



ONTARIO
SECURITIES
COMMISSION

For the fiscal years ending

2022 – 2024

OSC
Business Plan

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INTRODUCTION

Background

The Ontario Securities Commission (“OSC” or “Commission”) is a regulatory agency of the Ontario government that operates on a cost recovery basis. The OSC is required under the Agencies and Appointments Directive (which is the key government directive setting out agency governance and accountability) to annually provide a multi-year Business Plan (the “Plan”) to the Minister of Finance. This Business Plan sets out the OSC’s core strategy for the fiscal years 2021-2022, 2022-2023 and 2023-2024 including the initiatives for the upcoming year that will be undertaken toward this strategy.

The OSC has overall accountability for the effective administration of the *Securities Act* (Ontario) (the “Act”) as well as the *Commodity Futures Act* (Ontario) (together, the “Acts”). While the OSC oversees securities regulation for Ontario, capital markets in Canada are highly integrated. Accordingly, much of the OSC’s activity is often coordinated with the activities of other provincial and territorial securities regulators, primarily through the Canadian Securities Administrators (CSA). Coordinating with the CSA helps to reduce regulatory complexity and burden faced by market participants.

Since financial services in general, and securities markets in particular, are increasingly global in their conduct, influence and evolution, developments outside Canada also affect operational activities of the OSC as well as the ability to achieve its mandate.

The financial summary in this Plan outlines forecasted costs and revenues over a three-year period. Other aspects of this Plan focus on current period initiatives.

Business planning is not a discrete one-time exercise. Modification to various aspects of the OSC Business Plan and priorities should

be anticipated in response to emerging issues and changing market conditions, particularly in light of the COVID-19 pandemic and the recommendations by the Capital Markets Modernization Taskforce (“the Taskforce”) that are adopted by the government.

The information about the OSC included in the Business Plan is reflective of the organization as at February 1, 2021.

Primary Enabling Legislation – Securities Act (Ontario)

The OSC is accountable to the Minister of Finance. The Minister, in turn, is accountable to the Legislature for the Commission’s fulfilment of its mandate and its compliance with government policies, and for reporting to the Legislature on the affairs of the Commission.

The OSC annually provides the Minister with the following key reports:

- Audited Financial Statements
- Multi-year Business Plan
- Annual Statement of Priorities (SoP)
- SoP Report Card (a progress report against the prior year SoP)
- Annual Report.

In addition, the Ministry of Finance is informed on operational matters through ongoing scheduled work-in-progress meetings.

The OSC is required to affirm or sign a new Memorandum of Understanding (MOU) with the new Minister of Finance within six months of the Minister’s appointment. The OSC will be required to affirm or sign a new MOU with the new Minister of Finance.

INTRODUCTION

Vision, Mandate and Goals

Our Vision

To be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

Our Mandate

To provide protection to investors from unfair, improper or fraudulent practices, to foster fair and efficient capital markets and confidence in capital markets and to contribute to the stability of the financial system and the reduction of systemic risk.

Our Organizational Goals

PROMOTE
Confidence in Ontario’s
Capital Markets

Promote confidence in Ontario’s capital markets among market participants and investors

REDUCE
Regulatory Burden

Enhance access for businesses and financial services providers to Ontario’s capital markets

FACILITATE
Financial Innovation

Cultivate an environment that supports development of innovative financial business models



Strengthen Our Organizational Foundation

People

Technology

Information

Mandate and Operating Principles

The mandate of the OSC as set out in the Act is to provide protection to investors from unfair, improper or fraudulent practices; to foster fair and 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 principal means for achieving this mandate consist of:

- Setting/defining requirements for accurate and timely disclosure of information necessary for investors to make informed decisions
- Establishing restrictions on fraudulent and unfair market practices and procedures
- Fostering of fair, efficient, and transparent markets
- Establishing requirements for the maintenance of high standards of fitness and business conduct for market participants
- Dedicated focus on reducing unnecessary regulatory burden on market participants while upholding investor protection
- Timely, open and efficient administration of enforcement, compliance and adjudication activities
- Delegation of specific functions to Self-Regulatory Organizations (SROs) (subject to appropriate OSC supervision)
- Responsible harmonization and coordination of regulatory practices with other jurisdictions (e.g. through the Canadian Securities Administrators (CSA), Heads of Regulatory Agencies (HoA) and the International Organization of Securities Commissions (IOSCO))
- Facilitating innovation in Ontario's capital markets.

The OSC is committed to fostering confidence in Ontario's capital markets, supporting an environment where capital is available on competitive terms, streamlining regulation with a strengthened focus on reducing regulatory burden and maintaining Ontario's financial services sector as a world leader and significant contributor to the province's economy.

The OSC will continue to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from domestic and global systemic events.

The OSC will also continue to seek opportunities to make its interface with market participants easier and less costly. Efforts to streamline regulation, improve operational efficiencies and lower regulatory burden are expected to have a significant impact on reducing compliance costs, including for development-stage and innovative businesses.

As these changes are made, individuals and businesses regulated by the OSC can expect to see enhanced service levels, less duplication, and a more tailored regulatory approach.

Response to Expectations Set Out in the Agency Mandate Letter

The OSC will continue to work closely with the Ministry of Finance pursuant to the December 2020 mandate letter from the Minister of Finance to the Acting Chair of the OSC and will coordinate with stakeholders as appropriate to deliver on expectations.

THE ENVIRONMENT

Scan and Impact

As the world emerges from an extraordinary year, two environmental factors will influence OSC's operations and policy agenda for years to come: the coronavirus pandemic and recommendations from the Ontario Capital Markets Modernization Taskforce. Other key challenges that may influence the OSC's policy agenda, its operations and the way it uses its resources are described below.

Effects of COVID-19

Since the outbreak of the COVID-19 pandemic in early 2020, the world's economies and financial markets have experienced unprecedented conditions. The economic consequences of putting large parts of the economy into lockdown during the first wave of COVID-19 were significant. Economic growth declined significantly, and millions of Canadians experienced employment disruptions and businesses struggled to meet financial commitments, such as payments to suppliers and rent.

Governments provided large-scale fiscal and monetary support for the economy and financial markets. At the same time, we have seen unprecedented levels of Central Bank intervention in markets to support liquidity. These supports provide the foundation for the economic recovery.

Financial markets proved to be largely resilient to the conditions experienced. Markets recovered from the initial stresses experienced in March and April 2020; however, there remains a long and challenging path to full recovery. The OSC, along with our CSA colleagues, took a variety of steps to support industry participants and investors. Regulators will continue their efforts to identify and implement support measures where appropriate.

Despite the start of a recovery in the summer of 2020, the recent resurgence of the coronavirus in Canada and elsewhere has contributed to a slowing pace of recovery. Recent news about vaccine availability is positive for those industries most impacted by social distancing. However, widespread vaccine availability is not expected until mid-2021 and so COVID-19's economic consequences will remain a concern.

Households with constrained income are likely to prioritize non-discretionary spending and could reduce their investing. The experience of the economic shutdown may encourage other households to pay down their debt and build up contingency savings in case of future waves of the virus and associated lockdowns. This too may impact investing behaviour.

At the time of writing, forecasters anticipate that interest rates will be maintained at very low levels until at least 2023. Continued low interest rates will impact capital markets activity including capital raising and investment portfolio decisions.

Low rates may encourage firms to maintain current levels of debt or increase their borrowing if they are creditworthy. This would result in stable or even increased volumes of prospectus filings from corporate issuers and growing levels of corporate debt.

Low interest rates will challenge investors to find returns that match their needs and plans. Increased efforts by investors to search for yield could increase their exposure to risk. This may take the form of leveraged investing or moves into more risky asset classes and individual investments.

Regulators will need to remain vigilant about products promising higher returns and that investors have the necessary tools to make informed decisions. Other risks to investors could include issues around the quality of financial information, forward-looking information and debt servicing costs as well as concerns about further growth in the level of corporate debt.

Capital Markets Modernization Taskforce

The Ontario government announced the formation of the Taskforce, which began work in February 2020. The Taskforce published a consultation report in July 2020 and published its final report on January 22, 2021. The final Taskforce report includes significant recommendations to modernize the capital markets regulatory framework.

The OSC will review and consider the recommendations of the Taskforce and will adjust its priorities to accommodate any changes recommended by the Taskforce as adopted by the Ontario government.

Technology and Innovation

The pace of technological evolution and innovation creates challenges to develop and maintain a responsive and aligned regulatory framework. Market participants continue to expand their product and service offerings. Fintech (technology facilitated financial services) and Regtech (technology facilitated regulatory compliance services) innovation continues to advance and is a key disruptive force in the financial services industry. Complexity driven by financial innovation offers many potential benefits and risks to the market. Fintech is leveraging new technology and creating new business models such as providing new product offerings (e.g. blockchain-based crypto assets) and disrupting service channels (e.g. online advisors). Financial services firms are using technological innovation, digitalization and distributed ledger technology to reduce operational costs and improve efficiency.

The breadth and pace of innovation in the financial sector could result in gaps in regulation or become a source of non-compliance. For example, the potential applications and impacts of Artificial Intelligence (AI) are significant but are not yet well understood.

Investor Needs and Education

Investor needs and challenges – key drivers of regulatory concerns – are changing quickly. Demographics are shifting, the financial industry is evolving, technology is disrupting, and the implications of the ongoing global pandemic for people’s future financial security are only beginning to be understood. One way to respond to these challenges is through investor education, something diverse stakeholders in the capital markets widely agree on.

As the responsibility for investing shifts to individuals, they are challenged to achieve the returns needed to finance future needs. There are wide gaps in the levels of investment experience and financial literacy among investors. Investor education has the potential to contribute to improved financial outcomes for investors and is an important component of investor protection.

Protecting investors is a key element of the OSC’s mandate. The OSC protects investors by actively enforcing securities laws to hold offenders accountable and deter future misconduct. The OSC Investor Office provides impartial information to help investors evaluate their choices, invest wisely, and protect themselves against fraud. The OSC is focused on improving the investor experience, including by enhancing education, outreach and engagement and improving the information provided to investors or other interactions that investors have with issuers and registrants.

Demographics are critical to understanding investor needs and are a key driver of most investor-focused issues. Different investor segments (e.g. seniors and millennials) have

unique characteristics and present different challenges in terms of investment objectives and horizons. Their preferences can vary in terms of products (ETFs versus mutual funds) and service channels.

Growing interest in environmental, social and governance (ESG) factors also means that regulators need to consider how best to support investors in getting the information they reasonably need to make informed investment and voting decisions. Automated financial advice is redefining the delivery of client wealth management services and the fees charged for advice.

Due to the impacts of the COVID-19 pandemic, there is an even greater need for the OSC to provide resources and support for investors and financial consumers. The OSC will seek new and innovative ways to deliver investor education and support retail investors in today's complex and uncertain investing environment.

Cybersecurity Resilience

Cyber-attacks that have the potential to disrupt our markets and market participants are likely to occur. Growing dependence on digital connectivity is raising the potential for digital disruption in our financial services and capital markets and creating a strong imperative to raise awareness about cyber-attacks and strengthen cybersecurity resilience. This is a growing challenge as more businesses, services and transactions span national and international borders. The OSC, working with other regulatory partners, has an important role to play in assessing and promoting readiness and supporting cybersecurity coordination and resilience within the financial services industry and raising awareness of cybersecurity risks.

Digital Transformation

Ever increasing market complexity is generating greater availability and reliance on data. The OSC is adding new tools and processes to support staff in delivering on their responsibilities. A key element will be addressing challenges in managing growing volumes of data, including information security.

The OSC is investing in technology and infrastructure to support a digital transformation program that will improve access to data and information to identify trends and risks to support analysis and decision-making.

Workforce Strategy

The OSC's ability to meet the identified goals and strategic objectives is dependent upon it having both sufficient and appropriate resources. The COVID-19 pandemic has changed the way we work, with the majority of OSC employees working from home offices but without reduction in operational effectiveness.

While attracting, motivating and retaining top talent in a competitive market environment continues to be challenging, the OSC continues to build its capabilities and skills by recruiting staff across a range of disciplines, and by developing the skills and experience of our internal talent.

THE ENVIRONMENT

Securities Regulation

Securities regulation is a provincial responsibility, but provincial decisions can affect the capital markets across Canada as well as Ontario's capital markets. The other CSA members have similar mandates to protect investors and foster fair and efficient capital markets. All Canadian securities regulatory authorities currently work together through the CSA. The CSA is not a legal entity but a cooperative association.

Canadian Securities Administrators (CSA)

The CSA's key objective is to coordinate and harmonize regulation of the Canadian capital markets. CSA members work cooperatively to develop and implement harmonized securities laws, and to administer, monitor and enforce laws in a consistent and coordinated manner to minimize regulatory duplication.

Harmonized Policies and Processes

The CSA has achieved a significant level of harmonization and uniformity in securities laws and the implementation of those laws across Canada. Currently most regulatory requirements are set out in national instruments and multilateral instruments and policies that are adopted with virtually uniform wording in all jurisdictions. In addition to harmonized instruments, the passport system and accompanying interface with the OSC provides a streamlined filing and review procedure for prospectuses and exemptive relief applications among multiple securities regulators across Canada resulting in reduced regulatory burden on market participants. The system is designed to enable one CSA jurisdiction to rely on the analysis and review undertaken by the staff of another CSA jurisdiction. The OSC is not a

member of the passport system but in many cases, it relies on other jurisdictions' decisions.

Self-Regulatory Organizations (SROs)

The CSA has developed a coordinated approach to the regulation of SROs. Recognized SROs play a significant role in promoting investor protection and market integrity. They have prescriptive rules, compliance staff and an enforcement function which includes the authority to impose sanctions on their dealer members and their individual representatives and approved persons – i.e. fines, reprimands, suspensions and permanent membership bans. The *Securities Act* provides SROs with the ability to pursue the collection of disciplinary fines directly through the courts. As front-line regulators, SROs discharge their responsibilities, subject to oversight by the applicable provincial securities regulatory authorities known as "recognizing regulators".

There are two recognized and industry-funded SROs in Canada: the Mutual Fund Dealers Association of Canada (MFDA) for registered mutual fund dealers and the Investment Industry Regulatory Organization of Canada (IIROC), for investment dealers and market members. Most CSA jurisdictions rely on the applicable SRO to conduct the day-to-day regulation of mutual fund dealers and investment dealers, with IIROC also responsible for registering individuals and monitoring trading on equity and debt marketplaces in Canada. Each SRO is the sole sponsor of an investor protection fund (IPF) which protects client assets in the event of an SRO member insolvency.

The approved funds are the Canadian Investor Protection Fund (CIPF) for IIROC members and the MFDA Investor Protection Corporation (MFDA IPC) for MFDA members.

The recognizing regulators have formal oversight programs, consisting of regular reporting on activities, oversight reviews, processes to review proposed rule and by-law amendments and regular meetings with the SROs to discuss issues and emerging trends. Similar programs are in place for the IPFs. Since multiple jurisdictions are involved in SRO / IPF oversight, the programs are coordinated. A principal regulator model is used for this purpose; each recognizing jurisdiction is actively involved in oversight, but a single regulator (i.e. the principal regulator) coordinates the process. The OSC is the principal regulator for IIROC, CIPF and the MFDA IPC; and the British Columbia Securities Commission (BCSC) is the principal regulator for the MFDA.

The CSA SRO Oversight Standing Committee is responsible for dealing with issues and initiatives that affect the SROs. The day-to-day oversight of SRO/ IPFs is performed by sub-committees set up for each SRO / IPF. These sub-committees also act as forums for the discussion of issues related to each regulated entity.

Exchanges

Exchanges that have been recognized in various jurisdictions in Canada are the TMX Group Inc. (and TSX Inc. that operates the exchange), TSX Venture Exchange, Canadian Securities Exchange (CSE), TSX Alpha Exchange (Alpha), Neo Exchange Inc. (NEO), Nasdaq CXC Limited (Nasdaq), Natural Gas Exchange (NGX) and the Bourse de Montréal. These exchanges offer services in multiple provinces and territories and are subject to regulation by the securities regulatory authorities in the jurisdictions in which they operate. The CSA relies on a "lead" regulator model for the oversight of each recognized exchange, whereby one jurisdiction recognizes the exchange while the others exempt the exchange from recognition based on principles of reliance.

The OSC is the lead regulator for TSX Inc., Alpha, NEO, and Nasdaq, and is co-lead regulator of CSE with the BCSC. The Alberta Securities Commission (ASC) and the BCSC are joint lead regulators for the TSX Venture Exchange. On the derivatives side, the AMF is the lead regulator for the Bourse de Montréal and the ASC for NGX.

Clearing Agencies

Since March 1, 2011, clearing agencies carrying on business in Ontario are required to be recognized by the OSC or to have obtained an exemption from the requirement to be recognized as clearing agencies in Ontario.

Trade Repositories

As part of Canada's commitment to the G20 initiative to reform the practices in the OTC derivatives markets, the OSC has implemented a Trade Repository Rule (TR Rule) to improve transparency in the OTC derivatives market by requiring participants in the market to report certain trade information to a designated TR and to impose certain minimum standards on designated TRs to ensure that they operate in a manner that promotes the public interest. Market participants began reporting under the TR Rule in October 2014.

Regulation of Issuers – Offerings and Continuous Disclosure

Disclosure of complete, accurate and timely information is the cornerstone of investor protection and efficient capital markets. Subject to certain specified exemptions, issuers are required to prepare and file a preliminary and final prospectus prior to any distribution of securities to the public. The prospectus must contain full, true and plain disclosure of all material facts relating to the securities offered under the prospectus and must be receipted by the Commission.

Public companies (referred to as reporting issuers) must comply with periodic and timely continuous disclosure obligations. Those obligations include periodic financial reporting (annual and interim), material

change reports, and business acquisition reports. Requirements that contribute to fair and efficient markets, such as insider trade reporting, corporate governance requirements, and minority shareholder protection requirements also form part of public company regulation.

Issuers that rely on a prospectus exemption must comply with the applicable conditions. Depending on the exemption, conditions relate to the nature of the purchasers, limits on the amounts that may be distributed, prescribed disclosure, and limited ongoing reporting.

Oversight reviews of reporting issuers offering documents are conducted using a risk-based approach, both when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace, to assess compliance with securities law requirements.

Prospectus-exempt distributions do not require prior approval or staff review. Compliance and oversight of issuers in the exempt market is focused on creating awareness of our requirements, monitoring the use of the prospectus exemptions and identifying material non-compliance that may require regulatory intervention.

Investment funds that offer securities to the public must prepare and file a preliminary and final prospectus before distributing their securities. In addition, conventional mutual funds must prepare a Fund Facts document that is required to be delivered to a purchaser prior to the purchase of mutual fund securities. The document provides key information about a fund in plain language and cannot exceed two pages in length. Similarly, exchange-traded funds (ETFs) are required to deliver an ETF Facts document to investors who purchase ETF securities on an exchange.

Publicly offered investment funds are subject to continuous disclosure obligations similar to those applicable to public companies. These

investment funds must also comply with product regulations that contribute to investor protection, including investment restrictions, asset custody requirements and security holder voting requirements. Investor protection is further promoted by requiring every publicly offered investment fund to have a fully independent body, an Independent Review Committee (IRC), whose role is to consider all decisions referred to the IRC by the fund manager involving an actual or perceived conflict of interest faced by the fund manager in the operation of the fund.

The OSC also regulates structured products that are securities and sold to retail investors. These structured products are also known as linked notes. Linked notes generally provide investment exposure to public indices and can have various degrees of downside protection and pay-out. Linked note issuers file base-shelf prospectuses and prospectus supplements to distribute these notes. Any novel linked note is subject to the OSC's review before distribution of the note.

Registration of Dealers, Advisers and Investment Fund Managers

The underlying principle of regulation for dealers, advisers and investment fund managers is based on registration and ongoing registrant obligations. Registration entails demonstrating that the person or company meets the fit-and-proper requirements of proficiency, integrity and financial solvency. Once registered, a dealer, adviser or investment fund manager must meet ongoing registrant obligations. For example, registered firms must meet certain business conduct requirements (including know-your-client (KYC), know-your-product (KYP), suitability, conflict management and client relationship requirements), and financial reporting, working capital, insurance and bonding requirements.

Unless an exemption exists, or a discretionary exemption is granted, firms must register in each jurisdiction where they are:

- In the business of trading
- In the business of advising
- Holding themselves out as being in the business of trading or advising
- Acting as an underwriter
- Acting as an investment fund manager.

The OSC registers firms in all categories of registration (this function is not delegated to SROs in Ontario).

Individuals must become registered with the OSC if they trade, underwrite or advise on

behalf of a registered dealer or adviser, or act as the ultimate designated person or chief compliance officer of a registered firm.

The OSC has delegated to IIROC the registration of their member firm dealing representatives. To facilitate registration and filing in multiple jurisdictions, the CSA developed the National Registration Database and has harmonized the registration regime. Oversight reviews of registrants and derivatives market participants are conducted to assess compliance with applicable securities legislation and rules. Registrants are selected for reviews using a risk-based approach for issue-specific compliance reviews, or when registrant-specific concerns are identified.

THE ENVIRONMENT

OSC Consultative Committees

The Executive and staff of the OSC operating branches are supported by various third-party consultative committees that have been established for one or more of the following purposes:

- To provide a broad range of ideas and expertise as new policy initiatives are developed
- To help the OSC understand how a specific, recently implemented policy is affecting capital market participants
- To improve the OSC's understanding of the concerns and issues faced by a stakeholder group on an ongoing basis.

A list of the key consultative committees includes:

The Investor Advisory Panel (IAP) – is an independent advisory panel to the Commission. The IAP provides comments in response to public requests for comment by the Commission on proposed rules, policies, concept papers and discussion drafts. The Panel also provides comments on the OSC's proposed annual Statement of Priorities, brings forward policy issues for consideration and advises on the effectiveness of the OSC's investor protection initiatives.

Market Structure Advisory Committee (MSAC) – serves as a forum to discuss issues and policy-and rule-making initiatives associated with market structure and marketplace operations in the Canadian and global capital markets.

Small Business Advisory Committee (SBAC) – advises the OSC's Corporate Finance Branch staff on current business practices and emerging trends affecting small businesses in both the public and private markets.

SBAC also provides feedback on the effectiveness of Corporate Finance policies and initiatives as they relate to small business.

Investment Funds Technical Advisory Committee (IFTAC) – advises OSC staff on technical compliance challenges in the investment funds product regulatory regime, and opportunities for improving alignment between investor, industry and regulatory goals.

Continuous Disclosure Advisory Committee (CDAC) – advises OSC staff on the development, implementation and review of continuous disclosure policies and practices.

Mining Technical Advisory and Monitoring Committee (MTAMC) – provides advice to the CSA on technical issues relating to disclosure requirements for the mining industry. The committee also serves as a forum for continuing communication between the CSA and the mining industry.

Securities Advisory Committee (SAC) – provides advice to the OSC on legislative and policy initiatives, and capital market trends.

Registrant Advisory Committee (RAC) – serves as a forum to discuss issues and challenges faced by registrants in interpreting and complying with Ontario securities law, including registration and compliance-related matters.

Securities Proceedings Advisory Committee (SPAC) – provides comments and advice to the Office of the Secretary on policy and procedural initiatives relating to the Commission's administrative tribunal proceedings.

Seniors Expert Advisory Committee (SEAC) – serves as a forum to discuss issues and challenges faced by seniors. The Committee provides OSC staff with expert opinions and input on securities-related policy, operational, educational and outreach activities that are designed to meet the needs of older investors.

Financial Reporting Advisory Committee – provides advice to the CSA’s Chief Accountants Committee on relevant policy initiatives and various technical accounting and auditing issues that relate to financial reporting requirements and guidance in securities legislation in Canada. The committee also serves as a forum to discuss financial reporting practices and trends in the Canadian and global capital markets.

International Harmonization

The OSC is actively engaged at the international level, promoting cooperation, information sharing and the development of principles, standards and best practices in securities regulation. The OSC Acting Chair is a member of the governing Board of IOSCO, which is the leading international policy forum for over 100 securities regulators and is recognized as the global standard setter for the securities sector. OSC staff routinely take leadership roles on IOSCO policy committees and actively cooperate with other regulators under IOSCO’s multilateral MOUs to facilitate cross border investigations and enforcement matters.

GOVERNANCE

The Commission

The Commission, as the regulatory body responsible for overseeing the capital markets in Ontario, administers and enforces the Acts. The *Securities Act* (Ontario) establishes the Commission as a corporation without share capital with a Board of Directors consisting of the members of the Commission (Members). The Commission is composed of at least nine and not more than sixteen Members, each of whom is appointed by the Lieutenant Governor in Council. If there are fewer than nine but at least two Members in office, the Act deems the Commission to be properly constituted for up to 90 days.

Members are appointed for a fixed term by the Lieutenant Governor in Council upon the recommendation of the Minister of Finance and Cabinet. The Lieutenant Governor in Council also designates one Member as Chair & CEO of the Commission and may designate up to three Members as Vice Chairs of the Commission. The Chair & CEO and the Vice-Chairs are full-time Members and devote their full time to the work of the Commission. The other Members, including the Lead Director, are part-time Members, are independent of management, and devote as much time as necessary to perform their duties.

As of February 1, 2021, the Commission is composed of twelve Members, three full-time and nine part-time. The full-time Members are D. Grant Vingoe, Acting Chair & CEO, and Wendy Berman and Timothy Moseley, Vice-Chairs. The part-time Members are Mary Anne De Monte-Whelan, Garnet W. Fenn, Lawrence P. Haber, Craig Hayman, Raymond Kindiak, Frances Kordyback, Cathy Singer, M. Cecilia Williams and Heather Zordel.

Candidates for appointment are recommended to the Minister by the Chair following a recruitment process led by the Governance and Nominating Committee of the Board. The Committee regularly reviews the qualifications, attributes, skills and experience of the Members to ensure that Members, individually and collectively, meet the standards necessary to exercise their responsibilities effectively. The Committee applies a competency matrix to identify any gaps in attributes, skills and qualifications that may arise due to an upcoming vacancy on the Commission.

Appointments and reappointments to the Commission are made in accordance with the Agencies and Appointments Directive, the Memorandum of Understanding with the Minister of Finance and the procedures of the Public Appointments Secretariat of Ontario. In accordance with the Agencies and Appointments Directive, government appointments will respect the needs of the entity to which they have been appointed but will also respect the diversity of the people in Ontario and the need to deliver services and decisions in a professional, ethical and competent manner.

The Agencies and Appointments Directive provides that a person appointed to a regulatory agency, such as the Commission, will serve an initial appointment for a period of up to two years, and may be eligible for reappointment for a second term of up to three years and a third term of up to five years. The Commission has adopted a policy to recommend the reappointment of an eligible part-time Member for up to two additional terms of two years each, resulting in a possible overall term of six years.

Governance Framework

Although structured as a corporation, the Commission is a regulatory body and its purpose is mandated by statute. The Act establishes the Commission's role in regulating capital markets, sets out the fundamental principles that the Commission shall have regard to in overseeing the administration and enforcement of the Act, and outlines the basic governance and accountability structure for the Commission.

The Commission, unlike a business corporation, does not have shareholders to whom the Board of Directors reports. Instead, the Commission is accountable to the Minister of Finance and, through the Minister, to the Ontario Legislature. The Act requires the Commission to enter into a Memorandum of Understanding with the Minister of Finance every five years and to provide the Minister with any information about its activities, operations and financial affairs that the Minister requests, including an Annual Report.

The Memorandum of Understanding sets out the accountability relationship between the Ontario Securities Commission and the Minister. When there is a change in the Minister or the Chair and CEO, both parties must agree to either affirm the current Memorandum of Understanding or to revise it and sign a new Memorandum of Understanding. The current Memorandum of Understanding can be found on the Commission's website.

The Role of Members

Overview

Members of the Commission perform three distinct functions in support of the Commission's mandate – making policies and rules, serving as a board of directors and adjudicating. As policy and rule-makers, Members approve and oversee the implementation of the Commission's regulatory initiatives and priorities. As the Board, Members oversee the management of the financial and other affairs of the

Commission. As adjudicators, Members (other than the Chair & CEO, who does not adjudicate) act independently of their other roles and preside over administrative proceedings brought before the Commission's Tribunal – the administrative tribunal that is assigned the power to conduct hearings under the Acts. A brief outline of these three primary roles follows.

The Role of Members in Policy and Rule-making

The Commission regulates Ontario's capital markets by making rules that have the force of law and by adopting policies that influence the behaviour of capital market participants. The Commission exercises its regulatory oversight function through enforcement of the Acts and administration of certain provisions of the Ontario *Business Corporations Act*.

Members attend regular policy and rule-making meetings with staff to review and approve regulatory initiatives, priorities, policies and rules and to discuss general oversight of the capital markets.

The policy and rule-making function of Members includes:

- Setting the regulatory strategic priorities that guide ongoing operations through the annual Statement of Priorities published by the Ontario Securities Commission
- Providing input to staff with respect to policy and rule-making and other regulatory initiatives, including initiatives with other securities regulators
- Assessing progress in implementing priorities and initiatives
- Guiding staff on emerging trends and issues in the capital markets.

Meetings of two Members are held twice weekly to consider applications for exemptive relief from Ontario securities law. In addition, the Vice-Chairs consider novel exemptive relief applications.

The Role of Members as the Board of Directors of the Commission

The Members act as the Board of Directors of the Commission. The Board is responsible for the overall stewardship of the Ontario Securities Commission, including strategic planning and annual budgets, financial review, reporting and disclosure, risk assessment and internal controls and board governance.

The Board exercises its corporate oversight through regular and special meetings of the full Board and its four standing committees. Board meetings are held at least quarterly and special meetings are held as required. The Board also conducts strategic planning and priorities setting meetings with senior management.

The Board has delegated certain oversight responsibilities to its standing committees while retaining decision-making authority. The Board's four standing committees are the Audit and Finance Committee, Governance and Nominating Committee, Human Resources and Compensation Committee, and Risk Committee.

The Commission adopted the Ontario Securities Commission Charter of Governance to promote transparent, accountable and informed governance. The Commission's commitment to excellence in its governance practices is supported by clear roles and responsibilities, effective processes and reporting, and extensive strategic planning and stakeholder engagement.

The Role of Members as the Tribunal of the Commission

As adjudicators, Members (other than the Chair & CEO, who does not adjudicate due to involvement with enforcement activity) act

independently of their other roles and preside over administrative proceedings brought before the Commission's Tribunal.

Proceedings before the Tribunal are governed by the Ontario *Statutory Powers Procedure Act*, the Commission's *Rules of Procedure and Forms*, the Commission's *Practice Guideline*, and principles of law applicable to administrative tribunals.

The Commission adopted an Adjudication Guideline to enhance the transparency of the Commission's adjudicative processes and provide guidance to Members and employees on the professional and ethical standards expected of them in the exercise of their responsibilities. The Commission established the Adjudicative Committee as a standing advisory committee to assist Members in fulfilling their adjudicative responsibilities and to promote tribunal excellence.

Secretary to the Commission

The Board appoints the Secretary to the Commission, who is an officer of the corporation and reports directly to the Chair & CEO. The Secretary to the Commission is responsible for the oversight and leadership of the governance framework and Tribunal. The Secretary provides strategic governance advice, guidance and support to the Members, advances communications between the Board and management, records the corporate minutes, safeguards tribunal integrity and procedural fairness and provides governance and tribunal education to Members and other stakeholders.

OPERATIONS

Organization, Structure and Resources to Meet Objectives

In 2019, the OSC announced a new management structure to modernize and support its capacity to keep pace with changes in the capital markets and to deliver on its mandate. Through 2020, the announced organizational structure continued to be implemented, including the publication of the Charter for the Office of Economic Growth and Innovation, which sets out its vision, role and strategic objectives.

In 2020, the OSC also announced the creation of a Digital Solutions Branch, including the new Executive position of Chief Digital Officer. This branch is intended to support the OSC in becoming more strategic and proactive in leveraging and adapting to digital trends. Centralizing digital and data solution design, by way of creation of this branch, will also result in more effective use of resources, greater integration of branch operations, and alignment to a common digital vision. The Digital Solutions Branch is accountable to the Chief Administrative Officer (CAO).

The OSC is structured into three main areas:

Regulatory Operations Branches, reporting to the Executive Director (ED)

Regulatory Operations Branches include:

- Compliance and Registrant Registration
- Corporate Finance
- Derivatives
- Enforcement
- Investment Funds and Structured Products

- Investor Office
- Market Regulation
- Office of the Chief Accountant
- Office of Economic Growth and Innovation
- Office of Mergers and Acquisitions
- Regulatory Strategy and Research

Business Operations Branches, reporting to the Chief Administrative Officer (CAO)

Business Operations Branches include:

- Business Planning and Corporate Performance
- Digital Solutions
- Financial Management and Reporting
- Human Resources and Corporate Services
- Information Security
- Information Services

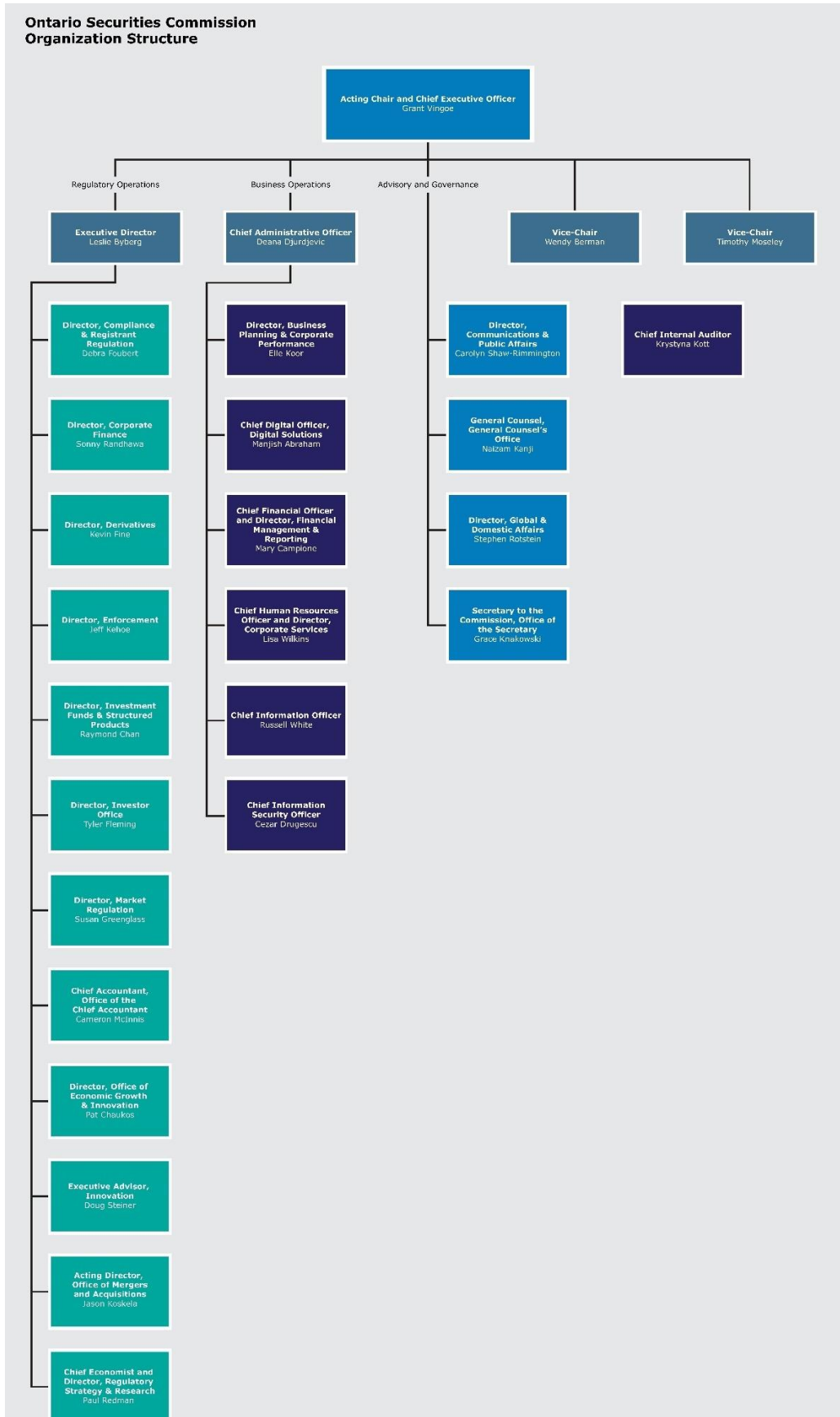
Advisory and Governance Branches, reporting to the Chair and CEO

Advisory and Governance Branches include:

- Communications and Public Affairs
- General Counsel's Office
- Global and Domestic Affairs
- Office of the Secretary

Internal Audit reports to the Chair and CEO.

**Ontario Securities Commission
Organization Structure**



Note: The above represents the OSC organizational structure as at February 1, 2021. The most current OSC organizational structure, can be found at https://www.osc.gov.on.ca/en/About_our-structure_index.htm

Regulatory Operations Branches and Offices

Compliance and Registrant Regulation – responsible for regulating firms and individuals who are in the business of advising or trading in securities or commodity futures, and firms that manage investment funds in Ontario, as well as developing policy relating to registrants and their obligations.

Corporate Finance – responsible for regulating issuers (other than investment funds) in the public and exempt markets. The branch reviews public distributions of securities, exempt market activities and continuous disclosure of reporting issuers, and leads issuer-related policy initiatives. The branch is also responsible for supervising insider reporting, regulating credit rating agencies and overseeing the listed issuer function for OSC recognized exchanges.

Derivatives – responsible for developing a regulatory framework for over-the-counter derivatives trading in Ontario, implementing and reviewing compliance with that framework and contributing to systemic risk monitoring of the Ontario capital markets.

Enforcement – responsible for investigating and litigating breaches of the Acts and seeking orders in the public interest before the Commission and the courts.

Investment Funds and Structured Products – responsible for regulating investment products that offer securities for sale to the public in Ontario, including mutual funds, exchange-traded funds, structured products and scholarship plans.

Investor Office – sets the strategic direction and leads the OSC's efforts in investor engagement, education, outreach and research. The Office also has a policy function, plays a key role in the oversight of the OBSI, and provides leadership at the OSC in the area of behavioural insights and improving the investor experience.

Market Regulation – responsible for regulating market infrastructure entities (including exchanges, alternative trading

systems, self-regulatory organizations, clearing agencies and trade repositories) in Ontario and for developing policy relating to market structure, trading, clearing and settlement.

Office of the Chief Accountant – supports the OSC in creating and promoting a high-quality framework for financial reporting by market participants.

Office of Economic Growth and Innovation – responsible for leading the OSC's efforts to support innovation and economic growth in Ontario's capital markets. The Innovation Office will focus its efforts on initiatives that promote innovation and capital formation, modernize regulation and reduce burden, and strengthen outreach and engagement, including collaborating with businesses and other regulators to support innovation, through OSC LaunchPad, and promoting the implementation of technology to reduce costs and accelerate innovation in financial services.

Office of Mergers and Acquisitions – responsible for matters relating to take-over bids, issuer bids, business combinations, related party transactions and significant acquisitions of securities of reporting issuers.

Regulatory Strategy and Research – responsible for the delivery of economic, regulatory and financial research and analysis that supports the development of OSC regulatory strategy and policy recommendations. The Branch advises on and informs the OSC's strategy, priorities, regulatory operations decisions and discussions with other regulatory bodies and agencies concerned with financial stability. The branch also supports both investors and market participants through the Inquiries and Contact Centre.

Business Operations

Business Planning and Corporate Performance – responsible for the delivery of corporate-wide processes which result in an OSC Strategic Plan, an annual Statement of Priorities and OSC Business Plan; the identification and mitigation of current and emerging enterprise-wide risks; quarterly

business reporting; measures for public and internal reporting on OSC performance; and the development and ongoing management of OSC enterprise data governance.

Digital Solutions – leads the digital transformation of OSC business: developing data driven business solutions leveraging novel technologies; modernization of business platforms and processes; digitization of business operations and development of user-centric service models; establishing service analytics and supporting reporting needs across branches; and ensuring data accessibility, quality and standardization with fit-for-purpose data governance

Financial Management and Reporting – provides financial management and analysis, reporting and treasury services to allow the OSC to continue carrying out its regulatory responsibilities. Assurance over financial reporting is provided through the design and maintenance of effective controls.

Human Resources and Corporate Services – this branch includes the following functions: Human Resources, Organizational Development, Administration (Facilities, Procurement, Office Services), Knowledge Services, Records and Information Management, and Business Continuity. The Branch provides procurement and stewardship of OSC resources to support the achievement of OSC priorities, ensures compliant program and service delivery and leads the design and implementation of a positive employee experience.

Information Services (IS) – is responsible for establishing, monitoring and maintaining the information technology systems and services for the OSC in support of its mandate. The group includes Client Services, Application Services, Technology Services, Enterprise Architecture and IS Project Management.

Information Security – responsible for the design, implementation and ongoing maintenance of the OSC's information security program to achieve and sustain the organization's security posture.

Executive, Governance and Regulatory Advisory Branches and Offices

Communications and Public Affairs – provides strategic advice and services to ensure timely and effective communication of OSC priorities, policies and actions to external and internal stakeholders.

General Counsel's Office – an in-house legal, policy, strategy and risk-management resource to the OSC, is also responsible for the collection of unpaid monetary sanctions and leads the defence of proceedings brought against the Commission. GCO also supports the OSC Ethics Executive in the oversight of organizational integrity and ethical conduct. Provides advice and support to the OSC in its dealings with the Ministry of Finance, other regulators and governments.

Global and Domestic Affairs – responsible for advising the Commission in connection with its relationship and engagement with government, regulators and other organizations in Canada and internationally. The Branch supports the participation of the Chair and Commission staff in CSA, HoA and IOSCO, and manages the Commission's accountability to the Minister of Finance and day-to-day relationship with the Ministry of Finance.

Office of the Secretary – supports the Members of the Commission in their statutory mandate as policy and rule-makers, adjudicators for the Commission's Tribunal and as the Board of Directors by providing administrative law and corporate governance advice and professional support.

Internal Auditor – conducts risk-based internal audits to evaluate the quality and effectiveness of OSC processes and systems, including compliance with policies and procedures.

Total Approved Permanent Positions for Fiscal Year Starting April 1, 2021

Branches and Offices	# of Staff
Regulatory Operations Branches / Offices	
Compliance and Registrant Regulation	90
Corporate Finance	56
Derivatives	11
Enforcement	159
Investment Funds and Structured Products	34
Investor Office	17
Market Regulation	30
Office of the Chief Accountant	5
Office of Economic Growth and Innovation	13
Office of Mergers and Acquisitions	6
Regulatory Strategy and Research	20
Business Operations Branches / Offices	
Business Planning and Corporate Performance	8
Digital Solutions	19
Financial Management and Reporting	11
Human Resources & Corporate Services	40
Information Services	38
Chief Information Security Office	2
Executive, Governance & Regulatory Advisory Branches / Offices	
Communications and Public Affairs	16
General Counsel's Office	18
Global and Domestic Affairs	8
Office of the Secretary	15
Executive Offices	
Offices of the Chair, Executive Director, Internal Auditor, Chief Administrative Officer	10
Strategic Workforce Positions	
Strategic Workforce Positions	2
Total Approved Permanent Positions	628

STRATEGIC DIRECTION

OSC Statement of Priorities

Our 2021-2022 SoP sets out the four strategic goals on which the OSC intends to focus its resources and actions in 2021-2022. It also lays out the priority initiatives that the OSC will pursue in support of each of these strategic goals.

The 2021-2022 SoP and this corresponding Business Plan outline the items the OSC will continue to prioritize, alongside any recommendations from the Taskforce endorsed by the Government of Ontario, and any additional fallouts from the COVID-19 pandemic.

The OSC recognizes that it may need to update its priorities to reflect the impacts and lessons learned from the COVID-19 pandemic. Additionally, the Commission anticipates adjusting its priorities to accommodate any changes due to the recommendations from the Taskforce following their consideration by the Government of Ontario.

GOAL 1: Promote Confidence in Ontario's Capital Markets

Promote confidence in Ontario's capital markets among market participants and investors

- Support Implementation of Client Focused Reforms (CFR)
- Implement Mutual Fund Embedded Commissions Policies and Ontario Regulatory Response to Deferred Sales Charges (DSC)
- Improve the Retail Investor Experience and Protection
- Continue to Expand Systemic Risk Oversight

- Bring Timely and Impactful Enforcement Actions
- Continue Consultation on the Current Self-Regulatory Organization (SRO) Framework
- Strengthen Investor Redress through the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities.

GOAL 2: Reduce Regulatory Burden

Enhance access for businesses and financial services providers to Ontario's capital markets

- Complete Actions Identified in the OSC Burden Reduction Report.

GOAL 3: Facilitate Financial Innovation

Cultivate an environment that supports development of innovative financial business models

- Implement Multi-Year Plan for the Office of Economic Growth and Innovation
- Engage with Fintech and Support Innovation in Capital Markets.

GOAL 4: Strengthen Our Organizational Foundation

People, Technology and Information

- Redevelopment of CSA National Systems
- Modernize OSC Technology Platform
- Foster Inclusion and Diversity
- Continue to Monitor and Adapt to the Impacts of the COVID-19 Pandemic.

STRATEGIC DIRECTION

Current and Future Programs and Activities

The Business Plan is aligned with the OSC Statement of Priorities, which sets out four strategic goals along with the proposed actions to implement the objectives and planned outcomes. Many of these priorities include input from, and consultation with, third parties.

In addition to the Priorities listed below, the OSC will sustain an appropriate level of core regulatory operations such as receipting, registration, recognition, compliance, oversight, supervision, and enforcement, and will make every effort to do so within applicable service standards and guidelines.

GOAL 1: Promote Confidence in Ontario's Capital Markets

The OSC shares the Ontario government's commitment to making Ontario's capital markets globally competitive and an attractive place in which to invest, grow businesses and create jobs. One of the ways we uphold that commitment is by promoting confidence in Ontario's capital markets through a balanced policy framework and by engaging and educating investors, exercising effective compliance oversight, and pursuing timely and vigorous enforcement.

Key Priorities to Achieve this Goal

1.1 Support Implementation of Client Focused Reforms

To improve the client/registrant relationship, regulatory reforms to NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations were published in final form in 2019. Amendments relating to conflicts of interest will take effect on June 30, 2021, and the remaining changes will take effect on December 31, 2021.

Under the amendments, registrants will be required to:

- Address material conflicts of interest in the best interest of the client
- Put the client's interest first when making a suitability determination
- Do more to clarify for clients what they should expect from registrants.

Actions will include:

- The OSC, with other CSA jurisdictions and the SROs, will work with the implementation committee to provide guidance, respond to questions and otherwise assist registrants to operationalize the amendments
- Publish Frequently Asked Questions guidance to assist registrants with implementing the Client Focused Reforms.

Planned Outcomes:

- Investors will benefit from registrants addressing material conflicts of interest in their best interest
- Registrants have considered specific factors when deciding whether an investment product is suitable and whether their recommendations "put the client's interest first"
- Investors will receive greater clarity around the products and services they can expect from their registrants. Registrants will need to:
 - explain the potential impact on a client's investment returns from management expense fees or other ongoing fees connected with the investment product (and the effect of compounding fees over time)

- provide investors with more information about any restrictions on their ability to liquidate or resell an investment product
- Increased investor confidence in the industry by better aligning industry conduct with investors' expectations, as reflected by fewer compliance review recommendations relating to inadequate know-your-client and know-your-product due diligence and unsuitable investments.

1.2 Implement Mutual Fund Embedded Commissions Policies and Ontario Regulatory Response to Deferred Sales Charges (DSC)

The OSC will work with fund managers and dealers to streamline implementation issues to promote positive investor experiences as rule changes take effect. The OSC will also monitor mutual fund sales trends, new products and services to assess whether activities are in line with the policy objectives of the mutual fund embedded commissions policies.

The OSC will work to finalize the Ontario regulatory response to the use of the DSC option in the sale of mutual funds to address certain negative investor outcomes.

Actions will include:

- Provide appropriate additional accommodation allowing flexibility for investors to be switched to different fee options
- Foster the launch of new products and services that facilitate the implementation of the policies
- Obtain mutual fund sales, new products and new services data for trend analysis, and follow up if the trends raise any concerns
- Following the review of the comment letters on the OSC proposed DSC rule, formulate next steps, including publication of the final rule.

Planned Outcomes:

- Support for innovation results in wider product choices for investors
- Unintended capital market activities are identified and examined
- Implementation issues identified and addressed.

1.3 Improve the Retail Investor Experience and Protection

The OSC will identify ways to improve the investor experience and investor protection. Efforts will focus on engaging stakeholders, identifying appropriate areas for improvement, and making changes that will help investors have positive experiences and be better informed when making investment decisions.

Collectively, these efforts are intended to lead to greater investor protection and help reduce the impact of fraud. A range of initiatives will be completed in support of this priority.

Actions will include:

- Stakeholder consultations on ways to improve the investor experience
- Investor education and financial literacy activities
- Continued implementation of the OSC Seniors Strategy
- Evaluate comments received to finalize amendments to implement a regulatory framework to address issues of financial exploitation and diminished mental capacity among older and vulnerable investors
- Continued expansion of the use of behavioural insights in OSC policy work
- Timely and responsive investor research conducted and published
- Collaboration on financial literacy initiatives with the Government of Ontario, including the Ministry of Finance, Ministry of Education, and Ministry of Seniors and Accessibility.

Planned Outcomes:

- Financial education resources and channels such as GetSmarterAboutMoney.ca continue to be used by more investors and the OSC is seen as a leader in Canada and internationally
- Protection of senior and vulnerable investors enhanced
- Educated investors make more informed decisions
- Effectiveness of OSC policies and programs improved through integration of behavioural insights.

1.4 Continue to Expand Systemic Risk Oversight

The OSC works with many domestic and international regulators to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from global systemic events. The OSC is continuing to build a domestic derivatives framework and to operationalize the necessary compliance and oversight tools required to achieve a practical and effective regime.

The OSC will also continue to strengthen the regulatory framework to better manage liquidity risk and leverage associated with investment funds.

Actions will include:

- Subject to Ministerial approval, finalize amendments to the Derivatives Dealer Business Conduct Rule, limiting the scope of the rule and specifying which jurisdictions will be granted equivalency
- Work with the CSA on the next version of the proposed Derivatives Dealer Registration Rule
- Finalize Notice on status of Margin Rule for uncleared derivatives involving Ontario entities
- Finalize amendments to the derivatives Trade Reporting Rule with respect to internationally adopted data standards

- Conduct risk-based compliance reviews of OTC Derivatives Rules (Trade Reporting, Clearing, Segregation and Portability)
- Design and implement a framework for analyzing OTC derivatives data for systemic risk oversight and market conduct purposes including development of enhanced derivatives data mart, analytical tools and the creation of snapshot descriptions of the Canadian OTC derivatives market.
- In coordination with other IOSCO members, design and implement enhanced data collection to monitor vulnerabilities associated with the use of leverage in the asset management industry
- Implement annual surveys, in a scalable manner, of private and public investment funds about their portfolio exposure in order to assess relevant systemic risks, with a focus on aggregated asset classes and leverage information.
- Work with other provincial and federal agencies, including through the HoA, to enhance the identification of financial system vulnerabilities and promote financial system resilience.

Planned Outcomes:

- Finalized amendments to the Business Conduct Rule for derivatives dealers
- Effective systemic risk oversight supported by timely access and analysis of integrated derivatives OTC trade data
- Established operational procedures for new compliance and oversight processes
- New templates for systemic risk analysis operationalized
- Increased use of data and enhanced data analysis for systemic risk monitoring, research, inter-agency information sharing and policy development
- Improved and more effective coordination and cooperation with regulatory partners.

1.5 Bring Timely and Impactful Enforcement Actions

Effective compliance and enforcement are essential to maintaining the integrity and attractiveness of our capital markets. Disruption of illegal activity and deterrence are key strategies to prevent or limit harm to investors. Our actions against firms and individuals who do not comply with the rules need to be timely and visible to achieve the desired deterrent effect and enhance public confidence in our markets.

As securities fraud and misconduct become increasingly complex, regulators must evolve their compliance and enforcement approaches and expand their tools.

Growth in cross-border activity, which is accelerated by technology, benefits investors by reducing friction and cost, but can also harm investors by enabling cross-border fraud and misconduct that can be very difficult to address.

This creates challenges for effective enforcement. If regulatory approaches are not aligned, cross-border enforcement efforts may be impeded. Regulators need greater access to data and analytics tools to more effectively identify, investigate and prosecute misconduct.

Actions will include:

- Focus investigative and litigation resources on cases expected to have a strong regulatory impact and that are aligned with our strategic priorities
- Continue to identify and develop analytical tools, including by working with the CSA to implement the next phases of the Market Analysis Platform (MAP)
- The quasi-criminal team will work in cooperation with policing partners and continue to focus on fraudulent behaviour and recidivism
- Take proactive and timely disruption steps to mitigate or stop investor harms

- The Whistleblower group will triage tips to focus action on impactful enforcement proceedings with effective regulatory messages.

Planned Outcomes:

- Implementation of new tools that increase use of data to support case selection and investigations
- Enhanced profile for the OSC Whistleblower Program increases the number of credible tips
- Continued number of visible, effective disruption actions completed
- Continued visibility of priority case outcomes with strong regulatory messages aligned with OSC strategic priorities
- Greater use of data analytics in market conduct cases to strengthen the detection of harmful conduct
- In conjunction with our CSA partners, successful roll-out of the next phases of the MAP initiative to further enhance enforcement effectiveness in identifying and pursuing insider trading and market manipulation cases.

1.6 Continue Consultation on the Current Self-Regulatory Organization (SRO) Framework

Consider ongoing SRO developments and feedback on initial consultation paper and develop responses as required regarding the evolution of the SRO framework.

Actions will include:

- Publish recommended SRO framework for comment.

Planned Outcomes:

- Recommended SRO framework that is informed by stakeholder feedback on initial consultation paper and reflects the objectives articulated in the consultation paper and the evolution of the market.

1.7 Strengthen Investor Redress through the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities

Investors can be at risk for potential losses in cases where registered firms or individuals have acted unfairly, made an error or given bad advice. The OSC strives to improve investor access to redress in these types of situations. Avenues to obtain investor redress, including an effective and fair dispute resolution system, are now regarded as an essential element of investor protection frameworks. To achieve better results for investors, the OSC will continue its efforts to strengthen OBSI in its role as the independent dispute resolution service.

Actions will include:

- Provide analysis of the proposal for OBSI binding decisions in Ontario within increased claim limits
- Engage with our CSA partners on strengthening OBSI.

Planned Outcomes:

- Better results for investors regarding redress and dispute resolution, which will also foster investor confidence.

GOAL 2: Reduce Regulatory Burden

Delivering responsive regulatory oversight includes being mindful of the impact of regulatory burden on market participants and continually focusing on service improvements. The OSC, with its CSA partners, continues to pursue opportunities to reduce undue burden and to make its interface with market participants easier and less costly.

The mandate of the newly created Innovation Office includes leading and facilitating the OSC's continuing efforts to reduce regulatory

burden, including completing the recommendations identified in the Burden Reduction Report.

Key Priorities to Achieve this Goal

2.1 Complete Actions Identified in the OSC Burden Reduction Report

In November 2019, the OSC published the report: "*Reducing Regulatory Burden in Ontario's Capital Market*". In that report, the OSC set out concerns raised by stakeholders, and it identified actions to address those concerns, as well as items for further study. Significant progress has been made on implementing identified initiatives, and work on the plan continues under the leadership of the new Innovation Office.

Actions will include:

- Complete the burden reduction items identified in the report by the planned dates
- Engage in further study on the items identified for follow-up
- Issue regular status updates on the progress against the actions identified in the report
- Identify and consider global best practices undertaken by similar organizations to reduce regulatory costs.

Planned Outcomes:

Visible and tangible results of burden reduction efforts will include:

- New tools and use of technology to assist with navigating the regulatory process
- Greater transparency around our processes and flexibility on what is required to fulfill regulatory requirements
- Less duplication of requirements and form filings
- Improved coordination of reviews

- A more tailored regulatory approach that considers the size and type of businesses
- Clearer communication from staff
- Improved coordination between the OSC and our regulatory partners
- Rules and guidance that are easier to read and understand
- Information that is easier to find and better organized on our website
- Improved investor experience.

GOAL 3: Facilitate Financial Innovation

The OSC will continue to develop flexible regulatory approaches and improved access to services and support for businesses looking to establish or expand in Ontario. These efforts will build on the progress to date with the creation of the Innovation Office. This includes creating an environment that supports emerging financial technology, while at the same time ensuring investor protection, through flexible and proportionate regulatory approaches.

Key Priorities to Achieve this Goal:

3.1 Implement Multi-Year Plan for the Innovation Office

The Innovation Office has published a Charter that sets out its vision and priorities over the next few years. These initiatives, which include strengthening the OSC LaunchPad, supporting OSC's continued commitment to reduce regulatory burden and modernize regulation, and introducing new outreach programs with stakeholders including innovation hubs and others, will support innovation, facilitate capital formation and foster economic growth.

Actions will include:

- Foster, promote and, where possible, model and test innovative business models and methods in capital formation, transaction and service efficiency and fairness

- Obtain stakeholder feedback
- Increase the OSC's visibility and credibility as an innovative and agile regulator
- Demonstrate clear, visible connections to the innovation ecosystem, including innovation hubs, stakeholders, market participants, investors and other regulators
- Monitor innovation and economic growth initiatives and engage actively with innovation hubs and similar groups within domestic and global regulatory organizations.

Planned Outcomes:

- The Innovation Office is fully operational and delivering on its mandate
- Innovative novel businesses, entrepreneurs and start-ups develop in Ontario to help foster economic growth and improve access for investors
- Insights gained by testing innovative ideas with market participants and investors
- Increased OSC profile as an innovative and agile regulator through effective engagement with innovation hubs and similar groups within domestic and global regulatory organizations.

3.2 Engage with Fintech and Support Innovation in Capital Markets

The Innovation Office will expand on the work of OSC LaunchPad through deeper engagement with businesses and will provide support for a strong Ontario innovation ecosystem and improved access to services by investors. The OSC will help innovative Fintech businesses navigate the regulatory requirements and will be flexible with businesses as they meet their obligations (e.g. by granting conditional exemptive relief, time or activity-limited approvals and providing guidance about how to comply within new business models).

Actions will include:

- Research, identify and test new innovative methods, services and products specific to the OSC's mandate to enhance capital markets efficiency
- Identify, understand and promote emerging business models, services and products in finance that benefit investors and our capital markets
- Provide additional tools to assist firms that want to test novel products and services
- Review international regulatory innovation sandboxes and implement similar initiatives through OSC LaunchPad, such as an Ontario regulatory sandbox, that would promote financial innovation and foster capital formation
- Work with external stakeholders, such as law firms, advisors, incubators and accelerators, venture capital and angel investor organizations to consider potential tools to give the innovation community important insights and information into securities law requirements including information for start-ups on whether and how securities regulations may apply to their business
- Work with the CSA Sandbox to issue timely approvals for Ontario businesses to operate in Canada as registered firms (offering novel products and services) or marketplaces.

Planned Outcomes:

- Costs and "time to market" for innovative businesses are reduced
- Implemented tools support new businesses seeking to raise capital
- An enhanced OSC LaunchPad and Ontario regulatory sandbox assists start-ups and provides an environment for businesses to test their solutions in Ontario
- Positive feedback from stakeholders regarding guidance issued, surveys conducted, and support provided to innovative businesses

- OSC LaunchPad website reflects current novel issues and relevant notices, news releases and guidance.

GOAL 4: Strengthen Our Organizational Foundation

The OSC regulates and supports an ever-changing and highly competitive financial sector. The COVID-19 pandemic, global discussion about anti-black racism, ongoing review of our capital markets by the government-appointed Taskforce and resulting stakeholder commentary have increased the need and urgency for the OSC to have a strong but adaptable organizational foundation including people, policies, systems and data.

Key Priorities to Achieve this Goal

4.1 Redevelopment of CSA National Systems

The new SEDAR+ system will replace legacy CSA systems and will be the common platform for all filings, disclosure, payments and information searching in Canadian capital markets. For the OSC it will represent the main interaction channel with market participants and will be fully integrated with internal OSC digital platforms and processes. Rollout of Phase 1, focused on issuer filings and disclosures, is scheduled to start in 2021.

MAP is the newly launched CSA market activity analytics platform and one of critical OSC enforcement tools. Initially focused on equity trades, MAP will continue to evolve to integrate additional data sets such as exchange traded derivatives and more sophisticated analytics.

Actions will include:

- Continue active participation in CSA initiatives at all levels of governance to ensure that SEDAR+ and MAP systems meet the needs of internal and external stakeholders and are built on time and within budget

- Ensure smooth and controlled transition to the new system for market participants and internal users
- Complete development of CSA Systems Fee Rule in time for Phase 1 launch of SEDAR+.

Planned Outcomes:

- SEDAR+ is launched as a modern, easy-to-use, online system that is more responsive to current and future needs of market participants
- Regulatory processes are more efficient and service delivery to market participants is improved, reducing overall regulatory burden
- MAP supports increased ability to analyze complex market abuse cases, across markets and related parties.

4.2 Modernize OSC Technology Platform

The OSC continues to digitize its platforms and processes and increase use of data and analytics in delivering regulatory outcomes. Modernization effort is focused on integration with SEDAR+ and rollout of the Digital Transformation program, overseen by the newly created Digital Solutions Branch.

Actions will include:

- Fully operationalize the new Digital Solutions Branch and prioritization and delivery frameworks
- Complete work on OSC local systems and related processes, workflows and policies to ensure they are aligned with phase 1 of SEDAR+ when it is launched
- Develop Digital Transformation roadmap including ERP implementation, optimization of regulatory operations through an integrated digital platform, automation of manual tasks using RPA technology, as well as provision of enterprise data and analytics platform
- Deliver frequent, incremental business value through analytics and automation while gradually replacing legacy systems with new modern cloud-based platforms.

Planned Outcomes:

- Digital-first culture, supported by integrated data and modern tools, technologies and processes
- Increased efficiency of internal regulatory operations and corporate services through optimization and automation of business processes
- Accelerated transition from stand-alone, legacy systems to integrated enterprise platforms, processes and data flows.

4.3 Foster Inclusion and Diversity

The OSC is focused on building and sustaining diversity in our OSC community and ensuring that the employee experience is equitable and inclusive for everyone.

Actions will include:

- Implement an Inclusion and Diversity Strategy to remove barriers to inclusion at the OSC, and to achieve equitable opportunities and a consistent employee experience for all
- Provide and promote opportunities for learning and dialogue to develop a better understanding of bias, racism, and barriers to inclusion
- Take actions outlined in the Black North Initiative (BNI) CEO pledge to end anti-Black systemic racism.

Planned Outcomes:

- Updated / new policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- Increased understanding leading to individual and organizational change in practices and behaviours to support equity and inclusion
- A workplace where employees experience psychological safety and inclusion
- Achieve the goals and targets set out in the BNI CEO pledge.

4.4 Continue to Monitor and Adapt to the Impacts of the COVID-19 Pandemic

The OSC will continue to adapt work practices and the workplace to support effective and efficient delivery of regulation and business operations, during and after the COVID-19 pandemic.

Actions will include:

- Adjust work policies and practices to accommodate remote work, and support collaboration and organizational culture in a fully or partially remote work model
- Provide resources and benefits to support employee physical and mental health and well-being

- Implement physical design features to ensure employee health and safety, and to support flexible work.

Planned Outcomes:

- Updated / new policies and practices that address employment practices including flexible and alternative work, home office set-up, and benefits
- Increased awareness and utilization of health and well-being benefits and programs
- Redefined and redesigned office space.

RISKS

Key Risks and Mitigation Strategies

Key Components of the OSC Risk Management Framework

The OSC must manage a growing range of risks arising from the pace of change and the increase in complexity of financial markets in Canada and globally. The OSC adopted a Risk Management Framework in November 2012, leveraging the International Risk Management Standard ISO 31000. The goal of the framework is to embed risk management within all elements of our operations and through all levels of staff. The framework sets out a process for identifying and assessing risks and highlighting and reviewing controls. The key advantages of the framework are that it:

- Promotes a risk awareness culture within the OSC
- Aligns the OSC's risk appetite with its strategic direction
- Identifies and manages enterprise-wide risks
- Provides important input into setting the OSC's strategic direction and business plan
- Allows for proactive management of risk, improvements to performance measures, prioritization of initiatives and more strategic allocation of resources.

Three Lines of Defense

The OSC employs a three line of defense model where Management is responsible for managing the risks while Risk Management provides oversight. In addition, Risk Management maintains the framework to guide the process by which key risks are identified, assessed, managed, monitored and reported.

OSC Internal Audit is an assurance and advisory service to the Board of Directors and to management. The internal audit function is governed by an Internal Audit Charter approved by the OSC's Board of Directors and by an annual internal audit plan that is approved by the Board. Quarterly reports and updates are prepared for the Risk Committee of the Board and an annual report on the results of all internal audit engagements is prepared for the Board of Directors.

Enterprise Risk Inventory

Information gathered through the risk management process is captured in the OSC's Enterprise Risk Inventory. It includes a "top-down" and "bottom-up" view of the risks and controls within the OSC. The top-down portion describes the environment in which the OSC works and the bottom-up portion deals with day-to-day operational risks that could affect our ability to do our work. The Risk Steering Committee, comprised of OSC senior and executive management, reviews the Enterprise Risk Inventory each quarter to identify any significant changes in the OSC risk profile, including any new or emerging risks. This information is reported to the Risk Committee of the Board, and the Board of Directors.

The key risks garnering management attention and/or action at an enterprise level are listed in the Key Risk Inventory Table below.

Highlighted Risks in the Business Plan

The priorities and approaches outlined in this Plan are responsive to the growing range of risks arising from the pace of change, the continuing evolution of technology and globalization of financial entities and their operations. Successful execution of the plan is facing a number of risks pertinent to the OSC and the prevailing environment. The discussion below highlights the key risks to the plan and mitigating controls to reduce the risk exposure to a level acceptable to the OSC in ensuring its path to success in delivering on its objectives.

COVID-19 Impact

The COVID-19 outbreak has had a global impact. In addition to posing a significant health risk, the effects of this outbreak have impacted global supply chains, economic activity and business confidence. The duration of this outbreak and outcomes are still unknown. Recovery from this outbreak will take some time and will require effective management of the diverse range of potential issues.

The impacts of COVID-19 have affected the operations of the OSC. The OSC continues to perform its core business and its obligations to market participants and investors. Several initiatives have been prioritized and operations have been adjusted as necessary to manage the impact of the ongoing pandemic and staff continuing to work-from-home.

The OSC continues to monitor the impact of the COVID-19 pandemic on the financial industry by observing industry trends and supporting market participants through regulatory relief measures provided as a result of the pandemic. Also, the OSC will continue to adjust its operations and activities to accommodate the impacts and changing environment due to COVID-19.

Workforce Challenges

There are signs of greater pressure on staff as workloads increase resulting from shifting priorities due to COVID-19, increased government reporting, support to the Taskforce, positions being held vacant for extended periods as part of cost reduction efforts, the challenges related to managing work-life balance in a remote work environment, and the general stress and anxiety associated with living through a pandemic and organizational uncertainty. Unmanaged employee burnout may impact employee health, productivity, Short Term Disability (STD) costs, retention and OSC ability to deliver on its mandate and key focus areas in this year's Plan.

To help support staff we will continue re-prioritized various projects and deliverables to allow more time for staff to complete their work, and to focus on more pressing items. Items that are not a priority will continue to be deferred or eliminated. Managers are working with staff to allow for more flex work hours to help manage work-life balance. Weekly communications regarding workplace guidance, resources, status updates and various wellness programmes are other means for supporting staff.

Other controls in place include:

- Strategic Workforce Plan designed to retain, develop, motivate and deploy human resources
- Integrated business planning process to support appropriate resource allocation to priority initiatives and areas of greater risk
- Investing in staff through formal and informal skills training and development opportunities with exposure to career enhancing work and recognition programs.

Implementation of Capital Markets Modernization Taskforce Recommendations

The final report released by the Taskforce on January 22, 2021 includes a number of wide-ranging recommendations including, among other things, proposals designed to spur the growth and establishment of independent dealers, ensure that wealth management distribution channels provide greater access to competitive and independent wealth management products, modernize governance standards and the proxy voting framework, and support enhanced enforcement powers to protect investors. It also includes recommendations to change the OSC structure, including separation of the tribunal function.

The Government of Ontario will provide direction to the OSC with respect to priority and timelines for implementation of any Taskforce recommendations it decides to adopt.

Implementation of priority Taskforce recommendations may impact the OSC's budget as well as the OSC's ability to deliver on some of the priorities outlined in this business plan, due to resource constraints, new dependencies or adjustments to objectives and goals.

Some of the actions and controls to help mitigate this risk include:

- Extensive engagement and ongoing dialogue with the Taskforce and Ministry to provide support and background information, as required
- Ability to adjust priorities and Business Plan activities to accommodate changes recommended by the Taskforce as adopted by the Government of Ontario.

To help minimize the risks surrounding the execution of projects and initiatives:

- Management in conjunction with EMT and the Board conducts formal priority setting exercises and reassesses priorities during the year
- Experienced project managers are assigned for key initiatives using robust project management processes and methodologies
- There is ongoing engagement and monitoring of projects by Senior Management and Committees to address issues and risks
- There is regular status reporting – i.e. review project portfolio status and proactively identify, communicate, mitigate and escalate in a timely manner issues/trends that could impact scope, schedule, budget and/or change management
- Budgets, forecasts are developed and maintained, and spending is monitored.

Budget Constraints

Declines in corporate valuations or asset values stemming from the COVID-19 pandemic and its aftermath could depress participation fees, resulting in prolonged decreased revenues for the OSC. This could result in budget constraints impacting the OSC from delivering on its business plan and objectives. To manage these risks the OSC conducts quarterly financial reviews, and re-forecasting of the budget, with a multiyear view of the cash position and available credit facilities. If necessary, the OSC could adjust business plans and operational activities to address any potential budget constraints.

Key Risk Inventory – Key Risks and Mitigating Controls

Risk	Risk Description	Mitigating Controls
Digital Transformation	Outdated technology, data and processes increase regulatory burden for market participants and impede OSC's effectiveness and efficiency	<ul style="list-style-type: none"> • Progressing with the Data Management Program including implementation of the fit-for-purpose Data Governance framework and continued development of select regulatory functions on a new case management platform • Platform currency and technology modernization plans in place and actively managed
Regulatory Burden	OSC regulations, processes and/or operational systems impede fair and efficient markets and inhibit capital formation	<ul style="list-style-type: none"> • Burden reduction initiatives are part of the Business Plans for each relevant Branch and worked on accordingly • Oversight of Regulatory Burden process is managed by the Office of Economic Growth and Innovation, in collaboration with multiple Branches • Regulatory impact analyses and cost benefit analyses completed for all new initiatives
Enforcement Effectiveness	Fail to identify, investigate and prosecute criminal and quasi criminal misconduct involving securities law violations that could cause significant harm to investors or the integrity of the markets	<ul style="list-style-type: none"> • Triage process identifies key issues for investigation • Office of the Whistleblower in place to enhance sources of credible cases • Dedicated staff with law enforcement investigation and prosecution experience identify, investigate and prosecute criminal and quasi-criminal misconduct within the mandate of the OSC
Systemic Risk in Capital Markets	OSC fails to identify an increase in systemic risk related to activity in capital markets in a timely manner	<ul style="list-style-type: none"> • Oversight of systemically important market infrastructure • Monitoring compliance with rules designed to minimize systemic risks • Detection of exposure and connectivity between market participants through monitoring of market activity • Monitoring and discussion of systemic risk elements through OSC Systemic Risk Working Group as well as CSA and IOSCO working groups and committees • Cooperation with other domestic and international organizations in charge of systemic risk oversight
Business Continuity	A significant disruption of business operation occurs	<ul style="list-style-type: none"> • Formal business continuity plan (BCP) and pandemic plan • Annual BCP systems recovery, Emergency Response and BCP scenario test and Emergency Staff Communications tests are performed • Reciprocal arrangements with other securities regulators to provide continuity of regulatory services (e.g. prospectus and application reviews)

Risk	Risk Description	Mitigating Controls
IT System Implementation	Critical IT system changes and implementation do not meet desired business outcomes regarding objectives, scope, budget or schedule	<ul style="list-style-type: none"> • Experienced project managers assigned for key initiatives • Robust project management processes and methodologies • Ongoing engagement and monitoring of projects by Management and Executives to address issues and risks • Budgets, forecasts are developed and maintained, and spending is monitored • Approved Business Plans in place for key initiatives • Robust system testing is completed; fall-back plans and back-up in place as required • Robust user acceptance testing is completed prior to the launch of the system/application
Information Security	A significant information security incident occurs at the OSC	<ul style="list-style-type: none"> • Dedicated Information Security Office with policies, procedures and controls in place • Multi-year information security operations roadmap formulated, adhering to the National Institute of Standards and Technology (NIST) cybersecurity framework
Workforce Management	Misalignment and gaps between the OSC's existing workforce and the workforce required to deliver on its objectives	<ul style="list-style-type: none"> • Strategic Workforce Plan detailing actions to retain, develop, motivate and deploy human resources • Integrated business planning process supports appropriate resource allocation to priority initiatives and areas of greater risk • Formal and informal training and development opportunities for staff • Compensation and benefits administered to remain an attractive and competitive employer

HUMAN RESOURCES

Human Resources Plan

OSC's people strategy is to build an attractive, modern, high performing workplace where every manager is a great talent manager and every employee is fully engaged. The COVID-19 pandemic has changed the way we work, and while our four HR goals continue to guide our work, specific strategies and plans have been adjusted or developed to support employee and organization needs in a primarily remote work environment, including needs related to operational efficiency and effectiveness and employee health and well-being.

In addition to the strategies and plans listed in the table below, the OSC will also implement Bill 124 *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, starting the three-year moderation period as of April 1, 2021.

Area of Focus	Strategies/Plans
Build an attractive, modern and high-performing workplace	<ul style="list-style-type: none"> • Sustain and build on strong employee engagement by providing regular workplace communications throughout the pandemic; implementing pulse surveys and taking actions to respond to employee concerns; and delivering employee programs that reinforce our OSC values, leadership competencies and build a collegial OSC community • Establish and administer compensation practices that support attraction and retention of employees with the skills and experience required to effectively regulate the capital markets and deliver on the OSC mandate and priorities • Benchmark compensation against the talent market from which we recruit; the OSC uses a blended benchmark of 50% public sector, 25% private sector and 25% financial services • Create an environment where all employees feel safe, valued, respected and empowered by ensuring a culture of equity, inclusivity and diversity • Provide employees with comprehensive benefits encompassing health, dental, short and long term disability insurance, and Employee and Family Assistance Programs. Continue to advance Benefits Sustainability Strategy with an increased focus on employee mental health and well being.
Develop great talent managers	<ul style="list-style-type: none"> • Continue to develop current and emerging leaders through the OSC's leadership development program, which includes coaching, classroom training and self-directed learning, peer learning sessions, and management tools • Contribute to inclusive leadership practices through EDI training and inclusive and equitable management policies and practices.
Support successful organizational change and continuity	<ul style="list-style-type: none"> • Develop and implement a strategic workforce plan that addresses current and emerging talent needs: <ul style="list-style-type: none"> ○ Identifying, monitoring, and managing talent risks to mitigate impact on operations ○ Expanding staffing approaches and employment relationships to increase the OSC's ability to attract, retain and leverage staff with specialized skills and experience ○ Continuing to strengthen and build on succession planning and talent

Area of Focus	Strategies/Plans
	<p>mapping practices to ensure a diverse and robust talent pipeline for critical roles across the organization</p> <ul style="list-style-type: none"> ○ Continuing to deliver targeted talent development programs including leadership, coaching and skills-based learning, thereby strengthening organizational performance. ○ Continue to develop a culture of learning and development that provides professional and career growth and enables delivery of effective regulation. • Enable the design, establishment, and growth of two new branches, the Digital Solutions Branch and the Office of Economic Growth & Innovation, reallocating positions to new branches, minimizing impact of organization change on overall OSC headcount (see staffing plan on page 20) • Implement change management programs and practices that enable employees to effectively achieve business outcomes in a complex business environment, including: <ul style="list-style-type: none"> ○ Provide employees with training and access to information, tools and resources that support them in adapting to and leading change ○ Incorporate a consistent change methodology across key initiatives to support successful project planning and execution.
Provide first class fundamental HR services	<ul style="list-style-type: none"> • Increase capacity to respond to emerging issues and organizational complexity by increasing knowledge and ability to provide executive and manager clients with reliable, accurate, timely and trusted advisory services • Continue to monitor and report on an “OSC People” dashboard with metrics to guide decision-making • Continue to apply modern recruitment practices to source diverse, qualified candidates for OSC positions, to enhance the application and decision-making process for applicants and maximize efficiencies for all stakeholders in the recruitment and on-boarding process.

COMMUNICATIONS

Communications and Public Affairs Plan

Strategic Focus

The focus of the Communications and Public Affairs plan is guided by the following principles:

- Prioritize consultation, communication and interaction with stakeholders about the OSC's ongoing work to reduce regulatory burden
- Build on current listening strategies to understand stakeholders' preferred communications channels and develop tailored approaches in response
- Clearly and consistently articulate OSC priorities and outcomes to both internal and external audiences
- Focus on key priority topic areas (specifically, modernizing regulation, reducing burden, promoting market confidence, facilitating innovation, financial stability) and ensure consistent delivery of key messages across all channels
- Deliver transparent and measurable communications such that stakeholders understand what we do, how we do it and are actively engaged in our work
- Ensure maximum reach by delivering integrated communications strategies, leveraging all tools, resources and channels (including digital communications and enterprise social media).

External Communications and Outreach

The OSC is open to stakeholder feedback and works to ensure market participants and investors are familiar with our processes, points of contact, service standards, priorities and practices. The OSC emphasizes integrated communications and

relationship development with industry and stakeholder groups.

The Communications Branch organizes and oversees corporate events and roundtables that demonstrate thought leadership, engage stakeholders and drive the discussion around OSC priorities and strategic initiatives. They advise branches on corporate outreach (e.g. policy roundtables, webinars, virtual outreach) to ensure communications objectives are achieved, through content development and executive remarks that clearly articulate OSC key messages and priorities.

OSC Dialogue

Each year, OSC Dialogue attracts hundreds of senior market participants and garners significant media coverage. The event features plenary discussions with internationally recognized thought leaders and leading policy experts from around the world.

The theme of Dialogue 2020 was "What comes next?" and the event explored the role of regulation in fostering the confidence needed for strong markets and economic growth post pandemic. At the virtual event, financial industry leaders, senior regulators and investors came together virtually to discuss how they are working to emerge stronger.

The event attracted more than 700 participants. Speakers included the Hon. Rod Phillips, former Minister of Finance; OSFI Superintendent Jeremy Rudin; FCAC Commissioner Judith Robertson; and Capital Markets Modernization Taskforce Chair Walied Soliman, among others.

Planning is underway for OSC Dialogue 2021.

Public Affairs

The Communications Branch also develops and implements communications strategies to ensure the OSC's priorities, policies and initiatives are clearly communicated to market participants and investors, and aligned with government priorities, including modernization of regulation. They seek out opportunities to maximize visibility on burden reduction using all available channels and platforms, including media, digital communications tools and social media. They also develop communications strategies to mitigate issues that pose risks to public confidence in Ontario's capital markets.

Internal Communications

OSC internal communications focuses on continued improvements in staff engagement. The focus this year will be on engaging staff in securities modernization efforts and other OSC priorities (e.g. monthly virtual town hall meetings and Q&A sessions with executives) and intranet enhancements that will enable greater collaboration, streamline communication, enhance productivity and increase stakeholder usability.

OSC Website Redevelopment

Updates to systems, processes, and content are needed to realize efficiencies, comply with accessibility standards, and adapt to changing stakeholder needs. The redevelopment of the OSC's website, www.OSC.ca, launching in Q4 2021, will replace aging technology, improve security, streamline content, enhance search capability, improve usability and meet accessibility standards. Post-launch, the OSC will prioritize high priority improvements to the user experience and build capacity to support new content formats in the future. All efforts will focus on improved service delivery to market participants and investors by streamlining and simplifying online communications.

METRICS

Performance Measurement

Effective performance measurement provides insights into operations, supports planning and decisions, promotes a culture of accountability and allows for the monitoring of performance.

Performance Measures

The OSC tracks performance against a series of measures. These measures include input, activity, output, and outcome measures (as noted in the Strategic Direction section of this Plan).

Examples of input, activity and output measures include volume measures such as the number of prospectus filings reviewed, number of compliance reviews completed, transaction turnaround times, service standards and project progress. Tracked over time, these measures support trend detection, identification of issues and emerging risks, project management, workload management and more effective resource allocation.

Outcome measures indicate whether the OSC's statutory objectives, strategies and goals have been achieved. The impact of regulation, supervisory activity and interventions are more complex to quantify as they occur over time and are often less tangible and the result of multiple factors. For market-facing activities, outcomes are measured for example in terms of compliance rates (e.g. as measured by the number of significant findings in compliance reviews and number and type of misconduct cases identified), number and type of investor complaints, changes in investor literacy rates and successful enforcement outcomes. For internal operations, the OSC measures outcomes for example in terms of employee retention and satisfaction rates and adherence to budget.

The OSC Statement of Priorities identifies specific activities and key planned outcomes for each priority. The key activities and planned outcomes from the 2021-2022 Statement of Priorities are found in the "Strategic Direction – Current and Future Programs and Activities" section of this Business Plan.

Performance Reporting

The OSC produces regular performance reports both internally and externally. Internal quarterly reports are presented to the OSC Board and Executive. The OSC is also accountable to external stakeholders and uses various external reporting tools to ensure accountability and transparency – namely:

- The OSC publishes an online report on its progress against the initiatives identified in the Statement of Priorities from the previous fiscal year.
- The OSC publishes an Annual Report on its operations. This is complemented by other Branch-specific annual reports, such as the Compliance & Registrant Regulation Annual Report, and the Corporate Finance Annual Report.
- The OSC annually publishes its Service Commitments, which outlines service standards and targeted timelines, along with the results against these targets.

OSC Service Commitment Metrics

The OSC has a set of service commitments posted on its website that outlines what stakeholders can expect when dealing with the OSC. The service commitments summarize target timelines for answering

questions, responding to requests for information and submitting for review offering documents, applications and other filings.

Following a comprehensive review of its current service standards as well as the service standards of securities regulators in leading jurisdictions, the OSC updated its Service Commitment document to encompass more processes, provide additional clarity to stakeholders, and enhance tracking and accountability. The updated Service Commitment originates from the Ontario Government's five-point

capital markets plan from the 2019 Ontario Budget, and addresses recommendations made in the OSC's 2019 "*Reducing Regulatory Burden in Ontario's Capital Markets*" Report. The list of the OSC's updated service commitments can be found in the Appendix of this Business Plan.

The OSC reports annually against its Service Commitment targets as part of its focus on accountability and transparency. Results against the service standard targets will be published annually.

BUDGET

Financial Summary

2021 – 2022 Budget Summary

The 2021-2022 OSC operating and capital budgets include investments focused in the following growth areas:

- Investor education through expanded outreach and financial literacy initiatives
- Implementing a multi-year plan for the Office of Economic Growth and Innovation to engage with fintech and support innovation in capital markets
- Enhance over-the-counter (OTC) derivatives oversight by developing an over-the-counter trades data warehouse
- Technology modernization comprised of digital transformation and completion of the SEDAR+ integration initiative. Digital transformation leverages cloud-based solutions to implement an enterprise resource planning system, an integrated regulatory operations platform and an enterprise wide data and analytics platform. Digital transformation requires significant spending over the next few years and the movement towards cloud-based solutions shifts costs towards the operating budget from the capital budget.

Budgeted revenues reflect a \$2.4 million (1.8%) decline from the 2020-2021 budget as a result of COVID-19 disruption. Most of the OSC's revenues are directly impacted by capital market conditions, which have become significantly volatile since the onset of COVID-19.

Budgeted expenses reflect a \$5.7 million (4.2%) increase from the 2020-2021 budget. The four investment growth areas noted above account for a budget increase of \$4.9 million (3.6%). Well established regulatory and operational functions account for \$0.8 million (0.6%) of the budgetary increase.

Capital expenditures are budgeted at \$5.4 million, reflecting a \$4.5 million (45.4%)

decrease from the 2020-2021 budget. The budget is made up of the following:

- \$1.5 million towards leasehold improvements to complete the build out of an additional floor leased in fiscal 2019-2020. We have reduced the capital budget by \$4.1M from the 2020-2021 budget as a result of COVID-19 disruptions. We cancelled a large component of the facilities rehabilitation program aimed at effectively and efficiently accommodating the OSC workforce while we reassess long term office space requirements.
- \$2.2 million towards integrating local systems within SEDAR+.
- \$0.7 million towards the development of an enhanced derivatives data mart.
- \$1.0 million primarily towards regular infrastructure refresh projects, including network gear replacement.

2020 – 2021 Financial Summary

Total forecasted deficiency of revenues over expenses in 2020-2021 is \$1.1 million. Total forecasted revenues in 2020-2021 is \$130.0 million, a decrease of \$0.3 million (0.2%) from the 2020-2021 budget primarily from COVID-19 capital markets disruption. In response to the increased revenue risk, management-imposed cost reductions were implemented in fiscal 2020-2021 by lowering expenses by \$4.0 million to \$131.1 million.

As a result of the forecasted deficiency of revenues over expenses, operating surplus at the end of fiscal 2020-2021 is forecasted to be \$98.0 million.

Fee Rule Impacts from COVID-19

In November 2020, we announced that there would be no change to regulatory fee rates that were scheduled to be reviewed for implementation in April 2021. In light of capital markets volatility from COVID-19 and the potential implications from the Ontario government's Capital Markets Modernization Taskforce, we will continue to leverage cash to sustain operations during these periods of uncertainty. Burden reduction initiatives will

continue to be implemented during this period, including those expected to generate fee savings for market participants.

We anticipate reassessing fee rates and the fee rules once market conditions stabilize and when the outcomes of the Ontario government's Capital Markets Modernization Taskforce are known.

Excess/Deficiency of Revenues over Expenses (in millions)	2020-2021 Budget	2021-2022 Budget	Change Favourable/ (Unfavourable)	Change Favourable/ (Unfavourable)
Revenues	\$130.3	\$127.9	(\$2.4)	(1.8%)
Expenses*	\$135.1	\$140.8	(\$5.7)	(4.2%)
Excess (Deficiency) of Revenues over Expenses	(\$4.8)	(\$12.9)	(\$8.1)	(166.8%)
Capital Expenditures	\$9.9	\$5.4	\$4.5	45.4%

* Net of Recoveries of Enforcement costs and Recoveries of Investor Education and Knowledge Enhancement costs

	2020-2021 Approved	2021-2022 Budget	Change
Staff Resources	628	628	0.0%

	OSC Operating Budget and Staff Allocation 2021 - 2022 Budget Expenses: \$140.8 Million* Total 628 Staff (510 Front Office Staff)	
Policy & Operations – Regulatory Operations Budget - \$117.4 Million 443 staff	Policy & Operations – Regulatory Advisory Budget - \$18.4 Million 57 staff	Executive Offices Budget - \$5.0 Million 10 staff

* Back office costs have been re-allocated to front office activities.

Three Year Surplus Forecast

(in millions)	2021-2022 Budget	2022-2023 Forecast	2023-2024 Forecast
Total Revenues	\$127.9	\$129.4	\$142.3
Total Expenses*	\$140.8	\$141.5	\$143.8
Surplus/(Deficit)	(\$12.9)	(\$12.1)	(\$1.5)
Opening Surplus	\$98.0	\$85.1	\$73.0
Closing Surplus	\$85.1	\$73.0	\$71.5

* Net of Recoveries from Designated Funds

Capital Expenditures Forecast

(in millions)	2021-2022 Budget	2022-2023 Forecast	2023-2024 Forecast
SEDAR+ Integration	\$2.2	\$1.2	\$1.2
Leasehold Improvements	\$1.5	\$0.1	\$0.5
Derivatives Data Mart	\$0.7	\$1.0	\$1.0
Other IT initiatives	\$1.0	\$0.3	\$0.3
Total	\$5.4	\$2.6	\$3.0

The OSC's closing surplus in 2021-2022 is budgeted at \$85.1 million, declining to \$71.5 million in 2023-2024. The OSC will continue drawing down on its surplus in upcoming fiscal years to fund key multi-year programmes. The revenue forecast assumptions in both 2022-2023 and 2023-2024 include a market recovery from the budgeted revenue decline in 2021-2022 due to COVID-19 related capital market volatility. The OSC is investing in data systems and developing processes required to effectively regulate growing over-the-counter derivatives markets which are large, complex and global. Accordingly, the revenue forecast in 2023-2024 considers the introduction of a separate fee to recover costs associated with over-the-counter derivatives regulatory oversight. The increase in forecasted expenses are primarily due to the continuation of multi-year investments in digital transformation, derivatives oversight, innovation projects and investor outreach activities. These investments are partially offset by recoveries from Designated Funds, representing funds collected from monetary sanctions.

Capital expenditures are forecasted to decline in fiscal 2022-2023 and 2023-2024 compared to fiscal 2021-2022 as a result of reduced spend on leasehold improvements and other IT initiatives. The reduction in other IT initiatives is due to infrastructure refresh projects based on a multi-year refresh cycle that resets again in fiscal 2024-2025. The 2022-2023 and 2023-2024 forecasts reflect investments towards SEDAR+ at a reduced level compared to fiscal 2021-2022 and the continuation of building an enhanced derivatives data mart.

The derivatives data mart is expected to be delivered in five phases with the final phase to be completed in fiscal 2024-2025.

The OSC's cash balance is budgeted to be \$91.0 million (including reserves) as of March 31, 2022. Furthermore, we forecast an ending cash position of \$84.7 million by March 2024. The OSC's revenues generated from participation fees (85% of total revenues) are directly tied to changes in firm, industry and general market growth. Given the lack of control over most revenues, an adequate cash reserve of approximately 6 months is necessary to continue to carry out the OSC mandate during unfavourable market driven events.

The Designated Funds balance as of December 2020 was \$117.1 million. The Securities Act (Ontario) permits the OSC to allocate funds received to or for the benefit of third parties or to be used by the OSC for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets. The OSC has included assumptions in the forecast that the Innovation Office will be funded from the Designated Fund beginning in fiscal 2022-23, which requires Minister approval. Higher spend towards innovative investor education delivery methods are forecasted for recovery against the designated fund. While the fund has grown to \$117.1 million, the inflow of funds into the account is completely dependent upon the nature of enforcement cases from year to year.

APPENDIX

Service Commitments

When you have a general question or complaint

Item and Description	Timeline
<p>General Inquiries or Complaints</p> <p>Calling the OSC Inquires and Contact Centre</p>	<p>Answer 95% or greater of telephone calls received.</p> <p><i>(Note: This target accounts for a 5% call abandonment rate which may include spam, robocalls, misdials and signal issues among other uncontrollable variables.)</i></p>
<p>General Inquiries or Complaints</p> <p>Calling the OSC Inquires and Contact Centre</p>	<p>Answer 80% of calls received within 60 seconds.</p> <p>We will answer your questions or concerns on the spot. For more complex matters, we may ask you for more information or documentation or may let you know that we need more time.</p> <p>If you reach voice mail during business hours, we will get back to you the same day or by the end of the next working day.</p>
<p>General Inquiries or Complaints</p> <p>Written inquires or complaints received by e-mail, mail, fax, or online form</p>	<p>We will respond to you on routine matters within 3 working days or less (target is 95% of all written inquiries and complaints received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time.</p>

When you contact us about investing and personal finance questions via InvestingQuestions.ca

Item and Description	Timeline
<p>Investing and Personal Finance Questions</p> <p>When asking a question through <i>InvestingQuestions.ca</i></p>	<p>We will respond to your question within 10 working days of receiving the question (target is for 80% of all questions received).</p> <p>For more complex matters we may ask you for more information or let you know we need more time. For questions that fall outside of the mandate of the OSC, our response may not be published to the website, but we will respond by email.</p>

When you make a filing with us

Item and Description	Timeline
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Issuing comment letters for long form prospectus or simplified prospectus</p>	<p>We will provide a first comment letter within 10 working days of the date of the preliminary receipt (for preliminary filings) and related materials in acceptable form (target is for 80% or more of all filings received).</p>

Item and Description	Timeline
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Issuing comment letters for short form prospectus or shelf prospectus</p>	<p>We will provide a first comment letter within 3 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).</p>
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Completion of review</p>	<p>We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</i></p>
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Filing your final prospectus</p>	<p>For final prospectus materials <i>filed by 12:00 noon</i>: receipt will be issued by end of the same working day provided materials are in acceptable form.</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus before the OSC issues a comment letter relating to the preliminary prospectus materials</i></p> <p>Long form prospectus or simplified prospectus</p>	<p>We will issue our comment letter on the later of the date that is 5 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus before the OSC issues a comment letter relating to the preliminary prospectus materials</i></p> <p>Short form prospectus or shelf prospectus</p>	<p>We will issue our comment letter on the later of the date that is 3 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus after a final receipt has been issued by the OSC</i></p> <p>Long form prospectus or simplified prospectus</p>	<p>We will issue our comment letter 3 working days after the date that related materials are received in acceptable form (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus after a final receipt has been issued by the OSC</i></p> <p>Short form prospectus or shelf prospectus</p>	<p>We will issue our comment letter 2 working days after the date that related materials are received in acceptable form (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus - Providing our decision on amendment filing</i></p> <p>Completion of review</p>	<p>We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for the preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</i></p>

Item and Description	Timeline
<p>Exemption Application: <i>Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)</i></p> <p>Issuing comment letters</p>	<p>We will issue a first comment letter within 10 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all applications received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Exemption Application: <i>Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)</i></p> <p>Providing our decision</p>	<p>We will make a decision on requests for routine exemptive relief within 40 working days of receiving a complete and adequate application (target is for 80% or more of all routine exemption applications received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Application for recognition/ designation/ exemption from recognition</p> <p>Issuing comment letters</p>	<p>We will issue a first comment letter within 20 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all applications received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Application for recognition/ designation/ exemption from recognition</p> <p>Completion of review</p>	<p>We will complete our review within 6-9 months from receipt of a final application for routine items (target is for 80% or more of all routine applications received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Management Information Circular <i>Filings for Conflict of Interest Transactions</i></p> <p>Conflict of Interest Transactions</p>	<p>We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 90% or more on all filings received).</p>
<p>Management Information Circular <i>Filings for Conflict of Interest Transactions</i></p> <p>Completion of review</p>	<p>We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Take-Over / Issuer Bid Circulars</p> <p>Filing a Take-Over Bid / Issuer Bid Circular</p>	<p>We will provide comments, if applicable, within 7 working days from the date of filing of the circular (target is 90% or more on all filings received).</p>
<p>Take-Over / Issuer Bid Circulars</p> <p>Completion of review</p>	<p>We will complete our review within 21 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Dissident Proxy Circulars</p> <p>Filing a Dissident Proxy Circular</p>	<p>We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 90% or more on all filings received).</p>
<p>Dissident Proxy Circulars</p> <p>Completion of review</p>	<p>We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Registration Materials: <i>New business submissions</i></p> <p>Our acknowledgement of your application</p>	<p>We will acknowledge your application within 5 working days after receipt of the application (target is for 95% or more of all filings received).</p>
<p>Registration Materials: <i>New business submissions</i></p> <p>Our response to your application</p>	<p>We will provide our initial comments on your firm registration application within 30 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all filings received).</p>

Item and Description	Timeline
<p>Registration Materials: <i>New business submissions</i></p> <p>Providing our decision on applications for new business submissions that have met the prescribed conditions*</p>	<p>We will make a decision on routine applications and notify you within 90 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Registration Materials: <i>Dealing representatives</i></p> <p>New applications and reactivations that have met the prescribed conditions* and are not part of a new business submission</p>	<p>We will make a decision on routine applications within 5 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Registration materials: <i>Advising representatives, associate advising representatives and CCO's</i></p> <p>New applications and reactivations that have met the prescribed conditions* and are not part of a new business submission</p>	<p>We will make a decision on routine applications within 20 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: <i>Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</i></p>
<p>Notices of termination</p> <p><i>Where the individual left the former sponsoring firm in good standing</i></p>	<p>We will complete our acknowledgement of a notice of termination within 24 hours of receipt (target is for 100% of all filings received).</p>

**You are a non-SRO applicant, all questions are answered with sufficient detail, all regulatory obligations are met, there are no concerns with your fitness for registration, and you respond to our request for information in a timely manner.*

If you are selected for review**

Item and Description	Timeline
Continuous Disclosure Reviews (Full Reviews) Issuing comment letters	We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Continuous Disclosure Reviews (Full Reviews) Completion of review	We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews). Issue-oriented review times vary significantly based on the nature of the review. We will provide regular touchpoints to advise you of our progress at least every two weeks.
Insider Reporting Reviews Issuing comment letters	We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Insider Reporting Reviews Completion of review	We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).
Compliance Reviews - Registrants Risk-based assessment of the registrant's compliance with Ontario securities laws and commodity futures laws	We will complete our review and communicate our findings within 10 weeks of the initial meeting with the registrant (target is for 80% or more of all reviews, excluding sweeps.) For reviews conducted as a sweep, the findings are coordinated across all firms selected for the sweep and, as a result, it will take longer for staff to communicate our findings. Note: In general, the time spent on a review depends on the quality and effectiveness of your existing compliance program as well as the availability of key personnel and prompt responses to our requests for information.

** **Note:** Complete information and timely responses will help facilitate a timely review. Reviews that are complex, raise new policy issues, that involve concurrent regulatory files, or require further regulatory action take longer for the OSC to complete. We will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.

When you request OSC Records

Item and Description	Timeline
Requesting OSC records: <i>Calling or emailing Records and Information Management</i> Requesting copies of company filings or Commission hearing materials* available to the public through Records and Information Management	We will acknowledge receipt of your request by the end of the next working day and complete your request within 5 working days. For certain types of requests, including requests for historical company filings or Commission hearing materials, we may ask you for more information or let you know we need more time.
Requesting copies of your OSC registration records and related forms <i>Calling or emailing Records and Information Management</i> Registrants requesting copies of their own registration records and related forms	We will acknowledge receipt of your request by the end of the next working day and complete your request within 5 working days.

*Does not include records related to current proceedings before the Commission. They are separately handled through the OSC Registrar.

If you request support from OSC LaunchPad

Item and Description	Timeline
<p>Requests for Support (RFS) Form</p> <p>Our acknowledgement of your RFS Form</p>	<p>We will acknowledge within 2 working days of receipt of your RFS form (target is for 100% of all RFS forms reviewed).</p>
<p>Requests for Support (RFS) Form</p> <p>Eligibility review</p>	<p>We will contact you within 10 working days of receipt of your RFS form (target is for 80% of all RFS forms received). If your business is eligible for OSC LaunchPad support, we will reach out to schedule a meeting. If your business is not eligible for OSC LaunchPad support, we will provide feedback.</p>
<p>Requests for Support (RFS) Form</p> <p>Providing support for eligible businesses</p>	<p>A telephone call or in-person meeting will be held to provide direct support within 20 working days of receipt of your RFS Form (target is for 80% of all meetings scheduled).</p>
<p>Requests for Support (RFS) Form</p> <p>Request for additional materials or filings</p>	<p>Following this meeting, if you are eligible to receive continued support from OSC LaunchPad, we may ask you to provide us with additional materials or a filing within 20 working days of your direct support meeting (target is for 80% of all meetings scheduled).</p> <p>If we do not receive the requested additional materials/filing, we will generally consider the file to be dormant and will take steps to close it. Refer to the "If we don't hear from you" section above for more information.</p>