

Chapter 1

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:

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