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Contact Centre – Inquiries, Complaints:	Fax: 416-593-8122 TTY: 1-866-827-1295
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Notices

1.1 Notices

1.1.1 OSC Notice 13-708 – Fees Under OSC Rule 13-502 Fees and OSC Rule 13-503 (Commodity Futures Act) Fees

OSC NOTICE 13-708

FEES UNDER OSC RULE 13-502 FEES AND OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES

November 12, 2020

This notice is to inform market participants that after reviewing current fee levels and projected cash flows, the Ontario Securities Commission (**OSC**) has determined that no changes to the OSC Rule 13-502 *Fees* and OSC Rule 13-503 *(Commodity Futures Act) Fees* (the **Fee Rules**) are required at this time.

Recent capital markets downturn as a result of COVID-19 may negatively impact OSC revenues. Our analysis indicates that maintaining current fee levels and leveraging our cash position will ensure that we can continue to deliver on our priorities. We anticipate reassessing fee rates and Fee Rule amendments once market conditions stabilize and when outcomes of the Ontario Government's Capital Markets Modernization Taskforce are known. Burden reduction initiatives will continue to be implemented during this period, including those expected to generate fee savings for market participants.

The OSC, as a self-funded agency, strives to operate on a cost-recovery basis and is dependent on fees from market participants. Fee rates are set out under OSC Fee Rules. The fee structure is designed to recover the OSC's costs to provide protection to investors, promote efficient capital markets and confidence in capital markets, and to contribute to the stability of the financial system and the reduction of systemic risk.

The OSC typically re-evaluates fee levels every three years and recently reviewed fee levels to assess whether changes should be proposed for implementation in April 2021. When reviewing fee levels, the OSC considers the existing cash position, projected level of revenue and expenses, capital spending and the level of cash resources required to fund operations through market downturns.

Recent conditions highlight the fragility of the market and the need to maintain an appropriate financial reserve to continue carrying out our mandate effectively during periods of market volatility. To this effect, our existing cash position provides for an appropriate financial reserve, comprised of cash and reserve funds. Aside from an appropriate financial reserve, cash balances include funds earmarked to recover costs associated with significant capital investments occurring beyond the three-year fee review cycle.

Questions

Please refer your questions to:

Roger Aguiar Controller, Financial Management and Reporting 416-595-8785 raguiar@osc.gov.on.ca

1.1.2 OSC Staff Notice 11-790 Protecting Aging Investors through Behavioural Insights

OSC Staff Notice 11-790 *Protecting Aging Investors through Behavioural Insights* is reproduced on the following separately numbered pages. Bulletin pagination resumes at the end of the Consultation Paper.

OSC Staff Notice 11-790 Protecting Aging Investors through Behavioural Insights

November 9, 2020

Introduction

As part of the Ontario Securities Commission's (the **OSC** or **we**) strategy and action plan to respond to the needs and priorities of Ontario seniors, described in OSC Staff Notice 11- 779 *Seniors Strategy* (the **Seniors Strategy**), we are publishing *Protecting Aging Investors through Behavioural Insights*.¹ This research report (the **Report**) complements the Canadian Securities Administrators' (the CSA) policy project to enhance the protection of older and vulnerable investors. The Report identifies behaviourally informed techniques dealers and advisers can use to encourage their older clients to provide the necessary information for enhanced investor protection measures.

Background

A key component of the OSC's Seniors Strategy is addressing issues of financial exploitation and diminished mental capacity in aging investors. To that end, the OSC, together with the CSA, recently published for comment proposed amendments (the **Proposed Amendments**) to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and changes to Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* to enhance protection of older and vulnerable clients.²

The Proposed Amendments will require registrants to take reasonable steps to obtain the name and contact information of a trusted contact person (**TCP**). A TCP is a resource for a registrant to assist in protecting a client's financial interests or assets when responding to possible circumstances of financial exploitation or concerns about declining mental capacity. Clients may decline to provide TCP information. It is therefore important to develop methods of obtaining TCP-related information that help registrants effectively convey to their clients the importance and benefits of appointing a TCP.

Purpose

Most investors would benefit from appointing a TCP, but people do not always act in their own bestinterest. Behavioural insights reveal that individual decisions are not deliberate or rational in the way

¹ OSC Staff Notice 11-779 Seniors Strategy (2018), 41 OSCB 2268.

² CSA Notice and Request for Comment, *Proposed Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Changes to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations to Enhance Protection of Older and Vulnerable Clients* (2020), 43 OSCB 1967.

policymakers typically assume. When faced with novel decisions, people often rely on biased decisionmaking processes that can lead to suboptimal outcomes.

The purpose of the research project was to understand the psychological, emotional, and social factors that may influence an older investor's decisions and identify behaviourally informed ways of increasing the likelihood they will appoint a TCP.³ The Report provides suggestions intended to assist the investment industry in obtaining trusted contact information from clients. This continues the OSC Investor Office's focus on improving the investor experience through the application of behavioural insights, promoting the use of plain language, and other initiatives.⁴

Research findings

A review of literature from behavioural science, psychology and economics revealed that there are several biases that have a greater impact on decision-making as individuals age. The key biases that can affect investors willingness to appoint a TCP are:

Optimism Bias: The tendency for people to underestimate the likelihood of negative events. This can lead investors to underweight the risks associated with cognitive decline and financial exploitation.

Avoidance of Negative Emotions: People prevent themselves from thinking about situations that create unpleasant feelings. Investors may not consider the importance of appointing a TCP because it requires them to imagine bad things happening to them.

Illusory Superiority: The tendency for people to overestimate their qualities, in relation to the same qualities of other people. This can lead investors to think that others may need TCPs but not them.

Although TCP information can be solicited in many ways, our research revealed that financial advisors' practices will most likely include presenting clients with a form. Embedding behavioural insights into the form can mitigate the impact of biases on investors' decision-making processes.

We designed three versions of a TCP form that contained elements from behavioural science and then conducted an online randomized control trial (**RCT**) to determine if these forms were more effective than a "control" form that was designed based on current practices used by firms who are already making efforts to collect this information.

Approximately 900 Canadian investors over the age of 55 were recruited online for the RCT. Each participant reviewed one of four forms and then were asked whether or not they would be willing to appoint a TCP. They were also asked several comprehension questions about the role of the TCP and the likelihood that they would experience financial exploitation.

³ This research was undertaken in collaboration with BEworks.

⁴ See OSC Staff Notice 11-778, *Behavioural Insights: Key Concepts, Applications and Regulatory Considerations* (2017), 40 O.S.C.B. 2773; OSC Staff Notice 11-787, *Improving fee disclosure through behavioural insights* (2019), 42 O.S.C.B. 6877; OSC Staff Notice 11-782, *Getting Started: Human-Centred Solutions to Engage Ontario Millennials in Investing* (2018), 41 O.S.C.B. 5567; OSC Staff Notice 11-783, *Encouraging Retirement Planning through Behavioural Insights* (2018), 41 O.S.C.B. 6148.

The version of the form that performed the best, described in detail in the Report, increased the likelihood that an older client would appoint a TCP by a remarkable 23% (compared to the control). This is a statistically significant difference (meaning that it is unlikely that the difference in score was the result of chance). Participants that viewed this form were also less likely to underestimate the possibility of experiencing negative life events than those who viewed the control.

The most effective form contained three key elements from behavioural science. Firstly, the form incorporated a de-biasing statement about the prevalence of fraud. Secondly, the form included a sentence indicating that most people support the concept of a TCP. This capitalizes on the tendency for individuals to make unfamiliar decisions based on what other people are doing. Lastly, the form required users to make an active choice to appoint or not appoint a TCP. Since it is a new policy, the historical default for investors has been not having a TCP. An active choice encourages investors to engage more directly with this novel decision.

Conclusion

This research demonstrates that there are behaviourally informed ways to significantly increase the likelihood that older investors will appoint a TCP so that dealers and advisers can help protect their financial well-being. Relatively small changes in the design of the form used to collect TCP information can have significant impacts. These findings reinforce the rationale behind the proposed policy and demonstrate that behavioural science is an important policy tool for regulators.

We encourage registrants to review the findings of the Report and consider testing the use of these approaches when designing their own policies and procedures. If proven effective, we encourage them to integrate these tactics into their current practices. More generally, we encourage dealers and advisers to test methods of presenting information to their clients in ways that make it easier for them to comprehend and act on.

We look forward to engaging with investors, registrants, and other stakeholders with respect to the Report findings and our broader work to improve the investor experience.

Questions

If you have any questions or comments about this Notice or the Report, please contact:

Tyler Fleming Director Investor Office 20 Queen Street West, 22nd Floor Toronto, ON M5H 3S8 Email: <u>tfleming@osc.gov.on.ca</u>

Michael Tracey Senior Advisor, Behavioural Insights 20 Queen Street West, 22nd Floor Toronto, ON M5H 3S8 Investor Office Email: <u>mtracey@osc.gov.on.ca</u> Marian Passmore Senior Advisor, Investor Experience Investor Office 20 Queen Street West, 22nd Floor Toronto, ON M5H 3S8 Email: <u>mpassmore@osc.gov.on.ca</u>



Protecting Aging Investors through Behavioural Insights

November 9, 2020

Prepared by







INVESTOR OFFICE

CONTRIBUTORS



Kelly Peters CEO & Co-Founder



Michelle Hilscher Director, Discovery & Behavioural Diagnostics



Andrew R. Abela Associate



Matthew OBrien Data Analyst, HR Operations



Olga Rodríguez-Sierra Associate





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Executive Summary

Demographic trends and increased average life expectancy have made older Canadians an increasingly greater proportion of the total population. While many Canadians will remain capable in their later years, the aging process may bring about changes in investor decision-making and the potential for diminished mental capacity. Unfortunately, older Canadian investors are also more likely to report losing money to frauds and scams.

To address financial exploitation and diminished mental capacity of older and vulnerable investors, the Ontario Securities Commission (OSC), together with the Canadian Securities Administrators (CSA), has proposed rules that would require registrants to take reasonable steps to obtain the name and contact information of a Trusted Contact Person (TCP) for their clients. A Trusted Contact Person is intended to be a resource for a registrant to assist in protecting a client's financial interests or assets when responding to possible circumstances of financial exploitation or concerns about declining mental capacity. Some registrants have already begun requesting their clients appoint a Trusted Contact Person as an industry best practice even in the absence of a regulatory requirement.

By not requiring clients to select a Trusted Contact Person, the proposed policy aims to provide an appropriate balance between a client's autonomy and investor protection. Since clients are not required to identify a Trusted Contact Person, the success of this proposed policy intervention will be largely dictated by the degree to which investors decide to provide one and follow through on this decision.



For most investors, appointing a Trusted Contact Person is in their best interest, but individuals do not always make strictly rational decisions. To understand the psychological, emotional, and social factors that may influence an investor's decision to appoint a Trusted Contact Person, the OSC Investor Office undertook a behavioural insights research project in collaboration with BEworks. The goal of this research was to find ways of better protecting investors by increasing the likelihood that they choose to appoint a Trusted Contact Person.

For this project, we utilized a five-phase methodology that mirrors the scientific method. We gathered insights from both the scientific literature and observations, developed empirical hypotheses, tested these hypotheses using randomized control trials, and used the experimental results to provide evidence-based recommendations.

Our research has found that there are behaviourally-informed ways to significantly increase the likelihood that older investors will appoint a Trusted Contact Person to help protect their investments. Relatively small changes in the design of the form used to collect Trusted Contact Person information can have significant impacts. As part of this project, the OSC tested different versions of the form using behavioural tools and tactics.

23%

The version of the form that performed the best, described in detail in this report, increased the likelihood that an older client would appoint a Trusted Contact Person by a remarkable 23%.



If this finding occurs in the real world, nearly 1 out of every 5 investors may appoint a Trusted Contact Person because of the behavioural elements of this form.

This and other findings reinforce the rationale behind the proposed policy and demonstrate that behavioural science is an important policy tool for regulators.

Approach



Discovery

The goal of Discovery is to understand the challenge. We worked closely with the OSC to gather observations through interviews, digest existing data and in-field observations.

Based on documentation from the OSC, internal and external stakeholder interviews, and a review of the scientific literature, we defined the primary objective of this research project as follows: to increase the likelihood that an older investor is willing to appoint a Trusted Contact Person (TCP) to help protect them from financial exploitation, fraud or abuse. Our goal was to develop guidelines informed by psychology and behavioural economics to inform the best practices for asking older investors to appoint a TCP.

Behavioural Diagnostics

This phase focused on diagnosing barriers or fallacies hindering desired behaviour. We then developed behavioural journey maps as a starting point to ideate on interventions that would be most impactful.

Where TCPs are utilized, investors are asked to appoint a TCP by a financial advisor and are typically presented with a form soliciting the name and contact information of their chosen TCP. We mapped out the psychological journey experienced by an older investor when they are making this decision. We also conducted a behavioural audit of a typical version of this to identify the core barriers and biases that might reduce the likelihood that an older investor is willing to appoint a TCP. These barriers include low comprehension, optimism bias, overconfidence, and uncertainty about what other older adults similar to themselves choose to do.

Ideation

During Ideation, the research project team generated and prioritized innovative behavioural solutions that are grounded in both scientific literature and our expertise.

Based on the results of our review of the scientific literature we identified multiple behavioural interventions designed to overcome the barriers and biases we identified to increase the likelihood that an older investor would appoint a TCP. These behavioural interventions include simplification, debiasing, positive and negative priming, social norms and active choice.

Experimentation

In this phase, we designed and prototyped our prioritized solutions and launched controlled experiments to empirically validate the impact of our ideas against our behavioural objectives.

We conducted a panel experiment of 908 older Canadian investors (aged 55 and older) designed to test the effect of behavioural interventions on increasing the likelihood that an older investor would appoint a TCP. We presented participants with either a control form or one of three forms embedded with behavioural interventions. The control form was based on sample documents currently being used to collect TCP information. We recorded multiple measures including the intent to appoint a TCP, objective comprehension, and optimism bias.

Choice Architecture

In Choice Architecture, we delivered final recommendations based on the results of our testing.

We found that a form containing a debiasing statement, a statement about the social norm for appointing a TCP, and an active choice significantly increased the likelihood that an older investor would appoint a TCP by approximately 23%. This form also increased objective comprehension of the role of a TCP and reduced optimism bias. When asking older investors to appoint a TCP, we recommend:

- · Simplifying the information being provided to them,
- Informing them of the likelihood that they will be a victim of financial exploitation or fraud (e.g., debiasing),
- Informing them about what other older investors typically do in this situation (e.g., social norm), and
- Presenting the option to appoint a TCP as an active choice.



Canadians aged 65 and older with are the most likely group to report being the victim of financial fraud or abuse.^{2,3}

Many older Canadians will remain mentally capable in later years. Despite this, during the natural process of aging, some Canadians may experience changes in the brain that impact financial decision-making, which may endanger their financial security. In addition, Canadians may develop dementia or other physical illnesses that result in diminished mental capacity. As a result, older investors in Canada may be vulnerable to making financial choices that negatively impact the status of their investments or can potentially put them at increased risk of being the victim of financial exploitation. Vulnerability can affect a client of any age, take many forms, and can be temporary, sporadic or permanent in nature.

Given that older Canadians are quickly becoming a larger proportion of the total population, there is an increased need for targeted strategies to protect older investors who may become vulnerable.⁴ Part of the mandate of the Ontario Securities Commission (the OSC) is to provide protection to investors from unfair, improper or fraudulent practices. The OSC wants to ensure that the needs of older Ontarians

are appropriately met by the province's securities industry. The OSC's Seniors Strategy outlines their vision of a strong and more secure future for all Ontario seniors.⁵

One of the elements of the Seniors Strategy was to develop a flexible and responsive framework to address issues of financial exploitation and diminished mental capacity among older investors. The Canadian Securities Administrators recently published for comment proposed amendments (the Proposed Amendments) to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and changes to Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* to enhance protection of older and vulnerable clients.⁶ The Proposed Amendments will require registrants to take reasonable steps to obtain the name and contact information of a TCP, as well as the client's written consent to contact the TCP in prescribed circumstances. Registrants may contact the TCP if there are concerns about diminished mental capacity or possible financial exploitation.

The Proposed Amendments do not prevent registrants from opening and maintaining an account if a client refuses or fails to identify a TCP, as long as the registrant takes reasonable steps to obtain the information. It is therefore important to develop methods of obtaining TCP-related information that help registrants effectively convey the importance and benefits of appointing a TCP to their clients. Some jurisdictions and firms have already adopted similar policies. Based on our research, most firms that currently collect TCP information attempt to obtain the information by having advisors explain to their clients the role of the TCP and then providing them with a form to complete in which they provide contact details for their TCP and consent to the firm contacting the TCP when appropriate.

The goal of this research project was to develop guidelines informed by psychology and behavioural economics to inform the best practices for asking older investors to appoint a TCP. If successful, these guidelines should help achieve the primary objective of this project, which is to increase the likelihood that older investors are willing to appoint a TCP, to assist in protecting vulnerable and older investors from diminished mental capacity, financial fraud or financial abuse.

² Innovative Research Group (commissioned by the CSA), CSA Investor Index (2020).

³ National Initiative for the Care of the Elderly, "Into the Light: National Survey on the Mistreatment of Older Canadians", (2015).

⁴ Statistics Canada, "Canada's population estimates: age and sex", (2015).

⁵ OSC Staff Notice 11-779, Seniors Strategy (2018) 41 OSCB 2268.

⁶ CSA Notice and Request for Comment Proposed Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Changes to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations to Enhance Protection of Older and Vulnerable Clients (2020) 43 OSCB 1967.

Behavioural Diagnostics

The Investor Journey and Key Decision Point

We created a map of the behavioural journey that older investors may experience when faced with the decision to appoint a TCP. We identified and plotted behavioural barriers to comprehension and exploitation/ fraud detection, leveraging findings from our literature review to support the barriers identified. These barriers may not affect all investors but there is sound scientific evidence to support the prevalence of these barriers.

When an investor meets with a financial advisor, they may be asked to appoint a TCP. At this point, the financial advisor may present the client with some information regarding the role of a TCP. This may be done verbally or be provided in an informational document. The advisor will then provide the client with a form soliciting the name and contact information of their chosen TCP. This part of the journey requires an older investor to comprehend the information they are presented with. Since the appointment of a TCP is not required, an investor must evaluate the information they are presented with and use this to decide if they would like to appoint a TCP or not. We identified this moment as a key decision point faced by an investor. Finally, after deciding that they would like to appoint a TCP, they must take action to complete this process by providing the relevant information to their advisor. We examined this journey more closely to assess the heuristics and biases that might affect an older investor's experience, and the barriers that could prevent an older investor from choosing to appoint a TCP.

Barriers to appointing a TCP

Research suggests that there are several reasons why an older investor may not appoint a TCP. Firstly, when information about the role and importance of a TCP is presented to an investor, they may not effectively process or comprehend this information. Secondly, the way in which an investor processes and considers this information may be affected by the way in which it is presented and the frame of mind that they are in when they receive it.⁷ Thirdly, an older investor may display optimism bias, causing them to underestimate the likelihood that they will experience financial exploitation or diminished mental capacity in their lifetime.⁸ Additionally, many older adults tend to be overly optimistic or overconfident about their financial decision-making abilities.⁹ Finally, humans are greatly influenced by what other people are doing and older investors do not know what attitudes other older adults have towards appointing a TCP. The selection and design of behavioural interventions to be tested in this experiment were informed by the identification of these barriers.

To examine how investors are asked to appoint a TCP, we looked to other jurisdictions and firms that currently solicit the name and contact information of their chosen TCP from investors. We examined several different forms that are currently used to collect TCP information from investors and conducted a behavioural audit of these forms. We identified a number of barriers that could reduce the likelihood that someone would choose to appoint a TCP. For example, there was a lack of clarity about the conditions under which a TCP would be contacted and the types of information that would be shared with them. Furthermore, the consequences associated with inaction were not clearly highlighted. The results of this behavioural audit were used to suggest small changes to how TCP information is presented to investors, as well as inform the design of the behavioural interventions that were experimentally tested.

7 Kusev, P., van Schaik, P., & Aldrovandi, S. (2012). Preferences induced by accessibility: Evidence from priming. *Journal of Neuroscience, Psychology, and Economics*, 5(4), 250–258.

⁸ Weinstein, N.D. (1980). Unrealistic optimism about future life events. Journal of Personality and Social Psychology, 39(5), 806-820.

[°] Finke, M.S. et al. (2019). Old Age and the Decline of Financial Literacy. Management Science, 63(1), 213-230.

Relevant barriers we identified

Optimism Bias

The tendency for people to underestimate the likelihood of negative events.

"I don't anticipate anything bad happening to me in the future."

Avoidance of Negative Emotions The tendency for people to avoid imagining unfavourable situations or emotions.

"I'd rather not imagine a situation in which I need help from others."

Positivity Bias

The tendency for people to focus on positive information over negative information.

"I tend to focus on the positive side of any situation."

Choice Supportive Bias

The tendency for people to ascribe positive attributes to a choice that was made in the past.

"The existing support mechanisms have protected me so far."

Illusory Superiority

People overestimate their qualities, in relation to the same qualities of other people.

"Others may require assistance, but I do not."

Illusion of Control

The tendency for people to overestimate their ability to control events.

"I have control over how life events will impact my ability to manage my finances."

Privacy Concerns

Concerns over sensitive information being shared with others.

"I want to prevent sensitive information from being shared with others."

Risk Perception

The perception of the likelihood of a negative outcome associated with choices or life events.

"I'm unsure of my risks of cognitive decline, injury or illness."

Overconfidence

The tendency for people to think their abilities are better than they actually are.

"I feel confident in my ability to make sound financial decisions."

Fear of Losing Independence

People greatly value their independence and seek to preserve it as they age.

"I don't want to give up control of making my own decisions."

Ideation

Our research revealed that financial advisors typically present clients with a form when asking them to appoint a TCP. Multiple behavioural interventions could be incorporated into this form to help overcome psychological barriers that may reduce the likelihood that an investor is willing to appoint a TCP. These identified interventions were chosen to overcome the following barriers and biases identified in Behavioural Diagnostics (see Behavioural Diagnostics): low comprehension of the role of a TCP, optimism bias about negative financial events, overconfidence in their decision-making abilities, and uncertainty about what other older adults choose to do.

Behavioural Interventions: Nudges and Boosts

The behavioural interventions that we prioritized can be broadly categorized as either nudges or boosts. Nudges are deliberate and predictable changes to the environment in which decisions are made, such as by modifying the cues in the social context in which someone acts to implicitly activate unconscious thought processes involved in human decision-making.¹⁰ Nudges are most effective when individuals are using automatic and instinctive forms of decision-making.¹¹ A different class of behavioural interventions are boosts, which empower individuals with the skills, knowledge and decision tools they need to make the right decision for themselves.¹² In contrast to nudges, boosts operate by engaging deliberative decision-making, which is typically slower and more effortful. This type of thinking is typically relied on when individuals are faced with decisions that require deeper analysis.

Simplifying Information

To address the barrier of low comprehension of the role of a TCP, we strived to improve the clarity of information being presented in the TCP form. Simplifying how information is presented to an individual, such as by using simplified prescription charts in hospitals, can be an effective way to reduce errors and improve decision quality.¹³ Information about the role of a TCP, the conditions under which they would be contacted, and the information that would be shared with them was designed to be as clear as possible (e.g., concisely written and presented in bullet-point form) to facilitate an investor's processing and comprehension.

Providing Information

An individual needs relevant information to make an informed decision. Making it as easy as possible for someone to obtain relevant information increases the likelihood that they will use it in their decision-making process. Minimizing the time between receiving information intended to correct a bias and when it is needed can also reduce biased thinking.¹⁴ The most effective way to do this is to provide relevant information at the exact moment someone is making a decision. Relevant information can be embedded directly into the TCP form to help investors make an informed decision and debias their evaluation of the benefits of a TCP.

Each year, Canadian firms and residents lose billions of dollars to fraud, of which financial frauds and exploitation are a subset. Data shows that older adults are more likely to be victims of these crimes.¹⁵ Providing an investor with this information (e.g., "Each year, billions of dollars are lost to fraud and scams, which are more likely to affect older adults.") is a boost that may serve to reduce optimism bias and help investors make a better decision for themselves. If this intervention is effective, an older investor may more accurately estimate the likelihood of these negative events happening to them and may be more willing to appoint a TCP.

¹⁰ K Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving decisions about health, wealth, and happiness. Yale University Press.

[&]quot; Kahneman, D. (2002). Maps of bounded rationality: A perspective on intuitive judgment and choice. A Nobel prize lecture, December 8, 2002.

¹² Grüne-Yanoff, T., Hertwig, R. (2016). Nudge Versus Boost: How Coherent are Policy and Theory? Minds & Machines, 26, 149–183.

¹⁵ King D, Jabbar A, Charani E, et al Redesigning the 'choice architecture' of hospital prescription charts: a mixed methods study incorporating in situ simulation testing BMJ Open 2014;4:e005473.

⁴ Kahneman, D., Lovallo, D. Sibony, O. (2011). Before you make that big decision.... Harvard business review. 89. 50-60, 137.

¹⁵ Innovative Research Group (commissioned by the CSA), CSA Investor Index (2020). National Initiative for the Care of the Elderly, "Into the Light: National Survey on the Mistreatment of Older Canadians", (2015).

Priming

Another aspect of the evaluation process that can affect whether an older investor is willing to appoint a TCP is their state of mind as they are making this decision. One way in which an older investor's state of mind can be impacted is through negative priming, by asking an older investor to "reflect on a time that you made a poor financial decision." Alternatively, positive priming can be achieved by asking them to call to mind a positive memory, such as by asking them to "take a moment to reflect on a time that you made a smart financial decision." There is evidence to suggest that the accessibility of an event in memory (e.g., how easily it is to recall and imagine) can have a strong effect on our risk preferences and our decision-making.¹⁶ Thus, positive or negative priming can be used as a nudge to implicitly affect an investor's risk preferences and increase their willingness to appoint a TCP.

Social Norms

Even if older investors evaluate the information about a TCP being presented to them in a favourable manner. they may be unsure of what decision they should make when they are asked to appoint a TCP. This uncertainty may result from a lack of awareness of what other older investors typically do in this situation. According to a survey conducted by the Investment Industry Regulatory Organization of Canada (IIROC) most Canadians support the concept of appointing a TCP.¹⁷ This finding could be used to inform investors on the attitudes of others toward appointing a TCP. In an uncertain situation, providing people with information about the social norms for attitudes or behaviours can encourage people to take a specified action, such as handwashing in hospitals to reduce infection rates, or reusing towels in hotels to improve sustainability.¹⁸ An individual may by influenced to appoint a TCP when they discover that most other older investors are willing to do the same.

Active Choice

After an investor has made a decision to appoint a TCP, they must take an action to complete the process. Even if an investor decides that they want to appoint a TCP, it is possible that they procrastinate, get distracted and neglect to actually appoint someone as their TCP. Making the appointment of a TCP a requirement would alleviate this issue but it would limit individuals' freedom to choose their preferences. By presenting individuals with a mandated or active choice, individuals can be encouraged to take action while still preserving autonomy, a tactic that has been used to increase organ donation rates, as well as enrolment in retirement savings plans.¹⁹ Active choice can also trigger the experience of loss or regret aversion, by evoking the feelings of loss or regret associated with not complying with the request.²⁰ Presenting older investors with the following active choice may reduce procrastination and if effective, may increase the likelihood that an older investor appoints a TCP:

Would you like to appoint a Trusted Contact Person (TCP)?

- Yes, I would to appoint a TCP.
- □ No, I would not like to appoint a TCP

In many of the forms that we reviewed as part of our behavioural audit, a client could simply leave the TCP information sections blank without having to actively acknowledge that they did not want to appoint a TCP.

¹⁶ Kusev, P., van Schaik, P., & Aldrovandi, S. (2012). Preferences induced by accessibility: Evidence from priming. Journal of Neuroscience, Psychology, and Economics, 5(4), 250–258.

⁷ Investment Industry Regulatory Organization of Canada (IIROC), 2019, Awareness and Attitudes Related to Provisions to Protect Vulnerable Investors and Investment Firms/Advisors.

¹⁸ Singhal, A., Buscell, P., & McCandless, K. (2009). Saving lives by changing relationships: Positive deviance for MRSA prevention and control in a U.S. hospital. Positive deviance wisdom series, 3, 1–8. Goldstein, N. J., Cialdini, R. B., & Griskevicius, V. (2008). A room with a viewpoint: Using social norms to motivate environmental conservation in hotels. *Journal of consumer Research*, 35(3), 472-482.

¹⁹ Spital A. Mandated Choice: A Plan to Increase Public Commitment to Organ Donation. JAMA.1995;273(6):504–506. Carroll, G.D., Choi, J.J., Laibson, D., Madrian, B.C. & Metrick, A. (2009). Optimal Defaults and Active Decisions. The Quarterly Journal of Economics, 124(4), 1639–1674.

²⁰ Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler (1991). "The Endowment Effect, Loss Aversion, and Status Quo Bias," Journal of Economic Perspectives, 5(1), 193-206.

Experimentation

We designed an experimental model to help identify decision-making biases that were mapped to the challenges experienced by older inventors when deciding to appoint a TCP. We utilized an online quasi-randomized control trial to determine if the interventions we designed would increase the likelihood that older Canadian investors would appoint a TCP when presented with a form asking them to do so.

Randomized controlled trials (RCT) are considered the "gold standard" for behavioural science research. This methodology enables us to evaluate causal effects of the interventions that we believe will be most effective in increasing the uptake of TCPs. In an RCT, research participants are randomly assigned to different groups and then exposed to different experimental stimuli. One of these groups is a control group that receives the status quo and the other groups receive some form of "treatment". The randomization process guarantees that the groups have similar characteristics across observable (age, gender, education) and unobservable (effort level, risk aversion) variables. The outcomes for treatment groups are compared to the control group to measure the effect of the interventions.



Experimental Stimuli

To test the effectiveness of our interventions, a suitable control condition had to be developed. We created a control form that was based on forms currently being used to solicit TCP information from investors. We had to add some information to these forms since they would be presented to participants without a financial advisor present to provide an explanation of the TCP. We added information to these forms that described the role of a TCP and the conditions under which a TCP would be contacted.

We designed three versions of a TCP form embedded with multiple behavioural interventions (see Ideation). The "BE forms" shared the general appearance of the control version (Appendix I) and the only differences are the behavioural interventions that were added. All three BE forms (Available in Appendix II) contained the same main form which had a debiasing statement about the annual losses associated with fraud, a statement regarding the social norms for appointing a TCP, and a question asking if they would like to appoint a TCP presented as an active choice. BE Form 1 featured a negative prime, BE Form 2 contained a positive prime, and BE Form 3 did not include any priming.

After viewing the form, participants in each group were then asked a series of questions to assess their intent to appoint a TCP, their objective comprehension of the role of a TCP, and their optimism bias for negative life events.

This approach of testing multiple interventions at one time—often referred to as a "kitchen sink" approach—may produce a stronger effect on behaviour with multiple interventions working in tandem to accomplish the same behavioural change goal. Another advantage of this approach is that it is similar to what would be applied in the real world, when multiple interventions are often combined for practical reasons to maximize their combined behavioural effect. One limitation of this approach is that it can be more difficult to parse the specific mechanism underlying a particular behavioural intervention (e.g., negative priming impacts behaviour by reducing optimism bias), though in some cases this limitation can be mitigated by including different measures in your experiment.

Experimental Measures

This experiment was conducted as an online panel and not a real-world test. We explored the existing scientific literature for validated metrics that would help us predict the impact of our interventions in the real world. These metrics allowed us to measure how much the interventions affected investor decision-making. What follows is a brief description of each of these measures in relation to the aspects of decision-making that they are intended to measure, including a justification of their relationship to the behaviours of interest.

Intent

The intent to appoint a TCP was measured by presenting participants with an active choice, which requires individuals to affirmatively choose between two options. This "forced choice" paradigm provides individuals with a sense of autonomy while still forcing them to make an explicit choice. For this measure, participants were asked "Would you like to appoint a trusted contact person (TCP)?" and were required to choose one of two responses: "Yes, I would like to appoint a TCP" or "No, I would not like to appoint a TCP."

Objective Comprehension

Six questions were used to assess an individual's objective comprehension of the role of the TCP, including what information would be disclosed to TCPs, and in what circumstances a TCP would be contacted. This information was presented in all versions of the form that was displayed to participants in the experiment. There is a correct answer for each of these questions, and participants were allowed to choose "Yes", "No" or "Don't Know" for factual statements such as "The trusted contact person would make financial decisions on my behalf." The maximum score for objective comprehension was six.

Optimism Bias

When imagining the likelihood of future events, people tend to have an overly positive view of themselves relative to other people. The effect of this "optimism bias" is that people tend to see themselves as less likely to experience negative life events and more likely to experience positive life events even relative to other people similar to themselves. On a scale of 0% (will never happen) to 100% (will definitely happen), participants were asked to rate the likelihood that three negative life events (e.g., getting financially exploited) would happen to them. Participants were then asked to rate the likelihood that these same events would happen to someone similar to them in age and sex. The optimism bias score was computed by taking the difference in these two likelihood scores (self - other) for each of the negative life events and averaged across all three.

PARTICIPANT CHARACTERISTICS

Participants were excluded from the study if

- they were under 55 years of age
- \cdot did not live in Canada and/or
- did not currently have any investments.

The online sample consisted of **908** EN English-speaking older adults residing in Canada (aged 55 and older).



The majority were located in Ontario, British Columbia and Quebec.



All participants reported having investment experience.

The mean age of participants was **66 years old**.

Across the entire sample,



indicated retirement status at the time of the study.

Among the non-retired participants, the majority

63%

reported feeling moderately to highly prepared for retirement.



Most participants reported **medium to high income** (e.g., ^s50,000 and higher).

- ²¹ Weinstein, N.D. (1980). Unrealistic optimism about future life events'. *Journal of Personality and Social Psychology, 39(5),* 806-820.
- ²² This measure was adapted from Gouveia, S. O., & Clarke, V. (2001). Optimistic bias for negative and positive events. *Health Education, 101*(5), 228-234.

Choice Architecture



Experimental Results

Figure 1.

Proportion of sample who responded "Yes, I would like to appoint a TCP."

Immediately after viewing the TCP form (control form, BE form 1, BE form 2 or BE form 3), participants were asked if they would like to appoint a TCP (Yes or No). In the control condition, 48.68% of participants that were shown the control form indicated "Yes, I would like to appoint a TCP" (see Figure 1). In contrast, 60% of participants that were shown BE form 3-which contained a debiasing statement, social norm statement, and an active choice-indicated that they would like to appoint a TCP. Among all three of the BE forms tested, only the BE form 3 significantly increased the likelihood that an older investor would appoint a TCP relative to the control form. Among participants shown BE form 1 and 2 (which contained negative and positive priming statements, respectively), 49.1% and 53.22% indicated that they would like to appoint a TCP which did not significantly differ from participants shown the control form. Based on these results, BE form 3-the simplest version of the BE forms embedded with behavioural interventions-produced the strongest effect on an individual's willingness to appoint a TCP. This also indicates that the priming had no effect on investor decision-making.

Objective comprehension of the role of the TCP (max. 6) 4.5 Mean objective comprehension score * Control Δ BF Form 1 BE Form 2 BE Form 3 3 3.87 3.97 3.92 4.13 2.5

Comprehension

Participants were asked six questions to assess their objective comprehension of the role of a TCP. Participants shown the control form displayed a mean score of 3.86 out of a maximum score of six (see Figure 2). Participants shown BE form 3 displayed a mean score of 4.13, scoring statistically significantly higher than participants shown the control form. Participants shown BE form 1 and 2 displayed mean scores of 3.97 and 3.92 which did not significantly differ from control participants. Irrespective of which form they were presented with, all participants who indicated that they would like to appoint a TCP displayed significantly higher objective comprehension scores (mean score 4.27) relative to participants that declined (mean score 3.64). These results suggest that objective comprehension of the role of a TCP is associated with an individual's willingness to appoint a TCP. Furthermore, BE form 3 increased participants' objective comprehension, a stronger effect than any of the other BE forms tested.

Figure 2.

Mean objective comprehension of the role of the TCP (maximum score of 6).

Reducing Optimism Bias



Figure 3.

Mean optimism bias for negative life events for themselves relative to someone similar to them in age and sex.

Participants were asked to rate the likelihood that three negative life events (e.g., getting defrauded, scammed or financially exploited) would happen to them as well as to someone similar to them in age and sex. These ratings were used to compute an optimism bias score (self - other). Participants shown the control form displayed a mean optimism bias score of -14.1%, indicating that they subjectively estimate that they are approximately 14% less likely to experience negative life events compared to someone similar to them in age and sex (see Figure 3). Compared to control participants, participants shown BE form 3 displayed a statistically significantly lower optimism bias score of -10.97%, indicating that did not underestimate the likelihood of negative life events as strongly. Participants shown BE form 1 and 2 displayed mean optimism bias scores of -15.05% and -13.07% respectively (not significantly different from control). These findings show that out of all the BE forms tested, BE form 3 significantly reduced participants' optimism bias for negative life events.

Suggested Guidelines

We found that BE form 3 increased participants' willingness to appoint a TCP by approximately **23%** relative to the control form. Furthermore, relative to the control form, BE form 3 also increased participants' objective comprehension of a TCP and reduced optimism bias. Based on these findings, we propose the following guidelines to consider when establishing the best practices for obtaining TCP-related information from older investors.

- 1. Present information about the role of a TCP in a clear, simplified manner. Participants who indicated that they would appoint a TCP displayed significantly higher objective comprehension scores relative to participants who did not. This indicates that comprehension of the role of a TCP—the prescribed circumstances under which a TCP may be contacted, the information that may be disclosed to the TCP, and the steps a TCP may take—can be an important predictor of an individual's willingness to appoint a TCP.
- 2. Inform vulnerable and older investors about the likelihood of financial exploitation or fraud. Participants who were shown BE form 3, which contained a debiasing statement informing them of the potential risk of financial exploitation and fraud and associated consequences, were significantly more likely to indicate that they would like to appoint a TCP. BE form 3 also significantly reduced the tendency for people to underestimate the likelihood that negative life events will happen to them. Making vulnerable and older investors aware of the possibility of financial exploitation and fraud, along with the potential losses they can experience, may be an important predictor of an individual's willingness to appoint a TCP.
- 3. Inform vulnerable and older investors about the social norms associated with appointing a TCP. Participants who were shown BE form 3, which contained a statement about the attitudes that other investors hold regarding appointing a TCP, were significantly more likely to indicate that they would like to appoint a TCP. Informing older investors about the attitudes of other investors with regards to appointing a TCP may help increase an individual's willingness to appoint a TCP.
- 4. Present the option to appoint a TCP as an active choice. Asking an investor to appoint a TCP by presenting the option as an active choice to appoint a TCP (or not) can help reduce procrastination by triggering loss or regret aversion and encourage them to take action. This method is an effective way of asking an investor to appoint a TCP while still preserving their autonomy and decide what is best for themselves.
- 5. Positive or negative priming vulnerable or older investors prior to informing them about a TCP is not recommended. Participants who were shown BE form 1 and 2, which contained either negative or positive priming (respectively), performed no differently relative to participants shown the control form. Going forward, presenting investors with a priming statement prior to informing them about a TCP and asking if they would like to appoint a TCP is not recommended.

Appendix I: Experimental Control Form

Trusted Contact Person Information

We are required to ask you for the name and contact information for a person that you trust to assist us in protecting your investments. This person does not make any decisions on your behalf. We would contact this person to confirm or make inquiries about any of the following:

- · Possible financial exploitation affecting you or your account
- Your current contact information.
- · Concerns about your mental capacity as it relates to financial decision making
- · The identity of any legal guardian, executor, trustee or other personal or legal representative

If you would like to appoint a TCP, please fill out the form below:

□ Mr.	□ Mrs.	□ Ms.	🗆 Dr.	Suffix	□ Jr.	□ Sr.
First Name		Middle Name		Last	Last Name	
Address						Apt./Suite No.
City		Province	Postal Code	Coun	try	
Work Phone		Home Phone		Mobile Phone		
Email Addres	s					
Relationship t	o Primary Applic	ant/Co-Applicant:				

Appendix II: Experimental Behavioural Forms

BE Form 1

Negative Priming:

Before reviewing the form, please take a moment to reflect on a time that you made a poor financial decision.

Trusted Contact Person Information

Canadians lose billions of dollars to frauds and scams every year. Older investors are more likely to be victims of these crimes.

We are required to ask you for the name and contact information for a person that you trust to assist us in protecting your investments. This person does not make any decisions on your behalf. We would contact this person to confirm or make inquiries about any of the following:

Possible financial exploitation affecting you or your account

. Your current contact information.

• Concerns about your mental capacity as it relates to financial decision making

• The identity of any legal guardian, executor, trustee or other personal or legal representative

90% of Canadians support the idea of appointing a trusted contact person to help protect their money.

If you wo	If you would like to appoint a TCP, please fill out the form below:						
□ Mr.	□ Mrs.	□ Ms.	🗆 Dr.	Suffix	□ Jr.	□ Sr.	
First Name		Middle Name		Last Name			
Address						Apt./Suite No.	
City		Province	Postal Code	Cour	ıtry		
Work Phone		Home Phone		Mobile Phone			
Email Addre	SS						
Relationship	to Primary Applic	ant/Co-Applicant:					

BE Form 2

Positive Priming: Before viewing the form, please take a moment to reflect on a time that you made a smart financial decision.

Trusted Contact Person Information

Canadians lose billions of dollars to frauds and scams every year. Older investors are more likely to be victims of these crimes.

We are required to ask you for the name and contact information for a person that you trust to assist us in protecting your investments. This person does not make any decisions on your behalf. We would contact this person to confirm or make inquiries about any of the following:

- · Possible financial exploitation affecting you or your account
- Your current contact information.
- · Concerns about your mental capacity as it relates to financial decision making
- The identity of any legal guardian, executor, trustee or other personal or legal representative

90% of Canadians support the idea of appointing a trusted contact person to help protect their money.

□ Mr.	□ Mrs.	□ Ms.	□ Dr.	Suffix	□ Jr.	□ Sr.
First Name		Middle Name		Las	t Name	
Address						Apt./Suite No.
City		Province	Postal Code	Cou	ntry	
Work Phone		Home Phone		Mobile Phone		
Email Addre	SS					
Relationship	to Primary Applica	nt/Co-Applicant:				

BE Form 3: The Most Effective Form

No Priming

Trusted Contact Person Information

Canadians lose billions of dollars to frauds and scams every year. Older investors are more likely to be victims of these crimes.

We are required to ask you for the name and contact information for a person that you trust to assist us in protecting your investments. This person does not make any decisions on your behalf. We would contact this person to confirm or make inquiries about any of the following:

- · Possible financial exploitation affecting you or your account
- Your current contact information.
- · Concerns about your mental capacity as it relates to financial decision making
- · The identity of any legal guardian, executor, trustee or other personal or legal representative

90% of Canadians support the idea of appointing a trusted contact person to help protect their money.

If you would like to appoint a TCP, please fill out the form below:

□ Mr.	□ Mrs.	□ Ms.	□ Dr.	Suffix	□ Jr.	□ Sr.
First Name		Middle Name		Last Name		
Address						Apt./Suite No.
City		Province	Postal Code	Count	ry	
Work Phone		Home Phone		 Mc	Mobile Phone	
Email Address	;					
Relationship to	Primary Applica	ant/Co-Applicant:				

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1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Daniel Sheehan – ss. 127(1), 127.1

FILE NO.: 2020-38

IN THE MATTER OF DANIEL SHEEHAN

NOTICE OF HEARING

Subsection 127(1) and Section 127.1 of the Securities Act, RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: November 27, 2020 at 11:00 a.m.

LOCATION: By Teleconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on November 3, 2020.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the Commission's *Practice Guideline*.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 4th day of November, 2020.

"Grace Knakowski" Secretary to the Commission

For more information

Please visit www.osc.gov.on.ca or contact the Registrar at registrar@osc.gov.on.ca.

IN THE MATTER OF DANIEL SHEEHAN

STATEMENT OF ALLEGATIONS

(Subsections 127(1) and Section 127.1 of the Securities Act, RSO 1990, c S.5)

A. OVERVIEW

- 1. During the 10-year period from 2009 to 2019, Daniel Sheehan (**Sheehan**) acted as an unregistered investment fund manager, raising over \$40 million from approximately 50 Ontario investors, investing that money in public equities and fixed income securities through an investment fund he established, and receiving approximately \$21 million in fees for these investment services. At no time, was Sheehan registered under the *Securities Act*, RSO 1990, c. S.5 (the **Act**) to act as an investment fund manager, or to engage in the business of trading or advising in securities despite engaging in all three activities.
- Registration is a cornerstone of Ontario securities law. The registration requirement serves an important gate-keeping function by ensuring that only suitable persons are permitted to act as an investment fund manager or to engage in the business of trading or advising in securities.
- Registrants under the Act are subject to a robust regulatory regime that requires applicants to submit to a detailed application process for registration as well as to ongoing oversight by the Commission and other important safeguards designed to protect investors.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (Staff) make the following allegations of fact:

A. Background

- 4. Sheehan Associates Limited Partnership (**SALP**) is an Ontario limited partnership with its registered office in Mississauga, Ontario. From 2009 to 2019, Sheehan operated SALP as an investment fund for its partners by buying and selling securities.
- 5. Sheehan is a resident of Mississauga, Ontario. During the period 2009 to 2019, Sheehan was the general partner of SALP and had full power and authority to operate and make all decisions regarding the business of the limited partnership, including all investment decisions.
- 6. Neither Sheehan nor SALP have ever been registered under the Act in any capacity.

B. SALP'S Structure

- 7. SALP's investors became limited partners of SALP by acquiring an interest in the partnership in the form of a partnership unit (**Unit**) in exchange for the investment capital they contributed to the fund.
- 8. Units granted investors the right to participate in any returns earned from SALP's portfolio of securities and were redeemable at the limited partner's written request.
- 9. Each Unit was a "security" as that term is defined in s. 1(1) of the Act.
- 10. SALP's partnership agreement (the **Partnership Agreement**) designates Sheehan as the general partner and all other investors as limited partners.
- 11. SALP's stated business in the Partnership Agreement is to "buy, purchase, invest in, acquire, hold, trade, sell, transfer and otherwise deal in and with, directly or indirectly, Securities".
- 12. The Partnership Agreement grants Sheehan the "full, complete and exclusive right, power and authority to manage, control, administer and operate the business and affairs" of SALP and to make all decisions regarding the partnership.
- 13. SALP's partnership outline, which provides further detail about the structure and operation of the partnership, notes that SALP may invest in private companies and take positions of control in such companies. However, SALP did not take control positions, or even invest, in any private companies during the Material Time (as that term is defined below).
- 14. From September 28, 2009 to April 30, 2019 (the **Material Time**), Sheehan invested SALP's investor capital primarily in publicly traded equities but also in fixed income assets and exchange-traded derivatives. These instruments were all "securities" within the meaning of that term in s. 1(1) of the Act.

- 15. During the Material Time, Sheehan operated SALP as an investment fund, giving its investors exposure to Sheehan's securities investment ideas and trading activity. During this time, SALP carried on no business other than pooling investor assets to be invested in a portfolio of publicly-traded securities, which Sheehan managed exclusively, and for which he was compensated.
- 16. The Partnership Agreement entitled Sheehan to be paid a "performance based, annual fee" equal to 25% of all returns on partnership capital over 6%.
- 17. If Sheehan did not achieve a minimum 6% compounded annual return over a rolling five-year period, the terms of the Partnership Agreement required Sheehan to return the amount of his "performance based profits" necessary to bring the limited partners' return up to a net 6% compounded annual return. During the Material Time, SALP always earned in excess of a minimum 6% compounded annual return over any given five-year period and therefore, Sheehan was never required to repay any of his performance-based profits to SALP's limited partners.

C. Distribution of SALP's Proceeds

18. On or about April 30, 2019, Sheehan paid each of SALP's limited partners the full amount of their invested capital plus the limited partners' proportional share of investment returns, net of Sheehan's performance-based annual fees.

D. Unregistered Trading

- 19. Throughout the Material Time, Sheehan engaged in, or held himself out as engaging in, the business of trading in securities (i.e., the Units) without being registered under s. 25(1) of the Act as a dealing representative.
- 20. Sheehan acted with repetition, regularity, and continuity over the Material Time, raising approximately \$40 million from approximately 50 investors in exchange for Units.
- 21. SALP had no active non-securities business, and the investor funds Sheehan raised during the Material Time were raised for the sole purpose of funding SALP's investments in securities.

E. Unregistered Advising

- 22. Throughout the Material Time, Sheehan engaged in, or held himself out as engaging in, the business of advising others with respect to investing in, buying or selling securities without being registered under s. 25(3) of the Act as an advising representative.
- 23. Sheehan operated SALP as a vehicle to give investors access to Sheehan's securities investment management. In order to achieve this objective, Sheehan had complete discretionary authority over how to invest the capital contributed to SALP by the limited partners. Moreover, the Partnership Agreement precluded limited partners from having the right to play a role in Sheehan's investment decisions.
- 24. Sheehan assumed the role granted to him by the Partnership Agreement and managed SALP's investment portfolio through the purchase and sale of publicly-traded securities.
- 25. Sheehan was directly compensated for managing SALP's investment portfolio through the annual performance fee. During the Material Time, Sheehan received approximately \$21 million in performance fees for advising SALP with respect to its investments.

F. Acting as an Investment Fund Manager without Registration

- 26. During the Material Time, SALP was a "mutual fund" as that term is defined in s. 1(1) of the Act. SALP's primary purpose was to invest money provided by its security holders, and limited partners were entitled to redeem their Units, based on the value of a proportionate interest of the partnership's net assets, within a specified period after making a demand for redemption. As such, SALP was also an "investment fund" within the meaning of that term in s. 1(1) of the Act.
- 27. Throughout the Material Time, Sheehan acted as an investment fund manager without being registered under s. 25(4) of the Act as an investment fund manager.
- 28. Sheehan directed the business, operations and affairs of SALP. Specifically, Sheehan formed SALP and Sheehan alone managed all aspects of SALP's business.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Staff allege the following breaches of Ontario securities law and conduct contrary to the public interest:

29. Sheehan engaged in, or held himself out as engaging in, the business of trading in securities, without the required dealer registration, and where there were no exemptions to the requirement to be registered as dealer available to him,

contrary to s. 25(1) of the Act.

- 30. Sheehan engaged in, or held himself out as engaging in, the business of advising with respect to investing in, buying, or selling securities, without the required adviser registration, and where there were no exemptions to the requirement to be registered as an adviser available to him, contrary to s. 25(3) of the Act.
- 31. Sheehan acted as an investment fund manager without the required investment fund manager registration, and where there were no exemptions to the requirement to be registered as an investment fund manager available to him, contrary to s. 25(4) of the Act.
- 32. Sheehan's conduct was contrary to the public interest.
- 33. Staff reserve the right to amend these allegations and make such further allegations as Staff may advise and the Commission may permit.

D. ORDER SOUGHT

Staff request that the Commission make the following orders:

- (a) that trading in any securities by Sheehan cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of s. 127(1) of the Act;
- (b) that Sheehan be prohibited from the acquisition of any securities permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of s. 127(1) of the Act;
- (c) that any exemption contained in Ontario securities law not apply to Sheehan, permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of s. 127(1) of the Act;
- (d) that Sheehan be reprimanded, pursuant to paragraph 6 of s. 127(1) of the Act;
- (e) that Sheehan resign all positions he holds as a director or officer of an issuer, pursuant to paragraph 7 of s. 127(1) of the Act;
- (f) that Sheehan is prohibited from becoming or acting as a director or officer of any issuer, pursuant to paragraph 8 of s. 127(1) of the Act;
- (g) that Sheehan resign from all positions he holds as a director or officer of any registrant, pursuant to paragraph 8.1 of s. 127(1) of the Act;
- (h) that Sheehan is prohibited from becoming or acting as a director or officer of any registrant, pursuant to paragraph 8.2 of s. 127(1) of the Act;
- (i) that Sheehan be prohibited from becoming or acting as a registrant, or promoter permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of s. 127(1) of the Act;
- (j) that Sheehan pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1) of the Act;
- (k) that Sheehan disgorge to the Commission any amounts obtained as a result of his non-compliance with Ontario securities law, pursuant to paragraph 10 of s. 127(1) of the Act;
- (I) that Sheehan pay Staff's costs of the investigation and the hearing, pursuant to s. 127.1 of the Act; and
- (m) such other order as the Commission considers appropriate in the public interest.

DATED at Toronto this 3rd day of November, 2020.

Staff of the Ontario Securities Commission

20 Queen Street West, 22ndFloor

Toronto, ON M5H

Rikin Morzaria Senior Litigation Counsel, Enforcement Branch Tel: 416-597-7236 Email: rmorzaria@osc.gov.on.ca 1.4 Notices from the Office of the Secretary

1.4.1 Daniel Sheehan

FOR IMMEDIATE RELEASE November 4, 2020

DANIEL SHEEHAN, File No. 2020-38

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 4, 2020 setting the matter down to be heard on November 27, 2020 at 11:00 a.m. as soon thereafter as the hearing can be held in the above named matter

A copy of the Notice of Hearing dated November 4, 2020 and Statement of Allegations dated November 3, 2020 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY GRACE KNAKOWSKI SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free) inquiries@osc.gov.on.ca 1.4.2 VRK Forex & Investments Inc. and Radhakrishna Namburi

> FOR IMMEDIATE RELEASE November 10, 2020

VRK FOREX & INVESTMENTS INC. and RADHAKRISHNA NAMBURI, File No. 2019-40

TORONTO – Take notice an attendance in the above named matter is scheduled to be heard on November 16, 2020 at 10:00 a.m.

OFFICE OF THE SECRETARY GRACE KNAKOWSKI SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Chemtrade Logistics Income Fund and BMO Nesbitt Burns Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into an equity distribution agreement to make "at the market" (ATM) distributions of trust units over the facilities of the TSX or another marketplace – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – Issuer required additional flexibility to take advantage of market opportunities to efficiently raise capital pursuant to an ATM distribution over Canadian marketplaces – 10% aggregate cap and 25% daily cap conditions not included in decision – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus – decision and application also held in confidence by decision makers until the earlier of a public announcement of an ATM offering, the entering into of an equity distribution agreement, waiver of confidentiality or 90 days from the date of the decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71 and 147. National Instrument 44-101 Short Form Prospectus Distributions, Part 8 and Item 20 of Form 44-101F1. National Instrument 44-102 Shelf Distributions, ss. 6.3 and 6.7, Part 9 and ss. 2.1 and 2.2 of Appendix A. National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

August 7, 2020

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO (THE JURISDICTION)

AND

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

AND

IN THE MATTER OF CHEMTRADE LOGISTICS INCOME FUND (THE ISSUER) AND BMO NESBITT BURNS INC. (THE AGENT AND TOGETHER WITH THE ISSUER, THE FILERS)

DECISION

Background

The Ontario Securities Commission, being the principal regulator in the Jurisdiction, has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for the following relief (the **Exemptions Sought**):

(a) that the requirement that a dealer, not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the

purchaser the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply to the Agent or any other TSX participating organization or other marketplace participant acting as selling agent for the Agent (each, a **Selling Agent**) in connection with any at-the-market distribution (each, an **ATM Distribution** and collectively, the **ATM Offering**), as defined in National Instrument 44-102 - *Shelf Distributions* (**NI 44-102**) of trust units (**Units**) of the Issuer pursuant to an equity distribution agreement (the **Equity Distribution Agreement**) to be entered into between the Issuer and the Agent;

- (b) that the requirements to include in a prospectus supplement or an amendment thereto:
 - (i) a forward-looking issuer certificate of the Issuer in the form specified in section 2.1 or section 2.4, as applicable, of Appendix A to NI 44-102;
 - (ii) a forward-looking underwriter certificate in the form specified by section 2.2 or section 2.4, as applicable, of Appendix A to NI 44-102; and
 - a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 - Short Form Prospectus;

(collectively, the **Prospectus Form Requirements**) do not apply to the Prospectus Supplement (as defined below) or an amendment thereto provided that the Issuer includes in the Prospectus Supplement or an amendment thereto the form of issuer certificate and form of underwriter certificate and includes in the Prospectus Supplement or an amendment thereto the revised description of a purchaser's statutory rights of withdrawal and remedies for rescission or damages described below, in each case (other than with respect to the underwriter certificate) superseding and replacing the corresponding language in the Shelf Prospectus solely with regards to the ATM Offering; and

(c) that the requirement under subsection 9.1(1) of NI 44-102, that limits the number of Units that the Issuer may issue and sell pursuant to any ATM Distribution to an amount that does not exceed 10% of the aggregate market value of the then outstanding Units calculated in accordance with section 9.2 of NI 44-102 (the 10% Aggregate Cap), does not apply to the Issuer in connection with the ATM Offering.

The principal regulator has also received a request from the Filers for a decision that the Application and this decision (together, the **Confidential Material**) be kept confidential and not be made public until the earliest of: (a) the date on which the Filers publicly announce the ATM Offering, (b) the date on which the Filers first enter into an Equity Distribution Agreement; (c) the date any of the Filers advise the principal regulator that there is no longer any need for the Confidential Material to remain confidential; and (d) the date that is 90 days after the date of this decision (the **Confidentiality Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for this Application; and
- (b) the Filers have 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, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Yukon and Northwest Territories (collectively the Passport Jurisdictions and together with the Jurisdiction, the Reporting Jurisdictions).

Interpretation

Terms defined in National Instrument 14-101 - *Definitions*, in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* (SEDAR), in MI 11-102 or in NI 44-102 have the same meaning if used in this decision, unless otherwise defined herein. All dollar figures in this decision refer to Canadian dollars.

Representations

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

The Issuer

- 1. The Issuer is a limited purpose trust governed by the laws of the Province of Ontario. The head office of the Issuer is located at 155 Gordon Baker Road, Suite 300, Toronto, Ontario, M2H 3N5.
- 2. The Issuer is a reporting issuer in each province and territory of Canada and is not in default of securities legislation in any jurisdiction of Canada.

3. The Units are listed on the Toronto Stock Exchange (the **TSX**).

The Agent

- 4. The Agent is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.
- 5. The Agent is registered as an investment dealer under the securities legislation in each province and territory of Canada, is a member of the Investment Industry Regulatory Organization of Canada and is a participating organization of the TSX.
- 6. The Agent is not in default of any requirements under applicable securities legislation in any of the jurisdictions of Canada.

Proposed ATM Distribution

- 7. Subject to mutual agreement on terms and conditions, the Filers propose to enter into the Equity Distribution Agreement for the purpose of the ATM Offering involving the periodic sale of Units by the Issuer through the Agent, as agent, under the shelf prospectus procedures prescribed by Part 9 of NI 44-102.
- 8. The Issuer filed a short form base shelf prospectus in each of the Reporting Jurisdictions on July 10, 2020 providing for the distribution from time to time of Units and such other securities as the Issuer deems appropriate (the Shelf Prospectus). Prior to making an ATM Distribution, the Issuer will have filed in each of the Reporting Jurisdictions a prospectus supplement describing the terms of the ATM Offering, including the terms of the Equity Distribution Agreement, and otherwise supplementing the disclosure in the Shelf Prospectus (the Prospectus Supplement, and together with the Shelf Prospectus as supplemented or amended and including any documents incorporated by reference therein (which shall include any Designated News Release as defined below), the Prospectus).
- 9. If the Equity Distribution Agreement is entered into, the Issuer will immediately do both of the following:
 - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing the Equity Distribution Agreement and indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and specifying where and how purchasers of Units under the ATM Offering may obtain copies; and
 - (b) file the Equity Distribution Agreement on SEDAR.
- 10. The Issuer will conduct ATM Distributions only through the Agent (as agent) directly or via a Selling Agent, and only through methods constituting "at-the-market distributions" within the meaning of NI 44-102, including sales made on (a) the TSX or (b) another marketplace (as defined in National Instrument 21-101 *Marketplace Operation*) upon which the Units are listed, quoted or otherwise traded (each, a Marketplace).
- 11. The Issuer may sell Units on a Marketplace pursuant to an ATM Distribution on any trading day that may exceed 25% of the trading volume of the Units on all Marketplaces on that day in order to provide the Issuer with additional flexibility to take advantage of market opportunities that may exist for efficiently raising capital pursuant to ATM Distributions over Marketplaces.
- 12. The Agent will act as the sole agent of the Issuer in connection with an ATM Distribution directly or through one or more Selling Agents on the TSX or any other Marketplace, and will be paid an agency fee or commission by the Issuer in connection with such sales. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Agent. The Agent will sign an agent's certificate, in the form set out in paragraph 28 below, in the Prospectus Supplement.
- 13. A purchaser's rights and remedies under applicable securities legislation against the Agent, as agent of an ATM Distribution through a Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.
- 14. The Equity Distribution Agreement will provide that, at the time of each sale of Units pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Prospectus (which shall include any news release that has been designated and filed as a Designated News Release (as defined below)) and any subsequent amendment to the Prospectus, contains full, true and plain disclosure of all material facts relating to the Issuer and the Units being distributed. The Issuer will, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Units.
- 15. During the period after the date of the Prospectus Supplement and before the termination of any ATM Distribution, if the Issuer disseminates a news release disclosing information that, in the Issuer's determination, constitutes a "material"

fact" (as such term is defined in the Legislation), the Issuer will identify such news release as a "designated news release" for the purposes of the Prospectus. This designation will be made on the face page of the version of such news release filed on SEDAR (any such news release, a **Designated News Release**). The applicable Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be used to update disclosure in the Prospectus by the Issuer in the event of a "material change" (as such term is defined in the Legislation).

- 16. If, after the Issuer delivers a sell notice to the Agent directing the Agent to sell Units on the Issuer's behalf pursuant to the Equity Distribution Agreement (a Sell Notice), the sale of the Units specified in the Sell Notice, taking into consideration prior sales under the ATM Offering, would constitute a material fact or material change, the Issuer will suspend sales under the Equity Distribution Agreement until either: (a) it has filed a Designated News Release or material change report, as applicable, or amended the Prospectus; or (b) circumstances have changed such that a sale would no longer constitute a material fact or material change.
- 17. In determining whether the sale of the number of Units specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation:
 - (a) the parameters of the Sell Notice, including the number of Units proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution;
 - (b) the percentage of the outstanding Units that the number of Units proposed to be sold pursuant to the Sell Notice represents;
 - (c) sales under earlier Sell Notices;
 - (d) trading volume and volatility of the Units;
 - (e) recent developments in the business, operations or capital of the Issuer; and
 - (f) prevailing market conditions generally.
- 18. It is in the interest of the Issuer and the Agent to minimize the market impact of sales under an ATM Distribution. Therefore, the Agent will closely monitor the market's reaction to trades made on any Marketplace pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Units, the Agent will recommend against effecting the trades pursuant to the sell order at that time.

Disclosure of Units Sold in ATM Offering

19. The Issuer will disclose the number and average price of Units sold pursuant to ATM Distributions, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

- 20. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
- 21. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution, because neither the Agent nor a Selling Agent, as applicable, effecting the trade will know the identity of the purchasers.
- 22. The Prospectus will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 9 above, the Issuer will issue a news release that specifies where and how copies of the Prospectus may be obtained.
- 23. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission, without regard to whether or not the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

- 24. Pursuant to the Legislation, an agreement to purchase a security in respect of a distribution to which the prospectus requirement applies is not binding upon the purchaser if the dealer from whom the purchaser purchases the security receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing evidencing the intention of the purchaser not to be bound by the agreement of purchase and sale (the **Withdrawal Right**).
- 25. Pursuant to the Legislation, a purchaser of securities to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).
- 26. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of the ATM Offering because of the impracticability of delivering the Prospectus to a purchaser of Units thereunder.

Modified Certificates and Statements

27. To reflect the fact that the ATM Offering is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate in the Shelf Prospectus solely with regard to the ATM Offering:

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

28. To reflect the fact that the ATM Offering is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following underwriter certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102):

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

29. A different statement of purchasers' rights than that required by the Legislation is necessary so that the Prospectus Supplement will accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Units under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Units and will not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus supplement, the accompanying prospectus and any amendment thereto relating to Units purchased by such purchaser because the prospectus supplement, the accompanying prospectus and any amendment thereto relating to the Units purchaser will not be delivered as permitted under a decision dated • 2020 and granted pursuant to National Policy 11-203 - Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements and any amendment thereto relating to securities purchased by a purchaser contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Units under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus supplement, the accompanying prospectus and any amendment thereto relating to securities purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery and the decision referred to above.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory and the decision referred to above for the particulars of these rights or consult with a legal adviser.

30. The Prospectus Supplement will disclose that, solely with regards to the ATM Offering, the statement prescribed in paragraph 29 above supersedes and replaces the statement of purchasers' rights in the Shelf Prospectus.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemptions Sought are granted, provided that:

- (a) during the 60-day period ending not earlier than 10 days prior to the commencement of an ATM Offering, the Units have traded, in total, on one or more Marketplaces, as reported on a consolidated market display:
 - (i) an average of at least 100 times per trading day; and
 - (ii) with an average trading value of at least \$1,000,000 per trading day;
- (b) the Issuer complies with the disclosure requirements set out in paragraphs 19 and 27 through 30 above; and
- (c) the Issuer and Agent respectively comply with the representations made in paragraphs 9, 10, 12 and 14 through 18 above.

This decision will terminate on August 10, 2022 (being the date that is 25 months from the date of the receipt for the Shelf Prospectus).

The further decision of the principal regulator is that the Confidentiality Relief in respect of the Exemptions Sought is granted.

As to the Exemptions Sought from the Prospectus Delivery Requirement and the Confidentiality Relief:

"Cecilia Williams" Commissioner Ontario Securities Commission

"Mary Anne De Monte-Whelan" Commissioner Ontario Securities Commission

As to the Exemptions Sought from the Prospectus Delivery Requirement, the Prospectus Form Requirements, the 10% Aggregate Cap and the Confidentiality Relief:

"Winnie Sanjoto" Manager, Corporate Finance Ontario Securities Commission

2.2 Orders

2.2.1 Hi Ho Silver Resources Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and British Columbia Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by British Columbia Securities Commission, as principal regulator.

Applicable Legislative Provisions

- Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.
- National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

Citation: 2020 BCSECCOM 392

HI HO SILVER RESOURCES INC.

UNDER THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ONTARIO (the Legislation)

REVOCATION ORDER

Background

- ¶ 1 Hi Ho Silver Resources Inc. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator of the British Columbia Securities Commission (the Principal Regulator) and Ontario (each a Decision Maker) respectively on January 30, 2020.
- ¶ 2 The Issuer has applied to each of the Decision Makers under National Policy 11-207 Failure-to-File Cease Trade Orders and Revocation in Multiple Jurisdictions (NP 11-207) for an order revoking the FFCTO.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

¶ 4 Terms defined in National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

Order

- ¶ 5 Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is revoked.
- ¶ 7 October 5, 2020

"Allan Lim" CPA, CA Manager Corporate Finance

2.2.2 Northview Apartment Real Estate Investment Trust

Headnote

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

Applicable Legislative Provisions

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

Citation: *Re Northview Apartment Real Estate Investment Trust*, 2020 ABASC 175

November 6, 2020

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

AND

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

AND

IN THE MATTER OF NORTHVIEW APARTMENT REAL ESTATE INVESTMENT TRUST (the Filer)

ORDER

Background

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

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 – Passport System (MI 11-102) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and

Labrador, Yukon, Northwest Territories and Nunavut; and

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

Interpretation

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

Representations

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

- 1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
- 2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- 4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
- 5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

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

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

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
Sunshine Oilsands Ltd.	October 26, 2020	November 9, 2020	November 9, 2020	

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
CT Developers Ltd.	November 3, 2020	
Appreciated Media Holdings Inc.	November 4, 2020	
Blok Technologies Inc.	November 4, 2020	
Sceptre Ventures Inc.	November 4, 2020	
VPN Technologies Inc.	November 4, 2020	
Nemaska Lithium Inc.	November 6, 2020	
Mountain Lake Minerals Inc	November 5, 2020	
Target Capital Inc.	November 5, 2020	
Ventura Cannabis and Wellness Corp.	November 5, 2020	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

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
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	

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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 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Canoe EIT Income Fund Principal Regulator - Alberta (ASC) **Type and Date:** Preliminary Shelf Prospectus (NI 44-102) dated November 2, 2020 NP 11-202 Preliminary Receipt dated November 3, 2020 **Offering Price and Description:** Maximum: \$500,000,000 Units and Preferred Units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A **Project #**3129936

Issuer Name:

Big Pharma Split Corp. Principal Regulator - Ontario **Type and Date:** Final Shelf Prospectus (NI 44-102) dated November 4, 2020 NP 11-202 Receipt dated November 4, 2020 **Offering Price and Description:** \$200,000,000 Preferred Shares and Class A Shares **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** Harvest Portfolios Group Inc. **Project #**3126547

Issuer Name:

The Bitcoin Fund Principal Regulator - Ontario **Type and Date:** Final Shelf Prospectus (NI 44-102) dated November 5, 2020 NP 11-202 Receipt dated November 5, 2020 **Offering Price and Description:** US\$300,000,000 Class A Units and Class F Units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** 3iQ CORP. **Project** #3125542 Issuer Name: Horizons Tactical Absolute Return Bond ETF Principal Regulator – Ontario Type and Date: Preliminary Long Form Prospectus dated Nov 4, 2020 NP 11-202 Preliminary Receipt dated Nov 4, 2020 Offering Price and Description: Total Return Series Shares and Dividend Series Shares Underwriter(s) or Distributor(s): N/A Promoter(s): N/A Project #3130282

Issuer Name:

Evolve Cloud Computing Index Fund Principal Regulator – Ontario **Type and Date:** Preliminary Long Form Prospectus dated Nov 3, 2020 NP 11-202 Preliminary Receipt dated Nov 3, 2020 **Offering Price and Description:** Units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A **Project #**3129911 **Issuer Name:**

Counsel All Equity Portfolio Counsel Balanced Portfolio Counsel Canadian Dividend Counsel Canadian Growth Counsel Canadian Value Counsel Conservative Portfolio **Counsel Fixed Income** Counsel Global Dividend Counsel Global Real Estate Counsel Global Small Cap Counsel Global Trend Strategy **Counsel Growth Portfolio Counsel High Income Portfolio** Counsel High Yield Fixed Income Counsel International Growth **Counsel International Value Counsel Money Market Counsel Monthly Income Portfolio** Counsel Retirement Accumulation Portfolio **Counsel Retirement Foundation Portfolio** Counsel Retirement Income Portfolio **Counsel Retirement Preservation Portfolio Counsel Short Term Bond** Counsel U.S. Growth Counsel U.S. Value IPC Private Wealth Visio Balanced Growth Pool IPC Private Wealth Visio Balanced Pool IPC Private Wealth Visio Core Fixed Income IPC Private Wealth Visio Growth Pool IPC Private Wealth Visio Income Pool IPC Private Wealth Visio North American Equity Principal Regulator - Ontario Type and Date: Combined Preliminary and Pro Forma Simplified Prospectus dated Oct 30, 2020 NP 11-202 Final Receipt dated Nov 3, 2020 **Offering Price and Description:** Series T units, Series IT units, Series I units, Series A units, Series C units, Series O units, Series B units, Series Private Wealth I units, Series FT units, Series IB units, Series FB units and Series F units Underwriter(s) or Distributor(s): N/A Promoter(s): N/A Project #3112484

Issuer Name: Fidelity American Disciplined Equity Currency Neutral Class Fidelity AsiaStar Class Fidelity Emerging Markets Class Fidelity Japan Class Fidelity Global Innovators Class Fidelity Global Health Care Class Principal Regulator - Ontario Type and Date: Amendment #4 to Final Simplified Prospectus and Amendment #5 to Annual Information Form dated November 1, 2020 NP 11-202 Final Receipt dated Nov 4, 2020 Offering Price and Description: Series A shares, Series B shares, Series E1 shares, Series E1T5 shares, Series E2 shares, Series E2T5 shares, Series E3 shares, Series E3T5 shares, Series E4 shares. Series E4T5 shares, Series E5 shares, Series E5T5 shares. Series F shares. Series F5 shares, Series F8 shares, Series P1 shares, Series P1T5 shares, Series P2 shares, Series P2T5 shares, Series P3 shares, Series P3T5 shares, Series P4 shares, Series P5 shares, Series S5 shares, Series S8 shares, Series T5 shares, Series T8 shares Underwriter(s) or Distributor(s): N/A Promoter(s): N/A Project #3018443

Issuer Name:

Guardian Managed Balanced Portfolio (formerly, Guardian Balanced Fund) Principal Regulator - Ontario **Type and Date:** Amendment #2 to Final Simplified Prospectus dated October 30, 2020 NP 11-202 Final Receipt dated Nov 3, 2020 **Offering Price and Description:** Series I Units and Series W Units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A **Project** #3030353

Issuer Name:

TD Nasdaq Index Fund Principal Regulator - Ontario **Type and Date:** Amendment #2 to Final Simplified Prospectus dated October 30, 2020 NP 11-202 Final Receipt dated Nov 3, 2020 **Offering Price and Description:** O-Series Securities **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A

Project #3071000

Issuer Name:

Hazelview Global Real Estate Fund (formerly, Timbercreek Global Real Estate Income Fund) Principal Regulator - Ontario Type and Date: Amended and Restated to Final Simplified Prospectus dated November 5, 2020 NP 11-202 Final Receipt dated Nov 9, 2020 **Offering Price and Description:** N Series A units, Series F units, Series F85 units, Series F85T6.5 units, Series FT6.5 units, Series I units and Series T6.5 units Underwriter(s) or Distributor(s): N/A Promoter(s): N/A Project #3065248

Issuer Name:

Harvest Energy Leaders Plus Income ETF Principal Regulator - Ontario **Type and Date:** Amendment #1 to Final Long Form Prospectus dated October 30, 2020 NP 11-202 Final Receipt dated Nov 5, 2020 **Offering Price and Description:** Class A Units, Class B Unhedged Units and Class U Units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A **Project** #3059138

Issuer Name: Melodia Very Conservative Income Portfolio Melodia Aggressive Growth Portfolio Chorus II Aggressive Growth Portfolio Principal Regulator - Quebec Type and Date: Amendment #3 to Final Simplified Prospectus dated October 27, 2020 NP 11-202 Final Receipt dated Nov 5, 2020 **Offering Price and Description:** A-, T4-, T6-, T8-, I-, C-, R4, R6-, R8, F-, S4, S6- S8-, O-, P6-, P8- and D-Class Units Underwriter(s) or Distributor(s): N/A Promoter(s): N/A Project #3014121

Issuer Name:

CI Munro Global Growth Equity Fund Principal Regulator - Ontario **Type and Date:** Amendment #2 to Final Simplified Prospectus dated October 29, 2020 NP 11-202 Final Receipt dated Nov 3, 2020 **Offering Price and Description:** ETF C\$ Series, ETF US\$ Hedged Series, Series A units, Series AH units, Series F units, Series FH units, Series I units, Series IH units, Series P units and Series PH units **Underwriter(s) or Distributor(s):** N/A **Promoter(s):** N/A

Project #3069424

NON-INVESTMENT FUNDS

Issuer Name:

Bell Canada Principal Regulator - Quebec **Type and Date:** Preliminary Shelf Prospectus dated November 9, 2020 NP 11-202 Preliminary Receipt dated November 9, 2020 **Offering Price and Description:** \$6,000,000,000.00 Debt Securities (UNSECURED) **Underwriter(s) or Distributor(s):**

Promoter(s):

Project #3132275

Issuer Name:

CB2 Insights Inc. Principal Regulator - Ontario Type and Date: Preliminary Short Form Prospectus dated November 4, 2020 NP 11-202 Preliminary Receipt dated November 5, 2020 **Offering Price and Description:** \$5,000,800.00 10,640,000 Common Shares Price: \$0.47 per Common Share Underwriter(s) or Distributor(s): ECHELON WEALTH PARTNERS INC. BEACON SECURITIES LIMITED CANACCORD GENUITY CORP. MACKIE RESEARCH CAPITAL CORP. LEEDE JONES GABLE INC. PI FINANCIAL CORP. Promoter(s): Pradyum Sekar Kashaf Qureshi Project #3130750

Issuer Name:

ImmunoPrecise Antibodies Ltd. Principal Regulator - British Columbia **Type and Date:** Preliminary Shelf Prospectus dated November 6, 2020 NP 11-202 Preliminary Receipt dated November 6, 2020 **Offering Price and Description:** \$150,000,000.00 Common Shares Preferred Shares Debt Securities Warrants Units Subscription Receipts **Underwriter(s) or Distributor(s):**

Promoter(s):

Project #3131953

Issuer Name:

SILVERCORP METALS INC. Principal Regulator - British Columbia **Type and Date:** Preliminary Shelf Prospectus dated November 6, 2020 NP 11-202 Preliminary Receipt dated November 6, 2020 **Offering Price and Description:** US\$200,000,000.00 Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts **Underwriter(s) or Distributor(s):**

Promoter(s):

Project #3131876

Issuer Name:

Vizsla Resources Corp. Principal Regulator - British Columbia **Type and Date:** Preliminary Shelf Prospectus dated November 6, 2020 NP 11-202 Preliminary Receipt dated November 9, 2020 **Offering Price and Description:** \$150,000,000.00 Common Shares Debt Securities Subscription Receipts Warrants Units **Underwriter(s) or Distributor(s):**

Promoter(s):

Project #3131800

Issuer Name:

Caldas Gold Corp. (formerly Bluenose Gold Corp.) Principal Regulator - Ontario Type and Date: Final Short Form Prospectus dated November 6, 2020 NP 11-202 Receipt dated November 9, 2020 **Offering Price and Description:** US\$83,066,000.00 83,066 Units Issuable upon Conversion of 83,066 Subscription Receipts Price of US\$1,000.00 per Subscription Receipt Underwriter(s) or Distributor(s): SCOTIA CAPITAL INC. CANACCORD GENUITY CORP. STIFEL NICOLAUS CANADA INC. **RED CLOUD SECURITIES INC.** Promoter(s):

Project #3120206

Issuer Name: Cross Border Capital I Inc. Principal Regulator - Ontario Type and Date: Final CPC Prospectus dated October 29, 2020 NP 11-202 Receipt dated November 4, 2020 **Offering Price and Description:** MINIMUM OFFERING: \$260,000.00 or 2,600,000 Common Shares MAXIMUM OFFERING: \$300,000.00 or 3,000,000 **Common Shares** PRICE: \$0.10 per Common Share Underwriter(s) or Distributor(s): Haywood Securities Inc. Promoter(s): Yaniv Bresler Project #3100588

Issuer Name:

Jabbo Capital Corp. Principal Regulator - British Columbia **Type and Date:** Final CPC Prospectus dated November 2, 2020 NP 11-202 Receipt dated November 5, 2020 **Offering Price and Description:** OFFERING: \$202,500.00 1,350,000 COMMON SHARES) Price: \$0.15 per Common Share **Underwriter(s) or Distributor(s):** HAYWOOD SECURITIES INC. **Promoter(s):** IONIC SECURITIES LTD. **Project #**3121529

Issuer Name:

NeuPath Health Inc. (formerly, Klinik Health Ventures Corp.) Principal Regulator - Ontario **Type and Date:** Final Short Form Prospectus dated November 6, 2020 NP 11-202 Receipt dated November 9, 2020 **Offering Price and Description:** \$10,440,000.00 11,600,000 Units Price: \$0.90 per Unit **Underwriter(s) or Distributor(s):** STIFEL NICOLAUS CANADA INC. INFOR FINANCIAL INC. HAYWOOD SECURITIES INC. **Promoter(s):**

Project #3124646

Issuer Name: Orezone Gold Corporation Principal Regulator - British Columbia **Type and Date:** Final Shelf Prospectus dated November 3, 2020 NP 11-202 Receipt dated November 4, 2020 **Offering Price and Description:** \$150,000,000.00 COMMON SHARES SUBSCRIPTION RECEIPTS WARRANTS DEBT SECURITIES UNITS Underwriter(s) or Distributor(s):

Promoter(s):

Project #3124206

Issuer Name:

PYROGENESIS CANADA INC. Principal Regulator - Quebec **Type and Date:** Final Short Form Prospectus dated November 3, 2020 NP 11-202 Receipt dated November 3, 2020 **Offering Price and Description:** \$10,501,200.00 2,917,000 Units \$3.60 per Unit **Underwriter(s) or Distributor(s):** MACKIE RESEARCH CAPITAL CORPORATION **Promoter(s):**

Project #3123532

Issuer Name:

Skeena Resources Limited Principal Regulator - British Columbia **Type and Date:** Final Shelf Prospectus dated November 4, 2020 NP 11-202 Receipt dated November 5, 2020 **Offering Price and Description:** \$150,000,000.00 Common Shares Preferred Shares Debt Securities Warrants Subscription Receipts Units **Underwriter(s) or Distributor(s):**

Promoter(s):

Project #3128906

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Registrations

12.1.1 Registrants

Туре	Company	Category of Registration	Effective Date
Voluntary Surrender	Hansberger Growth Investors, LP	Portfolio Manager	October 30, 2020
Voluntary Surrender	Silvercove Fund Management Ltd.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	November 3, 2020
Change in Registration Category	Chippingham Financial Group Limited	From: Investment Dealer and Futures Commission Merchant To: Futures Commission Merchant	October 29, 2020
Voluntary Surrender	Chippingham Financial Group Limited	Futures Commission Merchant	November 5, 2020

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX Inc. and TSX Venture Exchange Inc. – Notice of Proposed Program and Request for Comments

TSX INC.

AND

TSX VENTURE EXCHANGE INC.

NOTICE OF PROPOSED PROGRAM AND REQUEST FOR COMMENTS

TSX Inc. ("**TSX**") is publishing this Notice of Proposed Program and Request for Comments in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto".

TSX Venture Exchange Inc. ("**TSXV**", and together with TSX, the "**Exchanges**") is publishing this Notice of Proposed Program and Request for Comments. The Proposed Program (as defined below) will be implemented following receipt of approval by the British Columbia Securities Commission (the "**BCSC**") and Alberta Securities Commissions (the "**ASC**") following public notice and comment.

Market participants are invited to provide comments on the Proposed Program. Comments should be in writing and delivered by December 14, 2020 to:

Denno Chen Director, Regulatory Affairs TMX Group 100 Adelaide Street West, Suite 300 Toronto, Ontario M5H 1S3 Email: <u>tsxrequestforcomments@tsx.com</u>

A copy should also be provided to:

Market Regulation Branch Ontario Securities Commission 20 Queen Street West Toronto, Ontario M5H 3S8 Email: <u>marketregulation@osc.gov.on.ca</u>

Comments will be made publicly available unless confidentiality is requested. Upon completion of the review by staff at the Ontario Securities Commission ("**OSC**"), BCSC and ASC, and in the absence of any regulatory concerns, a notice will be published to confirm the approval by each of the OSC, BCSC and ASC.

Background

The Exchanges are proposing the introduction of an optional program setting a monthly flat fee for clients (the "**Distributors**") who purchase Data (as defined below) to provide to their Wealth Clients (as defined below) for his or her own personal investment, trading or financial planning (the "**Proposed Program**"). The following data is eligible for the Proposed Program: TSX Level 1 data, TSX Level 2 data, TSX Venture Level 1, TSX Venture Level 2 data, Real Time Index (TXI) values, and/or Canadian Exchange Group (CEG) Level 1 and Level 2 data outside of Canada (collectively, the "**Data**").

The Proposed Program will only be available for Distributors who have elected to participate in the TSX and TSX Venture Non-Professional Enterprise Fee Program implemented by the Exchanges (the "**Enterprise Non-Pro Program**").

The Proposed Program aims to provide Distributors the option to implement a monthly flat fee for all their Wealth Clients, which would give the Distributors the option to simply treat Wealth Clients as non professional subscribers by paying an additional monthly flat fee. A "**Wealth Client**" is any client of a Distributor who: (i) opens a discount brokerage account or retail account; and (ii) utilizes such discount brokerage account or retail account, and who receives Data for the purpose of his or her own

personal investment, trading or financial planning. Wealth Clients do not include any individual using the Data for the purpose of buying, selling and or analyzing TSX or TSXV securities as part of his or her employment.

In 2018, the Exchanges began discussions with a collective group representing most of the Distributors regarding the challenges they faced in the context of data consumption. The Proposed Program was then created after extensive consultation with Distributors and other industry participants. It was during these various meetings that the foundational elements of the Proposed Program were developed, with the interested parties in the room and providing feedback. The Proposed Program is completely optional for Distributors, and was created taking into account the concerns raised by Distributors, and seeks to improve the Exchanges' clients' experience.

The Exchanges believe that the Proposed Program, in conjunction with the Enterprise Non-Pro Program, is a great benefit to Distributors as well as the Canadian capital markets as it encourages accessibility of real time data to a broader number of Canadian investors.

Details of Proposed Program

The Proposed Program will have two tiers:

	Monthly Fee
Tier 1 - Distributors with 10,000 or more Non-Professional Subscribers	\$9,500
Tier 2 - Distributors with 9,999 or fewer Non-Professional Subscribers	\$4,500

The available discount tiers are based on the Non-Professional Subscribers that a Distributor has. For the purposes of the Proposed Program, a "**Non-Professional Subscriber**" is defined as an individual who is not a securities professional and who is acting in his/her personal capacity and not as a principal, officer, partner, employee nor agent of any business nor on behalf of any individual. A Non-Professional Subscriber does not include: (i) brokers, dealers, investment advisors or persons otherwise employed by organization conducting professional activities involving the buying and selling of instruments, such as stocks, bonds, options, futures contracts and other trading vehicles; (ii) persons engaged as consultants, independent contractors, software developers and others that use market information for any purpose for profit other than the trading of that person's personal account; and (iii) an individual in receipt of Data from a Distributor where the Distributor reports usage for such individual on a per quote basis.

Distributors may elect to enroll in the Proposed Program at any time from the effective date of regulatory approval for the Proposed Program. If a Distributor enrolls in the Proposed Program, the Proposed Program will be effective on the later of: (i) the date of approval of the Proposed Program by the regulators; and (ii) the date the Proposed Program is executed the applicable agreement by the Distributor and TSX. In all cases, a Distributor's participation in the Proposed Program will expire immediately upon the expiration of such Distributor's Enterprise Non-Pro Program, so that Proposed Program and the Enterprise Non-Pro Program become coterminous. If applicable, the Proposed Program may be renewed by each Distributor contemporaneously with, and subject to the renewal term, as set out in such Distributor's Non-Pro Program.

The Proposed Program will terminate on December 31, 2025, subject to the applicable regulators' approval of any extension to the Proposed Program.

Please see Appendix A for the fee schedule for Proposed Program.

Rationale and Analysis

The Exchanges understand that, under the current system, Distributors undergo a labour intensive process that is aimed at determining whether their end user client is a "professional" or a "non-professional". This places an unnecessary administrative burden on Distributors; particularly in instances where an individual uses a corporate email address to register for his or her own personal investment, trading or financial planning. The Exchanges have been made aware of this process, and have proactively developed the Proposed Program as an innovative way for Distributors to reduce the administrative burden. Rather than undergo the administrative task of auditing each end user client, the Exchanges are providing Distributors with the option to estimate the number of Wealth Clients, and pay a flat monthly rate.

Expected Date of Implementation

The Proposed Program is expected to be implemented following receipt of regulatory approval, and is anticipated to be implemented no earlier than December 1, 2020.

Expected Impact

There will be no impact on market structure or issuers. The Exchanges believe that any impact on members or investors will be positive as the Proposed Program is aimed to reduce the overall cost of Data for Distributors (as it pertains to Wealth Clients), and provide investors with greater access to the Data. The Proposed Program may result in Distributors providing the Data to a larger subset of their retail client base. The Exchanges do not anticipate that any market participant will be negatively impacted by the Proposed Program.

Expected Impact of Proposed Program on the Exchanges' Compliance with Applicable Securities Law

The Proposed Program is in compliance with applicable securities laws and does not impact fair access to markets or the maintenance of fair and orderly markets. Specifically in the context of fair access requirements, the Proposed Program is available to all Distributors who have elected to participate in the Non-Pro Program. The Proposed Program is also reasonable as it is completely optional and Distributors can make their own determination regarding whether the Proposed Program aligns with their business objectives and assess the commercial viability of the Proposed Program for their organization.

Estimated Time Required by Members and Service Vendors to Modify Their Own Systems after Implementation of the Proposed Program

Distributors who elect to enroll in the Proposed Program do not need to make any changes to accommodate the Proposed Program. The Exchanges will incorporate the terms of the Proposed Program into its billing system so that the invoices reflect the terms of the Proposed Program. In addition, the Proposed Program may ease any current strain on Distributors' systems as it aims to reduce the unnecessary administrative burden on Distributors associated with determining whether their end user client is a "professional" or a "non-professional".

Does the Proposed Program Currently Exist in Other Markets or Jurisdictions

The Exchanges are not aware of any other market or jurisdiction utilizing a flat fee similar to the Proposed Program. The Exchanges continuously work with their clients to find innovative solutions that improve their experience with the Exchanges. The Exchanges understand that Distributors may be burdened by the administrative task of determining whether a client is a Wealth Client, and the Exchanges are proactively taking steps to assist Distributors in alleviating some of this burden.

APPENDIX A

TSX & TSX Venture Wealth Client

Fee Cap^{(2), (3), (4), (5)}

Discount Tiers

Enterprise Price

\$9,500.00⁽¹⁾ / month

\$4.500.00⁽¹⁾ / month

Tier 1 – Large Wealth Client Distributors⁽⁶⁾

Tier 2 – Medium Wealth Client Distributors⁽⁷⁾

Notes:

(1) Applicable taxes will be added to the amount payable. Eligible Distributors must execute the applicable agreement with TSX Inc. (the "Agreement").

(2) The TSX & TSX Wealth Client Fee Cap (the "Program") is available to Distributors who (a) have subscribed for Data (as defined below) for a period of at least 12 months prior to the effective date of the applicable initial term of the Program; and (b) are enrolled in the TSX and TSX Venture Non-Professional Enterprise Fee Program. The Program provides a monthly flat fee for Distributors who subscribe for Data to distribute to their Wealth Clients (as defined in the Agreement).

(3) The Data received under the Program must not be provided by Distributors to professionals including individuals or entities that provide investment services, trading services, financial planning or similar services. Participation in the Program is voluntary, and Distributors may elect to continue to pay applicable professional fees.

(4) The following data is eligible for the Program: TSX Level 1 data, TSX Level 2 data, TSX Venture Level 1, TSX Venture Level 2 data, Real Time Index (TXI) values, and/or Canadian Exchange Group (CEG) Level 1 and Level 2 data outside of Canada (collectively, the "Data").

(5) The Program terminates December 31, 2025, subject to the applicable regulators' approval of any extension to the Program. In the event of any inconsistencies between this fee schedule and the Agreement, the terms of the Agreement shall govern.

(6) Tier 1 is applicable for Distributors who have 10,000 or more Non-Professional Subscribers (as defined in the Agreement).

(7) Tier 2 is applicable for Distributors who have fewer than 9,999 or fewer Non-Professional Subscribers.

EFFECTIVE [•]

13.2.2 TSX Inc. – Trading of Sustainable Bonds on TSX – Notice of Approval

TSX INC.

NOTICE OF APPROVAL

TRADING OF SUSTAINABLE BONDS ON TSX

In accordance with the Process for the Review and Approval of the Information Contained in Form 21-101F1 and the Exhibits Thereto, the Ontario Securities Commission has approved amendments to the TSX Inc. ("**TSX**") Rule Book to reflect the trading of sustainable bonds on TSX.

Summary of the Amendments

TSX will be amending the TSX Rule Book and certain TSX marketplace functionality (collectively, the "**Amendments**") to accommodate trading of sustainable bonds on TSX. The Amendments will entail an expansion of the security types that can be traded on TSX to include sustainable bonds, and ancillary changes to accommodate the Amendments.

TSX reminds its participating organizations that, pursuant to National Instrument 21-101 - *Marketplace Operation*, each participating organization trading the sustainable bonds is obligated to provide to the Investment Industry Regulatory Organization of Canada ("IIROC"), in its capacity as the information processor for debt, accurate and timely information regarding details of each sustainable bond trade executed by or through the participating organization as required by IIROC.

A copy of the Amendments can be found at www.osc.gov.on.ca.

Comments Received

The Amendments were published for comment on June 11, 2020 and four comment letters were received. A summary of the comments submitted, together with TSX's responses, is attached as Appendix A. TSX thanks the commenters for their feedback.

Effective Date

The Amendments will be effective in the first quarter of 2021, following notice by TSX.

Appendix A Summary of Comments and Responses

List of Commenters:

Joseph A Russo, Managing Partner, JST Capital &	The Canadian Advocacy Council of
JST Digital Assets	CFA Societies Canada
Greg McDonald, TD Securities	Jeff Varey, RBC Dominion Securities Inc.

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the Notice of Proposed Amendments and Request For Comments dated June 11, 2020.

Summary of Comments Received	TSX Responses
Three commenters were supportive of posting sustainable bonds for trading on TSX, and noted that the initiative resulted in easy access to sustainable bonds and price transparency.	TSX thanks the commenters for their input.
One commenter asked whether sustainable bonds includes green bonds. Another commenter asked for a definition of sustainable bonds.	As noted in the Request for Comment, sustainable bonds are debt securities where the proceeds are used to fund projects that bring clear environmental and/or socio-economic benefits. There are three types of sustainable bonds at present; green bonds, social bonds and transition bonds. When and if the industry expands the definition of sustainable bonds in the future, TSX may consider posting sustainable bonds within that expanded definition as well.
One commenter asked why bonds issued by corporate issuers are excluded from the initiative (" corporate bonds "). One commenter noted that bonds issued by a wider array of issuers such as corporations should be considered after a reasonable observation period.	TSX would like to remind market participants that TSX continues to be open to list any securities of corporate issuers, including debt securities, subject to specified listing criteria. TSX determined that corporate bonds were not within the scope of this initiative.
One commenter asked for a clearer definition of "quasi- government corporations".	Quasi-government corporations are corporations or enterprises wholly-owned by a government. In Canada, "quasi-government corporations" are often referred to as Crown corporations.
One commenter suggested a more robust framework for posting sustainable bonds, and highlighted the extensive rules that the Luxembourg Stock Exchange (the "LuxSE") developed with respect to its listed sustainable bonds including having the issuers (i) have a broader external review of the bond performed by an independent third- party,(ii) provide specific ongoing reporting about the intended and actual use of proceeds, (iii) report to investors regarding allocation of proceeds and confirmation that the money raised has in fact been used to fund appropriate projects (or alternatively, indicate whether they intend to do any such reporting), and (iv) indicate if a sustainable bond framework or set of principles was applied, and if so, which one.	While the bonds on LuxSE are listed, the bonds posted for trading on TSX as part of the sustainable bond initiative will not be listed on TSX. As such, the sustainable bonds are not subject to the robust framework applicable to securities listed on TSX. The main goal for TSX under the sustainable bond initiative is to increase the accessibility and transparency of these securities which are already available to Canadian investors. TSX is sensitive to placing regulatory requirements on these bond issuers given that their securities are already available to Canadian investors through other channels. TSX will, however, monitor the progress and success of the sustainable bond initiative, and may determine that a more robust framework is desirable in the future.
One commenter suggested that investor education was important in order for investors to understand the difference between "posting for trading" and "listing on TSX".	TSX will include education as part of its marketing campaign for sustainable bonds.
One commenter noted that trading sustainable bonds in both a visible auction market and an OTC market simultaneously may present a challenge for dealers in satisfying their best	While TSX endeavors to improve its clients' experience, best execution is not a requirement within the jurisdiction of TSX. Interpretation and guidance on a dealer's best execution

Summary of Comments Received	TSX Responses
execution obligations, and requested the TSX coordinate further regulatory guidance on satisfying best execution requirements.	obligation is the jurisdiction of IIROC and members of the Canadian Securities Administrators. TSX confirms that the sustainable bonds posted for trading will not be products listed on TSX. TSX notes that IIROC has provided guidance to dealer members regarding the best execution obligation and fair pricing standards that can be found here: <u>https://www.iiroc.ca/Documents/2017/1b8dfd31-462d-4a5d-8bdb-3cc2605b9d2c_en.pdf</u>

13.2.3 Toronto Stock Exchange – Notice of Housekeeping Rule Amendments to the TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS TO THE TSX COMPANY MANUAL

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the "**Protocol**"), Toronto Stock Exchange ("**TSX**") has adopted, and the Ontario Securities Commission has approved, certain housekeeping amendments (the "**Amendments**") to Parts I, III, VI and XI of the TSX Company Manual (the "**Manual**"), and the Appendix A – Original Listing Application and the Toronto Stock Exchange Listing Agreement. The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendments as Housekeeping Rules.

Summary and Rationale of the Non-Public Interest Amendments

	Section of the		
	Manual	Amendment	Rationale
1.	Part I – Interpretation	Update definition of "Recognized Exchange".	Replace reference to "NYSE MKT" in definition of "Recognized Exchange with "NYSE American" to reflect name change of such exchange.
2.	Part III – Original Listing Requirements – I. Listing Application Procedure – Section 339	Delete reference to Appendix A in relation to Personal Information Forms.	Delete incorrect reference (and hyperlink) to "Appendix A" (which is the Original Listing Application) after the reference to "Personal Information Forms".
3.	Part VI – Changes in Capital Structure of Listed Issuers - Section 619 – Name or Symbol Changes	Clarify the process in which an issuer must follow with respect to a change to the symbol assigned to its listed securities.	Clarify the process in which an issuer must follow in order to request a change to the symbol assigned to its listed securities and delete the requirement of payment of the "applicable fee" as TSX does not collect a fee for this.
4.	Part VI – Changes in Capital Structure of Listed Issuers – L. Normal Course Issuer Bids – Section 628 – General	Update section reference to applicable securities laws.	Amend language to reflect correct reference to applicable securities laws.
5.	Part XI – Requirements Applicable to Non- Corporate Issuers – Section 1101 – Introduction	Correct typographical error.	Correct typographical error.
6.	Part XI – Requirements Applicable to Non- Corporate issuers – B. Changes in Corporate Structure – Section 1113 – Preclearance of Materials with the Exchange	Clarify information circulars that require pre- clearance by TSX.	Clarify that TSX considers information circulars that disclose any material change regarding the operations of the non-corporate issuer, including a change in the investment objectives of the non-corporate issuer, as information circulars that must be pre-cleared by TSX.
7.	Appendix A – Original Listing Application	Add clarifying language with respect to which authors consent is required for certain reports.	Clarify that written consent from the author of the NI 51-101 report only must be provided to TSX for the use of the report in support of the Listing Application.

8.	Listing Agreement	Replace reference to "7" trading days notice required in advance of each dividend record date with "5" trading days notice.	Amend language in the Listing Agreement to reflect the actual notice requirement in Section 428 of the Manual, which requires at least 5 trading days notice in advance of each dividend record date.
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Text of the Amendments

The Amendments are set out as blacklined text at **Appendix A**. For ease of reference, a clean version of the Amendments are set out at **Appendix B**.

Effective Date

The Amendments become effective on November 12, 2020.

APPENDIX "A"

BLACKLINE OF NON-PUBLIC INTEREST AMENDMENTS TO THE TSX COMPANY MANUAL

Amendment #1

Part I – Interpretation

[...]

"Recognized Exchange" includes the following exchanges and marketplaces: New York Stock Exchange, NYSE <u>MKTAmerican</u>, NASDAQ, London Stock Exchange Main Board, AIM, Australian Securities Exchange, Hong Kong Stock Exchange Main Board, Investors Exchange and others, as may be determined by TSX from time to time;

[...]

Amendment #2

Part III Original Listing Requirements

[...]

I. Listing Application Procedure

[...]

Sec. 339

Where a company proposes to apply for the listing of securities to be offered to the public by way of prospectus, the company may, prior to filing the Listing Application form, request that the Exchange conditionally approve the listing prior to the public offering. 24 copies of the preliminary prospectus must be filed with the Exchange for this purpose, together with completed Personal Information Forms (<u>Appendix A</u>). In the case of a natural resource company, the preliminary prospectus must also be accompanied by the requisite engineer or geologist's reports

Amendment #3

Part VI Changes in Capital Structure of Listed Issuers

Sec. 619. Name or Symbol Changes

- (a) A listed issuer proposing to change its name must notify TSX as soon as possible after the decision to change the name has been made. The new name must be acceptable to TSX.
- (b) If the proposed change is substantial, it may be appropriate for TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to TSX, in order of preference, in advance of the effective date of the name change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities).
- (c) The following documents must be filed with TSX in connection with a name change:
 - i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
 - ii) definitive specimens of the new generic or overprinted customized security certificates, if any, in accordance with the requirements set out in Appendix D; and
 - iii) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each of the issuer's listed securities after giving effect to the name change (see Section 350).
- (d) The listed issuer's securities will normally commence trading on TSX under the new name at the opening of business two (2) or three (3) trading days after all the documents set out in Subsection 619(c) are received by TSX.
- (e) A listed issuer may request a change to the symbol assigned to its listed securities-subject to the payment of the applicable fee (see TSX Listing Fee Schedule). The listed issuer's choices should be communicated to TSX, in order of preference, in advance of the effective date of the symbol change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities).

Amendment #4

Part VI Changes in Capital Structure of Listed Issuers

[...]

L. Normal Course Issuer Bids

Sec. 628. General

[...]

- (b) For the purposes of Sections 628, 629, 629.1 and 629.2:
 - [...]
 - (iii) in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section <u>91 of the OSA1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*</u>, during the period of an outstanding normal course issuer bid will be included. In certain circumstances, TSX will not aggregate securities purchased by a person or a company acting jointly or in concert with a listed issuer. Refer to Staff Notice 2008-0001 for further information; and

[...]

Amendment #5

Part XI Requirements Applicable to Non-Corporate Issuers

[...]

A. Original Listing Requirements

Sec. 1101. Introduction

[...]

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III, except in the case of the requirement to provide Personal Information Forms for each insider of a Non-Corporate Issuer under Section 339. For Non-Corporate Issuers, the Exchange will require Personal Information Forms only from each insider of a Manager of Non-Corporate Corporate Issuer. Absent any material change in the information submitted in the original Personal Information Form, an insider of a Manager of a Non-Corporate Issuer does not need to file a new Personal Information Form or Declaration for so long as he or she remains associated with the same Manager of the Non-Corporate Issuer to which the original Personal Information Form relates. The Exchange may require Personal Information Forms from any individual associated with the Non-Corporate Issuers, as the Exchange determines appropriate.

[...]

Amendment #6

Sec. 1113. Preclearance of Materials with Exchange

Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders at least five business days in advance of finalization of the materials. For this purpose, a corporate action includes any material change regarding the operations of the Non-Corporate Issuer, including a change to the investment objectives of the Non-Corporate Issuer.

Amendment #7

APPENDIX A – ORIGINAL LISTING APPLICATION

[...]

LIST OF DOCUMENTS TO BE FILED

[...]

Listing Application

[...]

4. For Mining and Oil & Gas Applicants

a. full and up-to-date reports on the significant properties of the Applicant, prepared in compliance with the National Instrument 43-101 (NI 43-101) for Mining Applicants and in compliance with National Instrument 51-101 (NI 51-101) for Oil & Gas Applicants. Reports prepared in conformity with other reporting systems deemed by TSX to be substantially equivalent to NI 43-101 and NI 51-101 may also be acceptable. Written consent from the author of the NI 51-101 report must be provided for the use of the reports report in support of the Listing Application;

Amendment #8

TORONTO STOCK EXCHANGE LISTING AGREEMENT

[...]

2. Without limiting the generality of paragraph 1 hereof, the Applicant shall:

[...]

d. notify the Exchange at least seven five trading days in advance of each dividend record date;

[...]

APPENDIX "B"

CLEAN VERSION OF NON-PUBLIC INTEREST AMENDMENTS TO THE TSX COMPANY MANUAL

Amendment #1

Part I – Interpretation

[...]

"Recognized Exchange" includes the following exchanges and marketplaces: New York Stock Exchange, NYSE American, NASDAQ, London Stock Exchange Main Board, AIM, Australian Securities Exchange, Hong Kong Stock Exchange Main Board, Investors Exchange and others, as may be determined by TSX from time to time;

[...]

Amendment #2

Part III Original Listing Requirements

[...]

I. Listing Application Procedure

[...]

Sec. 339

Where a company proposes to apply for the listing of securities to be offered to the public by way of prospectus, the company may, prior to filing the Listing Application form, request that the Exchange conditionally approve the listing prior to the public offering. 24 copies of the preliminary prospectus must be filed with the Exchange for this purpose, together with completed Personal Information Forms. In the case of a natural resource company, the preliminary prospectus must also be accompanied by the requisite engineer or geologist's reports

Amendment #3

Part VI Changes in Capital Structure of Listed Issuers

Sec. 619. Name or Symbol Changes

- (a) A listed issuer proposing to change its name must notify TSX as soon as possible after the decision to change the name has been made. The new name must be acceptable to TSX.
- (b) If the proposed change is substantial, it may be appropriate for TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to TSX, in order of preference, in advance of the effective date of the name change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities).
- (c) The following documents must be filed with TSX in connection with a name change:
 - i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
 - ii) definitive specimens of the new generic or overprinted customized security certificates, if any, in accordance with the requirements set out in Appendix D; and
 - iii) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each of the issuer's listed securities after giving effect to the name change (see Section 350).
- (d) The listed issuer's securities will normally commence trading on TSX under the new name at the opening of business two (2) or three (3) trading days after all the documents set out in Subsection 619(c) are received by TSX.
- (e) A listed issuer may request a change to the symbol assigned to its listed securities. The listed issuer's choices should be communicated to TSX, in order of preference, in advance of the effective date of the symbol change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities)..

Amendment #4

Part VI Changes in Capital Structure of Listed Issuers

[...]

L. Normal Course Issuer Bids

Sec. 628. General

[...]

- (b) For the purposes of Sections 628, 629, 629.1 and 629.2:
 - [...]
 - (iii) in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section 1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, during the period of an outstanding normal course issuer bid will be included. In certain circumstances, TSX will not aggregate securities purchased by a person or a company acting jointly or in concert with a listed issuer. Refer to Staff Notice 2008-0001 for further information; and

[...]

Amendment #5

Part XI Requirements Applicable to Non-Corporate Issuers

[...]

A. Original Listing Requirements

Sec. 1101. Introduction

[...]

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III, except in the case of the requirement to provide Personal Information Forms for each insider of a Non-Corporate Issuer under Section 339. For Non-Corporate Issuers, the Exchange will require Personal Information Forms only from each insider of a Manager of Non-Corporate Issuer. Absent any material change in the information submitted in the original Personal Information Form, an insider of a Manager of a Non-Corporate Issuer does not need to file a new Personal Information Form or Declaration for so long as he or she remains associated with the same Manager of the Non-Corporate Issuer to which the original Personal Information Form relates. The Exchange may require Personal Information Forms from any individual associated with the Non-Corporate Issuers, as the Exchange determines appropriate.

[...]

Amendment #6

Sec. 1113. Preclearance of Materials with Exchange

Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders at least five business days in advance of finalization of the materials. For this purpose, a corporate action includes any material change regarding the operations of the Non-Corporate Issuer, including a change to the investment objectives of the Non-Corporate Issuer.

Amendment #7

APPENDIX A – ORIGINAL LISTING APPLICATION

[...]

LIST OF DOCUMENTS TO BE FILED

[...]

Listing Application

[...]

4. For Mining and Oil & Gas Applicants

a. full and up-to-date reports on the significant properties of the Applicant, prepared in compliance with the National Instrument 43-101 (NI 43-101) for Mining Applicants and in compliance with National Instrument 51-101 (NI 51-101) for Oil & Gas Applicants. Reports prepared in conformity with other reporting systems deemed by TSX to be substantially equivalent to NI 43-101 and NI 51-101 may also be acceptable. Written consent from the author of the NI 51-101 report must be provided for the use of the report in support of the Listing Application;

Amendment #8

TORONTO STOCK EXCHANGE LISTING AGREEMENT

[...]

2. Without limiting the generality of paragraph 1 hereof, the Applicant shall:

- [...]
- d. notify the Exchange at least five trading days in advance of each dividend record date;

[...]

13.2.4 Neo Exchange Inc. – Significant Change to the Treatment of Weighted Closing Price Eligible Securities – Notice of Approval

NEO EXCHANGE INC.

SIGNIFICANT CHANGE TO THE TREATMENT OF WEIGHTED CLOSING PRICE ELIGIBLE SECURITIES

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Neo Exchange Inc. (**"NEO Exchange**") has received approval to implement a significant change to its treatment of weighted closing price eligible securities from the Ontario Securities Commission.

On September 24, 2020, NEO Exchange published for comment a proposed Significant Change to publish, at the end of each trading day for each NEO-listed ETF, a zero-volume print at the Closing Price using a new cross type, "Closing Price Publication", attributed to the NEO Exchange.

Ten comment letters were received. A summary of the comments and NEO Exchange's response can be found at <u>www.osc.gov.on.ca</u>.

NEO intends to implement the Significant Change in Q1 of 2021.
13.3 Clearing Agencies

13.3.1 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Rules of CDCC to Modify the Nominal Value of the Two-Year Government of Canada Bond Futures – Notice of Commission Approval

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

NOTICE OF COMMISSION APPROVAL

PROPOSED AMENDMENTS TO THE RULES OF CDCC TO MODIFY THE NOMINAL VALUE OF THE TWO-YEAR GOVERNMENT OF CANADA BOND FUTURES

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and the Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on November 5, 2020 the amendments to the Rules of CDCC to modify the nominal value of the Two-Year Government of Canada bond futures (CGZ) from C\$200,000 to C\$100,000.

A copy of the CDCC notice was published for comment on August 20, 2020 on the Commission's website at: <u>http://www.osc.gov.on.ca</u>. No comments were received.

13.3.2 CDS Clearing and Depository Services Inc. (CDS) – Notice and Request for Comment – Proposed Amendments to CDS Participant Rules related to Post-Trade Modernization

CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

PROPOSED AMENDMENTS TO CDS PARTICIPANT RULES (the "RULES")

RELATED TO POST-TRADE MODERNIZATION

REQUEST FOR COMMENTS

A. BACKGROUND, NATURE, AND PURPOSE OF THE PROPOSED CDS RULE AMENDMENTS

The CDS Post-Trade Modernization project ("**PTM Initiative**") was initiated in 2017 and is expected to take effect in Q4 2021. The objective of the project is the wholesale upgrade of the CDS clearing, settlement, and depository platform; modern software and infrastructure will permit additional flexibility for future changes and will ease future support activities. In the planning and execution of the PTM Initiative, CDS undertook to minimize the systemic and documentary impact on CDS's Participants. A large-scale initiative such as the PTM Initiative, and the consequential changes to the CDS systems and related processes, result in corresponding amendments to the Rules. A detailed internal review of the Rules for the proposed amendments, followed by an extended review process involving CDS Participants and stakeholders, has identified both certain material changes to the Rules and some additional housekeeping amendments (collectively, "**Proposed PTM Amendments**").

B. DESCRIPTION OF THE PROPOSED AMENDMENTS

Material Rules

Appendix 1 provides specific description(s) of the amendments ("**Proposed Material Amendments**") to the Rules that fall within the meaning of material rules ("**Material Rules**"), as defined under Appendix A of the Recognition Order issued by the Ontario Securities Commission on July 4, 2012, as amended (the "**Recognition Order**").

Technical Rules

Appendix 2 provides specific description(s) of the amendments ("Proposed Technical Amendments") to the Rules that are:

- (a) matters of a technical nature in routine operating procedures and administrative practices relating to the CDS services;
- (b) consequential amendments intended to implement a material rule that has been published for comment which only contain material aspects already contained in the material rule or disclosed in the notice accompanying the material rule;
- (c) the correction of spelling, punctuation, typographical or grammatical mistakes or inaccurate cross-referencing; and
- (d) stylistic formatting, including changes to headings or paragraph numbers.

The Proposed Technical Amendments fall within the meaning of technical rules ("Technical Rules"), as defined in the Recognition Order.

Materials Available for Review

- 1. The clean versions of Rules 1 to 12, which have incorporated all the Proposed PTM Amendments, as well as all the Clean-up Changes that were published for comment on June 11, 2020 (the "**Revised Rules**")¹; and
- 2. The blacklined versions of the Revised Rules, which track all the Proposed PTM Amendments;

are made available by CDS for review at the following link to CDS's website:

https://www.cds.ca/bulletins-and-resources/user-resources/publications/proposed-ptm-related-amendments-to-cds-participant-rules?lang=en

¹ CDS anticipates receiving regulatory decisions in Q4 2020 regarding all the Clean-up Changes to the Rules that were published for comment on June 11, 2020.

C. IMPACT OF THE PROPOSED CDS RULE AMENDMENTS ON CDS AND CDS PARTICIPANTS

Please refer to Appendix 1, which summarizes the material impact, if any, of the Proposed Material Amendment on CDS, Participants and other stakeholders. Other than those set out in Appendix 1, CDS is not aware of any other material impact on CDS, Participants, other market participants or the securities and financial markets in general.

C.1 Competition & Conflict of Interest Analysis

The Proposed Material Amendments result from changes to CDS clearing, settlement, and depository systems. As concerns fair access and conflict of interest issues, CDS does not believe any individual, or subset of, Participants will be disadvantaged or otherwise prejudiced by the introduction of the Proposed Material Amendments.

C.2 Risks and Compliance Costs

While CDS acknowledges that the PTM Initiative will impact Participants and stakeholders, the Proposed Material Amendments are not expected to result in any direct compliance costs for CDS, Participants, or other market participants.

C.3 Comparison to International Standards

Observance of PFMI standards is a requirement under CDS's Recognition Order as well as under National Instrument 24-102 (Clearing Agency Requirements) and related Companion Policy 24-102CP. The Proposed Material Amendments have been evaluated against, and do not affect, CDS's observance of, and compliance with, these standards.

D. DESCRIPTION OF THE RULE DRAFTING PROCESS

D.1 Development Context

The Proposed PTM Amendments are drafted by CDS legal personnel, in consultation and collaboration with all relevant CDS departments and project management personnel, including, without limitation, subject matter experts from CDS Risk Management, Integrated Operations, Tax Processing, and Relationship Management areas. Draft Rules are subsequently reviewed by the CDS Legal Drafting Group, one of several CDS Participant Advisory Committees provided for under CDS's regulatory oversight framework.

D.2 Rule Drafting Process

The proposed changes to CDSX and related processes resulting from the PTM Initiative are captured in the Change Assessment Documents², which had been reviewed and discussed with Participants. The Proposed Material Amendments have been drafted to reflect the changes that are detailed in the Change Assessment Documents, to the extent such changes impact the Rules.

The Proposed PTM Amendments were circulated to CDS's Legal Drafting Group (the "LDG") in mid-June 2020.³ Three (3) LDG meetings were subsequently convened to review the proposed amendments. The LDG was requested to provide their feedback by August 4, 2020. LDG did not raise any objection to the proposed amendments.

D.3 Issues Considered

In drafting the Proposed PTM Amendments, CDS's primary objective is to ensure that the Rules will accurately capture the changes to CDSX and related processes under PTM, which are expected to take effect in Q4 2021.

D.4 Consultation

The Proposed PTM Amendments were circulated to the LDG for review between mid-June and early August, 2020. Please refer to Section D.2 above. CDS presented the proposed amendments to the Risk Management and Audit Committee of the Board, and the CDS Board of Directors itself, (the "**Board**"), on September 28, 2020, subsequent to which meeting the Board approved the Proposed Amendments for filing with CDS's regulators and for publication.

D.5 Alternatives Considered

In light of the nature of and reason for the Proposed PTM Amendments, no alternatives were considered.

² The Change Assessment Documents are posted on the PTM Portal, which was set up by CDS to provide centralized access to documents related to PTM. All Participants, service providers, and Recognizing Regulators have access to the PTM Portal.

³ The LDG is an ad hoc advisory committee composed of legal and business representatives of Participants.

D.6 Implementation Plan

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Securities Act (Ontario), by the British Columbia Securities Commission pursuant to Section 24(d) of the Securities Act (British Columbia) and by the Autorité des marchés financiers ("AMF") pursuant to section 169 of the Securities Act (Québec). In addition, CDS is deemed to be the clearing house for CDSX, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the Payment Clearing and Settlement Act. The Ontario Securities Commission, the British Columbia Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The Proposed PTM Amendments will come into effect on a date to be determined by CDS, such date (expected to be in Q4 2021) will be after the required public notice and comment period, approval of the Proposed Material Amendments by the Recognizing Regulators, and publication of notice of approval to Participants.

E. TECHNOLOGICAL SYSTEM CHANGES

The Proposed PTM Amendments are triggered by proposed changes to CDSX and related processes as a result of PTM. The proposed changes under PTM will impact technological systems, and require changes to such systems for CDS, Participants, or other market participants. The expected impact and required changes are under continuous discussion and review with the PTM Industry Engagement Working Group⁴ to ensure CDS's, Participants', and other market participants' readiness when the new system goes live (expected to be in Q4 2021).

F. COMPARISON TO OTHER CLEARING AGENCIES

CDS is of the view that the Proposed PTM Amendments and their purpose do not deviate from the standards and practices of other international clearing agencies that are comparable to CDS, such as the Depository Trust & Clearing Corporation ("**DTCC**") and its subsidiary National Securities Clearing Corporation ("**NSCC**") in the United States.

G. PUBLIC INTEREST ASSESSMENT

CDS believes that the Proposed PTM Amendments are not contrary to the public interest.

H. COMMENTS

Comments on the Proposed PTM Amendments must be made in writing and submitted by January 15, 2021 to:

CDS Clearing and Depository Services Inc. Attn: Legal Department, Tony Hoffmann, Senior Legal Counsel 100 Adelaide Street West – Suite 300 Toronto, Ontario, M5H 1S3 Email: tony.hoffmann@tmx.com

> with a copy to Deanna Dobrowsky Email: <u>deanna.dobrowsky@tmx.com</u>

Copies should also be provided to the Autorité des marchés financiers, British Columbia Securities Commission and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

Philippe Lebel Corporate Secretary and Executive Director, Legal Affairs Autorité des marchés financiers Place de la Cité, tour Cominar 2640 Laurier boulevard, suite 400 Québec (Québec) G1V 5C1 Fax : (514) 864-8381 E-mail: consultation-en-cours@lautorite.qc.ca Aaron Ferguson, Market Regulation Market Regulation Branch Ontario Securities Commission Suite 2200 20 Queen Street West Toronto, Ontario, M5H 3S8 Fax: 416-595-8940 e-mail: marketregulation@osc.gov.on.ca

⁴ The Industry Engagement Working Group includes representatives of Participants and their service providers. All Participants, service providers and Recognizing Regulators are invited to all the working group meetings.

Doug MacKay Manager, Market and SRO Oversight British Columbia Securities Commission 701 West Georgia Street P.O. Box 10142, Pacific Centre Vancouver, B.C. V7Y 1L2 Fax: 604-899-6506 Email: dmackay@bcsc.bc.ca Zach Masum Manager, Legal Services British Columbia Securities Commission 701 West Georgia Street P.O. Box 10142, Pacific Centre Vancouver, B.C., V7Y 1L2 Fax: 604-899-6506 Email: zmasum@bcsc.bc.ca

CDS will make available to the public, upon request, all comments received during the comment period.

No.	Rule Amended	Description of the Amendment	Nature and Purpose of the Amendment and Material Impact
1	1.2.1 (definitions of Securities Account, Collateral Account, Memo Account, Pledge Account, Rehypo Given Account (new), Rehypo Balance Account (new), Pledge, Rehypothecation (new), and Trade) 4.1.2, 4.1.4 6.1.3(iv), (v), 6.5.1, 6.5.2(i), (ii), 6.5.3, 6.6.6 7.2.5 (new), 7.5.4	Include Rehypothecation as a Trade and add related provisions	 The introduction of the term "Rehypothecation" in the Rules is intended to: (a) reflect the enhancement of the Pledge functionality in the new system, which gives the Pledgee Participant the right to Rehypothecate the Pledged Securities; and (b) set out the rights and obligations of CDS and of Participants to the extent Participants are using the new system to process the terms of a Rehypothecation under the bilateral agreements between them. The new system will not have a Rehypothecation functionality per se. Instead, CDS will be enhancing its Pledge functionality by adding a new flag that will identify whether or not the Securities that are being Pledged may be Rehypothecated. When entering a Pledge in the new system, the Pledgor Participant will check off the new flag if the Pledgee Participant has the right to Rehypothecate the Pledged Securities. Provided the flag is checked off, the Pledge Participant will be able to Rehypothecate the Pledged Securities by way of a new Transaction can be a Pledge, loan, transfer, etc., provided it accurately reflects the terms of the bilateral agreement between the Participants. Pledged Securities with the right to Rehypothecate are delivered to the Securities Account of the Pledgee Participant, with such Securities reflected in the Rehypo Given Account (a new Memo Account) of the Pledger Participant, and in the Rehypo Balance Account (a new Memo Account) of the Pledger Participant, with such Securities reflected in the right to Rehypothecate are delivered to the Collateral Account of the Pledgee Participant, with such Securities reflected in the Pledge Participant.
2	3.3.1(ii)	Remove the ability of Participants to designate their own settlement holidays	This functionality will no longer be supported in the new system. Participants will no longer be able to add additional settlement holidays to their profiles (ledgers). All settlement restrictions will be limited to \$USD and \$CAD "holidays" that are consistent with the U.S. Federal Reserve and Payments Canada clearing holidays.
3	6.10.2, 6.10.3(i)	Change the eligibility of Pooled Securities and make specific references to the Procedures for criteria applicable to Pooled and Stripped Securities.	With the new system, the ability to strip restricted securities (ie., non-eligible Securities) will no longer be supported. Specific reference is made to the Procedures, which will set out the criteria applicable to a Pooled Security and a Stripped Security.
4	7.3.7, 7.3.8, 7.4	Replace Batch/CNS Process with Settlement Optimization Process and amend related provisions	The Batch/CNS Process will be replaced with the new Settlement Optimization Process. The Batch/CNS Process is a batch net settlement process that increases settlement efficiency by combining the settlement of trades targeted to settle by CNS and Trade-for-Trade ("TFT"). The objective of this settlement optimization process is to

Appendix 1 – Proposed Material Amendments

No.	Rule Amended	Description of the Amendment	Nature and Purpose of the Amendment and Material Impact
			reduce a Participant's requirements for security positions, funds, System-Operating Cap, credit and Collateral.
			The Settlement Optimization Process is a batch net settlement process that increases settlement efficiency by running one or more iterations of a TFT settlement optimization batch followed by CNS settlement. The TFT optimization batch allows TFT activities to net against each other in the optimal way. The CNS settlement that follows uses funds and Securities delivered in the TFT batch for Settlements in the CCP Function. The iterative nature of the design allows for progressively improving upon overall settlement efficiency.
	1.2.1 (definitions of Entitlement Processor and Paying Agent)	Include Paying Agent as a defined term	The new system will have the role of a Paying Agent. Hence, the definition of Payment Agent is added to the Rules.
5	6.2.9(i)(h), 6.4.1 11.6.2		The exact roles and responsibilities of a Paying Agent will be set out in the Procedures, which will provide more clarity and certainty for CDS, Participants and those who perform the role of a Paying Agent.
	1.2.1 (definition of Withholding Agent)	Include Withholding Agent as a defined term and add related	The new system will have the role of a Withholding Agent. Hence the definition of Withholding Agent and the topic of withholding tax are added to the Rules.
6	6.5.5 (new)	provisions	The exact roles and responsibilities of a Withholding Agent will be set out in the Procedures, which will provide more clarity and certainty for CDS, Participants and those who perform the role of a Withholding Agent.
7	6.6.6	Change the details relating to distribution of Entitlements.	The Rules will rely on and refer to the Procedures for details relating to distribution of Entitlements.

No.	Rule Amended	Description of the Amendment	Nature and Purpose of the Amendment
1	1.2.1 6.1.3(ii)	Deletion of RSP Account	An RSP Account is intended to hold Securities that relate to RSP investments and be used for all CDSX Transactions except for Trades to be Settled by CNS. The new system will no longer support an RSP Account. Currently, no Participants have Securities in an RSP Account. Prior to implementation, Participants will not be allowed to open an RSP Account or move Securities into an RSP Account.
2	8.3.4	Expansion of accounts under automatic segregation	Under the new system, the restriction of automatic segregation being limited to the Accounts of the same Ledger of a Participant will be removed.
3	8.3.4	Removal of segregation by exception indicator	Under the new system, a Participant will no longer have the option of exempting its General Account or certain Securities in its General Account from automatic segregation.
4	11.1, 11.4.4, 11.4.7, 11.4.8, 11.4.12, 11.5, 11.5.1, 11.5.2, 11.5.3, 11.5.5	Removal of all references to Deferred Certificate Inventory ("DCI")	The new system will no longer support the certification format of DCI. DCI will fall within the scope of the certificate format of Non-Certificated Inventory ("NCI").
5	3.1.1(b)i.	Update the roles of User Administrator and User	The new system will not distinguish between the roles of User Administrator and User. A single Administrator role will provide for both functions.
6	1.2.1 6.1.5 (deleted), 6.2.3, 6.3.1 11.3.2, 11.4.3	All references to TRAX (for deposits and withdrawals) are removed and the term "Transfer Request" is added	TRAX transfer requests will be incorporated into the depository functions of the new system, which will be called "Transfer Request" in the new system.
7	1.2.1 6.9.5 (deleted)	All references to CALMS are removed	The new system will not support CALMS.
8	5.11.1(c)	Streamline of Collateral Pools	In respect of the Pool Contributions of Participants in the same Category of Participant, the Participants will Pledge to the same Collateral Administration Ledger.
9	10.2.5	DTC & NSCC reports from DTC directly	Post-PTM, Cross-Border Participants will receive the reports from DTC and NSCC directly, instead of through CDS.
10	11.5.7	Amend TA related fee arrangements for clarity	The Rule is amended for better clarity to reflect the current processes of CDS.
11	1.2.1 (added "funds" in the first bullet of the definition of Pledge)	Changes to pre-entry system edits	Under the new system, a Pledge may be used to transfer funds without transfer of Securities between the Participants.
	7.2.2		
	12.2.5(ii)	Allow Participant to	A new feature in the system will be available to allow a Participant to move all Ledger positions from the Account of a

move all Ledger

at the end of day

positions from Limited

Purpose Participant to Full Service Participant

Flexibility with payout of

Entitlements to Accounts

Appendix 2 – Proposed Technical Amendments
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6.6.3(ii)

12

13

Participant to move all Ledger positions from the Account of a

Details on the new feature will be set out in the Procedures.

a Participant at the Account level or Ledger level.

Under the new system, payout of Entitlements may be set up by

Limited Participant to a Full Participant.

No.	Rule Amended	Description of the Amendment	Nature and Purpose of the Amendment
14	1.2.1 5.12.4(b), 5.15.3 6.6.2, 6.6.3, 6.6.4, 6.6.5, 6.7, 6.8.4, 6.11.2(i)	Rename "Entitlements Ledger" of CDS to "Entitlements Account" and related amendments	The Rules are being updated to replace "Entitlements Ledger" with "Entitlement Account" to reflect its nature in the new system. The relevant Rules relating to "Entitlements Ledger" will not otherwise impacted.
15	5.10.6(ii)	Delete Special Margin Collateral Contribution	Since the de-leveraging of the RCP CAD Pool a few years ago, the prescribed Special Margin Collateral Contribution in the case of early warning levels 1 and 2 is no longer required.
16	9.3.7(iii)(b)	Incorporate changes regarding delivery of Category Credit Ring Collateral to a Survivor who is a non-LVTS Settlement Agent	The proposed amendments are to incorporate the amendments re non-LVTS Settlement Agent as set out in OSC's Notice #12 of March 2018, which has received regulatory approval.
17	1.2.1 (definitions of Fund, Fund Contribution, and Member), 1.10.8 5.2.1, 5.7.1, 5.7.2, 5.7.3, 5.7.4, 5.9.6(b)(iii), 5.11.3	To more accurately apply the terms "Fund" and "Fund Credit Ring" in the Rules	The proposed amendments are to more accurately apply the terms "Fund" and "Fund Credit Ring" in the Rules, based on the respective context of the Rules, and in particular, taking into account the fact that CNS Function has the default fund and the participant fund, with the former subject to mutualization and the latter not being so.
	9.2.9, 9.3.3, 9.4.5, 9.5.1, 9.5.5, 9.5.6(b), 9.5.7(a)		
18	3.3.3	Removal of references to Rule 8 re cut-off times	The proposed amendment is to correct an inaccurate cross- referencing. Rule 8 does not set out the cut-off times.
19	1.6.1	To follow the language of the Recognition Order	The proposed amendments update the meaning of a technical amendment of the Rule to mirror the language in the Recognition Order.
20	1.9.2(ii)	Update language to reflect that CDS may open USD account at one or more financial institutions.	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
21	7.1.1(e)	Delete Certificate Based Settlement Method	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
22	1.2.1 (added a new paragraph (a) under the Definition of "Account")	Amend the definition of Account by including CDS Account under Rule 1.9.2; this is to accurately reflect the meaning of the term as it is currently used in the Rules	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
23	1.2.1	Amend the definition of Payment Item	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
24	3.2.4	More accurately describe CDS Use of the System	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.

No.	Rule Amended	Description of the Amendment	Nature and Purpose of the Amendment
25	5.2.4(c)	Amend wording re Settlement Service Collateral for clarity	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
26	6.1.3(vi)	Amend wording re Accounts for Tenders for better clarity	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
27	7.3.3	Amend wording re Novation of Trades Prior to Settlement to reflect reality	The proposed amendment is matter of a technical nature in routine operating procedures and administrative practices relating to the CDS services.
	2.2.7	stylistic formatting, including changes to headings or paragraph numbers	The proposed amendments are stylistic formatting, including changes to headings or paragraph numbers.
	3.7.3, 3.9.3, 3.9.6		
	4.3.4, 4.3.5	numbers	
	5.5.3, 5.7.8(b), 5.14.2, 5.14.4, 5.14.5(ii)		
	6.2.9(ii), 6.3.3, 6.9.4		
28	7.3, 7.3.4, 7.3.9, 7.3.11, 7.4.2		
	8.1.1, 8.5.4		
	9.6.2		
	10.5.3, 10.6.1, 10.8.4(v), 10.8.5, 10.9.1, 10.9.8, 10.10.1(ii), 10.10.2		
	11.2.2, 11.6.4		

13.3.3 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the Rules of CDCC with Respect to the Adjustments in Contract Terms – Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

PROPOSED AMENDMENTS TO THE RULES OF CDCC WITH RESPECT TO THE ADJUSTMENTS IN CONTRACT TERMS

The Ontario Securities Commission is publishing for public comment the proposed amendments to the CDCC Rules concerning the adjustments in contract terms.

The purpose of the proposed amendments is to provide additional guidance related to adjustments to contract terms resulting from corporate action events and allow acceleration of the nearest month term when an equity option contract is adjusted.

The comment period ends on December 11, 2020.

A copy of the CDCC Notice is published on our website at <u>http://www.osc.gov.on.ca</u>.

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