

## Annex E

This document is a clean version of proposed changes to Ontario Securities Commission Rule 13-503 (including Forms). Because of the extent of the proposed amendments, it is proposed that the entire rule will be repealed and replaced as of April 3, 2023, which would result in further changes to the numbering of the document. Due to the proposed repeal of various sections and forms, the present document contains numbering gaps which would be addressed if the entire rule is repealed and replaced.

### ONTARIO SECURITIES COMMISSION RULE 13-503 (COMMODITY FUTURES ACT) FEES

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**ONTARIO SECURITIES COMMISSION  
RULE 13-503 (COMMODITY FUTURES ACT) FEES**

**PART 1 — DEFINITIONS**

**1.1 Definitions** — In this Rule

“CFA” means the *Commodity Futures Act*;

“CFA activities” means activities for which registration under the CFA is required, or activities for which an exemption from registration is required under the CFA, or would be so required if those activities were carried out in Ontario;

“designated financial year” in connection with the filing at any time by a registrant firm of a completed Form 13-503F1 means, the most recent completed financial year of the registrant firm, determined at the time of the filing, for which audited financial statements are available;

“Form 13-503F1” means Form 13-503F1 (*Commodity Futures Act*) *Participation Fee Calculation*;

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

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“Ontario percentage” means, in relation to a person or company for a designated financial year,

- (a) in the case of a person or company that had a permanent establishment in Ontario in the designated financial year and no permanent establishment elsewhere, 100%;
- (b) in the case of a person or company that had a permanent establishment in Ontario and elsewhere in the designated financial year and had taxable income in the designated financial year that is positive, the percentage of the taxable income that is taxable income earned in the year in Ontario, and
- (c) in any other case, the percentage of the total revenues of the person or company for the designated financial year attributable to CFA activities in Ontario;

“OSC Rule 33-506” means Ontario Securities Commission Rule 33-506 (*Commodity Futures Act*) *Registration Information*;

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

“permitted individual” has the same meaning as in OSC Rule 33-506;

“principal regulator” has the same meaning as in National Instrument 33-109 *Registration Information* under the *Securities Act*;

“registrant firm” means a person or company registered as dealer or an adviser under the CFA;

“specified Ontario revenues”, in relation to a person or company for a designated financial year, means the revenues of the person or company calculated for the designated year under section 2.6 or 2.7, as the case may be;

“taxable income” means taxable income as determined under the *Income Tax Act* (Canada); and

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

## **PART 2 — PARTICIPATION FEES**

**2.1 Application** — This Part does not apply to a registrant firm that is registered under the *Securities Act* and that has paid its participation fee under Rule 13-502 *Fees* under the *Securities Act*.

### **2.2 Participation fee**

- (0.1) A registrant firm must, after August 31 and before November 2 in each year, file a completed Form 13-503F1 showing the information required to determine the participation fee referred to in applicable sections 2.6 or 2.7.
- (1) A registrant firm must, by December 31 in each year, pay the participation fee shown in Appendix A opposite the specified Ontario revenues for the designated financial year of the firm.
- (3) Despite subsections (0.1) and (1), if a person or company that was not a registrant firm becomes, between November 1 and December 31, a registrant firm, it must, within 60 days of them becoming a registrant firm
  - (a) file a completed Form 13-503F1, and
  - (b) pay the participation fee determined in the completed Form 13-503F1.

### **2.4 Certification**

- (1) A Form 13-503F1 required to be filed under section 2.2 must contain a certification signed by any one of the following:
  - (a) the chief compliance officer of the registrant firm;
  - (b) a specified officer of the registrant firm, or an individual acting in a similar capacity;
  - (c) a director of the registrant firm.

- (2) For the purposes of paragraph (1)(b), “specified officer” of a registrant firm means an individual with any one or more of the following positions in relation to the registrant firm:
  - (a) chief executive officer;
  - (b) chief financial officer;
  - (c) chief operating officer.

## **2.5 Late fee**

- (1) A registrant firm that is late in paying a participation fee under this Part must pay an additional late fee of 0.1% of the unpaid portion of the participation fee for each day on which any portion of the participation fee was due and unpaid.
- (2) A late fee calculated under subsection (1) is deemed to be nil if it is less than \$100.

## **2.6 Calculating specified Ontario revenues for IIROC members**

- (1) The specified Ontario revenues for a designated financial year of a registrant firm that was an IIROC member at the end of the designated financial year is calculated by multiplying
  - (a) the registrant firm’s total revenues for the designated financial year, less the portion of the total revenue not attributable to CFA activities,
  - by
  - (b) the registrant firm’s Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), “total revenues” for a designated financial year means the amount shown as total revenue for the designated financial year on Statement E of the IIROC Form 1 filed with IIROC by the registrant firm.

## **2.7 Calculating specified Ontario revenues for others**

- (1) The specified Ontario revenues for a designated financial year of a registrant firm that was not a member of IIROC at the end of the designated financial year is calculated by multiplying
  - (a) the registrant firm’s total gross revenues, for the designated financial year, less deductions permitted under subsection (2),
  - by
  - (b) the registrant firm’s Ontario percentage for the designated financial year.
- (2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items if earned in the designated financial year from its total revenues:
  - (a) revenues not attributable to CFA activities;

- (b) advisory or sub-advisory fees paid during the designated financial year by the registrant firm to
  - (i) a registrant firm under the CFA or a registrant firm under the *Securities Act*, or
  - (ii) an unregistered exempt international firm, as defined in Rule 13-502 *Fees* under the *Securities Act*.

### **PART 3 — ACTIVITY FEES**

**3.1 Activity fees – General** – A person or company must, when filing a document or taking an action described in Row A1 to F4 of Column A of Appendix B, pay the fee shown opposite the description of the document or action in Column B.

**3.2 Information request** – A person or company that makes a request described in Row G1 or G2 of Column A of Appendix B must pay the fee shown opposite the description of the request in Column B of Appendix B before receiving the document or information requested.

**3.3 Affiliated entities** — (1) Despite section 3.1, only one fee must be paid under this Part for an application, in respect of a joint activity, made jointly by applicants affiliated with each other.

(2) Without limiting the generality of subsection (1), only one fee must be paid under this Part where an application for exemptive relief is made jointly by applicants affiliated with each other.

### **PART 3A--FEES FOR LATE FILING OR DELIVERY**

**3A.1 Definitions** -For the purposes of this Part,

“applicable limit” of a person or company for a year means

(a) if the person or company is required to pay a participation fee in the year under Part 2 and the specified Ontario revenues for the designated financial year on which the participation fee is based are greater than or equal to \$500 million, \$10,000 for that year, and

(b) in any other case, \$5,000 for that year.

“covered document” means a form or document listed in Appendix C.

“specified late day” means a day occurring after April 2, 2023

### **Late fee for covered documents**

**3A.2** A person or company that files or delivers a covered document after it was required to be filed or delivered must, when filing or delivering it, pay the fee determined under section 3A.3 in respect of the covered document.

## **Amount of fee**

**3A.3** (1) Subject to subsection (2), the fee for a covered document is equal to \$100 multiplied by the number of specified late days following the date the covered document was required to be filed or delivered until the date of the covered document is filed or delivered.

(2) Despite subsection (1), the maximum late fee payable by a person or company under section 3A.2 and attributable to a year for all covered documents is equal to the applicable limit.

(3) If a registrant firm and one or more registrant firms are affiliates of each other and each of those registrant firms has failed to file the same type of a covered document due by the same date, a fee paid under section 3A.2 by the first-mentioned registrant firm in respect of the covered document and attributable to a year is deemed for the purposes of this section to have been paid by each of the other registrant firms and be attributable to that year.

## **3A.4 Transition - Late fees accrued before April 3, 2023**

A person or company that files or delivers a form or document listed in Appendix C of this Rule as it read on April 2, 2023 that was required to be filed or delivered before April 3, 2023, must, when filing or delivering it, pay the late fee determined under this Rule as it read on April 2, 2023 for the period from the date the form or document is required to be filed or delivered until April 2, 2023.

## **PART 4 — CURRENCY CONVERSION**

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

## **PART 5 — EXEMPTION**

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

**PART 6 — REVOCATION AND EFFECTIVE DATE** **6.1 Revocation** – Rule 13-503 (*Commodity Futures Act*) Fees, as amended to October 18, 2019, is revoked.

**6.2 Effective date** – This Rule comes into force on April 3, 2023.

**APPENDIX A — PARTICIPATION FEES**  
*Section 2.2*

<b>Specified Ontario Revenues for the Designated Financial Year</b>	<b>Participation Fee</b>
under \$250,000	\$700
\$250,000 to under \$500,000	\$975
\$500,000 to under \$1 million	\$3,200
\$1 million to under \$3 million	\$7,150
\$3 million to under \$5 million	\$16,100
\$5 million to under \$10 million	\$34,300
\$10 million to under \$25 million	\$70,000
\$25 million to under \$50 million	\$105,200
\$50 million to under \$100 million	\$217,000
\$100 million to under \$200 million	\$367,700
\$200 million to under \$500 million	\$745,300
\$500 million to under \$1 billion	\$962,500
\$1 billion to under \$2 billion	\$1,213,800
\$2 billion and over	\$2,037,000



**APPENDIX B - ACTIVITY FEES**  
*Sections 3.1 and 3.2*

Row	Document or Activity (Column A)	Fee (Column B)
	<b>A. Application for specifically enumerated relief, approval and recognition</b>	
A1	Application under: a) Section 24 or 40 or subsection 36(1) or 46(6) of the CFA, and b) Subsection 27(1) of the Regulation to the CFA.	Nil
A2	An application for relief from this Rule.	\$1,800
A3	An application for relief from any of the following: a) OSC Rule 31-509 ( <i>Commodity Futures Act</i> ) <i>National Registration Database</i> ; b) OSC Rule 33-506 ; c) Subsection 37(7) of the Regulation to the CFA	\$1,800
	<b>B. Recognitions and Exemptions for Specified Regulated Entities</b>	
B1.	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is not made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$110,000
B2.	An application for registration or recognition of an exchange under section 15 or 34 of the CFA if the application is made in conjunction with the application for recognition of an exchange under the <i>Securities Act</i> ;	\$22,000
B3.	An application for exemption from registration of an exchange under section 80 of the CFA if the application is not made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$83,000
B4.	An application for exemption from registration of an exchange under section 80 of the CFA if the application is made in conjunction with the application for exemption from the recognition of an exchange under the <i>Securities Act</i> ;	\$22,000
B5.	An application for recognition of a clearing house under section 17 of the CFA if the application is not made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> ;	\$110,000

Row	Document or Activity (Column A)	Fee (Column B)
B6.	An application for recognition of a clearing house under section 17 of the CFA if the application is made in conjunction with the application for recognition of a clearing agency under the <i>Securities Act</i> .	\$22,000  (plus an additional fee of \$100,000 in connection with an application described in any of Rows B1 to B6 that (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, or (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or reflects a major reorganization or restructuring of an exchange or clearing agency).
C1	<p><b>C. Registration-Related Activity</b></p> <p>New registration of a firm in one or more categories of registration</p>	\$1,300
C2	Addition of one or more categories of registration	\$700
C3	<p>Registration of a new individual to trade or advise on behalf of the registrant firm</p> <p><i>Note: If an individual is registering as both a dealer and an adviser, the individual is required to pay only one activity fee.</i></p>	\$200 per individual, unless the individual makes an application to register in the same category of registration within three months of terminating employment with a previous firm.

Row	Document or Activity (Column A)	Fee (Column B)
C4	Review of permitted individual	\$100, unless the individual is already registered to trade or advise on behalf of the registrant firm
C5	Change in status from a non-trading or non-advising capacity to a trading or advising capacity	\$200 per individual
C6	Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of one or more registrant firms	\$1,000
C7	Application for amending terms and conditions of registration	\$800
D1	<p><b>D. Director Approval</b></p> <p>An application for approval of the Director under Section 9 of the Regulation to the CFA</p> <p><i>Note: No fee for an approval under subsection 9(3) of the Regulation to the CFA is payable if a notice covering the same circumstances is required under sections 11.9 or 11.10 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.</i></p>	\$3,500
E1	<p><b>E. Pre Filings</b></p> <p>Each pre-filing relating to the items described in Rows B1 to B6 of Appendix B</p>	One-half of the otherwise applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
E2	<p>Any other pre-filing of an application</p> <p><i>Note: The fee for a pre-filing of an application will be credited against the applicable fee payable if and when the corresponding formal filing is actually proceeded with; otherwise, the fee is nonrefundable.</i></p>	The applicable fee that would be payable if the corresponding formal filing had proceeded at the same time as the pre-filing.
F1	<p><b>F. Any Application not otherwise listed in this Rule</b></p> <p>An application, other than one described in Rows A1 to D1 for</p> <p>(a) relief from one section of the CFA, a regulation or a rule, or</p> <p>(b) recognition or designation under one section of the CFA, a regulation or a rule,</p>	\$4,800

Row	Document or Activity (Column A)	Fee (Column B)
F2	An application, other than one described in Rows A1 to D1 for (a) relief from two or more sections of the CFA, a regulation or a rule made at the same time, or (b) recognition or designation under two or more sections of the CFA, a regulation or a rule made at the same time.	\$7,000
F3	An application referred to in F1 or F2 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or OSC Rule 13-502 <i>Fees</i> : (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary;	The amount in F1 or F2 is increased by \$2,000
F4	An application under subsection 78(1) of the CFA, other than an application that was made under that subsection and subsection 144(1) of the <i>Securities Act</i> , if the application (a) reflects a merger of an exchange or clearing agency, (b) reflects an acquisition of a major part of the assets of an exchange or clearing agency, (c) involves the introduction of a new business that would significantly change the risk profile of an exchange or clearing agency, or (d) reflects a major reorganization or restructuring of an exchange or clearing agency.	The amount in F1 or F2 is increased by \$100,000
G1	<b>G. Requests to the Commission</b>  Request for a search of Commission public records	\$10 initial search fee, plus \$7.50 per person for each 15 minutes time spent by the person searching or preparing records for disclosure to the extent consistent with the request.
G2	Request for copies of Commission public records	Applicable search fees under Row G1. Additional charge of \$0.25 per page for photocopied or printed records. No additional charge for digital copies, where available

**APPENDIX C - DOCUMENTS TO WHICH FEES FOR LATE FILING OR DELIVERY APPLY**  
*Part 3A.1*

- (a) Annual financial statements and interim financial information;
- (b) Report under section 15 of the Regulation to the CFA;
- (c) Report under section 17 of the Regulation to the CFA;
- (d) Form 33-506F1 *Notice of Termination of Registered Individuals and Permitted Individuals*;
- (e) Form 13-503F1; and
- (f) Any form or document required to be filed or delivered by a registrant firm or individual in connection with the registration of the registrant firm or individual under the CFA with respect to
  - (i) terms and conditions imposed on the registrant firm or individual, or
  - (ii) an order of the Commission.

**FORM 13-503F1**  
**(Commodity Futures Act) PARTICIPATION FEE CALCULATION**

**General Instructions**

1. This form must be completed by firms registered under the *Commodity Futures Act* but not under the *Securities Act*. It must be returned to the Ontario Securities Commission by November 1 each year, as required by section 2.2 of OSC Rule 13-503 (the Rule), except in the case where firms register after November 1 in a year. In this exceptional case, this form must be filed within 60 days of registration.
2. The completion of this form will serve as an application for the renewal of both the firm and all its registered individuals wishing to renew under the *Commodity Futures Act*.
3. IIROC members must complete Part 4a of this form. All other registrant firms must complete Part II.
4. IIROC members may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
5. If a firm's permanent establishments are situated only in Ontario, all of the firm's total revenue for the designated financial year is attributed to Ontario. If permanent establishments are situated in Ontario and elsewhere, the percentage attributed to Ontario for a designated financial year will ordinarily be the percentage of the firm's taxable income that is allocated to Ontario for Canadian income tax purposes for the same financial year. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.
6. All figures must be expressed in Canadian dollars.
7. Information reported on this form must be certified by an individual specified in section 2.4 of the Rule to attest to its completeness and accuracy.
8. If the firm has no "designated financial year", as defined in section 1.1 of the Rule, do not complete Part 4 of this form.

**Certification**

I, \_\_\_\_\_, of the registrant firm noted below have examined this Form 13-503F1 (the **Form**) being submitted hereunder to the Ontario Securities Commission and certify that to my knowledge, having exercised reasonable diligence, the information provided in the Form is complete and accurate.

(s) \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_ Date:

**PART 1: Firm Information**

Firm NRD number: \_\_\_\_\_

Firm legal name: \_\_\_\_\_

**PART 2: Contact Information for Chief Compliance Officer**

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

Name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**3. Financial Information**

Does the firm have a designated financial year?     Yes     No (one selection)

If yes, end date of designated financial year: \_\_\_\_/\_\_\_\_/\_\_\_\_

yyyy mm dd

**PART 4: Participation Fee Calculation**

**Part 4(a) — IIROC Members**

- |    |  |          |
|----|--|----------|
| 1. | Total revenue for designated financial year from Statement E of the Form 1 | \$ _____ |
| 2. | Less revenue not attributable to CFA activities                            | \$ _____ |

3.	Revenue subject to participation fee (line 1 less line 2)	\$ _____
4.	Ontario percentage for designated financial year (See definition of “Ontario percentage” in the Rule)	_____ %
5.	Specified Ontario revenues (line 3 multiplied by line 4)	\$ _____
6.	Participation fee (From Appendix A of the Rule, select the participation fee opposite the specified Ontario revenues from line 5)	\$ _____

**Part 4(b) – Other Registrants:**

**Notes:**

1. Total gross revenues are the sum of all gross revenues reported on the audited financial statements. Audited financial statements should be prepared in accordance with generally accepted accounting principles. Items reported on a net basis must be adjusted for purposes of the fee calculation to reflect gross revenues.
2. Where the advisory services of a registrant firm, or of an unregistered exempt international firm under Rule 13-502 *Fees* of the *Securities Act*, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line to the extent that they are otherwise included in total revenues.

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1.	Total gross revenue for designated financial year (note 1)	\$ _____
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**Less the following items in respect of the designated financial year:**

2.	Gross revenue not attributable to CFA activities	\$ _____
3.	Advisory or sub-advisory fees paid to registrant firms or unregistered exempt international firms (note 2)	\$ _____
4.	Revenue subject to participation fee (line 1 less lines 2 and 3)	\$ _____
5.	Ontario percentage for designated financial year (See definition of “Ontario percentage” in the Rule)	_____ %
6.	Specified Ontario revenues (line 4 multiplied by line 5)	\$ _____
7.	Participation fee (From Appendix A of the Rule, select the participation fee beside the specified Ontario revenues from line 6)	\$ _____



