission the manner in which the derivatives data provided under paragraph (c) has been aggregated.

(2) A designated trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.

(3) A reporting counterparty must use its best efforts to provide the Commission with access to all derivatives data that it is required to report pursuant to this Rule, including instructing a trade repository to provide the Commission with access to such data.

Data available to counterparties

38. (1) A designated trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the designated trade repository.

(2) A designated trade repository must have appropriate verification and authorization procedures in place to deal with access pursuant to subsection (1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

(3) Each counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Rule.

(4) Subsection (3) applies despite any agreement to the contrary between the counterparties to a transaction.

Data available to public

39. (1) A designated trade repository must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number and, where applicable, price, relating to the transactions reported to it pursuant to this Rule.

(2) The periodic aggregate data made available to the public pursuant to subsection (1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, maturity and whether the transaction is cleared.

(3) ~~A~~For each transaction reported pursuant to this Rule, a designated trade repository must make transaction level reports ~~of the data indicated in the column entitled "Required for Public Dissemination" in Appendix A for each transaction reported pursuant to this Rule~~ available to the public at no cost ~~not later than~~, in accordance with the requirements in Appendix C.

~~(a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer, or~~

~~(b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.~~

(4) In disclosing transaction level reports required by subsection (3), a designated trade repository must not disclose the identity of either counterparty to the transaction.

(5) A designated trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.

(6) Despite subsections (1) to (5), a designated trade repository is not required to make public any derivatives data for transactions entered into between affiliated companies as defined under subsection 1(2) of the Act.

PART 5
EXCLUSIONS

40. Despite any other section of this Rule, a local counterparty is under no obligation to report derivatives data for a transaction if,

(a) the transaction relates to a derivative the asset class of which is a commodity other than cash or currency,

(b) the local counterparty is not a derivatives dealer or a recognized or exempt clearing agency, and

(c) the local counterparty has less than $500,000 aggregate notional value, without netting, under all its outstanding transactions at the time of the transaction including the additional notional value related to that transaction.

41. Despite any other section of this Rule, a counterparty is under no obligation to report derivatives data in relation to a transaction if it is entered into between

(a) Her Majesty in right of Ontario or the Ontario Financing Authority when acting as agent for Her Majesty in right of Ontario, and

(b) an Ontario crown corporation or crown agency that forms part of a consolidated entity with Her Majesty in right of Ontario for accounting purposes.

41.1 Despite any other section of this Rule, a counterparty is under no obligation to report derivatives data in relation to a transaction if,

(a) the transaction is between affiliated companies;

(b) neither counterparty is one or more of the following:

(i) a derivatives dealer;

(ii) a recognized or exempt clearing agency;

(iii) an affiliated entity of a person or company referred to in subparagraph (i) or (ii); and

(c) each counterparty to the transaction is a local counterparty pursuant to the securities legislation of a jurisdiction of Canada.

PART 6
EXEMPTIONS

42. A Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 7
EFFECTIVE DATE

Effective date

43. (1) Parts 1, 2, 4, and 6 come into force on December 31, 2013.

(2) Despite subsection (1), subsection 39(3) does not apply until July 29, 2016.

(3) Parts 3 and 5 come into force October 31, 2014.

(4) Despite subsection (3), Part 3 does not apply so as to require a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency to make any reports under that Part until June 30, 2015.

(5) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before October 31, 2014 that expires or terminates on or before April 30, 2015 if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency.

(6) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before June 30, 2015 that expires or terminates on or before December 31, 2015 if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency.

Appendix A to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting

Minimum Data Fields Required to be Reported to a Designated Trade Repository

Instructions:

The reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Transaction identifier	The unique transaction identifier as provided by the designated trade repository or the identifier as identified by the two counterparties, electronic trading venue of execution or clearing agency.	~~N~~	Y
Master agreement type	The type of master agreement, if used for the reported transaction.	~~N~~	N
Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	~~N~~	N
Cleared	Indicate whether the transaction has been cleared by a clearing agency.	~~Y~~	Y
Intent to clear	Indicate whether the transaction will be cleared by a clearing agency.	~~N~~	N
Clearing agency	LEI of the clearing agency where the transaction is or will be cleared.	~~N~~	Y
Clearing member	LEI of the clearing member, if the clearing member is not a counterparty.	~~N~~	N
Clearing exemption	Indicate whether one or more of the counterparties to the transaction are exempted from a mandatory clearing requirement.	~~Y~~	N
Broker/Clearing intermediary	LEI of the broker acting as an intermediary for the reporting counterparty without becoming a counterparty.	~~N~~	N
Electronic trading venue identifier	LEI of the electronic trading venue where the transaction was executed.	~~Y (Only "Yes" or "No" shall be publicly disseminated)~~	Y
Inter-affiliate	Indicate whether the transaction is between two affiliated entities. (This field is only required to be reported as of April 30, 2015.)	~~N~~	N
Collateralization	Indicate whether the transaction is collateralized. Field Values: • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.	~~Y~~	N

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Identifier of reporting counterparty	LEI of the reporting counterparty or, in the case of ~~an individual, its client code~~a counterparty that is not eligible to receive a LEI, its alternate identifier.	~~N~~	Y
Identifier of non-reporting counterparty	LEI of the non-reporting counterparty or, in the case of ~~an individual, its client code~~a counterparty that is not eligible to receive a LEI, its alternate identifier.	~~N~~	Y
Counterparty side	Indicate whether the reporting counterparty was the buyer or seller. In the case of swaps, other than credit default, the buyer will represent the payer of leg 1 and the seller will be the payer of leg 2.	~~N~~	Y
Identifier of agent reporting the transaction	LEI of the agent reporting the transaction if reporting of the transaction has been delegated by the reporting counterparty.	~~N~~	N
Jurisdiction of reporting counterparty	If the reporting counterparty is a local counterparty under the derivatives data reporting rules of one or more provinces of Canada, indicate all of the jurisdictions in which it is a local counterparty.	~~N~~	N
Jurisdiction of non-reporting counterparty	If the non-reporting counterparty is a local counterparty under the derivatives data reporting rules of one or more provinces of Canada, indicate all of the jurisdictions in which it is a local counterparty.	~~N~~	N
A. Common Data	• These fields are required to be reported for all derivative transactions even if the information may be entered in an Asset field below. • Fields do not have to be reported if the unique product identifier adequately describes those fields.		
Unique product identifier	Unique product identification code based on the taxonomy of the product.	~~Y~~	N
~~Transaction~~Contract or instrument type	The name of the ~~transaction~~contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).	~~Y~~	Y
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.	~~Y~~	Y
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.	~~Y~~	Y
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).	~~Y~~	N
Effective date or start date	The date the transaction becomes effective or starts.	~~Y~~	Y

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Maturity, termination or end date	The date the transaction expires.	~~Y~~	Y
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).	~~Y~~	Y
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).	~~Y~~	Y
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).	~~Y~~	Y
Delivery type	Indicate whether transaction is settled physically or in cash.	~~N~~	Y
Price 1	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	~~Y~~	Y
Price 2	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	~~Y~~	Y
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).	~~Y~~	Y
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).	~~Y~~	Y
Price multiplier	The number of units of the underlying reference entity represented by 1 unit of the transaction.	~~N~~	N
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.	~~Y~~	Y
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.	~~Y~~	Y
Currency leg 1	Currency(ies) of leg 1.	~~Y~~	Y
Currency leg 2	Currency(ies) of leg 2.	~~Y~~	Y
Settlement currency	The currency used to determine the cash settlement amount.	~~Y~~	Y
Up-front payment	Amount of any up-front payment.	~~N~~	N
Currency or currencies of up-front payment	The currency in which any up-front payment is made by one counterparty to another.	~~N~~	N
Embedded option	Indicate whether the option is an embedded option.	~~Y~~	N
B. Additional Asset Information	These additional fields are required to be reported for transactions in the respective types of derivatives set out below, even if the information is entered in a Common Data field above.		
i) Interest rate derivatives			

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Fixed rate leg 1	The rate used to determine the payment amount for leg 1 of the transaction.	~~N~~	Y
Fixed rate leg 2	The rate used to determine the payment amount for leg 2 of the transaction.	~~N~~	Y
Floating rate leg 1	The floating rate used to determine the payment amount for leg 1 of the transaction.	~~N~~	Y
Floating rate leg 2	The floating rate used to determine the payment amount for leg 2 of the transaction.	~~N~~	Y
Fixed rate day count convention	Factor used to calculate the fixed payer payments (e.g., 30/360, actual/360).	~~N~~	Y
Fixed leg payment frequency or dates	Frequency or dates of payments for the fixed rate leg of the transaction (e.g., quarterly, semi-annually, annually).	~~N~~	Y
Floating leg payment frequency or dates	Frequency or dates of payments for the floating rate leg of the transaction (e.g., quarterly, semi-annually, annually).	~~N~~	Y
Floating rate reset frequency or dates	The dates or frequency at which the floating leg of the transaction resets (e.g., quarterly, semi-annually, annually).	~~N~~	Y
ii) Currency derivatives			
Exchange rate	Contractual rate(s) of exchange of the currencies.	~~N~~	Y
iii) Commodity derivatives			
Sub-asset class	Specific information to identify the type of commodity derivative (e.g., Agriculture, Power, Oil, Natural Gas, Freights, Metals, Index, Environmental, Exotic).	~~Y~~	Y
Quantity	Total quantity in the unit of measure of an underlying commodity.	~~Y~~	Y
Unit of measure	Unit of measure for the quantity of each side of the transaction (e.g., barrels, bushels, etc.).	~~Y~~	Y
Grade	Grade of product being delivered (e.g., grade of oil).	~~N~~	Y
Delivery point	The delivery location.	~~N~~	N
Load type	For power, load profile for the delivery.	~~N~~	Y
Transmission days	For power, the delivery days of the week.	~~N~~	Y
Transmission duration	For power, the hours of day transmission starts and ends.	~~N~~	Y
C. Options	These additional fields are required to be reported for options transactions set out below, even if the information is entered in a Common Data field above.		
Option exercise date	The date(s) on which the option may be exercised.	~~Y~~	Y

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Option premium	Fixed premium paid by the buyer to the seller.	~~Y~~	Y
Strike price (cap/floor rate)	The strike price of the option.	~~Y~~	Y
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction (e.g., American, European, Bermudan, Asian).	~~Y~~	Y
Option type	Put/call.	~~Y~~	Y
D. Event Data			
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).	~~Y~~	N
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).	~~Y~~	Y (If available)
Post-transaction events	Indicate whether the transaction resulted from a post-transaction service (e.g. compression, reconciliation, etc.) or from a lifecycle event (e.g. novation, amendment, etc.).	~~N~~	N
Reporting ~~date~~timestamp	The time and date the transaction was submitted to the trade repository, expressed using UTC.	~~N~~	N
E. Valuation data	These additional fields are required to be reported on a continuing basis for all reported derivative transactions, including reported pre-existing transactions.		
Value of transaction calculated by the reporting counterparty	Mark-to-market valuation of the transaction, or mark-to-model valuation	~~N~~	N
Valuation currency	Indicate the currency used when reporting the value of the transaction.	~~N~~	N
Valuation date	Date of the latest mark-to-market or mark-to-model valuation.	~~N~~	N
F. Other details			
~~F.~~ Other details	Where the terms of the transaction cannot be effectively reported in the above prescribed fields, provide any additional information that may be necessary.	~~N~~	Y

Appendix B to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting

Equivalent Trade Reporting Laws of Foreign Jurisdictions
Subject to Deemed Compliance Pursuant to Subsection 26(5)

The Commission has determined that the laws and regulations of the following jurisdictions outside of Ontario are equivalent for the purposes of the deemed compliance provision in subsection 26(5).

Jurisdiction	Law, Regulation and/or Instrument
United States of America	*CFTC Real-Time Public Reporting of Swap Transaction Data*, 17 C.F.R. pt. 43 (2013). *CFTC Swap Data Recordkeeping and Reporting Requirements*, 17 C.F.R. pt. 45 (2013). *CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*, 17 C.F.R. pt. 46 (2013).
European Union	Regulation (EU) 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories Commission Delegated Regulation (EU) No 148/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories

Appendix C to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Requirements for the public dissemination of transaction level data

Instructions:

1. A designated trade repository is required to disseminate to the public at no cost the information contained in Table 1 for each of the Asset Classes and Underlying Asset Identifiers listed in Table 2 for:

   (a) a transaction reported to the designated trade repository pursuant to the Instrument;

   (b) a lifecycle event that changes the pricing of an existing derivative reported to the designated trade repository pursuant to the Instrument;

   (c) a cancellation or correction of previously disseminated data relating to a transaction or lifecycle event listed in (a) or (b).

Table 1

Data field	Description
Cleared	Indicate whether the transaction has been cleared by a clearing agency.
Electronic trading venue identifier	Indicate whether the transaction was executed on an electronic trading venue.
Collateralization	Indicate whether the transaction is collateralized. Field Values: • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.
Unique product identifier	Unique product identification code based on the taxonomy of the product.
Contract or instrument type	The name of the contract of instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).
Effective date or start date	The date the transaction becomes effective or starts.
Maturity, termination or end date	The date the transaction expires.
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).
Price 1	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.

Data field	Description
Price 2	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.
Currency leg 1	Currency(ies) of leg 1.
Currency leg 2	Currency(ies) of leg 2.
Settlement currency	The currency used to determine the cash settlement amount.
Embedded option	Indicate whether the option is an embedded option.
Option exercise date	The date(s) on which the option may be exercised.
Option premium	Fixed premium paid by the buyer to the seller.
Strike price (cap/floor rate)	The strike price of the option.
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction. (e.g., American, European, Bermudan, Asian).
Option type	Put, call.
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).

Table 2

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
	USD-LIBOR-BBA
	EUR-EURIBOR-Reuters
	GBP-LIBOR-BBA
Credit	All Indexes
Equity	All Indexes

Exclusions:

2. Notwithstanding item 1, each of the following is excluded from the requirement to be publically disseminated:

(a) a transaction in a derivative that requires the exchange of more than one currency;

(b) a transaction resulting from a multilateral portfolio compression exercise;

(c) a transaction resulting from novation by a recognized or exempt clearing agency.

Rounding:

3. A designated trade repository must round the notional amount of a transaction for which it disseminates transaction level data in accordance with this Instrument and this Appendix in accordance with the rounding conventions contained in Table 3.

Table 3

Reported Notional Amount Leg 1 or 2	Rounded Notional Amount
< 1,000	Round to nearest 5
=>1,000, <10,000	Round to nearest 100
=>10,000, <100,000	Round to nearest 1,000
=>100,000, <1 million	Round to nearest 10,000
=>1 million, <10 million	Round to nearest 100,000
=>10 million, <50 million	Round to nearest 1 million
=>50 million, <100 million	Round to nearest 10 million
=>100 million, <500 million	Round to nearest 50 million
=>500 million, <1 billion	Round to nearest 100 million
=>1 billion, <100 billion	Round to nearest 500 million
>100 billion	Round to nearest 50 billion

Capping:

4. Where the Rounded Notional Amount of a transaction, as set out in Table 3, would exceed the Capped Rounded Notional amount in CAD of that transaction as set out in Table 4, a designated trade repository must disseminate the Capped Rounded Notional Amount for the transaction in place of the Rounded Notional Amount.

5. When disseminating transaction level data according to this Appendix, a designated trade repository must indicate that the notional amount for a transaction has been capped.

6. For each transaction where the Capped Rounded Notional Amount is disseminated, a designated trade repository must adjust, the Option Premium in a consistent and proportionate manner.

Table 4

Asset Class	Maturity Date less Effective Date	Capped Rounded Notional Amount in CAD
Interest Rate	Less than or equal to two years (746 days)	250M
Interest Rate	Greater than two years (746 days) and less than or equal to ten years (3,668 days)	100M
Interest Rate	Greater than ten years (3,668 days)	50M
Credit	All dates	50M
Equity	All dates	50M

Timing:

7. A designated trade repository must disseminate the information contained in Table 1 no later than

   (a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer or a recognized or exempt clearing agency; or

(b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.

FORM 91-507F1
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

APPLICATION FOR DESIGNATION
TRADE REPOSITORY
INFORMATION STATEMENT

Filer: ☐ **TRADE REPOSITORY**

Type of Filing: ☐ **INITIAL** ☐ **AMENDMENT**

1. Full name of trade repository:

2. Name(s) under which business is conducted, if different from item 1:

3. If this filing makes a name change on behalf of the trade repository in respect of the name set out in item 1 or item 2, enter the previous name and the new name.

   Previous name:

   New name:

4. Head office

   Address:

   Telephone:

   Facsimile:

5. Mailing address (if different):

6. Other offices

   Address:

   Telephone:

   Facsimile:

7. Website address:

8. Contact employee

   Name and title:

   Telephone number:

   Facsimile:

   E-mail address:

9. Counsel

   Firm name:

   Contact name:

   Telephone number:

   Facsimile:

   E-mail address:

10. Canadian counsel (if applicable)

    Firm name:

    Contact name:

    Telephone number:

    Facsimile:

    E-mail address:

EXHIBITS

File all Exhibits with the Filing. For each Exhibit, include the name of the trade repository, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect shall be furnished instead of such Exhibit.

Except as provided below, if the filer files an amendment to the information provided in its Filing and the information relates to an Exhibit filed with the Filing or a subsequent amendment, the filer must, in order to comply with section 3 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting (the "TR Rule"), provide a description of the change, the expected date of the implementation of the change, and file a complete and updated Exhibit. The filer must provide a clean and blacklined version showing changes from the previous filing.

If the filer has otherwise filed the information required by the previous paragraph pursuant to section 17 of the TR Rule, it is not required to file the information again as an amendment to an Exhibit. However, if supplementary material relating to a filed rule is contained in an Exhibit, an amendment to the Exhibit must also be filed.

Exhibit A – Corporate Governance

1. Legal status:

    ☐ Corporation

    ☐ Partnership

    ☐ Other (specify):

2. Indicate the following:

    1. Date (DD/MM/YYYY) of formation.

    2. Place of formation.

    3. Statute under which trade repository was organized.

    4. Regulatory status in other jurisdictions.

3. Provide a copy of the constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents, and all subsequent amendments.

4. Provide the policies and procedures to address potential conflicts of interest arising from the operation of the trade repository or the services it provides, including those related to the commercial interest of the trade repository, the interests of its owners and its operators, the responsibilities and sound functioning of the trade repository, and those between the operations of the trade repository and its regulatory responsibilities.

5. An applicant that is located outside of Ontario that is applying for designation as a trade repository under section 21.2.2(1) of the Act must additionally provide the following:

    1. An opinion of legal counsel that, as a matter of law the applicant has the power and authority to provide the Commission with prompt access to the applicant's books and records and submit to onsite inspection and examination by the Commission, and

2. A completed Form 91-507F2, Submission to Jurisdiction and Appointment of Agent for Service.

Exhibit B – Ownership

A list of the registered or beneficial holders of securities of, partnership interests in, or other ownership interests in, the trade repository. For each of the persons listed in the Exhibit, please provide the following:

1. Name.

2. Principal business or occupation and title.

3. Ownership interest.

4. Nature of the ownership interest, including a description of the type of security, partnership interest or other ownership interest.

In the case of a trade repository that is publicly traded, if the trade repository is a corporation, please only provide a list of each shareholder that directly owns five percent or more of a class of a security with voting rights.

Exhibit C – Organization

1. A list of partners, officers, governors, and members of the board of directors and any standing committees of the board, or persons performing similar functions, who presently hold or have held their offices or positions during the previous year, indicating the following for each:

    1. Name.

    2. Principal business or occupation and title.

    3. Dates of commencement and expiry of present term of office or position.

    4. Type of business in which each is primarily engaged and current employer.

    5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.

    6. Whether the person is considered to be an independent director.

2. A list of the committees of the board, including their mandates.

3. The name of the trade repository's Chief Compliance Officer.

Exhibit D – Affiliates

1. For each affiliated entity of the trade repository provide the name and head office address and describe the principal business of the affiliate.

2. For each affiliated entity of the trade repository

    (i) to which the trade repository has outsourced any of its key services or systems described in Exhibit E – Operations of the Trade Repository, including business recordkeeping, recordkeeping of trade data, trade data reporting, trade data comparison, data feed, or

    (ii) with which the trade repository has any other material business relationship, including loans, cross-guarantees, etc.,

    provide the following information:

    1. Name and address of the affiliate.

    2. The name and title of the directors and officers, or persons performing similar functions, of the affiliate.

3. A description of the nature and extent of the contractual and other agreements with the trade repository, and the roles and responsibilities of the affiliate under the arrangement.

4. A copy of each material contract relating to any outsourced functions or other material relationship.

5. Copies of constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents.

6. For the latest financial year of any affiliated entity that has any outstanding loans or cross-guarantee arrangements with the trade repository, financial statements, which may be unaudited, prepared in accordance with:

   a. Canadian GAAP applicable to publicly accountable enterprises;

   b. IFRS; or

   c. U.S. GAAP where the affiliated entity is incorporated or organized under the laws of the U.S.

Exhibit E – Operations of the Trade Repository

Describe in detail the manner of operation of the trade repository and its associated functions. This should include, but not be limited to, a description of the following:

1. The structure of the trade repository.

2. Means of access by the trade repository's participants and, if applicable, their clients to the trade repository's facilities and services.

3. The hours of operation.

4. A description of the facilities and services offered by the trade repository including, but not limited to, collection and maintenance of derivatives data.

5. A list of the types of derivatives instruments for which data recordkeeping is offered, including, but not limited to, a description of the features and characteristics of the instruments.

6. Procedures regarding the entry, display and reporting of derivatives data.

7. Description of recordkeeping procedures that ensure derivatives data is recorded accurately, completely and on a timely basis.

8. The safeguards and procedures to protect derivatives data of the trade repository's participants, including required policies and procedures reasonably designed to protect the privacy and confidentiality of the data.

9. Training provided to participants and a copy of any materials provided with respect to systems and rules and other requirements of the trade repository.

10. Steps taken to ensure that the trade repository's participants have knowledge of and comply with the requirements of the trade repository.

11. A description of the trade repository's risk management framework for comprehensively managing risks including business, legal, and operational risks.

The filer must provide all policies, procedures and manuals related to the operation of the trade repository.

Exhibit F – Outsourcing

Where the trade repository has outsourced the operation of key services or systems described in Exhibit E – Operations of the Trade Repository to an arms-length third party, including any function associated with the collection and maintenance of derivatives data, provide the following information:

1. Name and address of person or company (including any affiliates of the trade repository) to which the function has been outsourced.

2. A description of the nature and extent of the contractual or other agreement with the trade repository and the roles and responsibilities of the arms-length party under the arrangement.

3. A copy of each material contract relating to any outsourced function.

Exhibit G – Systems and Contingency Planning

For each of the systems for collecting and maintaining reports of derivatives data, describe:

1. Current and future capacity estimates.

2. Procedures for reviewing system capacity.

3. Procedures for reviewing system security.

4. Procedures to conduct stress tests.

5. A description of the filer's business continuity and disaster recovery plans, including any relevant documentation.

6. Procedures to test business continuity and disaster recovery plans.

7. The list of data to be reported by all types of participants.

8. A description of the data format or formats that will be available to the Commission and other persons receiving trade reporting data.

Exhibit H – Access to Services

1. A complete set of all forms, agreements or other materials pertaining to access to the services of the trade repository described in Exhibit E.4.

2. Describe the types of trade repository participants.

3. Describe the trade repository's criteria for access to the services of the trade repository.

4. Describe any differences in access to the services offered by the trade repository to different groups or types of participants.

5. Describe conditions under which the trade repository's participants may be subject to suspension or termination with regard to access to the services of the trade repository.

6. Describe any procedures that will be involved in the suspension or termination of a participant.

7. Describe the trade repository's arrangements for permitting clients of participants to have access to the trade repository. Provide a copy of any agreements or documentation relating to these arrangements.

Exhibit I – Fees

A description of the fee model and all fees charged by the trade repository, or by a party to which services have been directly or indirectly outsourced, including, but not limited to, fees relating to access and the collection and maintenance of derivatives data, how such fees are set, and any fee rebates or discounts and how the rebates and discounts are set.

CERTIFICATE OF TRADE REPOSITORY

The undersigned certifies that the information given in this report is true and correct.

DATED at _____ this _____ day of _____, 20____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

IF APPLICABLE, ADDITIONAL CERTIFICATE OF TRADE REPOSITORY THAT IS LOCATED OUTSIDE OF ONTARIO

The undersigned certifies that

(a) it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission;

(b) as a matter of law, it has the power and authority to

i. provide the Commission with access to its books and records, and

ii. submit to onsite inspection and examination by the Commission.

DATED at _____ this _____ day of _____, 20____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

FORM 91-507F2
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

TRADE REPOSITORY SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

1. Name of trade repository (the "Trade Repository"):

   _____

2. Jurisdiction of incorporation, or equivalent, of Trade Repository:

   _____

3. Address of principal place of business of Trade Repository:

   _____

4. Name of the agent for service of process for the Trade Repository (the "Agent"):

   _____

5. Address of Agent for service of process in Ontario:

   _____

6. The Trade Repository designates and appoints the Agent as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the activities of the Trade Repository in Ontario. The Trade Repository hereby irrevocably waives any right to challenge service upon its Agent as not binding upon the Trade Repository.

7. The Trade Repository agrees to unconditionally and irrevocably attorn to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) any proceeding in any province or territory arising out of, related to, concerning or in any other manner connected with the regulation and oversight of the activities of the Trade Repository in Ontario.

8. The Trade Repository shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before the Trade Repository ceases to be designated or exempted by the Commission, to be in effect for six years from the date it ceases to be designated or exempted unless otherwise amended in accordance with section 9.

9. Until six years after it has ceased to be a designated or exempted by the Commission from the recognition requirement under subsection 21.2.2(1) of the Act, the Trade Repository shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.

10. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of Ontario.

Dated: _____

_____
Signature of the Trade Repository

_____
Print name and title of signing
officer of the Trade Repository

AGENT

CONSENT TO ACT AS AGENT FOR SERVICE

I, _____ (name of Agent in full; if Corporation, full Corporate name) of _____(business address), hereby accept the appointment as agent for service of process of _____(insert name of Trade Repository) and hereby consent to act as agent for service pursuant to the terms of the appointment executed by _____ (insert name of Trade Repository) on _____ (insert date).

Dated: _____ _____

Signature of Agent

_____

Print name of person signing and, if Agent is not an individual, the title of the person

FORM 91-507F3
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

CESSATION OF OPERATIONS REPORT FOR TRADE REPOSITORY

1. Identification:

   A. Full name of the designated trade repository:

   B. Name(s) under which business is conducted, if different from item 1A:

2. Date designated trade repository proposes to cease carrying on business as a trade repository:

3. If cessation of business was involuntary, date trade repository has ceased to carry on business as a trade repository:

Exhibits

File all Exhibits with the Cessation of Operations Report. For each exhibit, include the name of the trade repository, the date of filing of the exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect shall be furnished instead of such Exhibit.

Exhibit A

The reasons for the designated trade repository ceasing to carry on business as a trade repository.

Exhibit B

A list of all derivatives instruments for which data recordkeeping is offered during the last 30 days prior to ceasing business as a trade repository.

Exhibit C

A list of all participants who are counterparties to a transaction whose derivatives data is required to be reported pursuant to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting and for whom the trade repository provided services during the last 30 days prior to ceasing business as a trade repository.

CERTIFICATE OF TRADE REPOSITORY

The undersigned certifies that the information given in this report is true and correct.

DATED at _____ this _____ day of _____ 20 _____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

ANNEX C

COMPANION POLICY 91-507CP
TO ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

TABLE OF CONTENTS

PART 1
GENERAL COMMENTS

Introduction

This companion policy (the "Policy") sets out the views of the Commission ("our" or "we") on various matters relating to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the "Rule") and related securities legislation.

The numbering of Parts, sections and subsections from Part 2 on in this Policy generally corresponds to the numbering in the Rule. Any general guidance for a Part appears immediately after the Part's name. Any specific guidance on a section or subsection follows any general guidance. If there is no guidance for a Part, section or subsection, the numbering in this Policy will skip to the next provision that does have guidance.

Unless defined in the Rule or this Policy, terms used in the Rule and in this Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions* and OSC Rule 14-501 *Definitions*.

Definitions and interpretation

1. (1) In this Policy,

"CPSS" means the Committee on Payment and Settlement Systems,

"FMI" means a financial market infrastructure, as described in the PFMI Report,

"Global LEI System" means the Global Legal Entity Identifier System,

"IOSCO" means the Technical Committee of the International Organization of Securities Commissions,

"LEI" means a legal entity identifier,

"LEI ROC" means the LEI Regulatory Oversight Committee,

"PFMI Report" means the April 2012 final report entitled *Principles for financial market infrastructures* published by CPSS and IOSCO, as amended from time to time,[1] and

"principle" means, unless the context otherwise indicates, a principle set out in the PFMI Report.

[1] The PFMI Report is available on the Bank for International Settlements' website (www.bis.org) and the IOSCO website (www.iosco.org).

(2) A "life-cycle event" is defined in the Rule as an event that results in a change to derivatives data previously reported to a designated trade repository. Where a life-cycle event occurs, the corresponding life-cycle event data must be reported under section 32 of the Rule by the end of the business day on which the life-cycle event occurs. When reporting a life-cycle event, there is no obligation to re-report derivatives data that has not changed – only new data and changes to previously reported data need to be reported. Examples of a life-cycle event would include

- a change to the termination date for the transaction,
- a change in the cash flows, payment frequency, currency, numbering convention, spread, benchmark, reference entity or rates originally reported,
- the availability of a legal entity identifier for a counterparty previously identified by name or by some other identifier,
- a corporate action affecting a security or securities on which the transaction is based (e.g., a merger, dividend, stock split, or bankruptcy),
- a change to the notional amount of a transaction including contractually agreed upon changes (e.g., amortization schedule),
- the exercise of a right or option that is an element of the expired transaction, and
- the satisfaction of a level, event, barrier or other condition contained in the original transaction.

(3) Paragraph (c) of the definition of "local counterparty" captures affiliates of parties mentioned in paragraph (a) of the "local counterparty" definition, provided that such party guarantees the liabilities of the affiliate. It is our view that the guarantee must be for all or substantially all of the affiliate's liabilities.

(4) The term "transaction" is defined in the Rule and used instead of the term "trade", as defined in the Act, in order to reflect the types of activities that require a unique transaction report, as opposed to the modification of an existing transaction report. The primary difference between the two definitions is that unlike the term "transaction", the term "trade" includes material amendments and terminations.

A material amendment is not referred to in the definition of "transaction" but is required to be reported as a life-cycle event in connection with an existing transaction under section 32. A termination is not referred to in the definition of "transaction", as the expiry or termination of a transaction would be reported to a trade repository as a life-cycle event without the requirement for a new transaction record.

In addition, unlike the definition of "trade", the definition of "transaction" includes a novation to a clearing agency. Each transaction resulting from a novation of a bi-lateral transaction to a clearing agency is required to be reported as a separate, new transaction with reporting links to the original transaction.

(5) The term "valuation data" is defined in the Rule as data that reflects the current value of a transaction. It is the Commission's view that valuation data can be calculated based upon the use of an industry-accepted methodology such as mark-to-market or mark-to-model, or another valuation method that is in accordance with accounting principles and will result in a reasonable valuation of a transaction.[2] The valuation methodology should be consistent over the entire life of a transaction.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Part 2 contains rules for designation of a trade repository and ongoing requirements for a designated trade repository. To obtain and maintain a designation as a trade repository, a person or entity must comply with these rules and requirements in addition to all of the terms and conditions in the designation order made by the Commission. In order to comply with the reporting obligations contained in Part 3, counterparties must report to a designated trade repository. While there is no prohibition on an undesignated trade repository operating in Ontario, a counterparty that reports a transaction to an undesignated trade repository would not be in compliance with its reporting obligations under this Rule with respect to that transaction.

The legal entity that applies to be a designated trade repository will typically be the entity that operates the facility and collects and maintains records of completed transactions reported to the trade repository by other persons or companies. In some cases, the applicant may operate more than one trade repository facility. In such cases, the trade repository may file separate forms in respect of each trade repository facility, or it may choose to file one form to cover all of the different trade repository

[2] For example, see International Financial Reporting Standard 13, *Fair Value Measurement*.

facilities. If the latter alternative is chosen, the trade repository must clearly identify the facility to which the information or changes submitted under this Part apply.

Trade repository initial filing of information and designation

2. (1) In determining whether to designate an applicant as a trade repository under section 21.2.2 of the Act, it is anticipated that the Commission will consider a number of factors, including

- whether it is in the public interest to designate the applicant,
- the manner in which the trade repository proposes to comply with the Rule,
- whether the trade repository has meaningful representation on its governing body,
- whether the trade repository has sufficient financial and operational resources for the proper performance of its functions,
- whether the rules and procedures of the trade repository ensure that its business is conducted in an orderly manner that fosters both fair and efficient capital markets, and improves transparency in the derivatives market,
- whether the trade repository has policies and procedures to effectively identify and manage conflicts of interest arising from its operation or the services it provides,
- whether the requirements of the trade repository relating to access to its services are fair and reasonable,
- whether the trade repository's process for setting fees is fair, transparent and appropriate,
- whether the trade repository's fees are inequitably allocated among the participants, have the effect of creating barriers to access or place an undue burden on any participant or class of participants,
- the manner and process for the Commission and other applicable regulatory agencies to receive or access derivatives data, including the timing, type of reports, and any confidentiality restrictions,
- whether the trade repository has robust and comprehensive policies, procedures, processes and systems to ensure the security and confidentiality of derivatives data, and
- whether the trade repository has entered into a memorandum of understanding with its local securities regulator.

The Commission will examine whether the trade repository has been, or will be, in compliance with securities legislation. This includes compliance with the Rule and any terms and conditions attached to the Commission's designation order in respect of a designated trade repository.

A trade repository that is applying for designation must demonstrate that it has established, implemented, maintained and enforced appropriate written rules, policies and procedures that are in accordance with standards applicable to trade repositories. We consider that these rules, policies and procedures include, but are not limited to, the principles and key considerations and explanatory notes applicable to trade repositories in the PFMI Report. These principles are set out in the following chart, along with the corresponding sections of the Rule the interpretation of which we consider ought to be consistent with the principles:

Principle in the PFMI Report applicable to a trade repository	***Relevant section(s) of the Rule***
Principle 1: Legal Basis	Section 7 – Legal framework Section 17 – Rules (in part)
Principle 2: Governance	Section 8 – Governance Section 9 – Board of directors Section 10 – Management

Principle in the PFMI Report applicable to a trade repository	*Relevant section(s) of the Rule*
Principle 3: Framework for the comprehensive management of risks	Section 19 – Comprehensive risk management framework Section 20 – General business risk (in part)
Principle 15: General business risk	Section 20 – General business risk
Principle 17: Operational risk	Section 21 – System and other operational risk requirements Section 22 – Data security and confidentiality Section 24 – Outsourcing
Principle 18: Access and participation requirements	Section 13 – Access to designated trade repository services Section 16 – Due process (in part) Section 17 – Rules (in part)
Principle 19: Tiered participation arrangements	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 20: FMI links	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 21: Efficiency and effectiveness	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 22: Communication procedures and standards	Section 15 – Communication policies, procedures and standards
Principle 23: Disclosure of rules, key procedures, and market data	Section 17 – Rules (in part)
Principle 24: Disclosure of market data by trade repositories	Sections in Part 4 – Data Dissemination and Access to Data

It is anticipated that the Commission will apply the principles in its oversight activities of designated trade repositories. Therefore, in complying with the Rule, designated trade repositories will be expected to observe the principles.

The forms filed by an applicant or designated trade repository under the Rule will be kept confidential in accordance with the provisions of securities legislation. The Commission is of the view that the forms generally contain proprietary financial, commercial and technical information, and that the cost and potential risks to the filers of disclosure outweigh the benefit of the principle requiring that forms be made available for public inspection. However, the Commission would expect a designated trade repository to publicly disclose its responses to the CPSS-IOSCO consultative report entitled *Disclosure framework for financial market infrastructures*, which is a supplement to the PFMI Report.[3] In addition, much of the information that will be included in the forms that are filed will be required to be made publicly available by a designated trade repository pursuant to the Rule or the terms and conditions of the designation order imposed by the Commission.

While Form 91-507F1 – *Application for Designation and Trade Repository Information Statement* and any amendments to it will be kept generally confidential, if the Commission considers that it is in the public interest to do so, it may require the applicant or designated trade repository to publicly disclose a summary of the information contained in such form, or amendments to it.

Notwithstanding the confidential nature of the forms, an applicant's application itself (excluding forms) will be published for comment for a minimum period of 30 days.

[3] Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

Change in information

3. (1) Under subsection 3(1), a designated trade repository is required to file an amendment to the information provided in Form 91-507F1 at least 45 days prior to implementing a significant change. The Commission considers a change to be significant when it could impact a designated trade repository, its users, participants, market participants, investors, or the capital markets (including derivatives markets and the markets for assets underlying a derivative). The Commission would consider a significant change to include, but not be limited to,

- a change in the structure of the designated trade repository, including procedures governing how derivatives data is collected and maintained (included in any back-up sites), that has or may have a direct impact on users in Ontario,
- a change to the services provided by the designated trade repository, or a change that affects the services provided, including the hours of operation, that has or may have a direct impact on users in Ontario,
- a change to means of access to the designated trade repository's facility and its services, including changes to data formats or protocols, that has or may have a direct impact on users in Ontario,
- a change to the types of derivative asset classes or categories of derivatives that may be reported to the designated trade repository,
- a change to the systems and technology used by the designated trade repository that collect, maintain and disseminate derivatives data, including matters affecting capacity,
- a change to the governance of the designated trade repository, including changes to the structure of its board of directors or board committees and their related mandates,
- a change in control of the designated trade repository,
- a change in affiliates that provide key services or systems to, or on behalf of, the designated trade repository,
- a change to outsourcing arrangements for key services or systems of the designated trade repository,
- a change to fees or the fee structure of the designated trade repository,
- a change in the designated trade repository's policies and procedures relating to risk-management, including relating to business continuity and data security, that has or may have an impact on the designated trade repository's provision of services to its participants,
- the commencement of a new type of business activity, either directly or indirectly through an affiliate, and
- a change in the location of the designated trade repository's head office or primary place of business or the location where the main data servers or contingency sites are housed.

(2) The Commission generally considers a change in a designated trade repository's fees or fee structure to be a significant change. However, the Commission recognizes that designated trade repositories may frequently change their fees or fee structure and may need to implement fee changes within timeframes that are shorter than the 45-day notice period contemplated in subsection (1). To facilitate this process, subsection 3(2) provides that a designated trade repository may provide information that describes the change to fees or fee structure in a shorter timeframe (at least 15 days before the expected implementation date of the change to fees or fee structure). See section 12 of this Policy for guidance with respect to fee requirements applicable to designated trade repositories.

The Commission will make best efforts to review amendments to Form 91-507F1 filed in accordance with subsections 3(1) and 3(2) before the proposed date of implementation of the change. However, where the changes are complex, raise regulatory concerns, or when additional information is required, the Commission's review may exceed these timeframes.

(3) Subsection 3(3) sets out the filing requirements for changes to information provided in a filed Form 91-507F1 other than those described in subsections 3(1) or (2). Such changes to information are not considered significant and include changes that:

- would not have an impact on the designated trade repository's structure or participants, or more broadly on market participants, investors or the capital markets; or

- are administrative changes, such as
    - changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,
    - changes due to standardization of terminology,
    - corrections of spelling or typographical errors,
    - changes to the types of designated trade repository participants in Ontario,
    - necessary changes to conform to applicable regulatory or other legal requirements of Ontario or Canada, and
    - minor system or technology changes that would not significantly impact the system or its capacity.

For the changes referred to in subsection 3(3), the Commission may review these filings to ascertain whether they have been categorized appropriately. If the Commission disagrees with the categorization, the designated trade repository will be notified in writing. Where the Commission determines that changes reported under subsection 3(3) are in fact significant changes under subsection 3(1), the designated trade repository will be required to file an amended Form 91-507F1 that will be subject to review by the Commission.

Ceasing to carry on business

6. (1) In addition to filing a completed Form 91-507F3 – *Cessation of Operations Report for Trade Repository*, a designated trade repository that intends to cease carrying on business in Ontario as a designated trade repository must make an application to voluntarily surrender its designation to the Commission pursuant to securities legislation. The Commission may accept the voluntary surrender subject to terms and conditions.[4]

Legal framework

7. (1) Designated trade repositories are required to have rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions, whether within Canada or any foreign jurisdiction, where they have activities.

Governance

8. Designated trade repositories are required to have in place governance arrangements that meet the minimum requirements and policy objectives set out in subsections 8(1) and 8(2).

(3) Under subsection 8(3), a designated trade repository is required to make the written governance arrangements required under subsections 8(1) and (2) available to the public on its website. The Commission expects that this information will be posted on the trade repository's publicly accessible website and that interested parties will be able to locate the information through a web search or through clearly identified links on the designated trade repository's website.

Board of directors

9. The board of directors of a designated trade repository is subject to various requirements, such as requirements pertaining to board composition and conflicts of interest. To the extent that a designated trade repository is not organized as a corporation, the requirements relating to the board of directors may be fulfilled by a body that performs functions that are equivalent to the functions of a board of directors.

(2) Paragraph 9(2)(a) requires individuals who comprise the board of directors of a designated trade repository to have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations. This would include individuals with experience and skills in areas such as business recovery, contingency planning, financial market systems and data management.

Under paragraph 9(2)(b), the board of directors of a designated trade repository must include individuals who are independent of the designated trade repository. The Commission would view individuals who have no direct or indirect material relationship with the designated trade repository as independent. The Commission would expect that independent directors of a designated trade

[4] Section 21.4 of the Act provides that the Commission may impose terms and conditions on an application for voluntary surrender. The transfer of derivatives data/information can be addressed through the terms and conditions imposed by the Commission on such application.

repository would represent the public interest by ensuring that regulatory and public transparency objectives are fulfilled, and that the interests of participants who are not derivatives dealers are considered.

Chief compliance officer

11. (3) References to harm to the capital markets in subsection 11(3) may be in relation to domestic or international capital markets.

Fees

12. A designated trade repository is responsible for ensuring that the fees it sets are in compliance with section 12. In assessing whether a designated trade repository's fees and costs are fairly and equitably allocated among participants as required under paragraph 12(a), the Commission will consider a number of factors, including

- the number and complexity of the transactions being reported,
- the amount of the fee or cost imposed relative to the cost of providing the services,
- the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- with respect to market data fees and costs, the amount of market data fees charged relative to the market share of the designated trade repository, and
- whether the fees or costs represent a barrier to accessing the services of the designated trade repository for any category of participant.

A designated trade repository should provide clear descriptions of priced services for comparability purposes. Other than fees for individual services, a designated trade repository should also disclose other fees and costs related to connecting to or accessing the trade repository. For example, a designated trade repository should disclose information on the system design, as well as technology and communication procedures, that influence the costs of using the designated trade repository. A designated trade repository is also expected to provide timely notice to participants and the public of any changes to services and fees.

Access to designated trade repository services

13. (3) Under subsection 13(3), a designated trade repository is prohibited from unreasonably limiting access to its services, permitting unreasonable discrimination among its participants, imposing unreasonable burdens on competition or requiring the use or purchase of another service in order for a person or company to utilize its trade reporting service. For example, a designated trade repository should not engage in anti-competitive practices such as setting overly restrictive terms of use or engaging in anti-competitive price discrimination. A designated trade repository should not develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by the designated trade repository.

Acceptance of reporting

14. Section 14 requires that a designated trade repository accept derivatives data for all derivatives of the asset class or classes set out in its designation order. For example, if the designation order of a designated trade repository includes interest rate derivatives, the designated trade repository is required to accept transaction data for all types of interest rate derivatives that are entered into by a local counterparty. It is possible that a designated trade repository may accept derivatives data for only a subset of a class of derivatives if this is indicated in its designation order. For example, there may be designated trade repositories that accept derivatives data for only certain types of commodity derivatives such as energy derivatives.

Communication policies, procedures and standards

15. Section 15 sets out the communication standard required to be used by a designated trade repository in communications with other specified entities. The reference in paragraph 15(d) to "other service providers" could include persons or companies who offer technological or transaction processing or post-transaction services.

Rules, policies and procedures

17. Section 17 requires that the publicly disclosed written rules and procedures of a designated trade repository be clear and comprehensive, and include explanatory material written in plain language so that participants can fully understand the system's

design and operations, their rights and obligations, and the risks of participating in the system. Moreover, a designated trade repository should disclose to its participants and to the public, basic operational information and responses to the CPSS-IOSCO *Disclosure framework for financial market infrastructures*.

(2) Subsection 17(2) requires that a designated trade repository monitor compliance with its rules and procedures. The methodology of monitoring such compliance should be fully documented.

(3) Subsection 17(3) requires a designated trade repository to implement processes for dealing with non-compliance with its rules and procedures. This subsection does not preclude enforcement action by any other person or company, including the Commission or other regulatory body.

(5) Subsection 17(5) requires a designated trade repository to file its rules and procedures with the Commission for approval, in accordance with the terms and conditions of the designation order. Upon designation, the Commission may develop and implement a protocol with the designated trade repository that will set out the procedures to be followed with respect to the review and approval of rules and procedures and any amendments thereto. Generally, such a rule protocol will be appended to and form part of the designation order. Depending on the nature of the changes to the designated trade repository's rules and procedures, such changes may also impact the information contained in Form 91-507F1. In such cases, the designated trade repository will be required to file a revised Form 91-507F1 with the Commission. See section 3 of this Policy for a discussion of the filing requirements.

Records of data reported

18. A designated trade repository is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 18 are in addition to the requirements under securities legislation.

(2) Subsection 18(2) requires that records be maintained for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction.

Comprehensive risk-management framework

19. Requirements for a comprehensive risk-management framework of a designated trade repository are set out in section 19.

Features of framework

A designated trade repository should have a written risk-management framework (including policies, procedures, and systems) that enable it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by, a designated trade repository. A designated trade repository's framework should include the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.

Establishing a framework

A designated trade repository should have comprehensive internal processes to help its board of directors and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes should be fully documented and readily available to the designated trade repository's personnel who are responsible for implementing them.

Maintaining a framework

A designated trade repository should regularly review the material risks it bears from, and poses to, other entities (such as other FMIs, settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develop appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become non-viable.

General business risk

20. (1) Subsection 20(1) requires a designated trade repository to manage its general business risk effectively. General business risk includes any potential impairment of the designated trade repository's financial position (as a business concern) as a consequence of a decline in its revenues or an increase in its expenses, such that expenses exceed revenues and result in a

loss that must be charged against capital or an inadequacy of resources necessary to carry on business as a designated trade repository.

(2) For the purposes of subsection 20(2), the amount of liquid net assets funded by equity that a designated trade repository should hold is to be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services, if such action is taken.

(3) Subsection (3) requires a designated trade repository, for the purposes of subsection (2), to hold liquid net assets funded by equity equal to no less than six months of current operating expenses.

(4) For the purposes of subsections 20(4) and (5), and in connection with developing a comprehensive risk-management framework under section 19, a designated trade repository should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern, and assess the effectiveness of a full range of options for recovery or orderly wind-down. These scenarios should take into account the various independent and related risks to which the designated trade repository is exposed.

Based on the required assessment of scenarios under subsection 20(4) (and taking into account any constraints potentially imposed by legislation), the designated trade repository should prepare appropriate written plans for its recovery or orderly wind-down. The plan should contain, among other elements, a substantive summary of the key recovery or orderly wind-down strategies, the identification of the designated trade repository's critical operations and services, and a description of the measures needed to implement the key strategies. The designated trade repository should maintain the plan on an ongoing basis, to achieve recovery and orderly wind-down, and should hold sufficient liquid net assets funded by equity to implement this plan (see also subsections 20(2) and (3) above). A designated trade repository should also take into consideration the operational, technological, and legal requirements for participants to establish and move to an alternative arrangement in the event of an orderly wind-down.

Systems and other operational risk requirements

21. (1) Subsection 21(1) sets out a general principle concerning the management of operational risk. In interpreting subsection 21(1), the following key considerations should be applied:

- a designated trade repository should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks;
- a designated trade repository should review, audit, and test systems, operational policies, procedures, and controls, periodically and after any significant changes; and
- a designated trade repository should have clearly defined operational-reliability objectives and policies in place that are designed to achieve those objectives.

(2) The board of directors of a designated trade repository should clearly define the roles and responsibilities for addressing operational risk and approve the designated trade repository's operational risk-management framework.

(3) Paragraph 21(3)(a) requires a designated trade repository to develop and maintain an adequate system of internal control over its systems as well as adequate general information-technology controls. The latter controls are implemented to support information technology planning, acquisition, development and maintenance, computer operations, information systems support, and security. Recommended Canadian guides as to what constitutes adequate information technology controls include '*Information Technology Control Guidelines*' from the Canadian Institute of Chartered Accountants and '*COBIT*' from the IT Governance Institute. A designated trade repository should ensure that its information-technology controls address the integrity of the data that it maintains, by protecting all derivatives data submitted from corruption, loss, improper disclosure, unauthorized access and other processing risks.

Paragraph 21(3)(b) requires a designated trade repository to thoroughly assess future needs and make systems capacity and performance estimates in a method consistent with prudent business practice at least once a year. The paragraph also imposes an annual requirement for designated trade repositories to conduct periodic capacity stress tests. Continual changes in technology, risk management requirements and competitive pressures will often result in these activities or tests being carried out more frequently.

Paragraph 21(3)(c) requires a designated trade repository to notify the Commission of any material systems failure. The Commission would consider a failure, malfunction, delay or other disruptive incident to be "material" if the designated trade repository would in the normal course of its operations escalate the incident to, or inform, its senior management that is responsible for technology, or the incident would have an impact on participants. The Commission also expects that, as part of

this notification, the designated trade repository will provide updates on the status of the failure, the resumption of service, and the results of its internal review of the failure.

(4) Subsection 21(4) requires that a designated trade repository establish, implement, maintain and enforce business continuity plans, including disaster recovery plans. The Commission believes that these plans should allow the designated trade repository to provide continuous and undisrupted service, as back-up systems ideally should commence processing immediately. Where a disruption is unavoidable, a designated trade repository is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event. Under paragraph 21(4)(c), an emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption.

(5) Subsection 21(5) requires a designated trade repository to test its business continuity plans at least once a year. The expectation is that the designated trade repository would engage relevant industry participants, as necessary, in tests of its business continuity plans, including testing of back-up facilities for both the designated trade repository and its participants.

(6) Subsection 21(6) requires a designated trade repository to engage a qualified party to conduct an annual independent assessment of the internal controls referred to in paragraphs 21(3)(a) and (b) and subsections 21(4) and (5). A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. The Commission is of the view that this obligation may also be satisfied by an independent assessment by an internal audit department that is compliant with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Audit. Before engaging a qualified party, the designated trade repository should notify the Commission.

(8) Subsection 21(8) requires designated trade repositories to make public all material changes to technology requirements to allow participants a reasonable period to make system modifications and test their modified systems. In determining what a reasonable period is, the Commission of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

(9) Subsection 21(9) requires designated trade repositories to make available testing facilities in advance of material changes to technology requirements to allow participants a reasonable period to test their modified systems and interfaces with the designated trade repository. In determining what a reasonable period is, the Commission of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Data security and confidentiality

22. (1) Subsection 22(1) provides that a designated trade repository must establish policies and procedures to ensure the safety, privacy and confidentiality of derivatives data to be reported to it under the Rule. The policies must include limitations on access to confidential trade repository data and safeguards to protect against persons and companies affiliated with the designated trade repository from using trade repository data for their personal benefit or the benefit of others.

(2) Subsection 22(2) prohibits a designated trade repository from releasing reported derivatives data, for a commercial or business purpose, that is not required to be publicly disclosed under section 39 without the express written consent of the counterparties to the transaction or transactions to which the derivatives data relates. The purpose of this provision is to ensure that users of the designated trade repository have some measure of control over their derivatives data.

Confirmation of data and information

23. Subsection 23(1) requires a designated trade repository to have and follow written policies and procedures for confirming the accuracy of the derivatives data received from a reporting counterparty. A designated trade repository must confirm the accuracy of the derivatives data with each counterparty to a reported transaction provided that the non-reporting counterparty is a participant of the trade repository. Where the non-reporting counterparty is not a participant of the trade repository, there is no obligation to confirm with such non-reporting counterparty.

The purpose of the confirmation requirement in subsection 23(1) is to ensure that the reported information is agreed to by both counterparties. However, in cases where a non-reporting counterparty is not a participant of the relevant designated trade repository, the designated trade repository would not be in a position to confirm the accuracy of the derivatives data with such counterparty. As such, under subsection 23(2) a designated trade repository will not be obligated to confirm the accuracy of the

derivatives data with a counterparty that is not a participant of the designated trade repository. Additionally, similar to the reporting obligations in section 26, confirmation under subsection 23(1) can be delegated under section 26(3) to a third-party representative.

A trade repository may satisfy its obligation under section 23 to confirm the derivatives data reported for a transaction by notice to each counterparty to the transaction that is a participant of the designated trade repository, or its delegated third-party representative where applicable, that a report has been made naming the participant as a counterparty to a transaction, accompanied by a means of accessing a report of the derivatives data submitted. The policies and procedures of the designated trade repository may provide that if the designated trade repository does not receive a response from a counterparty within 48 hours, the counterparty is deemed to confirm the derivatives data as reported.

Outsourcing

24. Section 24 sets out requirements applicable to a designated trade repository that outsources any of its key services or systems to a service provider. Generally, a designated trade repository must establish policies and procedures to evaluate and approve these outsourcing arrangements. Such policies and procedures include assessing the suitability of potential service providers and the ability of the designated trade repository to continue to comply with securities legislation in the event of bankruptcy, insolvency or the termination of business of the service provider. A designated trade repository is also required to monitor the ongoing performance of a service provider to which it outsources a key service, system or facility. The requirements under section 24 apply regardless of whether the outsourcing arrangements are with third-party service providers or affiliates of the designated trade repository. A designated trade repository that outsources its services or systems remains responsible for those services or systems and for compliance with securities legislation.

PART 3
DATA REPORTING

Part 3 deals with reporting obligations for transactions and includes a description of the counterparties that will be subject to the duty to report, requirements as to the timing of reports and a description of the data that is required to be reported.

Reporting counterparty

25. Section 25 outlines how the counterparty required to report derivatives data and fulfil the ongoing reporting obligations under the Rule is determined. Reporting obligations on derivatives dealers apply irrespective of whether the derivatives dealer is a registrant.

(1) Subsection 25(1) outlines a hierarchy for determining which counterparty to a transaction will be required to report the transaction based on the counterparty to the transaction that is best suited to fulfill the reporting obligation. For example, for transactions that are cleared through a recognized or exempt clearing agency, the clearing agency is best positioned to report derivatives data and is therefore required to act as reporting counterparty

Although there may be situations in which the reporting obligation falls on both counterparties to a transaction, it is the Commission's view that in such cases the counterparties should select one counterparty to fulfill the reporting obligation to avoid duplicative reporting. For example, if a transaction required to be reported is between two dealers, each dealer has an obligation to report under paragraph 25(1)(c). Similarly, if a transaction is between two local counterparties that are not dealers, both local counterparties have an obligation to report under paragraph 25(1)(f). However, because a reporting counterparty may delegate its reporting obligations under subsection 26(3), the Commission expects that the practical outcome is that one counterparty will delegate its reporting obligation to the other (or a mutually agreed upon third party) and only one report will be filed in respect of the transaction. Therefore, although both counterparties to the transaction examples described above ultimately have the reporting obligation, they may institute contracts, systems and practices to agree to delegate the reporting function to one party. The intention of these provisions is to facilitate one counterparty reporting through delegation while requiring both counterparties to have procedures or contractual arrangements in place to ensure that reporting occurs.

Subsections 25(1)(b) and (e) also provide for an alternate reporting option for situations in which the reporting obligation falls on both counterparties to a transaction. For example, pursuant to subsection 25(1)(b) the reporting counterparty for a transaction involving two derivatives dealers may, subject to certain preconditions, be determined in accordance with the ISDA methodology. This option is also available for two non-dealers pursuant to 25(1)(e). The ISDA methodology is ~~publically~~publicly available at www.ISDA.com. It has been developed in order to facilitate one-sided transaction reporting and provides a consistent method for determining the party required to act as reporting counterparty. The non-reporting counterparty as determined under the ISDA Methodology is not a reporting counterparty for the purposes of the TR Rule in respect of a transaction in which the parties have chosen to use the ISDA Methodology. There is no requirement for counterparties to a transaction to use the ISDA Methodology. Further, the ISDA Methodology is not available in respect of transactions between a dealer and non-dealer; such transactions are always required to be reported by the dealer.

(2) Subsection 25(2) prescribes the conditions under which the ISDA Methodology can be used. Paragraphs 25(1)(b) and (e) are only available where both counterparties to the transaction have agreed in advance to the terms of the multilateral ISDA agreement which incorporates the process for determining a reporting counterparty in accordance with ISDA methodology. This is done through the execution and delivery to ISDA of the ISDA Representation Letter that includes an agreement to follow the ISDA Methodology for determining the reporting counterparty. The ISDA Representation Letter is available at www.ISDA.com.

Paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction if the parties to the transaction have executed and delivered the ISDA Representation Letter to ISDA and have agreed to follow the ISDA Methodology for that transaction. In situations where both counterparties to a transaction have executed and delivered the ISDA Representation Letter but agree to report using a different method, paragraphs 25(1)(b) and (e) would not be applicable. Further, paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction where the parties to that transaction have consented to ISDA's release to the Commission of information which indicates that the parties have signed the ISDA Representation Letter.

Duty to report

26. Section 26 outlines the duty to report derivatives data.

(1) Subsection 26(1) requires that, subject to sections 40, 41, 41.1, 42 and 43, derivatives data for each transaction to which one or more counterparties is a local counterparty be reported to a designated trade repository. The counterparty required to report the derivatives data is the reporting counterparty as determined under section 25.

(2) Under subsection 26(2), the reporting counterparty for a transaction must ensure that all reporting obligations are fulfilled. This includes ongoing requirements such as the reporting of life-cycle event data and valuation data.

(3) Subsection 26(3) permits the delegation of all reporting obligations of a reporting counterparty. This includes reporting of initial creation data, life-cycle event data and valuation data. For example, some or all of the reporting obligations may be delegated to a third-party service provider. However, the reporting counterparty remains responsible for ensuring that the derivatives data is accurate and reported within the timeframes required under the Rule.

(4) With respect to subsection 26(4), prior to the reporting rules in Part 3 coming into force, the Commission will provide public guidance on how reports for transactions that are not accepted for reporting by any designated trade repository should be electronically submitted to the Commission.

(5) Subsection 26(5) provides for limited substituted compliance with this Rule where a transaction has been reported to a designated trade repository pursuant to the law of a province of Canada other than Ontario or of a foreign jurisdiction listed in Appendix B, provided that the additional conditions set out in paragraphs (a) and (c) are satisfied.

(6) Paragraph 26(6)(a) requires that all derivatives data reported for a given transaction be reported to the same designated trade repository ~~to which the initial report is submitted or~~, with respect to transactions reported under section 26(4), to the Commission. For a bi-lateral transaction that is assumed by a clearing agency (novation), the designated trade repository to which all derivatives data for the assumed transactions must be reported is the designated trade repository to which the original bi-lateral transaction was reported.

The purpose of this requirement is to ensure the Commission has access to all reported derivatives data for a particular transaction from the same entity. It is not intended to restrict counterparties' ability to report to multiple trade repositories. Where the entity to which the transaction was originally reported is no longer a designated trade repository, all data relevant to that transaction should be reported to another designated trade repository as otherwise required by the Rule.

(7) The Commission interprets the requirement in subsection 26(7) to report errors or omissions in derivatives data "as soon as technologically practicable" after it is discovered, to mean upon discovery and in any case no later than the end of the business day following the day on which the error or omission is discovered.

(8) Under subsection 26(8), where a local counterparty that is not a reporting counterparty discovers an error or omission in respect of derivatives data that is reported to a designated trade repository, such local counterparty has an obligation to report the error or omission to the reporting counterparty. Once the error or omission is reported to the reporting counterparty, the reporting counterparty then has an obligation under subsection 26(7) to report the error or omission to the designated trade repository or to the Commission in accordance with subsection 26(6). The Commission interprets the requirement in subsection 26(8) to notify the reporting counterparty of errors or omissions in derivatives data to mean upon discovery and in any case no later than the end of the business day following the day on which the error or omission is discovered.

Legal entity identifiers

28. (1) Subsection 28(1) requires that a designated trade repository identify all counterparties to a transaction by a legal entity identifier. It is envisioned that this identifier be a LEI under the Global LEI System. The Global LEI System is a G20 endorsed initiative[5] that will uniquely identify parties to transactions. It is currently being designed and implemented under the direction of the LEI ROC, a governance body endorsed by the G20.

(2) The "Global Legal Entity Identifier System" referred to in subsection 28(2) means the G20 endorsed system that will serve as a public-good utility responsible for overseeing the issuance of legal entity identifiers globally to counterparties who enter into transactions.

(3) If the Global LEI System is not available at the time counterparties are required to report their LEI under the Rule, they must use a substitute legal entity identifier. The substitute legal entity identifier must be in accordance with the standards established by the LEI ROC for pre-LEI identifiers. At the time the Global LEI System is operational; counterparties must cease using their substitute LEI and commence reporting their LEI. The substitute LEI and LEI could be identical.

(4) Some counterparties to a reportable transaction, e.g. individuals, may not be eligible to receive an LEI. In such cases, the reporting counterparty must use an alternate identifier to identify each counterparty that is ineligible for an LEI when reporting derivatives data to a designated trade repository.

28.1 Section 28.1 requires that each local counterparty that is party to a transaction that is required to be reported to a designated trade repository acquire an LEI, regardless of whether the local counterparty is the reporting counterparty.

Unique transaction identifier

29. A unique transaction identifier will be assigned by the designated trade repository to each transaction which has been submitted to it. The designated trade repository may utilize its own methodology or incorporate a previously assigned identifier that has been assigned by, for example, a clearing agency, trading platform, or third-party service provider. However, the designated trade repository must ensure that no other transaction shares the same identifier.

A transaction in this context means a transaction from the perspective of all counterparties to the transaction. For example, both counterparties to a single swap transaction would identify the transaction by the same single identifier. For a bi-lateral transaction that is novated to a clearing agency, the reporting of the novated transactions should reference the unique transaction identifier of the original bi-lateral transaction.

Unique product identifier

30. Section 30 requires that a reporting counterparty identify each transaction that is subject to the reporting obligation under the Rule by means of a unique product identifier. There is currently a system of product taxonomy that may be used for this purpose.[6] To the extent that a unique product identifier is not available for a particular transaction type, a reporting counterparty would be required to create one using an alternative methodology.

Creation data

31. Subsection 31(2) requires that reporting of creation data be made in real time, which means that creation data should be reported as soon as technologically practicable after the execution of a transaction. In evaluating what will be considered to be "technological practicable", the Commission will take into account the prevalence of implementation and use of technology by comparable counterparties located in Canada and in foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of reporting technology.

(3) Subsection 31(3) is intended to take into account the fact that not all counterparties will have the same technological capabilities. For example, counterparties that do not regularly engage in transactions would, at least in the near term, likely not be as well situated to achieve real-time reporting. Further, for certain post-transaction operations, such as trade compressions involving numerous transactions, real time reporting may not currently be practicable. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction.

5 See http://www.financialstabilityboard.org/~~list/fsb_publications/tid_156/index.htm~~policy_area/lei/ for more information.

6 See http://www2.isda.org/identifiers-and-otc-taxonomies/ for more information.

Life-cycle event data

32. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository ~~to which the initial report was made,~~ or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).

(1) Life-cycle event data is not required to be reported in real time but rather at the end of the business day on which the life-cycle event occurs. The end of business day report may include multiple life-cycle events that occurred on that day.

Valuation data

33. Valuation data with respect to a transaction that is subject to the reporting obligations under the Rule is required to be reported by the reporting counterparty. For both cleared and uncleared transactions, counterparties may, as described in subsection 26(3), delegate the reporting of valuation data to a third party, but such counterparties remain ultimately responsible for ensuring the timely and accurate reporting of this data. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository ~~to which the initial report was made,~~ or to the Commission for transactions for which the ~~initial~~ report was made to the Commission in accordance with subsection 26(4).

(1) Subsection 33(1) provides for differing frequency of valuation data reporting based on the type of entity that is the reporting counterparty.

Pre-existing derivatives

34. Section 34 outlines reporting obligations in relation to transactions that were entered into prior to the commencement of the reporting obligations. Where the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency, subsection 34(1) requires that pre-existing transactions that were entered into before October 31, 2014 and that will not expire or terminate on or before April 30, 2015 to be reported to a designated trade repository no later than April 30, 2015. Similarly, where the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency, subsection 34(1.1) requires that pre-existing transactions that were entered into before June 30, 2015 and that will not expire or terminate on or before December 31, 2015 to be reported to a designated trade repository no later than December 31, 2015. In addition, only the data indicated in the column entitled “Required for Pre-existing Transactions” in Appendix A will be required to be reported for pre-existing transactions.

Transactions that are entered into before October 31, 2014 and that expire or terminate on or before April 30, 2015 will not be subject to the reporting obligation, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency. Similarly, transactions for which the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency will not be subject to the reporting obligation if they are entered into before June 30, 2015 but will expire or terminate on or before December 31, 2015. These transactions are exempted from the reporting obligation in the Rule, to relieve some of the reporting burden for counterparties and because they would provide marginal utility to the Commission due to their imminent termination or expiry.

The derivatives data required to be reported for pre-existing transactions under section 34 is substantively the same as the requirement under CFTC Rule 17 CFR Part 46 – *Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*. Therefore, to the extent that a reporting counterparty has reported pre-existing transaction derivatives data required by the CFTC rule, this would meet the derivatives data reporting requirements under section 34. This interpretation applies only to pre-existing transactions.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) Subsection 37(1) requires designated trade repositories to, at no cost to the Commission: (a) provide to the Commission continuous and timely electronic access to derivatives data; (b) promptly fulfill data requests from the Commission; (c) provide aggregate derivatives data; and (d) disclose how data has been aggregated. Electronic access includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.

The derivatives data covered by this subsection are data necessary to carry out the Commission’s mandate to protect against unfair, improper or fraudulent practices, to foster fair and efficient capital markets, to promote confidence in the capital markets, and to address systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact Ontario’s capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Ontario or Canada can impact Ontario's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the Commission has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Rule, but is held by a designated trade repository.

(2) Subsection 37(2) requires a designated trade repository to conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPSS and IOSCO. It is expected that all designated trade repositories will comply with the access recommendations in CPSS-IOSCO's final report.[7]

(3) The Commission interprets the requirement for a reporting counterparty to use best efforts to provide the Commission with access to derivatives data to mean, at a minimum, instructing the designated trade repository to release derivative data to the Commission.

Data available to counterparties

38. Section 38 is intended to ensure that each counterparty, and any person acting on behalf of a counterparty, has access to all derivatives data relating to its transaction(s) in a timely manner. The Commission is of the view that where a counterparty has provided consent to a trade repository to grant access to data to a third-party service provider, the trade repository shall grant such access on the terms consented to.

Data available to public

39. (1) Subsection 39(1) requires a designated trade repository to make available to the public, free of charge, certain aggregate data for all transactions reported to it under the Rule (including open positions, volume, number of transactions, and price). It is expected that a designated trade repository will provide aggregate data by notional amounts outstanding and level of activity. Such aggregate data is expected to be available on the designated trade repository's website.

(2) Subsection 39(2) requires that the aggregate data that is disclosed under subsection 39(1), be broken down into various categories of information. The following are examples of the aggregate data required under subsection 39(2):

- currency of denomination (the currency in which the derivative is denominated);
- geographic location of the underlying reference entity (e.g., Canada for derivatives which reference the TSX60 index);
- asset class of reference entity (e.g., fixed income, credit, or equity);
- product type (e.g., options, forwards, or swaps);
- cleared or uncleared;
- maturity (broken down into maturity ranges, such as less than one year, 1-2 years, 2-3 years).

(3) Subsection 39(3) requires a designated trade repository to publicly ~~report~~disseminate the ~~data indicated in the column entitled "Required for public dissemination"~~transaction-level reports in accordance with the requirements set out in Appendix ~~A of the Rule. For transactions where at least one counterparty is a derivatives dealer, paragraph 39(3)(a) requires that such data be publicly disseminated by the end of the day following the day on which the designated trade repository receives the data. For transactions where neither counterparty is a derivatives dealer, paragraph 39(3)(b) requires that such data be publicly disseminated by the end of the second day following the day on which the designated trade repository receives the data. The purpose of the public reporting delays is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. These time delays apply to all transactions, regardless of transaction size.~~C of the Rule.

(4) Subsection 39(4) provides that a designated trade repository must not disclose the identity of either counterparty to the transaction. This means that published data must be anonymized and the names or legal entity identifiers of counterparties must not be published. This provision is not intended to create a requirement for a designated trade repository to determine whether anonymized published data could reveal the identity of a counterparty based on the terms of the transaction.

[7] See report entitled "Authorities' Access to TR Data" available at http://www.bis.org/publ/cpss110.htm.

PART 5
EXCLUSIONS

40. Section 40 provides that the reporting obligation for a physical commodity transaction entered into between two non-derivatives dealers does not apply in certain limited circumstances. This exclusion only applies if a local counterparty to a transaction has less than $500,000 aggregate notional value under all outstanding derivatives transactions, including the additional notional value related to that transaction. In calculating this exposure, the notional value of all outstanding transactions, including transactions from all asset classes and with all counterparties, domestic and foreign, should be included. The notional value of a physical commodity transaction would be calculated by multiplying the quantity of the physical commodity by the price for that commodity. A counterparty that is above the $500,000 threshold is required to act as reporting counterparty for a transaction involving a party that is exempt from the reporting obligation under section 40. In a situation where both counterparties to a transaction qualify for this exclusion, it would not be necessary to determine a reporting counterparty in accordance with section 25.

This relief applies to physical commodity transactions that are not excluded derivatives for the purpose of the reporting obligation in paragraph 2(d) of OSC Rule 91-506 *Derivatives: Product Determination*. An example of a physical commodity transaction that is required to be reported (and therefore could benefit from this relief) is a physical commodity contract that allows for cash settlement in place of delivery.

41.1 Section 41.1 provides an exclusion from the reporting requirement for transactions between affiliated companies in Canada that are not derivatives dealers or regulated or exempt clearing agencies. Accordingly, where end-user affiliated companies that are local counterparties under the laws of a Canadian jurisdiction enter into a derivative transaction, such transaction is not required to be reported under the Rule.

PART 7
EFFECTIVE DATE

Effective date

43. (2) The requirement under subsection 39(3) to make transaction level data reports available to the public does not apply until ~~April 30, 2015.~~July 29, 2016.

(3) Where the counterparty is a derivatives dealer or recognized or exempted clearing agency, subsection 42(3) provides that no reporting is required until October 31, 2014.

(4) Where neither of the counterparties is a derivatives dealer or a recognized or exempted clearing agency, subsection 42(4) provides that no reporting is required until June 30, 2015. This provision only applies where the reporting counterparty is ~~a~~ neither a derivatives dealer nor a clearing agency. For example, where the counterparties to a transaction are a dealer and a non-dealer, the derivatives dealer will be required to report according to the timing outlined in subsection 42(3).

(5) Subsection 43(5) provides that, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before April 30, 2015.

(6) Subsection 43(6) provides that, if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before December 31, 2015.

APPENDIX C

Instructions

(1) The instructions provided at item 1 of this appendix describe the types of transactions that must be publicly disseminated by the designated trade repository.

Public dissemination is not required for life cycle events that do not contain new price information compared to the original transaction.

Table 1

Table 1 lists the transaction related information that must be publicly disseminated. Table 1 is a subset of the information that the trade repository is required to submit to the regulator and does not include all the fields required to be reported to a

designated trade repository pursuant to Appendix A. For example, valuation data fields are not required to be publicly disseminated.

Table 2

Only those transactions with the Asset Class and Underlying Asset Identifiers fields listed in Table 2 are subject to the public dissemination requirement under section 39 of the Rule.

For further clarification, the identifiers listed under the Underlying Asset Identifier for the Interest Rate Asset Class in Table 2 refer to the following:

"CAD-BA-CDOR" means all tenors of the Canadian Dollar Offered Rate (CDOR). CDOR is a financial benchmark for bankers' acceptances with a term to maturity of one year or less currently calculated and administered by Thomson Reuters.

"USD-LIBOR-BBA" means all tenors of the U.S. Dollar IntercontinentalExchange London Interbank Offered Rate (ICE LIBOR). ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration and provides an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

"EUR-EURIBOR-Reuters" means all tenors of the Euro Interbank Offered Rate (Euribor). Euribor is a reference rate published by the European Banking Authority based on the average interest rates at which selected European prime banks borrow funds from one another.

"GBP-LIBOR-BBA" means all tenors of the GBP Pound Sterling IntercontinentalExchange London Interbank Offered Rate (ICE LIBOR). ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration providing an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

For further clarification, the identifiers listed under the Underlying Asset Identifier for the Credit and Equity Asset Classes in Table 2 refer to the following:

"All Indexes" means any statistical measure of a group of assets that is administered by an organization that is not affiliated with the counterparties and whose value and calculation methodologies are publicly available. Examples of indexes that would satisfy this meaning are underlying assets that would be included in ISDA's Unique Product Identifier Taxonomy[8] under the categories of (i) Index and Index Tranche for credit products and (ii) the Single Index category for equity products.

Exclusions

(2) Item 2 of this appendix specifies the types of transactions that are excluded from the public dissemination requirement of Section 39 of the Rule. An example of a transaction excluded under item 2(a) is cross currency swaps. The types of transactions excluded under item 2(b) result from portfolio compression activity which occurs whenever a transaction is amended or entered into in order to reduce the gross notional exposure of an outstanding transaction or group of transactions without impacting the net notional exposure. Under item 2(c), transactions that represent novation on the part of a recognized or exempt clearing agency when facilitating the clearing of a transaction between counterparties are excluded from public dissemination.

Rounding

(3) The rounding thresholds are to be applied to the notional amount of a transaction in the currency of the transaction. For example, a transaction denominated in US dollars would be rounded and disseminated in US dollars and not the CAD equivalent.

Capping

(4) For transactions denominated in a non-CAD currency, item 4 of this appendix requires the designated trade repository to compare the Rounded Notional Amount of the transaction in a non-CAD currency to the Capped Rounded Notional Amount in CAD that corresponds to the Asset Class and tenor of that transaction. Therefore, the designated trade repository must convert the non-CAD currency into CAD in order to determine whether it would be above the capping threshold. The designated trade repository must utilise a transparent and consistent methodology for converting to and from CAD for the purposes of comparing and publishing the capped notional amount.

[8] ISDA's Unique Product Identifier Taxonomy can be found at www.isda.org.

For example, in order to compare the Rounded Notional Amount of a transaction denominated in GBP to the thresholds in Table 4, the recognized trade repository must convert this amount to a CAD equivalent amount. If the CAD equivalent notional amount of the GBP denominated transaction is above the capping threshold, the designated trade repository must disseminate the Capped Rounded Notional Amount converted back to the currency of the transaction using a consistent and transparent process.

(6) Item 6 of this appendix requires the designated trade repository to adjust the Option Premium field in a consistent and proportionate manner if the transaction's Rounded Notional Amount is greater than the Capped Rounded Notional Amount. The Option Premium field adjustment should be proportionate to the size of the Capped Rounded Notional Amount compared to the Rounded Notional Amount.

Timing

(7) Item 7 of this appendix sets out when the designated trade repository must publicly disseminate the required information from Table 1. The purpose of the public reporting delays is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. These time delays apply to all transactions, regardless of transaction size.

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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 in this Bulletin.

The Notice of Exempt Financings in Chapter 8 of the Bulletin will be discontinued on November 19, 2015.

As of October 2015, summaries of reported exempt distribution information will be posted on a regular basis on the OSC website at: http://www.osc.gov.on.ca/en/exempt-distributions-summary.htm.

The summaries are based on information contained in Form 45-106F1 filed with the OSC where Ontario purchasers have been identified. This is similar to the information that was previously reported in Chapter 8 of the Bulletin.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Balanced Income Portfolio
Conservative Income Portfolio
Enhanced Income Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated October 28, 2015
NP 11-202 Receipt dated November 2, 2015
Offering Price and Description:
Class T3, Class T4, Clas T5 and Class T6 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Canadian Imperial Bank of Commerce
Project #2410126

Issuer Name:
Canopy Growth Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated October 29, 2015
NP 11-202 Receipt dated October 29, 2015
Offering Price and Description:
$12,500,900.00 - 6,098,000 Common Shares
Price: $2.05 per Share
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
GMP Securities L.P.
Infor Financial Inc.
M Partners Inc.
Promoter(s):
-
Project #2409450

Issuer Name:
CI G5|20 2041 Q1 Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated October 29, 2015
NP 11-202 Receipt dated October 29, 2015
Offering Price and Description:
Class A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2409291

Issuer Name:
CI G5|20i 2036 Q1 Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated October 29, 2015
NP 11-202 Receipt dated October 29, 2015
Offering Price and Description:
Class A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2409290

Issuer Name:
Desjardins IBrix Canadian Equity Focus Corporate Class
Desjardins IBrix Canadian Equity Focus Fund
Desjardins IBrix Canadian High Dividend Equity Corporate Class
Desjardins IBrix Canadian High Dividend Equity Fund
Desjardins IBrix Global Equity Focus Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated October 29, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
T-, R- and S- Class Units, and Series T and R Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Desjardins Investments Inc.
Project #2409868

Issuer Name:
IA Clarington U.S. Dividend Growth Registered Fund
IA Clarington U.S. Dollar Floating Rate Income Fund
IA Clarington Yield Opportunities Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated October 26, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
Series A, E, E5, F, F5, F6, FE, FE5, L, L5, L6, P, P5, T5 and T6
Underwriter(s) or Distributor(s):
-
Promoter(s):
IA Clarington Investments Inc.
Project #2409524

Issuer Name:
NAV CANADA
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated October 27, 2015
NP 11-202 Receipt dated October 27, 2015
Offering Price and Description:
$500,000,000.00 - General Obligation Notes
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2408172

Issuer Name:
U.S. Banks Income & Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated October 30, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
Maximum Offering: $* - * Units
Minimum Offering: $20,000,000 - 2,000,000 Units
Price: $10.00 per Class A Unit and Class T Unit
Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Manulife Securities Incorporated
Desjardins Securities Inc.
Dundee Securities Ltd.
Global Securities Corporation
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
PI Financial Corp.
Promoter(s):
National Bank Financial Inc.
Purpose Investments Inc.
Project #2409899

Issuer Name:
Aston Hill North American Dividend Fund
(changed to Aston Hill High Income Fund)
(Series A, F and I units)
Aston Hill North American Dividend Class*
(changed to Aston Hill High Income Class)
(Series A, TA6, F, TF6 and I shares)
(* A class of shares of Aston Hill Corporate Funds Inc.)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated October 9, 2015 to the Simplified Prospectuses and Annual Information Form dated August 28, 2015
NP 11-202 Receipt dated October 27, 2015
Offering Price and Description:
Series A, F and I units and Series A, TA6, F, TF6 and I shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #2374551

Issuer Name:
Compass Balanced Growth Portfolio
Compass Balanced Portfolio
Compass Conservative Balanced Portfolio
Compass Conservative Portfolio
Compass Growth Portfolio
Compass Maximum Growth Portfolio
Principal Regulator - Alberta
Type and Date:
Final Simplified Prospectuses dated October 30, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
Series A, F1 and O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
ATB Investment Management Inc.
Promoter(s):
ATB Investment Management Inc.
Project #2400490

Issuer Name:
Series A, D and E Securities (unless otherwise indicated) of
Counsel Conservative Portfolio (also offering Series I)
Counsel Conservative Portfolio Class* (also offering ET, I and T)
Counsel Regular Pay Portfolio (also offering Series B, DT, EB, ET, I, IT and T)
Counsel Balanced Portfolio (also offering Series I)
Counsel Balanced Portfolio Class* (also offering ET, I and T)
Counsel Growth Portfolio (also offering Series I)
Counsel Growth Portfolio Class* (also offering ET, I and T)
Counsel All Equity Portfolio (also offering Series I)
Counsel All Equity Portfolio Class*
Counsel Managed Yield Portfolio (also offering Series I)
Counsel Managed High Yield Portfolio (also offering ET, I and T)
Counsel Income Managed Portfolio (also offering Series B, DT, EB, ET, I, IT and T)
Counsel Managed Portfolio (also offering Series I)
Counsel World Managed Portfolio (also offering Series I)
Counsel Money Market (offering Series A, C, D and I)
Counsel Short Term Bond (also offering Series I)
Counsel Short Term Fixed Income Class*
Counsel Fixed Income (also offering Series I)
Counsel High Yield Fixed Income (also offering Series I)
Counsel North American High Yield Bond (only offering Series O)
Counsel Canadian Dividend (also offering Series I)
Counsel Canadian Dividend Class* (also offering ET, I and T)
Counsel Canadian Value (also offering Series I)
Counsel Canadian Value Class* (also offering Series I)
Counsel Canadian Growth (also offering Series I)
Counsel Canadian Growth Class* (also offering Series I)
Counsel U.S. Value (also offering Series I)
Counsel U.S. Value Class*
Counsel U.S. Growth (also offering Series I)
Counsel U.S. Growth Class*
Counsel International Value (also offering Series I)
Counsel International Value Class*
Counsel International Growth (also offering Series I)
Counsel International Growth Class*
Counsel Global Dividend (also offering Series I)
Counsel Global Trend Strategy (also offering Series I)
Counsel Global Real Estate (also offering Series I)
Counsel Global Small Cap (also offering Series I)
Counsel Global Small Cap Class*
(* Each is a class of Counsel Portfolio Corporation)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 29, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
Series A, B, C, D, I, O, DT, EB, ET, I, IT and T Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Portfolio Services Inc.
Project #2397770

Issuer Name:
Fidelity Canadian Disciplined Equity® Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Canadian Growth Company Fund (Series A, Series B, Series F, Series O, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Canadian Large Cap Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity Canadian Opportunities Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Dividend Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity Greater Canada Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Dividend Plus Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P1T5 units)
Fidelity Special Situations Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P1T5 units)
Fidelity True North® Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Canadian Focused Equity Investment Trust (Series O units)
Fidelity American Disciplined Equity® Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity American Disciplined Equity® Currency Neutral Fund (Series O units)
Fidelity American Opportunities Fund (Series A, Series B, Series F and Series O units)
Fidelity American Equity Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity U.S. Focused Stock Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1, Series P2 and Series P3 units)
Fidelity Small Cap America Fund (Series A, Series B, Series F, Series O, Series T5, Series T8,

Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P5 units)
Fidelity U.S. Dividend Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity U.S. Dividend Currency Neutral Fund (Series A, Series B, Series F, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P5 units)
Fidelity U.S. Dividend Investment Trust (Series O units)
Fidelity U.S. Dividend Registered Fund (Series A, Series B, Series F, Series P1, Series P2 and Series P3 units)
Fidelity U.S. All Cap Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Event Driven Opportunities Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity AsiaStar® Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity China Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Emerging Markets Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Europe Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity Far East Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Global Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1 and Series P2 units)
Fidelity Global Disciplined Equity® Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1, Series P2 and Series P3 units)
Fidelity Global Disciplined Equity® Currency Neutral Fund (Series O units)
Fidelity Global Dividend Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity Global Large Cap Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Global Concentrated Equity Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Global Small Cap Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity International Disciplined Equity® Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1 and Series P2 units)
Fidelity International Disciplined Equity® Currency Neutral Fund (Series O units)
Fidelity International Value Fund (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity Japan Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Latin America Fund (Series A, Series B, Series. Series O and Series P1 units)
Fidelity NorthStar®Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5 and Series P1T5 units)
Fidelity International Growth Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Global Dividend Investment Trust (Series O units)
Fidelity Global Intrinsic Value Investment Trust (Series O units)
Fidelity Global Consumer Industries Fund (Series A, Series B, Series F, Series O, Series P1, Series P2, Series P3, Series P4 and Series P5 units)
Fidelity Global Financial Services Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Global Health Care Fund (Series A, Series B, Series F, Series O, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Global Natural Resources Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Global Real Estate Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity Global Technology Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Global Telecommunications Fund (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity Canadian Asset Allocation Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P1T5 units)
Fidelity Canadian Balanced Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P1T5 units)
Fidelity Monthly Income Fund (Series A, Series B, Series F, Series O, Series T5, Series T8,

Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P1T5 and Series P2T5 units)
Fidelity Income Allocation Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity Global Asset Allocation Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1 and Series P2 units)
Fidelity Global Monthly Income Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity Tactical Strategies Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity U.S. Monthly Income Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity U.S. Monthly Income Currency Neutral Fund (Series A, Series B, Series F, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1 and Series P2 units)
Fidelity Tactical High Income Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity Tactical High Income Currency Neutral Fund (Series A, Series B, Series F, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity NorthStar® Balanced Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity NorthStar® Balanced Currency Neutral Fund (Series A, Series B, Series F, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1 and Series P2 units)
Fidelity American Balanced Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4, Series P5, Series P1T5 and Series P2T5 units)
Fidelity Conservative Income Fund (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3, Series P4 and Series P1T5 units)
Fidelity Income Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Global Income Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Balanced Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Global Balanced Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2, Series P3 and Series P1T5 units)
Fidelity Growth Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1 and Series P2 units)
Fidelity Global Growth Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8, Series P1, Series P2 and Series P3 units)
Fidelity ClearPath® 2005 Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8 and Series P1 units)
Fidelity ClearPath® 2010 Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1 and Series P2 units)
Fidelity ClearPath® 2015 Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1 and Series P2 units)
Fidelity ClearPath® 2020 Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1 and Series P2 units)
Fidelity ClearPath® 2025 Portfolio (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity ClearPath® 2030 Portfolio (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity ClearPath® 2035 Portfolio (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity ClearPath® 2040 Portfolio (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity ClearPath® 2045 Portfolio (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity ClearPath® 2050 Portfolio (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity ClearPath® 2055 Portfolio (Series A, Series B, Series F, Series O and Series P1 units)
Fidelity ClearPath® Income Portfolio (Series A, Series B, Series F, Series O, Series T5, Series T8, Series S5, Series S8, Series P1, Series P2 and Series P3 units)
Fidelity Income ReplacementTM 2017 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2019 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2021 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2023 Portfolio (Series A, Series B and Series F units)

Fidelity Income ReplacementTM 2025 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2027 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2029 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2031 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2033 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2035 Portfolio (Series A, Series B and Series F units)
Fidelity Income ReplacementTM 2037 Portfolio (Series A, Series B and Series F units)
Fidelity Canadian Bond Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Corporate Bond Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity Canadian Money Market Fund (Series A, Series B, Series C, Series D, Series F, Series O, Series P1 and Series P2 units)
Fidelity Canadian Short Term Bond Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity Tactical Fixed Income Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity American High Yield Fund (Series A, Series B, Series F, Series O, Series P1, Series P2 and Series P3 units)
Fidelity American High Yield Currency Neutral Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity U.S. Money Market Fund (Series A and B units)
Fidelity Floating Rate High Income Fund (Series A, Series B, Series F, Series O, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Floating Rate High Income Currency Neutral Fund (Series A, Series B, Series F, Series P1 and Series P2 units)
Fidelity Strategic Income Fund (Series A, Series B, Series F, Series O, Series P1, Series P2, Series P3 and Series P4 units)
Fidelity Global Bond Fund (Series A, Series B, Series F, Series O, Series P1 and Series P2 units)
Fidelity Global Bond Currency Neutral Fund (Series A, Series B, Series F, Series O and Series P1 units)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated October 29, 2015
NP 11-202 Receipt dated October 30, 2015

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Fidelity Investments Canada ULC

Promoter(s):
FIDELITY INVESTMENTS CANADA ULC

Project #2399033

Issuer Name:
Hydro One Limited
Principal Regulator - Ontario

Type and Date:
Final Long Form PREP Prospectus dated October 28, 2015
NP 11-202 Receipt dated October 29, 2015

Offering Price and Description:
$1,662,550,000.00 - 81,100,000 Common Shares
Price: $20.50 per Common Share

Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Barclays Capital Canada Inc.
Credit Suisse Securities (Canada), Inc.
Goldman Sachs Canada Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Dundee Securities Ltd.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated

Promoter(s):
Hydro One Inc.

Project #2398875

Issuer Name:
iShares Gold Bullion ETF
iShares Silver Bullion ETF
Principal Regulator - Ontario

Type and Date:
Final Long Form Prospectus dated October 30, 2015
NP 11-202 Receipt dated November 2, 2015

Offering Price and Description:
Hedged Common Units and Non-hedged Common Units @ Net Asset Value

Underwriter(s) or Distributor(s):
-

Promoter(s):
-

Project #2400639

Issuer Name:
Marquest 2015 Mining Super Flow-Through Limited Partnership - National Class
Marquest 2015 Mining Super Flow-Through Limited Partnership - Québec Class
Principal Regulator - Ontario

Type and Date:
Final Long Form Prospectus dated October 30, 2015
NP 11-202 Receipt dated October 30, 2015

Offering Price and Description:
Maximum Offering: $20,000,000 - 2,000,000 Marquest 2015 National Class Units

Minimum Offering: $2,500,000 - 250,000 Marquest 2015 National Class Units (subject to a minimum of 250,000 National Class Units being sold)
Price: $10.00 per Marquest 2015 National Class Units
Minimum Subscription: $2,500 - 250 National Class Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Desjardins Securities Ltd.
Raymond James Ltd.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
Marquest Asset Management Inc.
Project #2400014; 24000013

Issuer Name:
Merus Labs International Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated October 30, 2015
NP 11-202 Receipt dated November 2, 2015
Offering Price and Description:
$250,000,000.00
Common Shares
Warrants
Subscription Receipts
Preferred Shares
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2371744

Issuer Name:
Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 29, 2015
NP 11-202 Receipt dated November 2, 2015
Offering Price and Description:
Class A, Class F, Class FT, Class T and Class I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Picton Mahoney Asset Management
Project #2381323

Issuer Name:
Russell Canadian Fixed Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated October 22, 2015 to the Simplified Prospectus and Annual Information Form dated June 30, 2015
NP 11-202 Receipt dated November 2, 2015
Offering Price and Description:
Series A and B Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
Russell Investments Canada Limited
Project #2357197

Issuer Name:
Tangerine Balanced Growth Portfolio
Tangerine Balanced Income Portfolio
Tangerine Balanced Portfolio
Tangerine Equity Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 29, 2015
NP 11-202 Receipt dated October 30, 2015
Offering Price and Description:
units
Underwriter(s) or Distributor(s):
Tangerine Investment Funds Limited
Promoter(s):
Tangerine Investment Management Inc.
Project #2401094

Issuer Name:
TD Managed Income Portfolio (Investor Series units, H-Series units, Premium Series units,
K-Series units, Advisor Series units, T-Series units, F-Series units and S-Series units
TD Managed Income & Moderate Growth Portfolio (Investor Series units, H-Series units,
Premium Series units, K-Series units, Advisor Series units, T-Series units, F-Series units and
S-Series units)
TD Managed Balanced Growth Portfolio (Investor Series units, H-Series units, Premium Series
units, K-Series units, Advisor Series units, T-Series units, F-Series units and S-Series units)
TD Managed Aggressive Growth Portfolio (Investor Series units, Premium Series units,
Advisor Series units and F-Series units)
TD Managed Maximum Equity Growth Portfolio (Investor Series units, Premium Series units,
Advisor Series units and F-Series units)
TD FundSmart Managed Income Portfolio (Investor Series units, H-Series units, Premium
Series units, K-Series units, Advisor Series units and T-Series units)
TD FundSmart Managed Income & Moderate Growth Portfolio (Investor Series units, H-Series
units, Premium Series units. K-Series units, Advisor Series units and T-Series units)
TD FundSmart Managed Balanced Growth Portfolio (Investor Series units, H-Series units,
Premium Series units, K-Series units, Advisor Series units and T-Series units)
TD FundSmart Managed Aggressive Growth Portfolio (Investor Series units, Premium Series
units and Advisor Series units)
TD FundSmart Managed Maximum Equity Growth Portfolio (Investor Series units, Premium
Series units and Advisor Series units)
TD Managed Index Income Portfolio (Investor Series units and e-Series units)
TD Managed Index Income & Moderate Growth Portfolio (Investor Series units and e-Series
units)
TD Managed Index Balanced Growth Portfolio (Investor Series units and e-Series units)
TD Managed Index Aggressive Growth Portfolio (Investor Series units and e-Series units)
TD Managed Index Maximum Equity Growth Portfolio (Investor Series units and e-Series units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 27, 2015
NP 11-202 Receipt dated October 27, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor Series and Premium Series units only)
TD Investment Services Inc. (for Investor Series and Premium Series units)
TD Investment Services Inc. (for Investor Series and e-Series units)
Promoter(s):
TD Asset Management Inc.
Project #2397214

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	General Motors Investment Management Corporation	Portfolio Manager	October 28, 2015
Voluntary Surrender	TMX Select Inc.	Investment Dealer	October 28, 2015
Consent to Suspension (Pending Surrender)	Front Street Investment Management Inc.	Exempt Market Dealer and Portfolio Manager	October 28, 2015
Consent to Suspension (Pending Surrender)	Rimcon Inc.	Portfolio Manager	October 28, 2015
Name Change	From: UBS Global Asset Management (Canada) Inc. To: UBS Asset Management (Canada) Inc.	Exempt Market Dealer, Portfolio Manager, Investment Fund Manager and Commodity Trading Manager	October 30, 2015
Change in Registration Category	Rocklinc Investment Partners Inc.	From: Portfolio Manager To: Portfolio Manager Exempt Market Dealer, and Investment Fund Manager	October 30, 2015
New Registration	Vivid Capital Management Inc.	Portfolio Manager Exempt Market Dealer, and Investment Fund Manager	November 2, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Revised Proposed Amendments Relating to the Requirement to Disclose Membership in IIROC as a Dealer Member – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

REVISED PROPOSED AMENDMENTS RELATING TO THE REQUIREMENT TO DISCLOSE MEMBERSHIP IN IIROC AS A DEALER MEMBER

On September 10, 2015, the Board of Directors ("Board") of the Investment Industry Regulatory Organization of Canada ("IIROC") approved the re-publication for public comment revisions to proposed amendments to IIROC Dealer Member Rules. The proposed amendments are intended to: (a) promote and raise public awareness of IIROC's regulatory oversight of IIROC-regulated firms and approved investment advisors; (b) educate investors on the benefits and protections of dealing with IIROC-regulated firms and investment advisors; and (c) assist investors to assess the regulatory status of firms and advisors.

The proposed amendments require IIROC Dealer Members to: (a) include the IIROC Logo on client account statements; (b) distribute the IIROC official brochure to new retail clients; and (c) include a link to the IIROC AdvisorReport on the IIROC Dealer Member's homepage and on any other IIROC Dealer Member webpage that includes a profile of an IIROC-regulated investment advisor.

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 is for 30 days and ends on December 7, 2015.

13.1.2 IIROC – Amendments Relating to Rule 100.10K – Optional Use of TIMS or SPAN – OSC Staff Notice of Approval

OSC STAFF NOTICE OF COMMISSION APPROVAL

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS RELATING TO RULE 100.10(K) – OPTIONAL USE OF TIMS OR SPAN

The Ontario Securities Commission approved IIROC's proposed amendments to Dealer Member Rule 100.10(K) – Optional use of TIMS or SPAN (the "proposed amendments"). The primary objective of the proposed amendments is to harmonize IIROC Dealer Member Rule 100.10(K) with similar amendments being proposed by the Bourse de Montreal. These relate to approved changes made by the Canadian Derivatives Clearing Corporation to address procyclicality of margin.

The amendments were published for public comment on July 16, 2015. One comment letter that was supportive of the proposed amendments was received.

The amendments will be effective on November 30, 2015. A copy of the IIROC Notice including the proposed amendments can be found at http://www.osc.gov.on.ca.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities Office have approved or not objected to the amendments.

13.3 Clearing Agencies

13.3.1 CDS Clearing and Depository Services Inc. – Material Amendments to CDS Rules and Procedures – Amendments to CDS Rules and Procedures Relating to the CAD and USD Receivers of Credit Category Credit Rings

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS RULES AND PROCEDURES

AMENDMENTS TO CDS RULES AND PROCEDURES RELATING TO THE CAD AND USD RECEIVERS OF CREDIT CATEGORY CREDIT RINGS

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on October 30, 2015 the Rules and Procedures amendments related to the CAD and USD Receivers of Credit Category Credit Rings.

A copy of the CDS notice was published for comment on August 27, 2015 on the Commission's website at: http://www.osc.gov.on.ca. No comments were received.

13.3.2 CDCC – Amendments to Operations Manual for the Purpose of Moving the Afternoon Intra-Day Margin Process – Notice of Commission Approval

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

AMENDMENTS TO OPERATIONS MANUAL FOR THE PURPOSE OF MOVING THE AFTERNOON INTRA-DAY MARGIN PROCESS

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDCC approved on October 27, 2015 the amendments to operations manual for the purpose of moving the afternoon intra-day margin process.

A copy of the CDCC notice was published for comment on August 20, 2015 on the Commission's website at: http://www.osc.gov.on.ca. No comments were received.

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