

The Ontario Securities Commission

OSC Bulletin

April 21, 2022

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The Ontario Securities Commission administers the *Securities Act of Ontario* (R.S.O. 1990, c. S.5) and the *Commodity Futures Act of Ontario* (R.S.O. 1990, c. C.20)

The Ontario Securities Commission

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Chapter 1

Notices

1.4 Notices from the Office of the Secretary

1.4.1 VRK Forex & Investments Inc. and Radhakrishna Namburi

FOR IMMEDIATE RELEASE
April 14, 2022

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

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated April 14, 2022 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.4.2 Stableview Asset Management Inc. and Colin Fisher

FOR IMMEDIATE RELEASE
April 14, 2022

**STABLEVIEW ASSET MANAGEMENT INC. AND
COLIN FISHER,
File No. 2020-40**

TORONTO – Take notice that a Motion hearing in the above named matter is scheduled to be heard on April 27, 2022 at 1:00 p.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Meraki Global Advisors LLC

Headnote

Application for a decision exempting the Filer, a U.S.-registered broker-dealer, from the dealer registration requirement to permit the Filer to provide an “outsourced trading service” (Trading Services) relating to securities of Canadian issuers to asset managers in Canada to assist the asset managers in achieving best execution – Trading Services means the communication of trade orders relating to Canadian securities received from asset managers to their executing broker-dealers for execution, clearance, and settlement but does not include the execution of trades in securities – execution of trades in securities of Canadian issuers will be made by executing brokers that have an existing relationship with the asset managers – time-limited registration relief granted to allow the Filer to provide Trading Services on the basis of the regulatory framework established in the U.S. and on the basis of the additional terms and conditions as set out in the decision – registered firms seeking to use this type of service are reminded they remain subject to best execution and conflicts of interest requirements, must be able to reasonably conclude that the use of this type of service is consistent with the firm’s best execution and conflicts of interest obligations, and comply with all disclosure requirements applicable to these types of services, including Part 4 of NI 23-102 – three-year sunset clause included to allow CSA staff in consultation with IROC staff to review our experience with filers offering this type of service in three years – CSA staff continue to view this type of business model as novel and filers seeking to provide outsourced trading services in relation to securities and/or exchange-traded derivatives (commodity futures contracts and commodity futures options) and over-the-counter (OTC) derivatives are encouraged to make a pre-file with staff of their principal regulator.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1) and 74.

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

OSC Rule 31-505 Conditions of Registration, s. 2.1.

National Instrument 23-101 Trading Rules, s. 4.2.

National Instrument 23-102 Use of Client Brokerage Commissions as Payment for Order Execution Services or Research Services, s. 3.1 and Part 4.

April 11, 2022

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

AND

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

AND

IN THE MATTER OF
MERAKI GLOBAL ADVISORS LLC
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the dealer registration requirement in the Legislation in respect of providing Trading Services (as defined below) relating to securities of Canadian issuers to Institutional Permitted Clients (as defined below) in the Jurisdictions (as defined below) (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the Province of Québec (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

For the purposes of this decision, the following term has the following meaning:

“**Canadian security**” means a security that is not a foreign security;

“**Foreign security**” has the meaning ascribed to that term in subsection 8.18(1) of NI 31-103;

“**Institutional Permitted Client**” means a “permitted client” as defined in section 1.1 of NI 31-103, except for:

- (a) an individual,
- (b) a person or company acting on behalf of a managed account of an individual,
- (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as an Institutional Permitted Client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least \$100 million as shown on its most recently prepared financial statements or qualifies as an Institutional Permitted Client under another paragraph of that definition;

“**NI 31-103**” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*; and

“**Trading Services**” means the communication of trade orders relating to Canadian securities received from Institutional Permitted Clients in the Jurisdictions to their executing broker-dealers for execution, clearance, and settlement. For greater certainty, the term “Trading Services” does not include the execution of trades in securities.

Representations

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

1. The Filer is a limited liability company formed under the laws of the State of Utah. The head office of the Filer is located in Park City, Utah, United States of America.
2. The Filer is registered as a broker-dealer with the United States (**U.S.**) Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**). The Filer currently conducts, and is approved to perform, a single type of regulated business in the U.S. as per FINRA regulations under the “Other” category.
3. The Filer provides outsourced trading services in the U.S. to asset managers and other clients by acting as an intermediary between such clients and their executing broker-dealers, communicating trade orders received from each client on an unsolicited basis to the dealer for execution, clearance, and settlement.
4. The Filer currently relies on section 8.18 [*International dealer*] of NI 31-103 in each of the Jurisdictions to provide outsourced trading services in respect of foreign securities with Canadian-resident “permitted clients” (as such term is defined in NI 31-103).
5. The Filer has applied for the Exemption Sought as it wishes to provide similar services to Institutional Permitted Clients in the Jurisdictions (the **Trading Services Clients**) in respect of Canadian securities.

Nature of the Trading Services to be provided to Trading Services Clients

6. The Filer will enter into a written agreement with each Trading Services Client for the provision of Trading Services (**Trading Authorization Agreement**).
7. The Filer will communicate a Trading Services Client's trading instructions to an investment dealer or other appropriately registered or exempt dealer (the **Executing Broker**) for execution. The Executing Broker will be an appropriately registered dealer or a person or company relying on an exemption from dealer registration in the Jurisdictions that permits such executing broker to execute the trade for Trading Services Clients.
8. The Filer will communicate trade instructions in respect of Canadian securities on behalf of Trading Services Clients including trade instructions in relation to foreign exchange (**FX**); publicly traded fixed income securities (corporate and convertible bonds); listed and over-the-counter (**OTC**) options, swaps, total return swaps, and index futures.
9. Trading Services Clients will provide an "authorized trader" or similar document to their Executing Brokers that designates the Filer as having authority to communicate trade orders on their behalf. Trading Services Clients will deliver trade orders to the Filer, who will then communicate the order to the Executing Broker for execution, clearance and settlement.
10. Instructions in connection with the trading of Canadian securities will be provided by Trading Services Clients pursuant to the Trading Authorization Agreement on an unsolicited basis to the Filer.
11. The Filer does not require its Trading Services Clients to use specific Executing Brokers through whom trades must be executed. Pursuant to the Trading Authorization Agreement, Trading Services Clients will provide the Filer with a list of approved Executing Brokers through whom trading instructions may be executed.
12. A Trading Services Client may provide the Filer with specific instructions (**Specific Instructions**) regarding, *inter alia*, the Executing Broker to be utilized for a trade. In such circumstances, the Filer will be obligated to communicate the Trading Services Client's instructions to the Executing Broker in accordance with the Specific Instructions.

Best execution obligations applicable to the Filer

13. In the absence of Specific Instructions from the Trading Services Client, the Filer has discretion with respect to the routing of trade instructions among the Executing Brokers authorized by the client. The choice of Executing Broker will be made in accordance with the Filer's best execution policy (**Best Execution Policy**). The Best Execution Policy provides that, in the absence of Specific Instructions, an Executing Broker will be selected from the Trading Services Client's list of authorized Executing Brokers based on factors which include: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order (**Execution Factors**).
14. The Filer will take into account the following specific Execution Factors in selecting an Executing Broker:
 - (a) the execution price without any costs charged to the Trading Services Client, or the Filer's own commissions;
 - (b) the speed and/or likelihood of execution;
 - (c) the impact on market prices of displaying and/or executing an order or part of an order;
 - (d) the opportunity for an order to be executed at a better price than what is currently quoted publicly; and
 - (e) any other consideration relevant to the efficient execution of the order.
15. When communicating orders for securities with the Trading Services Client's Executing Broker, the Filer will take into account the following criteria for determining the relative importance of the Execution Factors in the circumstances:
 - (a) the characteristics of the Trading Services Client including the regulatory categorization of the Trading Services Client;
 - (b) the characteristics of the trade order;
 - (c) the characteristics of Canadian securities that are the subject of that relevant order; and
 - (d) the characteristics of the Executing Broker to which that relevant order can be directed.

16. The Trading Authorization Agreement will include a provision whereby the Filer agrees that it will be responsible for any loss that arises out of its failure
 - (a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Trading Services Client; or
 - (b) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
17. The Filer will accept and track Trading Services Client trading instructions for the purpose of communicating such instructions to Executing Broker(s) for execution and maintaining an audit trail.
18. The Executing Broker will execute transactions on behalf of Trading Services Clients by: (i) accepting the trade orders received from the Filer; (ii) transmitting and executing the securities transactions or acting as counterparty to an OTC transaction; (iii) taking financial responsibility for the completion of the transaction; (iv) making and/or monitoring records related to such transactions, as required by applicable laws, rules, and regulations; (v) effecting settlement of the transaction; and (vi) providing all post trade confirmations and reports directly to the Trading Services Client.
19. The compensation for Trading Services provided by the Filer in relation to trades in Canadian securities on a stock exchange or marketplace will be included in the total commission paid by a Trading Services Client to its Executing Broker and is included as an additional commission for trades pursuant to the terms of a commission sharing or similar agreement entered into between either the Filer and the Executing Broker or the Filer, the Trading Services Client and the Executing Broker. The Filer will receive payment for the Trading Services directly from the Executing Broker.
20. The compensation for Trading Services provided by the Filer in relation to trades in Canadian securities on an OTC market will be directly paid to the Filer by the Trading Services Client pursuant to the terms of the Trading Authorization Agreement.
21. Only investment dealers that are dealer members of the Investment Industry Regulatory Organization of Canada (IIROC) or firms relying on an applicable exemption from the dealer registration requirement are permitted to engage in trading in Canadian securities if the Canadian security is listed, quoted or traded on a marketplace in Canada and if the trade in the Canadian security does not require reliance on a further exemption from the prospectus requirement in the Jurisdictions.

Best execution obligations that may be applicable to Trading Services Clients

22. In the U.S., the Filer is able to offer outsourced trading services to asset managers (including registered investment advisers) and other clients on the basis of an exemption in section 28(e) of the *Exchange Act*. Specifically, the Filer's outsourced trading services come within the "safe harbor" for "brokerage and research services" that are permitted by section 28(e) of the *Exchange Act*¹ and asset managers that are registered investment advisers are permitted to use client commissions for such outsourced trading services pursuant to this safe harbor.
23. In Canada, the Trading Services provided by the Filer constitute "order execution goods and services" and "research goods and services" within the meaning of section 3.1(a) of National Instrument 23-102 *Use of Client Brokerage Commissions* in that the Trading Services are directly related to order execution.
24. To assist Trading Services Clients that are registrants in determining if they are meeting their "best execution" obligation under Part 4 of National Instrument 23-101 *Trading Rules*, the Filer provides Trading Services Clients at their request with a detailed Trade Cost Analysis report (TCA) on a quarterly basis which compares trade execution on behalf of the Trading Services Client against benchmarks selected by the Trading Services Client.

Why is relief required?

25. The Filer relies on the "international dealer exemption" under section 8.18 [*International dealer*] of NI 31-103 in the Jurisdictions to provide Trading Services in respect of "foreign securities" to Canadian "permitted clients" as defined in section 8.18 of NI 31-103.
26. The Filer is not registered under NI 31-103 and is in the business of trading in securities by virtue of providing the Trading Services. In the absence of the Exemption Sought, the Filer cannot provide the Trading Services in the Jurisdictions in respect of Canadian securities issuers without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], and under section 8.21 [*Specified debt*] of NI 31-103.

¹ SEC Guidance Regarding Client Commission Practices Under Section 28(e) of the Exchange Act dated July 24, 2006 <https://www.govinfo.gov/content/pkg/FR-2006-07-24/pdf/06-6410.pdf>

Decisions, Orders and Rulings

27. The Filer does not hold, take custody of, remit or exchange money or Canadian securities on behalf of Trading Services Clients.
28. The Filer will not lend money, extend credit or provide margin to Trading Services Clients.
29. The Filer is subject to regulatory capital requirements under the *Securities Exchange Act of 1934 (1934 Act)*, specifically SEC Rule 15c3-1 *Net Capital Requirements for Brokers or Dealers (SEC Rule 15c3-1)* and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers (SEC Rule 17a-5)*.
30. SEC Rule 15c3-1 is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which dealer members of IIROC are subject, and the Filer is in compliance with SEC Rule 15c3-1 and is in compliance in all material respects with SEC Rule 17a-5. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 *Notification Provisions for Brokers and Dealers (SEC Rule 17a-11)*. The SEC and FINRA have the responsibility to provide oversight over the Filer's compliance with SEC Rule 15c3-1 and SEC Rule 17a-5.
31. The Filer is required to prepare and file a financial report, which includes Form X-17a-5 (**FOCUS Report**) which is a financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the business activities of the Filer, and more accurately reflects such activities than would otherwise be provided by Form 31-103F1 *Calculation of Excess Working Capital (Form 31-103F1)*. The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.
32. The Filer is in compliance in all material respects with U.S. securities laws. The Filer is not in default of securities legislation in any jurisdiction in Canada.
33. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:
 - (a) the Filer is regulated as a broker-dealer under the securities legislation of the U.S., and is subject to the requirements listed in paragraphs 29 to 31;
 - (b) the availability of, and access to, the Trading Services is important to Canadian institutional investors who are active participants in the international marketplace;
 - (c) the Filer will provide Trading Services in the Jurisdictions only to Institutional Permitted Clients;
 - (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada; and
 - (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.
34. The Filer is a "market participant" as defined under subsection 1(1) of the Act. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the Act, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of business transactions and financial affairs and the transactions executed on behalf of others and to deliver such records to the OSC if required.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:

- (a) has its head office or principal place of business in the U.S.;
- (b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Trading Services in the U.S.;
- (c) is a member of FINRA;

- (d) limits its provision of Trading Services in the Jurisdictions under this decision in respect of Canadian securities to Institutional Permitted Clients;
- (e) enters into a Trading Authorization Agreement with each Trading Services Client;
- (f) does not provide Trading Services in relation to Canadian securities with or for Institutional Permitted Clients except as permitted under Canadian securities laws;
- (g) does not require its Trading Services Clients to use specific executing brokers through which Trading Services Clients must execute trades;
- (h) notifies the OSC of any regulatory action initiated after the date of this decision in respect of the Filer, or any predecessors or specified affiliates of the Filer, by completing and filing with the OSC Appendix "A" hereto within ten days of the commencement of any such action; provided that the Filer may also satisfy this condition by filing with the OSC within ten days of the date of this decision a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S. federal securities laws that is identified in the FINRA BrokerCheck system, and any updates to such disclosure that may be made from time to time, and by providing notification, in a manner reasonably acceptable to the Director, of any filing of a Form BD "Regulatory Action Disclosure Reporting Page";
- (i) submits the financial report and compliance report as described in SEC Rule 17a-5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;
- (j) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;
- (k) submits to the OSC immediately a copy of any notice filed under SEC Rule 17a-11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;
- (l) complies with the filing and fee payment requirements applicable to a registrant under OSC Rule 13-502 *Fees*, including, for clarity, participation fees based on its specified Ontario revenues attributable to capital markets activities conducted in reliance on the "international dealer exemption" under section 8.18 [*International dealer*] of NI 31-103 and capital markets activities conducted in reliance on the exemption in this Decision;
- (m) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may, upon notice, require from time to time; and
- (n) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the reasonable cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire three (3) years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Tim Moseley"
Vice-Chair
Ontario Securities Commission

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

OSC File #: 2021/0157

APPENDIX "A"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates² of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

	Yes	No
(a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?		
(b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?		
(c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?		
(d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?		
(e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?		
(f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
(g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?		

If yes, provide the following information for each action:

Name of Entity	
Type of Action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

² "specified affiliate" means a person or company that is a parent of a firm, a specified subsidiary of a firm, or a specified subsidiary of a firm's parent.

Decisions, Orders and Rulings

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliate is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm Meraki Global Advisers LLV
Name of firm's authorized signing officer or partner: Benjamin R. Arnold
Title of firm's authorized signing officer or partner: Founding Partner and CEO
Signature:
Date (yyyy/mm/dd): 20●●/●●/●●

Witness:

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness:
Title of witness:
Signature:
Date (yyyy/mm/dd): 20●●/●●/●●

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal: <https://www.osc.gov.on.ca/filings>

2.1.2 Admiral Markets Canada Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by Filer for relief from prospectus requirement in connection with distribution by Filer of “contracts for difference” and over-the-counter (OTC) foreign exchange contracts (collectively, CFDs) to investors resident in Ontario and British Columbia (collectively, Applicable Jurisdictions), subject to terms and conditions – Filer is registered in Ontario as investment dealer and a member of the Investment Industry Regulatory Organization of Canada (IIROC) – Filer seeking relief to permit Filer to offer CFDs to investors in Applicable Jurisdictions, including relief permitting Filer to distribute CFDs on the basis of clear and plain language risk disclosure document rather than a prospectus – risk disclosure document contains disclosure substantially similar to risk disclosure document required for recognized options in OSC Rule 91-502 Trades in Recognized Options, the regime for OTC derivatives contemplated by former proposed OSC Rule 91-504 OTC Derivatives (which was not adopted) and the Quebec Derivatives Act – Relief consistent with relief contemplated by OSC Staff Notice 91-702 Offerings of contracts for difference and foreign exchange contracts to investors in Ontario (OSC SN 91-702) – Relief granted, subject to terms and conditions as described in OSC SN 91-702 including four-year sunset clause.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74(1).

OSC Rule 91-502 Trades in Recognized Options.

OSC Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario.

Proposed OSC Rule 91-504 OTC Derivatives (not adopted).

April 2, 2022

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

AND

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

AND

**IN THE MATTER OF
ADMIRAL MARKETS CANADA LIMITED
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer and its respective officers, directors and representatives be exempt from the prospectus requirement in respect of the distribution of contracts for difference and over-the-counter (OTC) foreign exchange contracts (collectively, **CFDs**) to investors resident in the Applicable Jurisdictions (as defined below), subject to the terms and conditions below (the **Requested Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**); and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (**MI 11-102**) is intended to be relied upon in British Columbia, (the **Non-Principal Jurisdiction**, and, together with the Jurisdiction, the **Applicable Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of British Columbia with its principal place of business in Toronto, Ontario.
2. The Filer is registered as a dealer in the category of investment dealer in Ontario and British Columbia, and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
3. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.
4. The Filer is not in default of applicable securities legislation in any province or territory of Canada, or IIROC Rules or IIROC Acceptable Practices (as defined below).
5. The Filer wishes to offer CFDs to investors in the Applicable Jurisdictions on the terms and conditions described in this Decision. For the Interim Period (as defined below), the Filer is seeking the Requested Relief in connection with the proposed offering of CFDs in Ontario and intends to rely on this Decision and the Passport System described in MI 11-102 to offer CFDs in the Non-Principal Jurisdiction.
6. The Filer understands that staff of the Alberta Securities Commission have public interest concerns with CFD trading by retail clients and, accordingly, the Filer does not intend to offer CFDs to investors in Alberta. The Filer undertakes not to give notice that subsection 4.7(1) of MI 11-102 is intended to be relied upon in Alberta.
7. As a member of IIROC, the Filer is only permitted to enter into CFDs pursuant to the rules and regulations of IIROC (the **IIROC Rules**).
8. In addition, IIROC has communicated to its members certain additional expectations as to acceptable business practices (**IIROC Acceptable Practices**) as articulated in IIROC's paper "Regulatory Analysis of Contracts for Differences (CFDs)" published by IIROC on June 6, 2007, as amended on September 12, 2007, for any IIROC member proposing to offer CFDs to investors. The Filer is in compliance with IIROC Acceptable Practices in offering CFDs. The Filer will offer CFDs in accordance with IIROC Acceptable Practices as may be established from time to time, and will not offer CFDs linked to bitcoin, cryptocurrencies or other novel or emerging asset classes to investors in the Applicable Jurisdictions without the prior written consent of IIROC.
9. The Filer is required by IIROC to maintain a certain level of capital to address the business risks associated with its activities. The capital reporting required by IIROC (as per the calculation in the Form 1 and the Monthly Financial Reports to IIROC) is based predominantly on the generation of financial statements and calculations as to ensure capital adequacy. The Filer, as an IIROC member, is required to have a specified minimum capital which includes having any additional capital required with regards to margin requirements and other risks. This risk calculation is summarized as a risk adjusted capital calculation which is submitted in the firm's Form 1 and required to be kept positive at all times.

Online Trading Platform

10. The Filer's trading platform (the **Trading Platform**) is a proprietary and fully automated internet-based trading platform which allows clients to trade CFDs on an execution-only basis.
11. The Trading Platform is a key component in a comprehensive risk management strategy which will help the Filer's clients and the Filer to manage the risks associated with leveraged products. This risk management system has evolved over many years with the objective of meeting the mutual interests of all relevant parties (including, in particular, clients). These attributes and services are described in more detail below:
 - (a) *Real-time client reporting.* Clients are provided with a real-time view of their account status. This includes how tick-by-tick price movements affect their account balances and required margins. Clients can view this information at any time by logging into their account on the Trading Platform.
 - (b) *Fully automated risk management system.* Clients are instructed that they must maintain the required margin against their position(s). If a client's funds drop below the required margin, margin calls are regularly issued via email (as frequently as hourly), alerting the client to the fact that the client is required to either deposit more funds to maintain the position or close/reduce it voluntarily. Where possible, daily telephone margin calls are provided as a supporting communication for clients. However, if a client fails to deposit more funds, where

possible, the client's position is automatically liquidated. This liquidation procedure is intended to act as a mechanism to help reduce the risk entering into a negative account balance.

- (c) *Wide range of order types.* The Trading Platform also provides risk management tools such as stop loss orders, limit orders, contingent orders. These tools are designed to help clients reduce the risk of loss.
12. The Trading Platform is similar to those developed for on-line brokerages in that the client trades without other communication with, or advice from, the dealer. The Trading Platform is not a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* since a marketplace is any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in a nondiscretionary manner. The Trading Platform does not bring together multiple buyers and sellers.
13. The Filer is the counterparty to its clients' CFD trades; it will not act as an intermediary, broker or trustee in respect of the CFD transactions. The Filer does not manage any discretionary accounts, nor does it provide any trading advice or recommendations regarding CFD transactions.
14. The Filer manages the risk in its client positions by simultaneously placing the identical CFD on a back-to-back with an affiliate, each of which will be at all times an "acceptable counterparty" or a "regulated entity" (as those terms are defined in the Form 1) (the **Acceptable/Regulated Counterparty**). The Acceptable/Regulated Counterparty will, in turn, automatically offset each position against other client positions on a second-by-second basis, and either "hedges" its net exposure by trading with liquidity providers or using its equity capital, or both. By virtue of this risk management functionality inherent in the Trading Platforms, the Filer minimizes counterparty risk. This also means that the Filer does not have an inherent conflict of interest with its clients, since it does not profit on a position if the client loses on that position, and *vice versa*.
15. The CFDs are OTC contracts and are not transferable.
16. The ability to lever an investment is one of the principal features of CFDs. Leverage allows clients to magnify investment returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be obtained by investing directly in the underlying currency or instrument.
17. IIROC Rules and IIROC Acceptable Practices set out detailed requirements and expectations relating to leverage and margin for offerings of CFDs. The degree of leverage may be amended in accordance with IIROC Rules and IIROC Acceptable Practices as may be established from time to time.
18. Pursuant to section 13.12 (Restriction on lending to clients) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31 --103)* only those firms that are registered as investment dealers (a condition of which is to be a member of IIROC) may lend money, extend credit or provide margin to a client.

Structure of CFDs

19. A CFD is a derivative product that allows clients to obtain economic exposure to the price movement of an underlying instrument, such as a share, index, market sector, currency pair, treasury or commodity, without the need for ownership and physical settlement of the underlying instrument. Unlike certain OTC derivatives, such as forward contracts, CFDs do not require or oblige either the principal counterparty (being the Filer for the purposes of the Requested Relief) nor any agent (also being the Filer for the purposes of the Requested Relief) to deliver the underlying instrument.
20. CFDs to be offered by the Filer will not confer the right or obligation to acquire or deliver the underlying security or instrument itself, and will not confer any other rights of shareholders of the underlying security or instrument, such as voting rights. Rather, a CFD is a derivative instrument which is represented by an agreement between a counterparty and a client to exchange the difference between the opening price of a CFD position and the price of the CFD at the closing of the position. The value of the CFD is generally reflective of the movement in prices at which the underlying instrument is traded at the time of opening and closing the position in the CFD.
21. CFDs to be offered by the Filer allow clients to take a long or short position on an underlying instrument, but unlike futures contracts, they have no fixed expiry date, standard contract size or an obligation for physical delivery of the underlying instrument.
22. CFDs allow clients to obtain exposure to markets and instruments that may not be available directly, or may not be available in a cost-effective manner.

CFDs Distributed in the Applicable Jurisdictions

23. Certain types of CFDs, such as CFDs where the underlying instrument is a security, may be considered to be "securities" under the securities legislation of the Applicable Jurisdictions.

24. Investors wishing to enter into CFD transactions must open an account with the Filer.
25. Prior to a client's first CFD transaction and as part of the account opening process, the Filer will provide the client with a separate risk disclosure document that clearly explains, in plain language, the transaction and the risks associated with the transaction (the **Risk Disclosure Document**). The Risk Disclosure Document includes the required risk disclosure set forth in Schedule A to the Regulations to the QDA and leverage risk disclosure required under IIROC Rules. The Risk Disclosure Document contains disclosure that is substantially similar to the risk disclosure statement required for recognized options in OSC Rule 91-502 *Trades in Recognized Options* (which provides both registration and prospectus exemptions) (**OSC Rule 91-502**) and the regime for OTC derivatives contemplated by OSC Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors* (**OSC SN 91-702**) and proposed OSC Rule 91-504 OTC Derivatives (which was not adopted) (**Proposed Rule 91-504**). The Filer will ensure that, prior to a client's first trade in a CFD transaction, a complete copy of the Risk Disclosure Document provided to that client has been delivered, or has previously been delivered, to the Principal Regulator.
26. Prior to the client's first CFD transaction and as part of the account opening process, the Filer will obtain a written or electronic acknowledgement from the client confirming that the client has received, read and understood the Risk Disclosure Document. Such acknowledgement will be prominent and separate from other acknowledgements provided by the client as part of the account opening process.
27. As is customary in the industry, and due to the fact that this information is subject to factors beyond the control of the Filer (such as changes in IIROC Rules), information such as the underlying instrument listing and associated margin rates will not be disclosed in the Risk Disclosure Document. Instead, such information will be part of a client's account opening package and will be available on both the Filer's website and the Trading Platform.

Satisfaction of the Registration Requirement

28. The role of the Filer as it relates to the CFD offering (other than it being the principal under the CFDs) will be limited to acting as an execution-only dealer. In this role, the Filer will, among other things, be responsible to approve all marketing, for holding of client funds, and for client approval (including the review of know-your-client (**KYC**) due diligence and account opening suitability assessments pursuant to NI 31-103).
29. IIROC Rules exempt member firms that provide execution-only services such as discount brokerages from the obligation to determine whether each trade is suitable for a client. However, IIROC has exercised its discretion to impose additional requirements on IIROC members proposing to trade in CFDs and requires, among other things, that:
 - (a) applicable Risk Disclosure Documents and client suitability waivers be provided in a form acceptable to IIROC;
 - (b) the firm's policies and procedures, amongst other things, require the Filer to assess whether CFD trading is appropriate for a client before an account is approved to be opened. This account opening suitability process includes an assessment of the client's investment knowledge and trading experience, client identification, screening applicants and customers against lists of prohibited/blocked persons, and detecting and reporting suspicious trading and potential terrorist financing and money laundering activities to applicable enforcement authorities;
 - (c) the Filer's registered supervisors who conduct the KYC and initial product suitability analysis will meet, or be exempted from, the proficiency requirements for futures trading and will be registered with IIROC as Investment Representatives (**IR**) for retail customers in the product category of Futures Contracts and Futures Contract Options. The course proficiency requirements for an IR include the completion of the Derivatives Fundamentals Course and Futures Licensing Course. In addition, the Filer must have a fully qualified Supervisor (Futures); and
 - (d) cumulative loss limits for each client's account be established (this is a measure normally used by IIROC in connection with futures trading accounts).
30. The CFDs offered in Canada will be offered in compliance with applicable IIROC Rules and other IIROC Acceptable Practices.
31. IIROC limits the underlying instruments in respect of which member firms may offer CFDs since only certain securities are eligible for reduced margin rates. For example, underlying equity securities must be listed or quoted on certain "recognized exchanges" (as that term is defined in IIROC Rules) such as the New York Stock Exchange. The purpose of these limits is to ensure that CFDs offered in Canada will only be available in respect of underlying instruments that are traded in well-regulated markets, in significant enough volumes and with adequate publicly available information, so that clients can form a sufficient understanding of the exposure represented by a given CFD.

32. IIROC Rules prohibit the margining of CFDs where the underlying instrument is a synthetic product (single U.S. sector or "mini-indices"). For example, Sector CFDs (i.e., basket of equities for the financial institutions industry) may be offered to non-Canadian clients; however, this is not permissible under IIROC Rules.
33. IIROC members seeking to trade CFDs are generally precluded, by virtue of the nature of the contracts, from distributing CFDs that confer the right or obligation to acquire or deliver the underlying security or instrument itself (convertible CFDs), or that confer any other rights of shareholders of the underlying security or instrument, such as voting rights.
34. The Requested Relief, if granted, would substantially harmonize the position of the regulators in the Applicable Jurisdictions on the offering of CFDs to investors in the Applicable Jurisdictions with how those products are offered to investors in Quebec under the *Derivatives Act* (Quebec) (the QDA). The QDA provides a legislative framework to govern derivatives activities within Quebec. Among other things, the QDA requires such products to be offered to investors through an IIROC member and the distribution of a standardized risk disclosure document rather than a prospectus in order to distribute such contracts to investors resident in Quebec.
35. The Requested Relief, if granted, would be consistent with the guidelines articulated by staff of the Principal Regulator in OSC SN 91-702. OSC SN 91-702 provides guidance with regards to the distributions of CFDs, foreign exchange contracts and similar OTC derivative products to investors in the Jurisdiction.
36. The Principal Regulator has previously recognized that the prospectus requirement may not be well suited for the distribution of certain derivative products to investors in the Jurisdiction, and that alternative requirements, including requirements based on clear and plain language risk disclosure, may be better suited for certain derivatives.
37. In the Jurisdiction, both OSC Rule 91-502 and OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situated Outside Ontario (OSC Rule 91-503)* provide for a prospectus exemption for the trading of derivative products to clients. The Requested Relief is consistent with the principles and requirements of OSC Rule 91-502, OSC Rule 91-503 and Proposed Rule 91-504.
38. The Filer submits that the Requested Relief, if granted, would harmonize the Principal Regulator's position on the offering of CFDs with certain other foreign jurisdictions that have concluded that a clear, plain language risk disclosure document is appropriate for retail clients seeking to trade in foreign exchange contracts.
39. The Filer is of the view that requiring compliance with the prospectus requirement in order to enter into CFDs with retail clients would not be appropriate since the disclosure of a great deal of the information required under a prospectus and under the reporting issuer regime is not material to a client seeking to enter into a CFD transaction. The information to be given to such a client should principally focus on enhancing the client's appreciation of product risk including counterparty risk. In addition, most CFD transactions are of short duration (positions are generally opened and closed on the same day) and are in any event marked to market and cash settled daily.
40. The Filer is regulated by IIROC, which has a robust compliance regime including specific requirements to address market, capital and operational risks.
41. The Filer submits that the regulatory regimes developed by the AMF and IIROC for CFDs adequately address issues relating to the potential risk to the clients of the Filer acting as counterparty. In view of these regulatory regimes, investors would receive little or no additional benefit from requiring the Filer to also comply with the prospectus requirement.
42. The Requested Relief in respect of each Applicable Jurisdiction is conditional on the Filer being registered as an investment dealer with the Commission in such Applicable Jurisdiction and maintaining its membership with IIROC and that all CFD transactions be conducted pursuant to IIROC Rules and in accordance with IIROC Acceptable Practices.

Decision

The Principal Regulator is satisfied that the test set out in the Legislation to make the Decision is met.

The Decision of the Principal Regulator is that the Requested Relief is granted provided that:

- (a) all CFDs traded with residents in the Applicable Jurisdictions shall be executed through the Filer;
- (b) with respect to residents of an Applicable Jurisdiction, the Filer remains registered as a dealer in the category of investment dealer with the Principal Regulator and the Commission in such Applicable Jurisdiction and a member of IIROC;
- (c) all CFD transactions with clients resident in the Applicable Jurisdictions shall be conducted pursuant to IIROC Rules imposed on members seeking to trade in CFDs and in accordance with IIROC Acceptable Practices, as amended from time to time;

Decisions, Orders and Rulings

- (d) prior to a client first entering into a CFD transaction, the Filer has provided to the client the Risk Disclosure Document and has delivered, or has previously delivered, a copy of the Risk Disclosure Document provided to that client to the Principal Regulator;
- (e) prior to the client's first CFD transaction and as part of the account opening process, the Filer has obtained a written or electronic acknowledgement from the client, as described in paragraph 26, confirming that the client has received, read and understood the Risk Disclosure Document;
- (f) the Filer has furnished to the Principal Regulator the name and principal occupation of its officers and directors, together with either the personal information form and authorization of indirect collection, use and disclosure of personal information provided for in National Instrument 41-101 *General Prospectus Requirements* or the registration information form for an individual provided for in Form 33-109F4 of National Instrument 33-109 *Registration Information* completed by any officer or director;
- (g) the Filer shall promptly inform the Principal Regulator in writing of any material change affecting the Filer, being any change in the business, activities, operations or financial results or condition of the Filer that may reasonably be perceived by a counterparty to a derivative to be material;
- (h) the Filer shall promptly inform the Principal Regulator in writing if a self-regulatory organization or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Filer concerning the conduct of activities with respect to CFDs;
- (i) within 90 days following the end of its financial year, the Filer shall submit to the Principal Regulator upon request, the audited annual financial statements of the Filer; and
- (j) the Requested Relief shall immediately expire upon the earliest of
 - i. four years from the date that this Decision is issued;
 - ii. in respect of a subject Applicable Jurisdiction or Quebec, the issuance of an order or decision by a court, the Commission in such Applicable Jurisdiction, or other similar regulatory body including the *Autorité des marchés financiers* that suspends or terminates the ability of the Filer to offer CFDs to clients in such Applicable Jurisdiction or Quebec; and
 - iii. with respect to an Applicable Jurisdiction, the coming into force of legislation or a rule by its Commission regarding the distribution of CFDs to investors in such Applicable Jurisdiction

(the **Interim Period**).

"Cecilia Williams"
Commissioner
Ontario Securities Commission

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

OSC File #: 2021/0590

2.1.3 Sustainable Real Estate Dividend Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the prospectus requirement to permit closed-end investment trust to resell its repurchased and/or redeemed securities in the market prior to conversion to a mutual fund without prospectus qualification, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1), 74(1), and (1.1).

April 18, 2022

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

AND

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

AND

**IN THE MATTER OF
SUSTAINABLE REAL ESTATE DIVIDEND FUND
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the distribution of units of the Filer (the **Units**) that have been repurchased by the Filer pursuant to the Purchase Programs (as defined below) or redeemed by the Filer pursuant to the Redemption Programs (as defined below) in the period prior to a Conversion (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in Alberta, British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Ontario.
2. The Filer is not considered to be a “mutual fund” as defined in the Legislation because the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.
3. The Filer is a reporting issuer in each of the provinces of Canada and is not in default of securities legislation in any jurisdiction of Canada.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of March 30, 2022 the Filer had 2,500,000 Units issued and outstanding.
5. Middlefield Limited (the **Manager**), which is incorporated under the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.
6. Subject to applicable law, which may require approval from the holders of the Units (the **Unitholders**) or regulatory approval, the Manager may (a) merge or otherwise combine or consolidate the Filer with any one or more other funds managed by the Manager or an affiliate thereof or (b) where it determines that to do so would be in the best interest of Unitholders, merge or convert the Filer into a listed exchange-traded mutual fund, an open-end mutual fund, a split trust fund, an alternative mutual fund, or another type of non-redeemable investment fund (each a **Conversion**).

Mandatory Purchase Program

7. The constating document of the Filer provides that the Filer, subject to certain exceptions and compliance with any applicable regulatory requirements, is obligated to purchase (the **Mandatory Purchase Program**) any Units offered on the TSX or such other exchange or market on which the Units are then listed and primarily traded (the **Exchange**) if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale on the Exchange is less than 95% of the net asset value of the Filer per Unit, provided that the maximum number of Units that the Filer is required to purchase pursuant to the Mandatory Purchase Program in any calendar quarter is 1.25% of the number of Units outstanding at the beginning of each such period.

Discretionary Purchase Program

8. The constating document of the Filer also provides that the Filer, subject to applicable regulatory requirements and limitations, has the right, but not the obligation, exercisable in its sole discretion at any time, to purchase outstanding Units in the market at prevailing market prices (the **Discretionary Purchase Program** and together with the Mandatory Purchase Program, the **Purchase Programs**).

Monthly Redemptions

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the second last business day of each month in order to be redeemed at a redemption price per Unit equal to the Monthly Redemption Price per Unit (as defined in the Filer's long form prospectus dated February 25, 2022 (the **Prospectus**)).

Annual Redemption

10. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Annual Redemption Program**) on the second last business day of March in each year commencing in 2024 at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Prospectus).

Additional Redemptions

11. At the sole discretion of the Manager and subject to the receipt of any necessary regulatory approvals, the Manager may from time to time allow additional redemptions of Units (**Additional Redemptions** and collectively with the Monthly Redemption Program and the Annual Redemption Program, the **Redemption Programs**), provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by the Manager or an affiliate thereof then being offered to the public by prospectus.

Resale of Repurchased Units or Redeemed Units

12. Purchases of Units made by the Filer under the Purchase Programs or Redemption Programs will be made pursuant to exemptions from the issuer bid requirements of applicable securities legislation.
13. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the Exchange, the Units repurchased by the Filer pursuant to the Purchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).
14. All Repurchased Units and Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.
15. The resale of Repurchased Units and Redeemed Units will be effected in such a manner as not to have a significant impact on the market price of the Units.

Decisions, Orders and Rulings

16. Repurchased Units and Redeemed Units that the Filer does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Filer.
17. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.
18. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.
19. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

Decision

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

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

- (a) the Repurchased Units and Redeemed Units are otherwise sold by the Filer in compliance with applicable securities legislation, and through the facilities of and in accordance with the regulations and policies of the Exchange;
- (b) the Filer complies with paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 *Resale of Securities* as if it were a selling security holder thereunder; and
- (c) the Filer complies with the representations made in paragraphs 15, 16 and 17 above.

"Cathy Singer"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

Application File #: 2022/0154

2.2 Orders

2.2.1 VRK Forex & Investments Inc. and Radhakrishna Namburi

File No. 2019-40

IN THE MATTER OF
VRK FOREX & INVESTMENTS INC. AND
RADHAKRISHNA NAMBURI

Timothy Moseley, Vice-Chair and Chair of the Panel

April 14, 2022

ORDER

WHEREAS the Ontario Securities Commission held a hearing in writing to consider a request from the respondents to vary the schedule for the sanctions and costs hearing in this proceeding as set out in the Commission's order of February 23, 2022;

ON READING the request, and on considering that Staff consents to the making of this order;

IT IS ORDERED THAT paragraphs 2 to 4 of the February 23, 2022, order are varied as follows:

- a. the respondents shall serve and file written evidence, if any, and submissions on sanctions and costs, by 4:30 p.m. on May 5, 2022;
- b. Staff shall serve and file reply written evidence and submissions on sanctions and costs, if any, by 4:30 p.m. on May 12, 2022; and
- c. an oral attendance with respect to sanctions and costs is scheduled for June 17, 2022, at 10:00 a.m., by videoconference, or on such other date and time as may be agreed to by the parties and set by the Office of the Secretary.

"Timothy Moseley"

2.2.2 Sunora Foods Inc. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

April 14, 2022

Sunora Foods Inc.
205, 4616 Valiant Dr. N.W.
Calgary, Alberta
T3A 0X9

Dear Sirs/Mesdames:

Re: Sunora Foods Inc. (the Applicant) – application for an order under subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) (the Act) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission for an order under subclause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

In this order, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Commission that:

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

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

“Erin O’Donovan”
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2022/0157

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Icanic Brands Company Inc.	February 15, 2022	April 13, 2022

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Gatos Silver, Inc.	April 12, 2022	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Gatos Silver, Inc.	April 1, 2022	
NextPoint Financial Inc.	April 1, 2022	
Gatos Silver, Inc.	April 12, 2022	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

BetaPro Bitcoin ETF
BetaPro Inverse Bitcoin ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Apr 12, 2022
NP 11-202 Final Receipt dated Apr 13, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3347604

Issuer Name:

Bitcoin ETF
Ether ETF
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated Apr 14, 2022
NP 11-202 Final Receipt dated Apr 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3351389

Issuer Name:

Purpose Structured Equity Yield Portfolio (formerly, Purpose Structured Equity Yield Portfolio II)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Apr 13, 2022
NP 11-202 Final Receipt dated Apr 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3368315

Issuer Name:

Horizons Canadian Utility Services High Dividend Index ETF
Horizons Copper Producers Index ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Apr 12, 2022
NP 11-202 Preliminary Receipt dated Apr 13, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3367582

Issuer Name:

CIBC Alternative Credit Strategy
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Apr 12, 2022
NP 11-202 Preliminary Receipt dated Apr 12, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3367310

Issuer Name:

iShares Cybersecurity and Tech Index ETF
iShares Exponential Technologies Index ETF
iShares Genomics Immunology and Healthcare Index ETF
iShares Global Clean Energy Index ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Apr 13, 2022
NP 11-202 Final Receipt dated Apr 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3342893

Issuer Name:

Picton Mahoney Fortified Core Bond Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Apr 12, 2022
NP 11-202 Preliminary Receipt dated Apr 13, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3367424

Issuer Name:

Portland Canadian Balanced Fund
Portland Global Balanced Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Apr 11, 2022
NP 11-202 Final Receipt dated Apr 12, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3351559

Issuer Name:

Portland 15 of 15 Alternative Fund
Portland Global Alternative Fund
Portland Life Sciences Alternative Fund
Portland North American Alternative Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated Apr 11, 2022
NP 11-202 Final Receipt dated Apr 12, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3351554

Issuer Name:

Ninepoint Target Income Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated Apr 12, 2022
NP 11-202 Preliminary Receipt dated Apr 12, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3367359

Issuer Name:

Franklin Brandywine Global Sustainable Balanced Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus
dated Apr 14, 2022

NP 11-202 Preliminary Receipt dated Apr 18, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3368459

Issuer Name:

Lysander-Canso Corporate Value Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Annual Information dated April 6,
2022

NP 11-202 Final Receipt dated Apr 13, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3304657

Issuer Name:

Fidelity Tactical Credit Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Annual Information Form dated
March 30, 2022

NP 11-202 Final Receipt dated Apr 14, 2022

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #3313986

NON-INVESTMENT FUNDS

Issuer Name:

Clean Seed Capital Group Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Shelf Prospectus dated April 13, 2022
NP 11-202 Preliminary Receipt dated April 14, 2022

Offering Price and Description:

\$20,000,000.00 Common Shares, Preferred Shares,
Warrants, Subscription Receipts, Units, Debt Securities

Underwriter(s) or Distributor(s):

Olympia Trust Company

Promoter(s):

-

Project #3367886

Issuer Name:

EV Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated April 8, 2022
NP 11-202 Preliminary Receipt dated April 13, 2022

Offering Price and Description:

\$400,000.00 - 4,000,000 Common Shares
Price of \$0.10 per Common Share

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

-

Project #3366894

Issuer Name:

Florence One Capital Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated April 13, 2022
NP 11-202 Preliminary Receipt dated April 14, 2022

Offering Price and Description:

Minimum Offering: \$250,000.00 - 2,500,000 Common
Shares

Maximum Offering: \$750,000.00 - 7,500,000 Common
Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3368427

Issuer Name:

Nighthawk Gold Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated April 18, 2022
NP 11-202 Preliminary Receipt dated April 18, 2022

Offering Price and Description:

\$29,362,765.00 - 10,000,000 Units 9,085,142 FT Units
15,310,000 Premium FT Units

Underwriter(s) or Distributor(s):

SPROTT CAPITAL PARTNERS LP BY ITS GENERAL
PARTNER, SPROTT CAPITAL PARTNERS GP INC.
LAURENTIAN BANK SECURITIES INC.

LEEDE JONES GABLE INC.

BMO NESBITT BURNS INC.

HAYWOOD SECURITIES INC.

NATIONAL BANK FINANCIAL INC.

PI FINANCIAL CORP.

SCOTIA CAPITAL INC.

Promoter(s):

-

Project #3367470

Issuer Name:

RDARS Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated April 14, 2022
NP 11-202 Preliminary Receipt dated April 18, 2022

Offering Price and Description:

53,650,000 Units on Conversion of 53,650,000 Subscription
Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3368984

Issuer Name:

Spirit Blockchain Capital Inc. (formerly, 1284696 B.C. Ltd.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated April 12, 2022
NP 11-202 Preliminary Receipt dated April 13, 2022

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3367566

Issuer Name:

Tier One Silver Inc. (formerly, Tier One Metals Inc.)
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 11, 2022
NP 11-202 Preliminary Receipt dated April 12, 2022

Offering Price and Description:

\$6,000,150.00 - 9,231,000 Units
Price: \$0.65 per Unit

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3367105

Issuer Name:

Aardvark 2 Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated April 11, 2022
NP 11-202 Receipt dated April 13, 2022

Offering Price and Description:

Offering: \$250,000.00 or 2,500,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #3350723

Issuer Name:

Anaergia Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 12, 2022
NP 11-202 Receipt dated April 12, 2022

Offering Price and Description:

\$60,000,000.00 - 4,800,000 Subordinate Voting Shares
Price: \$12.50 per Offered Share

Underwriter(s) or Distributor(s):

TD SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
ROTH CANADA, ULC
STIFEL NICOLAUS CANADA INC.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.

Promoter(s):

-

Project #3360621

Issuer Name:

Vitalhub Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 14, 2022
NP 11-202 Receipt dated April 14, 2022

Offering Price and Description:

\$17,500,120.00 - 5,645,200 Common Shares
Price: \$3.10 per Common Share

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
EIGHT CAPITAL
BEACON SECURITIES LIMITED
CANACCORD GENUITY CORP.
ROTH CANADA, INC.

Promoter(s):

-

Project #3363064

Issuer Name:

Western Energy Services Corp.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 11, 2022
NP 11-202 Receipt dated April 12, 2022

Offering Price and Description:

C\$31,500,000.00 - Offering of 91,788,008 Rights to
subscribe for 1,968,750,000 Common Shares
at a Subscription Price of C\$0.016 per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #3360108

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	LOGiQ Capital 2016	Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer	March 23, 2022

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Investment Industry Regulatory Organization of Canada (IIROC) – Housekeeping Amendments Respecting Registration Information Requirements, Outside Activity Reporting and Updated Filing Deadlines – Notice of Commission Deemed Approval

NOTICE OF COMMISSION DEEMED APPROVAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

HOUSEKEEPING AMENDMENTS RESPECTING REGISTRATION INFORMATION REQUIREMENTS, OUTSIDE ACTIVITY REPORTING AND UPDATED FILING DEADLINES

The Ontario Securities Commission did not object to IIROC's proposed housekeeping amendments respecting registration information requirements, outside activity reporting and updated filing deadlines (**Amendments**). As a result, the Amendments were deemed approved and are designed to make IIROC's requirements uniform in all material respects with the amendments made by the Canadian Securities Administrators to National Instrument 33-109 Registration Information (**NI 33-109**) and National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**NI 31-103**).

The Amendments will become effective on June 6, 2022.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Northwest Territories Office of the Superintendent of Securities, the Nova Scotia Securities Commission, the Nunavut Office of the Superintendent of Securities, the Office of the Superintendent of Securities, Digital Government and Service Newfoundland and Labrador, the Office of the Yukon Superintendent of Securities, and the Prince Edward Island Office of the Superintendent of Securities did not object to the Amendments.

A copy of the IIROC Notice of Approval/Implementation, including text of the approved Amendments, is also published on our website at www.osc.ca.

13.1.2 Investment Industry Regulatory Organization of Canada (IIROC) – Republication of Proposed Amendments Relating to Futures Segregation and Portability Customer Protection Regime – Request for Comment

REQUEST FOR COMMENT

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

REPUBLICATION OF PROPOSED AMENDMENTS RELATING TO
FUTURES SEGREGATION AND PORTABILITY CUSTOMER PROTECTION REGIME

IIROC is republishing for comment revisions to the previously proposed amendments to the IIROC Rules (**Proposed Amendments**) relating to the futures segregation and portability customer protection regime. The Proposed Amendments are required to align IIROC requirements with expected rule changes at the Canadian Derivatives Clearing Corporation (**CDCC**). CDCC is proposing a new customer protection segregation and portability regime (**Seg and Port**) to comply with international standards. IIROC initially published proposed amendments to the IIROC Rules and Form 1 based on CDCC's proposed Seg and Port regime on July 8, 2021 in IIROC Rules Notice 21-0113.

The objective of the Proposed Amendments for republication is to supplement and clarify the proposed amendments published in July 2021. The Proposed Amendments include requirements that are intended to increase the likelihood of portability for client futures positions within the Seg and Port regime.

A copy of the IIROC Notice, including the text of the Proposed Amendments, is also published on our website at www.osc.ca. The comment period will end on May 24, 2022.

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