



ONTARIO
SECURITIES
COMMISSION

For the fiscal years ending

2023-2025

OSC Business Plan



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Introduction

Background

The Ontario Securities Commission (OSC or Commission) is a regulatory agency of the Ontario government responsible for effective administration of the *Securities Act* (Ontario) (the Act) as well as the *Commodity Futures Act* (Ontario) (together, the Acts).

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

The OSC is required under the Agencies and Appointments Directive, a key government directive setting out agency governance and accountability, to annually provide a multi-year business plan to the Minister of Finance. This 2022-2025 OSC Business Plan (the Business Plan or Plan) sets out the OSC's core strategy for the fiscal years 2022-2023, 2023-2024 and 2024-2025 including the initiatives for the upcoming year that will be undertaken toward this strategy. The financial summary in this Plan outlines forecasted costs and revenues over the three-year period.

Looking ahead at fiscal 2023, OSC is facing continued impact of COVID-19 pandemic on the financial markets and ways of working, unprecedented innovation and disruption in finance, changes to investor preferences and behaviors, and record volumes in core regulatory operations. Internally, governance and organizational structure changes set out in the Spring 2021 Budget will be operationalized, while work on digital transformation will continue at full speed. Amid this unprecedented amount of change, OSC will continue to prioritize excellence in core regulatory operations, and advance established multi-year programs in areas of over-the-counter (OTC) derivatives oversight, investor outreach and education, and facilitation of financial innovation.

Business planning at the OSC is not a discrete one-time exercise. Modification to various aspects of the OSC Business Plan and priorities may be anticipated in response to emerging issues and changing market conditions, particularly in light of the COVID-19 pandemic and advancement of the recommendations of the Capital Markets Modernization Taskforce (Taskforce) as adopted by the government.

The information about the OSC included in this Business Plan is reflective of the organization as at February 25, 2022. In anticipation that the *Securities Commission Act, 2021* may be proclaimed in the 2022-2023 fiscal year there are changes to the governance and organizational structure expected, which include the bifurcation of Chair & CEO roles and separation of the adjudicative function from the regulatory function, which are outlined later in this Business Plan. In addition, the Budget and total permanent positions count reflect these anticipated changes.

Vision, Mandate, and Operating Principles

Our Vision

The vision of the OSC is to be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

Mandate and Operating Principles

In the Spring 2021 Budget, the Ontario Government announced its intention to move forward with legislative amendments and support the Taskforce's recommendations to expand the mandate of the OSC to include fostering competitive markets and capital formation. These amendments to the Ontario *Securities Act* came into effect on April 27, 2021.

The revised mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices; to foster fair, efficient and competitive capital markets and confidence in capital markets; to foster capital formation; and to contribute to the stability of the financial system and the reduction of systemic risk.

The principal means for achieving this mandate consist of:

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

The OSC is committed to fostering confidence in Ontario's capital markets, promoting a competitive environment across those markets, supporting capital formation, streamlining regulation with a strengthened focus on reducing regulatory burden without compromising investor protection, and maintaining Ontario's financial services sector as a world leader and significant contributor to the province's economy.

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

Response to Expectations Set Out in the Agency Mandate Letter

The OSC will continue to work closely with the Ministry of Finance pursuant to the October 2021 mandate letter from the Minister of Finance to the Chair of the OSC and will coordinate with stakeholders as appropriate to deliver on expectations.

The Environment

Scan and Impact

As the world emerges from an extraordinary year, a number of environmental factors will influence OSC's operations, its policy agenda and allocation of resources, for years to come.

Lasting Influence of COVID-19

The COVID-19 pandemic, the associated responses by market participants and governments and changes in investor behaviours, will continue to impact capital markets in Ontario and across the world for the foreseeable future.

The economy continues to transition to the evolving pandemic realities. While many sectors have experienced significant growth, the pace of recovery has been uneven across sectors and remains dependent on the stability of virus containment measures. Governments continue to provide large-scale fiscal and monetary support for the economy and financial markets, with some programs – including wage subsidies to businesses – starting to be wound down. While levels of household savings have increased over the pandemic, housing prices have risen sharply and mounting inflationary pressures have contributed to increased consumer expenses. At the same time, the labour market recovery has been uneven, with labour shortages developing in some sectors. Central banks around the world continue to assess the pace at which interest rates will be increased and other monetary supports will be reduced. These policy rate changes may impact market liquidity, financial firm performance, product offerings and retail investor behaviours.

Pandemic-related restrictions drove a move towards online sales channels across a variety of industries. Greater consumer comfort with these sales channels may further a shift towards online advisers and direct marketing of investment products. The OSC will continue to closely monitor how these developments support fair, efficient and competitive markets.

As the shift toward remote work in much of the financial sector matures to more permanent hybrid arrangements, the OSC will continue to assess how it interacts with its regulated population through improved digital channels and, for example, integrated virtual and on-site compliance reviews.

Enhanced Regulatory Environment

As Ontario's capital markets evolve, the OSC – and the framework under which it operates – must remain adaptive to change. Developments in other financial markets, in technology and across borders influence investment activity and investor expectations in our markets, presenting a number of emerging regulatory issues. The OSC actively conducts horizon scanning, engages with domestic and international counterparts to monitor developments, and contributes to and shapes policy discussions relevant to our regulatory remit.

In October 2021, the Ontario government published a draft *Capital Markets Act* for stakeholder consultation. The *Capital Markets Act* would update and streamline the OSC's legislative framework and provide additional clarity for capital markets participants. The OSC will continue to support the government with the ongoing work related to the consultation, which includes supporting the Ministry of Finance in the review of stakeholder

comments on the draft CMA and assisting with further revisions to the CMA or such other statutory modernization as required. These efforts will assist in supporting legislative harmonization with other provinces and territories.

Evolution of the Investing Landscape

The pace of technological evolution and innovation in financial markets is challenging regulators to develop and maintain a responsive and aligned regulatory framework. Market participants continue to expand product and service offerings. Fintech and other market innovations are disrupting the financial services industry. Fintech is leveraging technological innovation, digitalization, and distributed ledger technology to create new product offerings and platforms on which investors can access them, including blockchain-based crypto assets and crypto asset trading platforms. The OSC must understand the impacts of these disruptive forces and respond to them in a manner consistent with our overall mandate.

The speed at which crypto assets and the firms that trade them have evolved indicates how quickly capital markets are changing, but also affirms the need for balanced regulatory approaches. Growth in speculative interest from both retail and institutional investors has boosted prices of crypto assets, which remain volatile. That growth has also signaled the desire of crypto asset owners to effect transactions in such assets through decentralized finance (DeFi). The OSC will continue to focus on bringing crypto asset trading platforms into compliance and taking enforcement action where necessary.

Increased retail investor participation in capital markets has been driven by increased household savings, strong equity market performance, and lower cost trading opportunities. For some, a desire for returns has led to speculative investments, such as meme stocks, while others are seeking alternative assets, such as crypto assets. Regulators need to remain vigilant about products promising higher returns and continue to ensure investors have access to the necessary information and tools to make informed decisions.

Over the course of 2021, public market financing accelerated in Ontario. These capital raising activities have generated an unprecedented volume of prospectus filings, as well as an increase in IPOs. The OSC continues to monitor and assess new forms of capital raising to ensure our regime facilitates new, cost-effective options for issuers, and supports investor confidence and their ability to make informed investment decisions.

Growth in public financing has been driven partly by the growing maturity of purpose-driven investing, evidenced in the surge of investor interest in environmental, social and governance (ESG) finance and support for Black, Indigenous, and People of Colour businesses and communities. The advent of climate finance and related issuer disclosures has prompted growth of financial instruments funding low-carbon transitions. Specialized investment funds for businesses owned by a more diverse range of individuals increase their access to capital and growth. These developments underscore the importance of disclosure and conduct monitoring.

Core Regulatory Work

The OSC has experienced significant and persistent increases in the volume and complexity of its core regulatory work. The OSC will sustain an appropriate level of core regulatory operations in the following program areas and will endeavour to do so within applicable service standards and guidelines.

- Authorizations (receipting, registration, recognition)
- Compliance/Oversight/Supervision
- Enforcement

Investor Needs and Education

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

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

Demographics are critical to understanding investor needs and are a key driver of many investor-focused issues. Different investor segments (e.g., seniors versus young investors) have unique characteristics and their preferences can vary in terms of products and service channels.

There are other trends for the OSC to consider in its education activities. Growing interest in ESG factors and support for communities and businesses owned by a more diverse range of individuals underscores the need for regulators to support investors in getting the best information they need to make informed investment and voting decisions. Automated financial advice is also redefining the delivery of client wealth management services and the fees charged for advice, requiring an agile approach by regulators.

Investors need clear, reliable, and accessible information in order to make informed investment decisions. Investors can find detailed and official information about companies and products by checking the System for Electronic Document Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI), and companies’ official websites. In addition, securities legislation requires issuers to deliver various documents to investors, including prospectuses, rights offering circulars, annual and interim financial statements and related management’s discussion and analysis (MD&A), proxy-related materials and take-over bid and issuer bid circulars that are delivered in paper or electronic format on behalf of issuers. The OSC continues to review ways to modernize disclosure requirements and the delivery of disclosure documents in order to increase the quality, usability, and accessibility for investors, while maintaining options for investors who wish to receive delivery of information in paper form.

Protecting investors is a key element of the OSC’s mandate. The OSC protects investors by actively enforcing securities laws to hold offenders accountable and deter future misconduct. The OSC Investor Office provides impartial information to help investors evaluate their choices, invest wisely, and protect themselves against fraud. The OSC is focused on improving the investor experience and will seek new and innovative ways to deliver investor education and support retail investors in today’s complex and uncertain investing environment,

including by enhancing education, outreach and engagement and improving the information provided to investors or other interactions that investors have with issuers and registrants.

Support Innovation to Attract Investment in Ontario

The OSC is committed to enhancing confidence in capital markets and improving Ontario's ability to attract businesses, investments and jobs.

The OSC established the Innovation Office, that works to:

- Foster fair and efficient capital markets and support innovation in capital markets through initiatives such as OSC LaunchPad, OSC TestLab and the CSA Regulatory Sandbox
- Increase the OSC's visibility and credibility as an innovative, modern, and agile regulator
- Strengthen Ontario's innovation ecosystem through flexible and proportionate regulatory approaches and enhanced support for novel and innovative businesses looking to establish or expand in Ontario
- Foster new methods of engagement with the innovation community to tailor business support services to align with stakeholder priorities and to support and enable the use of technology.

These initiatives are critical to fostering a globally competitive, efficient and strong capital markets regulatory system that streamlines capital raising for businesses, protects investors from financial system risk and misconduct, and contributes to Ontario being an attractive destination for capital from around the world.

Derivatives Regulatory Strategy

OTC derivatives markets are large, complex, and global and, as a result, present unique challenges for compliance and oversight. It is essential to implement robust programs for compliance and oversight in this area to minimize the opportunities for misconduct that can damage market integrity and heighten systemic risk to Ontario's capital markets. These markets are also a vital tool that allows entities to better manage their risks, so a clear and effective regulatory framework that supports well-functioning derivatives markets is essential.

Within this environment, the OSC aims to establish rules that protect against abuse in these markets while allowing innovation, growth, and competition to thrive.

Cybersecurity Resilience

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

Digital Transformation

Ever increasing market complexity is generating greater reliance on data, analytics and streamlined operations.

The OSC is investing in technology, infrastructure and cyber-security to support a digital transformation program that will improve access to data and information, allowing for better identification of trends and risks and support for analysis and decision-making.

With modern tools, technologies and a robust data and analytics framework, the OSC is more prepared to support broader governmental mandates and foster investors' confidence in the capital markets through innovative regulatory practices.

Workforce Strategy

The OSC's ability to meet the identified goals and strategic objectives depends on its resources being both sufficient and appropriate. The COVID-19 pandemic has changed the way we work. The OSC will continue to adapt work practices and the workplace to support effective and efficient delivery of regulation and business operations in a hybrid work model, where employees are working both on-site and remotely.

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

Value for Money Audit

The OSC was selected for a Value for Money (VFM) Audit by the Office of the Auditor General of Ontario (OAGO), which took place throughout 2021. The results and recommendations were released on December 1, 2021. The action plan to implement VFM recommendations is included in the detailed business plans of relevant branches and supported by our strategic goals and priority initiatives.

Securities Regulation

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

The Role of the CSA

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

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

Self-Regulatory Organizations (SROs)

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

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

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

The recognizing regulators have formal oversight programs, consisting of regular reporting on activities, oversight reviews, processes to review proposed rule and by-law amendments and regular meetings with the

SROs to discuss issues and emerging trends. Similar programs are in place for the IPFs. Since multiple jurisdictions are involved in SRO / IPF oversight, the programs are coordinated. A principal regulator model is used for this purpose; each recognizing jurisdiction is actively involved in oversight, but a single regulator (i.e., the principal regulator) coordinates the process. The OSC is the principal regulator for IIROC, CIPF and the MFDA IPC; and the British Columbia Securities Commission (BCSC) is the principal regulator for the MFDA.

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

Beginning in December 2019, the CSA conducted an in-depth review of the current framework for the two SROs, MFDA and IIROC, publishing its Position Paper 25-404 on August 3, 2021. The OSC, along with the CSA, will focus on implementing a new SRO consistent with that paper 25-404, which includes the integration of the existing SROs, and separately, the current two investor protection funds under the new framework.

Exchanges

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

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

Clearing Agencies

Since March 1, 2011, clearing agencies carrying on business in Ontario have been required to be recognized by the OSC or to have obtained an exemption from the requirement to be recognized as clearing agencies in Ontario. Clearing agencies which have been recognized by the OSC for operation in Ontario are Canadian Depository for Securities Limited (CDS), Canadian Derivatives Clearing Corporation (CDCC), FundSERV Inc., and LCH Limited.

Trade Repositories

The OSC has designated Chicago Mercantile Exchange Inc., DTCC Data Repository (U.S.) LLC, and ICE Trade Vault, LLC as trade repositories operating in Ontario. As part of Canada’s commitment to the G20 initiative to reform the practices in the OTC derivatives markets, the OSC has implemented a Trade Repository Rule to improve transparency in the OTC derivatives market by requiring participants in the market to report certain trade information to a designated Trade Repository and to impose certain minimum standards on designated Trade Repositories to ensure that they operate in a manner that promotes the public interest. Market participants began reporting under the Trade Repository Rule in October 2014.

Regulation of Issuers – Offerings and Continuous Disclosure

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

Public companies (referred to as reporting issuers) must comply with ongoing disclosure obligations. Those obligations include periodic financial reporting (annual and interim), material change reports, and business acquisition reports. Requirements that contribute to fair and efficient markets, such as insider trade reporting, corporate governance requirements, and minority shareholder protection requirements also form part of public company regulation.

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

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

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

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

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

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

Effective July 1, 2021, primary oversight of syndicated mortgages was transferred to the OSC from the Financial Services Regulatory Authority of Ontario (FSRA), except for qualified syndicated mortgages and syndicated mortgages distributed to permitted clients.

Registration of Dealers, Advisers, and Investment Fund Managers

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

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

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

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

Individuals must become registered with the OSC if they trade, underwrite or advise on behalf of a registered dealer or adviser, or act as the ultimate designated person or chief compliance officer of a registered firm.

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

Governance

The Commission

The Commission, as the regulatory body responsible for overseeing the capital markets in Ontario, administers and enforces the Acts. The *Securities Act* (Ontario) establishes the Commission as a corporation without share capital with a Board of Directors consisting of the members of the Commission (Members). The Commission is composed of at least nine and not more than 16 Members, each of whom is appointed by the Lieutenant Governor in Council. If there are fewer than nine but at least two Members in office, the Act deems the Commission to be properly constituted for up to 90 days.

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

As of February 25, 2022, the Commission is composed of fourteen Members, two full-time and twelve part-time. The full-time Members are D. Grant Vingoe, Chair & CEO and Tim Moseley, Vice-Chair. The part-time Members are Kevan Cowan, Mary Anne De Monte-Whelan, Jennifer Fang, Lawrence P. Haber, Craig Hayman, Dieter Jentsch, Frances Kordyback, David Lewis, Hari Panday, Cathy Singer, Elizabeth Cynthia (Cindy) Tripp, and M. Cecilia Williams.

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

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

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

Governance Framework

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

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

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

The Role of Members

Overview

Members of the Commission perform three distinct functions in support of the Commission’s mandate – making policies and rules (regulatory), serving as a board of directors (governance) and adjudicating (tribunal). As policy- and rule-makers, Members approve and oversee the implementation of the Commission’s regulatory initiatives and priorities. As the Board, Members oversee the management of the financial and operational affairs of the Commission. As adjudicators, Members (other than the Chair & CEO, who does not adjudicate) act independently of their other roles and preside over proceedings brought before the Commission’s Tribunal – the administrative tribunal that is assigned the power to conduct hearings under the Acts. A brief outline of these three primary roles follows.

Regulatory

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

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

The policy- and rule-making function of Members includes:

- Setting the regulatory strategic priorities that guide ongoing operations through the annual Statement of Priorities published by the Commission
- Providing input to staff with respect to policy- and rule-making and other regulatory initiatives, including initiatives with other securities regulators

- Assessing progress in implementing priorities and initiatives
- Guiding staff on emerging trends and issues in the capital markets.

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

Governance

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

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

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

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

Tribunal

As adjudicators, Members (other than the Chair & CEO, who does not adjudicate due to involvement with enforcement activity) act independently of their other roles and preside over administrative proceedings brought before the Commission's Tribunal.

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

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

Secretary to the Commission

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

Changes to the Governance Structure

Upon proclamation of the *Securities Commission Act, 2021*, the governance framework will undergo significant change. The CEO & Chair role will be divided into two separate roles. Also, the new Capital Markets Tribunal will be established as a division of the Ontario Securities Commission. Up to twelve Board Directors, including a Chair and a CEO, will perform the regulatory and governance functions. At least nine Adjudicators, including a Chief Adjudicator, will perform the tribunal function.

Operations

Organization, Structure and Resources to Meet Objectives

The OSC is supported by the two Executive Directors (ED) and the Chief Administrative Officer (CAO). The Executive Directors have responsibility for the oversight and leadership of the regulatory operations. The CAO is responsible for the oversight of business operations.

Regulatory Operations Branches reporting to the Executive Directors include:

- Compliance and Registrant Registration
- Corporate Finance
- Derivatives
- Enforcement
- Investment Funds and Structured Products
- Office of Mergers and Acquisitions
- Market Regulation
- Investor Office
- Office of the Chief Accountant
- Office of Economic Growth and Innovation
- Regulatory Strategy and Research

Business Operations Branches reporting to the Chief Administrative Officer include:

- Financial Management and Reporting
- Human Resources and Corporate Services
- Digital Solutions
- Information Security
- Information Services
- Enterprise Risk Management

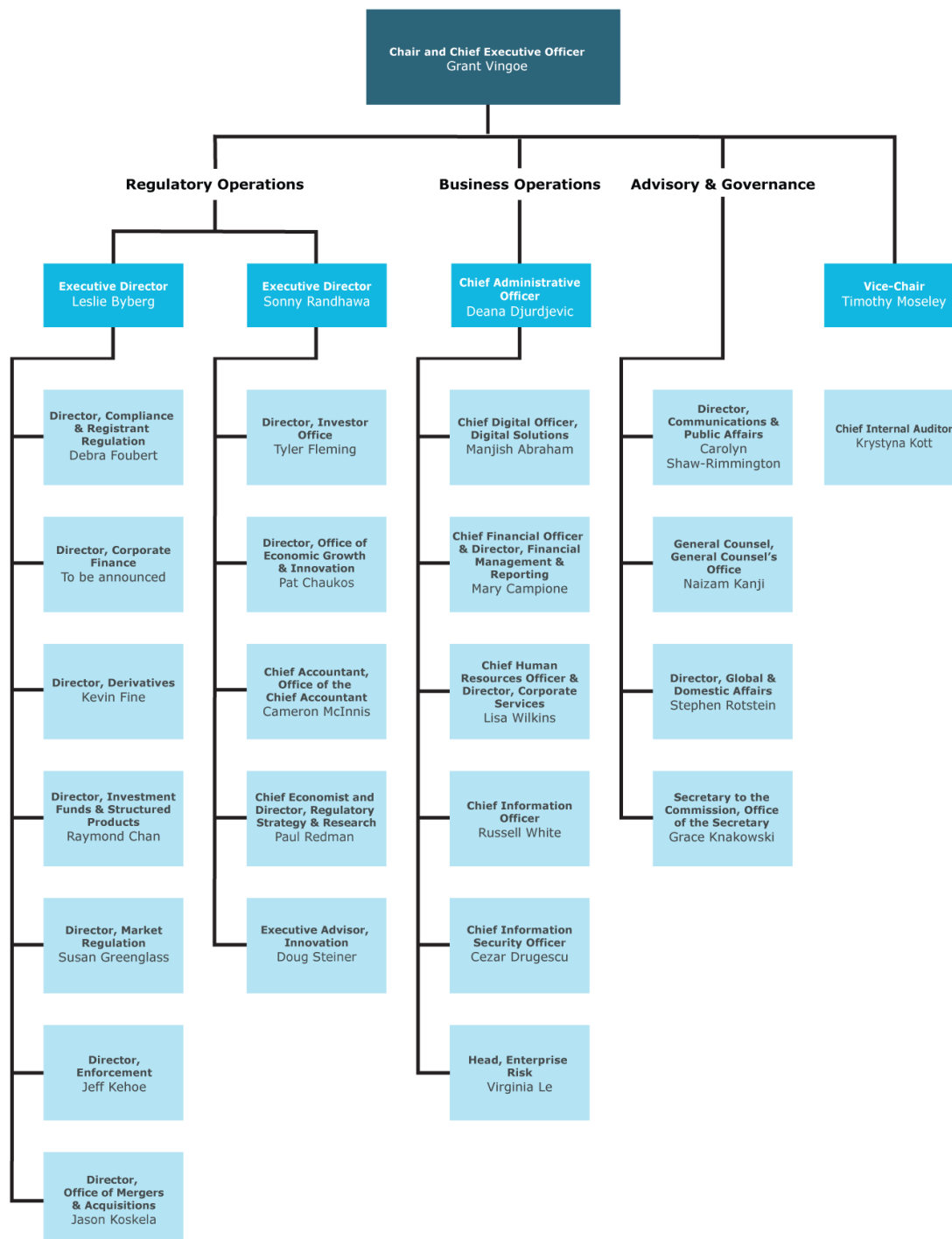
Advisory and Governance Branches reporting to the Chair & CEO include¹:

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

Internal Audit reports to the Risk Committee of the Board and to the Chair & CEO¹.

¹ Upon proclamation of the *Securities Commission Act, 2021* the Chair & CEO roles will be separated and a CEO, Chair and Chief Adjudicator will be appointed. The Advisory and Governance Branches will report to the CEO and the Corporate Secretary & Director, Governance & Tribunal Secretariat, will also separately report to the Chief Adjudicator for matters relating to the Capital Markets Tribunal's adjudicative functions. Internal Audit reports to the Risk Committee of the Board and to the Chair.

Ontario Securities Commission Organization Structure



Note: The above represents the OSC organizational structure as at February 25, 2022. The most current OSC organizational structure can be found at <https://www.osc.ca/en/about-us/role-osc/our-structure>.

Regulatory Operations Branches and Offices

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

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

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

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

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

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

Market Regulation – responsible for regulating market infrastructure entities (including exchanges, alternative trading systems, self-regulatory organizations, clearing agencies and trade repositories) in Ontario and for developing policy relating to market structure, trading, clearing and settlement.

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

Office of Economic Growth and Innovation – responsible for leading the OSC's efforts to support innovation and economic growth in Ontario's capital markets through initiatives that foster innovation and capital formation, modernize regulation and reduce burden, strengthen outreach and engagement, and promote the implementation of technology to reduce costs and accelerate innovation.

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

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

Business Operations

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

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

Human Resources and Corporate Services – responsible for leading the OSC in: effective talent attraction, management, and retention; employee learning and professional development; knowledge acquisition and management; records and information management; project coordination; business continuity planning, testing and implementation; development of the OSC Strategic Plan, the annual Statement of Priorities and the annual OSC Business Plan; quarterly management and board reporting; developing measures for public and internal reporting on OSC performance; facilities management; and effective workplace practices, including health and safety and staff security.

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

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

Enterprise Risk Management – performs an advisory and risk oversight role and maintains the framework and tools to guide the risk management process.

Executive, Governance and Regulatory Advisory Branches and Offices

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

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

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

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

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

Total Permanent Positions for 2022/23 Year

Note: The positions below reflect upcoming changes to OSC governance and structure that will come into effect when the *Securities Commission Act, 2021* is proclaimed into force. Under the new structure, the previous OSC Chair and Chief Executive Officer (CEO) role will be split into two distinct and separate positions of Chair and CEO. In addition, the OSC's Board will continue to provide financial, regulatory and operational oversight while a separate Tribunal will be created to adjudicate proceedings. Organizational support roles have been added to support this structure and to take tangible steps forward on an initial series of non-legislative projects from the Taskforce recommendations.

Branches and Offices	# of Staff
Regulatory Operations Branches / Offices	
Compliance and Registrant Regulation	95
Corporate Finance	63
Derivatives	14
Enforcement	167
Investment Funds and Structured Products	34
Investor Office	18
Market Regulation	32
Office of the Chief Accountant	5
Office of Economic Growth and Innovation	14
Office of Mergers and Acquisitions	7
Regulatory Strategy and Research	21
Business Operations Branches / Offices	
Digital Solutions	23
Financial Management and Reporting	16
Human Resources & Corporate Services	46
Information Services	51
Information Security Office	3
Executive, Governance & Regulatory Advisory Branches / Offices	
Communications and Public Affairs	18
General Counsel's Office	20
Global and Domestic Affairs	8
Office of the Secretary	18
Executive Offices	
Offices of the Chair, Executive Director, Internal Auditor, Enterprise Risk Management, Chief Administrative Officer	10
Tribunal	2
Total Approved Permanent Positions	685

Strategic Direction

OSC Statement of Priorities

Our 2022-2023 Statement of Priorities sets out the four strategic goals on which the OSC intends to focus its resources and actions in 2022-2023. It also lays out the priority initiatives that the OSC will pursue in support of each of these strategic goals.

These priorities represent a continuation of key multi-year policy and operations programs and initiatives and include considerations for the present environment and emerging trends.

GOAL 1: Promote Confidence in Ontario's Capital Markets

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

- Sustain Strong Core Regulatory Operations
- Improve the Retail Investor Experience and Protection
- Support Behavioural Insights and Policy Testing Capabilities
- Strengthen Dispute Resolution Services for Investors, such as the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities
- Support Implementation of the Mutual Fund Embedded Commissions Rules Banning the use of Deferred Sales Charges (DSC Ban) and Trailing Commission Where No Suitability Determination is Required (OEO Ban)
- Continue Efforts to Implement a New Single Enhanced Self-Regulatory Organization (New SRO), and Consolidate the Current Two Investor Protection Funds (IPF) Independent from the New SRO
- Strengthen Oversight of Crypto Asset Trading Platforms and Other Dealers
- Develop a Rule Setting Out Climate Change-Related Disclosures for Reporting Issuers*
- Continue Consideration of Diversity on Boards and in Executive Roles at Reporting Issuers*
- Monitor the Listing Function of Recognized Exchanges and Identify Areas for Improvement
- Develop Total Cost Reporting Disclosure for Investors.

* For Corporate Finance / Business Issuers only

GOAL 2: Modernizing the Regulatory Environment

Continue to evolve the regulatory environment in line with Ontario’s changing capital markets and investor needs.

- Implement an Enhanced Framework for Modernizing Regulation
- Continue Work on Streamlining Periodic Disclosure Requirements for Reporting Issuers
- Work to Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers
- Strengthen the Framework and Capability to Identify, Assess and Respond to Emerging Regulatory Issues
- Continue to Enhance Systemic Risk Oversight.
- Clarify the Importance to be Given to Each of our Mandates, Including Fostering Capital Formation and Competitive Markets, in Regulatory Actions.

GOAL 3: Facilitate Financial Innovation

Cultivate an environment that supports development of innovative financial business models that benefit investors and capital market participants.

- Engage and Support Novel and Innovative Businesses in our Capital Markets
- Continue Building OSC TestLab.

GOAL 4: Strengthen Our Organizational Foundation

Continue to invest in people and technology and strengthen the OSC culture

- Redevelop CSA National Systems
- Continue Technology Modernization, Digital Transformation and Data and Analytics Enablement at the OSC
- Foster/Improve Inclusion, Equity and Diversity
- Implement Hybrid Work Model.

Current and Future Programs and Activities

The Business Plan is aligned with the OSC Statement of Priorities, which sets out four strategic goals along with the proposed actions to implement the objectives and planned outcomes. Many of these priorities include input from, and consultation with, third parties. Refer to “Initiatives with Third Parties” section of this Business Plan for more information.

GOAL 1: Promote Confidence in Ontario’s Capital Markets

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

Key Priorities to Achieve this Goal

1.1 Sustain Strong Core Regulatory Operations

The OSC continues to adapt to the impacts of the COVID-19 pandemic, pursuing implementation of structural changes and policy items stemming from the Spring 2021 budget and delivering policy responses to the changes in the marketplace. Throughout these environmental, structural, and regulatory changes, the OSC continues to be committed to its fundamental core regulatory operations work, providing stability and continuity in the regulation of Ontario’s capital markets.

Our core regulatory operations encompass three main categories of activities:

Authorizations (receipting, registration, and recognition)

- Review of prospectuses in connection with reporting issuer public offerings and issuance of a prospectus receipt
- Review investment funds and structured products public offerings
- Registration of firms and individuals in the categories of dealers, portfolio managers, investment fund managers and commodity categories
- Recognition of market structure entities
- Exemptive relief applications by a range of market participants including issuers, investment funds, registrants, and market infrastructure entities.

Compliance/Oversight/Supervision

- Compliance reviews of registrants, including initial registration examinations, topical sweeps and for cause reviews
- Ongoing compliance and oversight related to the implementation of the Client Focused Reforms
- Registrant conduct oversight including the imposition of terms and conditions and suspensions of registrations in appropriate cases
- Outreach to market participants
- Continuous disclosure review programs for both corporate issuers and investment funds
- Ongoing compliance and monitoring of investment funds operational requirements

- Real time review programs to assess disclosures and compliance with applicable requirements for take-over bids and related party transactions, as well as staff participation in contested merger and acquisition (M&A) hearings before the Commission when necessary
- Compliance oversight of derivatives dealers and trade repositories
- Compliance of issuer offering documents and registrants participating in the exempt market, including syndicated mortgages
- Designation and oversight of credit rating organizations
- Ongoing monitoring and compliance reviews of periodic filings with the OSC including insider reports on SEDI and reports of exempt distribution
- Activities to support systemic risk management and to contribute to financial stability
- Market infrastructure oversight, including recognition, designation, exemption and ongoing oversight of various entities including self-regulatory organizations, exchanges, alternative trading systems, clearing agencies and designated entities that comprise the market infrastructure ecosystem
- Oversight of the listed issuer function for OSC recognized exchanges
- Oversight of OBSI to assess whether it continues to meet the standards it is expected to on, among other things, governance and transparency obligations.

Enforcement

- Assessment of matters that may constitute a breach of Ontario's securities law and referrals for possible investigation and/or disruption activities
- Investigation and prosecution of regulatory enforcement matters, including market abuse matters
- Through the quasi-criminal team, and in cooperation with policing partners, continue to focus on fraudulent behaviour and recidivism
- Administer the Whistleblower program and coordinate international cooperation efforts with other regulators, including developing international disruption methods.

The OSC reports on its operational accomplishments in various ways:

- We publicly report on regulatory operations through quarterly service standards reporting, which shows how we are tracking against our service commitment standards. If a target is not met, we provide an explanation
- The OSC also publishes the OSC Annual Report every year, including the Report Card on our Statement of Priorities, which highlights key accomplishments and statistics related to our core regulatory work
- Various branches within the OSC produce Summary, or Activity Reports, which are published on the OSC Website.

The OSC continues to streamline regulation with a focus on reducing regulatory burden without compromising investor protection. In undertaking our core regulatory operations, the objective of reducing regulatory burden remains essential, and integrated into all our activities.

1.2 Improve the Retail Investor Experience and Protection

The OSC will continue to improve the retail investor experience and expand investor protection through a range of initiatives.

Phenomena such as the emergence of meme stocks, the increased gamification of investing, and the proliferation of social media channels have highlighted the diversity of sources of information that drive investor decisions. The aging population has been a focus of the OSC for many years and this will continue. Younger investors also have unique issues in investing and potential investor vulnerability has no age boundaries. As a result, the OSC addresses these developments in its activities and intends to continue to be agile by expanding the number of channels it delivers investor education in, and the amount of information provided, in order to better educate and protect them.

Actions will include:

- Expanded focus on investor education and financial literacy activities, including:
 - expanded use of investor social media channels
 - the redevelopment of the OSC's investor website, GetSmarterAboutMoney.ca
- Continued implementation of the OSC Seniors Strategy and ongoing stakeholder consultation on, and proactive exploration of additional tools, resources and strategies to support older investors
- Broadened consideration of investor perspectives early in the policy-making process
- Timely and responsive investor research conducted and published.

Planned Outcomes:

- Financial education resources and channels, such as GetSmarterAboutMoney.ca, continue to be used by more investors and the OSC is seen as a leader in Canada and internationally
- Enhanced protection of seniors and vulnerable investors
- Policy initiatives reflect thoughtful consideration of research findings and investor perspectives
- More informed investment decisions through continued investor education.

1.3 Support Behavioural Insights and Policy Testing Capabilities

There are numerous factors that influence the decisions that people make. Behavioural Insights (BI) is an approach to understanding human decision-making that draws on the behavioural sciences including psychology, economics, and several others. Since the Global Financial Crisis, regulators around the world have been using BI to address financial market issues and improve investor outcomes.

The OSC has been developing its capability to apply behavioral insights to securities regulation since 2017, and through the Investor Office Research and Behavioural Insights Team (IORBIT), the OSC will continue applying the methods and techniques of behavioural science to policy and operational activities.

Actions will include:

- Support efforts to highlight the importance for a modern securities regulator to apply BI through policy making and operational programs
- Utilize behavioural science research methods to test the effectiveness of policy interventions

- Conduct experiments to study how emerging trends in capital markets are affecting retail investor behaviour
- Enhance OSC staff understanding of behavioural science to aid in the identification of investor protection risks and the development of effective solutions.

Planned Outcomes:

- Improved effectiveness of OSC policies and programs, through the application of behavioural insights

1.4 Strengthen Dispute Resolution Services for Investors, such as the Ombudsman for Banking Services and Investments (OBSI), through Policy and Oversight Activities

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

Actions will include:

- Provide analysis of a framework for binding decisions of a dispute resolution service, such as OBSI, in Ontario within increased claim limits
- Engage with our CSA partners on strengthening, and enhancing oversight of, OBSI.

Planned Outcomes:

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

1.5 Support Implementation of the Mutual Fund Embedded Commissions Rules Banning the use of Deferred Sales Charges (DSC Ban) and Trailing Commission Where No Suitability Determination is Required (OEO Ban)

The OSC will focus on addressing implementation issues relating to the DSC Ban and the OEO Ban prior to the two bans taking effect on June 1, 2022. The OSC will assess fund managers' compliance readiness with the bans and will monitor for compliance.

Actions will include:

- Provide appropriate accommodation allowing flexibility for investors to be switched to different fee options when implementing the bans
- Obtain mutual fund sales, new products, and new services data for trend analysis, and follow up if the trends raise any concerns
- Inquire into fund managers' implementation plans and readiness.

Planned Outcomes:

- Harmful DSC sales practices are removed in Ontario
- Instead of embedded fees, investors are charged applicable direct fees for mutual fund trades on order execution only (OEO) platforms
- Improved transparency and experience for investors with their dealers and advisors when investing in mutual funds.

1.6 Continue Efforts to Implement a New Single Enhanced Self-Regulatory Organization (SRO), and Consolidate the Current Two Investor Protection Funds (IPF) Independent from the New SRO

Focus on implementing a new SRO framework consistent with CSA Position Paper 25-404.

Actions will include:

- Implement the integration of the existing SROs, and separately, the current two investor protection funds under the new framework
- Adopt and move forward to implement issue specific solutions detailed in the CSA Position Paper 25-404 that:
 - Enhance governance and accountability to all stakeholders
 - Promote the development, interpretation and application of consistent regulatory requirements
 - Include formal investor advocacy mechanisms to ensure that investor perspectives are factored into the development and implementation of regulatory policies
 - Contain mechanisms to improve the robustness of enforcement and compliance processes
 - Ensure regulatory alignment with the CSA through appropriate oversight mechanisms
 - Increase regulatory efficiencies, accommodate innovation and deliver effective and efficient regulation
 - Do not impose barriers to registrants providing access to advice and products for investors of different demographics, including less affluent or rural investors
 - Recognize and incorporate regional considerations and interests from across Canada.

Planned Outcomes:

- Establish a new SRO by executing an approved implementation strategy to integrate the existing SROs, and separately, consolidating the current two investor protection funds.

1.7 Strengthen Oversight of Crypto Asset Trading Platforms and Other Dealers

With the CSA and Investment Industry Regulatory Organization of Canada (IIROC), continue efforts to bring crypto firms engaging in dealer or marketplace activities into compliance with securities laws, as set out in both Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto Asset Trading Platforms: Compliance with Regulatory Requirements* published on March 29, 2021, and in Joint CSA/IIROC Staff Notice 21-330 *Guidance for Crypto-Trading Platforms: Requirements relating to Advertising, Marketing and Social Media Use* published on September 23, 2021.

Actions will include:

- Engage with crypto firms to complete the registration or approval process
- Identify and address non-compliance with securities laws
- Develop capabilities in crypto asset trading platform oversight.

Planned Outcomes:

- Crypto asset trading platforms operate with appropriate regulatory oversight
- Reduction of misleading information in crypto asset trading platform advertising, marketing and social media
- An appropriate balance is achieved in supporting novel businesses and fostering innovation and competitive capital markets while promoting investor protection.

1.8 Develop a Rule Setting Out Climate Change-Related Disclosures for Reporting Issuers*

The Spring 2021 Budget included a commitment for the government to publicly consult on environmental, social and governance (ESG) disclosures, and consider the recommendations of the Taskforce. The Taskforce recommended mandating disclosure by public companies of material ESG information, specifically climate-related disclosure that is compliant with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The Taskforce's final report highlighted that, globally and in Ontario, there is increased investor interest in issuers reporting on ESG-related information and creating a uniform standard of disclosure to level the playing field for all issuers. The Spring 2021 Budget stated that the OSC will begin policy work to inform further regulatory consultation on ESG disclosure later in the year. In October 2021, the CSA published proposed National Instrument 51-107 Disclosure of Climate-related Matters for a 90-day comment period. The proposed instrument would require reporting issuers (other than investment funds) to disclose certain climate-related information in compliance with the TCFD recommendations (subject to certain modifications). The comment period closed in January 2022.

Actions will include:

- Consider comments received on the proposed National Instrument and finalize instrument
- Engage in further targeted consultations, including with Indigenous organizations, as the instrument is finalized.

* For Corporate Finance / Business Issuers only

Planned outcomes:

- Investors have access to the climate-related information needed to inform their investment and voting decisions
- Public companies have clarity on their climate-related disclosure requirements.

1.9 Continue Consideration of Diversity on Boards and in Executive Roles at Reporting Issuers*

The OSC, together with other participating CSA jurisdictions, adopted disclosure requirements in 2014 related to the representation of women on boards and in executive officer positions at TSX-listed companies. Since that time, there have been significant events in the U.S. and Canada and around the world that have intensified the focus on racism, and that includes a heightened focus on the issue of racial diversity on boards and in executive roles. In May 2020, the CSA announced further research and consultations in consideration of broader diversity on boards and in executive roles, including the representation of people who self-identify as Black, Indigenous, persons of colour, persons with disabilities, or LGBTQ2+. In October 2021, the OSC held a virtual roundtable to discuss broader diversity (beyond gender) on boards and in executive officer positions, with a specific focus on targets, term limits and diversity data. All of this work will help determine whether, and how, the disclosure needs of Canadian investors and corporate governance practices among public companies have evolved since 2014 and what changes are warranted to the securities regulatory regime.

Actions will include:

- Consider and publish the feedback from the consultations regarding the current diversity regime under securities legislation
- Develop proposals for enhancing that regime, as appropriate
- Engage in further targeted consultations, including with Indigenous organizations, to support this work.

Planned outcomes:

- Transparency regarding feedback from consultations and research conducted
- Proposals developed to address the information needs of investors, while taking into account the business needs of public companies (as appropriate).

1.10 Monitor the Listing Function of Recognized Exchanges and Identify Areas for Improvement

Exchanges provide companies with access to equity capital through the listing function. There are a variety of options to raise public capital through an exchange listing, including an initial public offering, a reverse takeover, various qualifying transactions, a special purpose acquisition corporation or a direct listing. The exchanges are responsible for the development of appropriate policies for listings and for regulating and enforcing issuer compliance and other market participant conduct consistent with the established requirements. Recognized exchanges are subject to the terms of a recognition order between the OSC and the exchange. The OSC will continue to assess whether the recognized exchanges are conducting the listing process in accordance with the terms of the exchanges' policies and in a manner consistent with the terms of their recognition order and securities law. Exchanges operating in Ontario that are exempt from recognition by the OSC are typically party

to a similar recognition order and are subject to oversight by one or more provincial securities regulators consistent with the OSC's oversight of recognized exchanges.

Actions will include:

- Review and comment on proposals for new or amended policies relating to the exchanges listings business
- Perform on-site or other compliance reviews relating to the practices of the exchanges in carrying out their listing functions, as necessary and appropriate, and liaise with other provincial securities regulators conducting oversight of exchanges
- Monitor domestic and international developments relating to blind-pool vehicles, such as SPACs
- Oversee the implementation of new or pilot listing programs being offered by exchanges on a temporary or "sandbox" basis
- Continue to assess whether there are opportunities for regulatory arbitrage as a result of differing listing rules, with a particular focus on reverse takeover transactions
- Engage in dialogue with the recognized exchanges on listing issues relating to emerging industries and new public entrants that may raise public interest concerns.

Planned Outcomes:

- Development of compliance recommendations relating to listing standards, including:
 - requiring amendment to, or adoption of, new exchange listing policies
 - preparation of reports evaluating the adequacy of listing standards and related oversight programs executed by the exchanges
- Responding to proposed new or amended listing standards on a timely basis, raising material issues consistent with the OSC's oversight role and protocols
- Proactive identification and response to emerging listing issues and industries.

1.11 Develop Total Cost Reporting Disclosure for Investors

In collaboration with the Self-Regulatory Organizations (SROs), the Canadian Council of Insurance Regulators (CCIR) and the regulatory bodies in the CCIR, develop total cost reporting disclosure for mutual fund investors and segregated fund holders to make them more aware of the ongoing costs of owning investments, such as the impact of management fees charged by mutual funds and segregated funds. OSC will focus on requirements for securities registrants (dealers and advisors) to provide periodic reporting to clients showing the total amount of such fees after the initial sale of the investment.

Actions include:

- Develop a form of total cost reporting disclosure for securities registrants that will build on existing disclosure documents rather than adding net new requirements
- Recommend disclosure solutions that:
 - draw upon behavioural insights and the results of testing sample documents with investors
 - reflect an understanding of costs and practical considerations based on advance consultations with industry associations and back-office service providers
 - adopt an approach as consistent as possible under both securities and insurance regimes.

Planned Outcomes:

- Investors will benefit from enhanced regular reporting on the ongoing costs of investments
- Address information asymmetry between dealers/advisers and their clients
- Increase investor confidence in the industry and lead to better investment outcomes.

GOAL 2: Modernizing the Regulatory Environment

The OSC seeks to adapt and evolve the regulatory framework to respond to the changing market environment and anticipate changing market conditions and investor needs. Modern, efficient and effective regulation enables firms and other market participants to comply with requirements in a way that reflects current business practices. Such efforts include modernizing regulatory oversight practices in a responsive and forward-looking manner and focusing on investor protection, service improvements, and the potential for undue regulatory burden on market participants. To do this effectively, the OSC will continue to identify, understand, and adapt to emerging trends and novel business models, and will remove barriers to innovation and capital formation, while reducing regulatory burden.

We will integrate, across all relevant activities, the OSC's expanded mandate to foster competitive capital markets and capital formation while ensuring this is carried out in a manner that is consistent with our mandate of investor protection, as well as to complement our mandates to foster fair and efficient capital markets and investor confidence, and contribute to the stability of the financial system and the reduction of systemic risk.

Key Priorities to Achieve this Goal

2.1 Implement an Enhanced Framework for Modernizing Regulation

The OSC is focused on building a culture of continuous improvement that will modernize the OSC and the regulatory regime it oversees. The OSC will work towards implementing an enhanced organization-wide framework that will ensure a systematic and streamlined approach to projects aimed at modernizing our regulatory environment. The framework will improve how we prioritize policy projects and advance rulemaking that is consistent with our mandates.

Actions will include:

- Implement the enhanced OSC-wide framework for all policy projects, which will consider stakeholder inputs, data, and alternatives in decision-making
- Coordinate all rule and policy projects within the new framework going forward to ensure a streamlined process to achieve desired policy outcomes on high priority issues
- Identify opportunities where improved accessibility to data can benefit research and policy making, and help market participants to reduce cost.

Planned Outcomes:

- Enhanced, centralized, and streamlined process for all policy projects that reflect careful consideration of all aspects of our mandate and stakeholder input
- Contribute to expedited rule and policy making, balancing the need to achieve harmonized outcomes that meet the needs of Ontario investors and market participants

- Improved rule and policy making process that supports achieving better policy outcomes to benefit our stakeholders and capital markets
- Strengthen regulatory processes by enhancing consideration of stakeholder views and impacts in:
 - the implementation of the OSC's investor protection, capital formation and competition mandates
 - the OSC's efforts to facilitate financial innovation.

2.2 Continue Work on Streamlining Periodic Disclosure Requirements for Reporting Issuers

With our CSA colleagues, continue work on proposed changes to streamline and clarify annual and interim filings by reporting issuers published in May 2021, including proposals to:

- Streamline and clarify certain disclosure requirements in the management's discussion & analysis (MD&A) and the annual information form (AIF)
- Eliminate certain requirements that are redundant or no longer applicable
- Combine the financial statements, MD&A and, where applicable, the AIF into one reporting document called the annual disclosure statement for annual reporting purposes, and the interim disclosure statement for interim reporting purposes
- Introduce a small number of new requirements to address gaps in disclosure.

Actions will include:

- Review of stakeholder feedback on the proposed changes and finalization of the continuous disclosure requirements
- Seek stakeholder feedback in reviewing non-IFRS content in Investment Fund issuers' financial statements.

Planned outcomes:

- The modernized disclosure requirements will reduce regulatory burden, simplifying and streamlining reporting and increasing reporting efficiency for reporting issuers
- The quality and usability of the disclosures provided to investors will be increased.

2.3 Work to Modernize Delivery Options of Regulatory and Continuous Disclosure Filings for Issuers

The OSC will develop a framework to introduce an access equals delivery model (AED model) in the Canadian market for various documents that issuers are required to deliver to investors.

Actions will include:

- Publish proposed amendments to implement an AED model for non-investment fund reporting issuers in connection with certain prospectuses, annual financial statements, interim financial reports and their related MD&A
- Review stakeholder feedback on the proposed amendments to implement an AED model for certain prospectuses and continuous disclosure documents

- Publish proposed amendments to remove certain delivery obligations for investment funds related to annual financial statements, interim financial reports, and annual and interim management reports of fund performance
- Publish a consultation paper seeking stakeholder feedback on modernizing and exploring alternative delivery requirements, including an AED model, for investment funds in connection with other disclosure documents such as Fund Facts, ETF Facts and long form prospectuses.

Planned Outcomes:

- Develop an AED model that will modernize the way documents are made available to investors, reduce undue regulatory burden and related costs for issuers, and promote a more environmentally friendly manner of communicating information, with paper delivery remaining optional.

2.4 Strengthen the Framework and Capability to Identify, Assess and Respond to Emerging Regulatory Issues

The OSC is responsible for the oversight and regulation of dynamic markets. As markets evolve, so must the regulatory environment. The OSC will develop a framework that will better enable the process of identifying developments that have the potential impact and influence future regulatory policy, operational activities or resources.

Actions will include:

- Strengthen the framework for identifying and monitoring trends and emerging regulatory issues that may impact future OSC priorities.

Planned Outcomes:

- Publish a horizon scan report that will support OSC priority setting.

2.5 Continue to Enhance Systemic Risk Oversight

The OSC works with many domestic and international regulators (e.g., IOSCO, CSA and Heads of Regulatory Agencies) to monitor financial stability risks, improve market resilience, and reduce the potential risks arising from global systemic events. The OSC continues to enhance the domestic derivatives oversight framework and to operationalize the necessary compliance and oversight tools required to achieve a practical and effective OTC derivatives oversight regime.

The OSC will also continue to strengthen the regulatory framework to better assess liquidity risk and leverage associated with investment funds. To assess liquidity, leverage, and other risks in funds, the OSC continues to expand its data collection efforts, including an annual investment fund survey.

Actions will include:

- Subject to Ministerial approval, finalize the proposed Derivatives Dealer Business Conduct Rule, including amendments to the proposed rule that , limit the scope of the rule to where the impact is greatest and specify which jurisdictions will be granted equivalency

- Finalize amendments to the Clearing Rule to further clarify which entities and products are subject to the rule
- Finalize amendments to the Derivatives Trade Reporting Rule to reflect changes to internationally adopted data standards for derivatives trade reporting
- Design a framework for collecting and analyzing data relating to OTC derivatives, the ultimate goal of which is a data warehouse that fully integrates data for all derivative products traded in Ontario
- Implement annual surveys, in a scalable manner, of private and public investment funds about their portfolio exposure to assess relevant systemic risks, with a focus on aggregated asset classes and leverage information.

Planned Outcomes:

- Business Conduct Rule in place establishing fundamental obligations for OTC derivatives dealers and advisers
- Successful completion of Phase 1 of the Derivatives Data Warehouse Project, i.e., creation of a system that ingests and amalgamates credit derivatives data for each trade repository, so that the data can be easily used for analysis and to generate reports, to support risk identification and risk-based compliance programs
- Publish summary statistics and research using data collected via the investment funds survey.

2.6 Clarify the Importance to be Given to Each of our Mandates, Including Fostering Capital Formation and Competitive Markets, in Regulatory Actions

In April 2021, the Ontario government amended the OSC’s legislative mandate to include fostering competitive capital markets and capital formation. This expanded mandate provides additional areas of focus for the OSC’s operational and policy development activities, as well as our approach to regulatory decisions.

Actions will include:

- Identify areas of the OSC’s work that may be impacted by the new elements of our mandate
- Being open and transparent regarding how we balance the importance to be given to each of our mandates, including our new mandates, in our work and regulatory decision-making.

Planned Outcome:

- Rigorous staff approach to balancing the importance to be given to each statutory mandate, including our new mandates, in its work.
- Enhanced understanding among stakeholders about how the OSC balances each of the mandates in its work.

GOAL 3: Facilitate Financial Innovation

The OSC will continue its efforts to strengthen Ontario’s innovation ecosystem through flexible and proportional regulatory approaches and enhanced support for novel and innovative businesses looking to establish or expand in Ontario. Through the Innovation Office, the OSC seeks to foster new methods of engagement with the innovation community to tailor business support services to align with stakeholder priorities help support Ontario businesses, and promote competition and consumer choice.

Key Priorities to Achieve this Goal:

3.1 Engage with Novel Businesses and Support Innovation in our Capital Markets

The Innovation Office continues to expand the OSC LaunchPad support program through deeper engagement with key stakeholders and an increased service offering focused on helping innovative businesses navigate regulatory requirements, granting conditional exemptive relief or time- or activity-limited approvals.

Actions will include:

- Identify, understand, and facilitate emerging business models, services and products that benefit investors and our capital markets and help modernize regulation and foster innovation in Ontario’s capital markets
- Assess the effectiveness of the Innovation Office Beta Directory in meeting the needs of eligible firms in the LaunchPad program and consider further enhancements to this resource
- Leverage research and increase engagement with stakeholders in the innovation ecosystem to help promote innovation and capital formation in our markets
- Work with the CSA Sandbox to issue timely approvals and/or exemptive relief for Ontario businesses offering novel products or services to operate in Canada as registered firms or marketplaces
- Identify opportunities and new ways to share data (e.g., through APIs or sharing of data sets)
- Consider how an open data framework could be applied to Ontario’s capital markets.

Planned Outcomes:

- Positive feedback from stakeholders regarding Innovation Office Beta Directory, guidance issued, surveys conducted, and support provided to innovative businesses
- Explore the adoption of new technologies that facilitate innovation and support better investor outcomes.

3.2 Continue Building OSC TestLab

The Innovation Office has developed and will continue to build a testing environment in Ontario (OSC TestLab) to enable eligible firms to test novel products, services and solutions in our capital markets, subject to appropriate testing parameters.

OSC TestLab seeks to achieve the following objectives:

- Provide opportunities for collaborative testing with partners in a connected innovation ecosystem
- Engage with experts on regulatory challenges and barriers, collaborate on solutions and obtain guidance on regulatory requirements
- Allow the OSC to consider new solutions and remove barriers to innovation
- Drive the development of policy and modernize regulation.

OSC TestLab is operated on a cohort basis offering testing during specific periods based around problem statements. Testing themes are identified and refined through research and stakeholder consultations, taking into account emerging trends and technologies, OSC priorities and the insights gained through our engagement with stakeholders and experience supporting innovative businesses through OSC LaunchPad.

Actions will include:

- Promoting and continue developing OSC TestLab, evaluating and sharing insights gained from the first testing cohort
- Conducting research and consulting stakeholders to gather data, insights and other potential areas of improvement in Ontario’s capital markets to inform future testing cohort themes
- Seeking stakeholder feedback from target audience groups to more deeply understand the nature of existing challenges in capital markets which may inform direction of future testing themes
- Designing and potentially implementing a new testing theme that is informed by the results of the research and stakeholder feedback received

Planned outcomes:

- Increase awareness of OSC TestLab and coordinate testing process with successful TestLab applicants
- Conduct research and obtain stakeholder feedback to inform future TestLab test themes
- Design and implement new tools to support emerging trends and benefit capital market participants.

GOAL 4: Strengthen Our Organizational Foundation

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

Key Priorities to Achieve this Goal

4.1 Redevelop CSA National Systems

The OSC, along with the other CSA jurisdictions, will continue to work toward replacing the legacy CSA national systems with SEDAR+. Development of this new CSA system is an ongoing process. Once the system is launched, it will be the common platform for all filings, disclosure, payments, and information searching for the Canadian capital markets.

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

Actions will include:

- Continue to participate with the CSA to develop SEDAR+ and MAP systems that meet the needs of internal and external stakeholders
- Work with other CSA jurisdictions to complete a controlled transition to the new system for market participants and internal users
- Work with the CSA to complete development of CSA Systems Fee Rule in time for Phase 1 launch of SEDAR+.

Planned Outcomes:

- SEDAR+ is launched as an online national system that is more responsive to current and future needs of market participants
- Regulatory processes are more efficient and service delivery to market participants is improved, reducing overall regulatory burden
- MAP supports increased ability to analyze complex market abuse cases, across markets and related parties and provides a platform for conducting research into Canadian markets.

4.2 Continue Technology Modernization, Digital Transformation and Data and Analytics Enablement at the OSC

The OSC will continue to transform its operations for the digital age and improve efficiencies through modern tools, technologies, and processes. This will include building skill sets and facilitating the cultural changes required for the organization to adapt and transform for the digital age. The digital transformation program will also enable the OSC to fully transform into a data-driven regulator by provisioning tools, technologies, data and analytics capabilities and by nurturing and growing the data and analytics culture within the organization. All

this technological change and digital transformation work will be supported through resilient and secure technology infrastructure, applications and platforms.

Actions will include:

- Continue implementing OSC’s platforms strategy, including rollout of an Enterprise Resource Planning solution, expansion of cloud-based, integrated regulatory case management and workflows platform, automation of manual tasks using robotic process automation technology and employee enablement through various modern tools and technologies
- Implement the Enterprise Data and Analytics Platform – a unified, scalable, secure, and governed platform offering enterprise data, analytics and reporting capabilities across the OSC
- Build skill sets and facilitate the cultural changes required for the organization to adapt and transformation for the digital age
- Continue to support legacy applications and implement modifications and enhancements required on the OSC local systems and related processes, workflows, and policies to ensure they are aligned with Phase 1 of SEDAR+ when it is launched
- Continue to execute on the IT resiliency, IT lifecycle management platform currency and Information Security programs.

Planned Outcomes:

- Increased efficiency of internal regulatory operations and corporate services supported by inter-operable modern platforms, tools, technologies and streamlined processes
- Accelerated transition from stand-alone, legacy systems to modern integrated enterprise platforms
- Improved insights, efficient information sharing and increased collaboration between branches and with industry stakeholders, enabling data driven policy development and decision making
- Digital-first culture leading to modern workplace and future proofing.

4.3 Foster/Improve Inclusion, Equity and Diversity

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

Actions will include:

- Continue to implement the OSC Inclusion and Diversity Strategy to remove barriers to inclusion at the OSC, and to achieve equitable opportunities and a consistent employee experience for all, including women, Indigenous peoples, Black, Asian, and other racialized communities, members of the LGBTQ2+ community and persons with disabilities
- Provide and promote opportunities for learning and dialogue to develop a better understanding of bias, racism, and barriers to inclusion
- Take actions outlined in the BlackNorth Initiative (BNI) CEO pledge
- Continue with steps towards Truth and Reconciliation Call to Action 57 (Professional Development and Training for Public Servants) and Call to Action 92 (Business and Reconciliation)
- Work with Indigenous communities on reconciliation.

Planned Outcomes:

- Updated and new policies and practices that are equitable and inclusive for all employees, including in the areas of recruitment, talent development, secondment, promotion, code of conduct, and respectful workplace
- Increased understanding leading to individual and organizational change in practices and behaviours to support equity and inclusion
- A workplace where employees experience inclusion and psychological safety
- Achieve the goals and targets set out in the BNI CEO pledge
- Inclusion and Diversity policies and an OSC culture that reflect the spirit of reconciliation, and greater engagement with and integration of ideas from Indigenous communities.

4.4 Implement Hybrid Work Model

The OSC will continue to adapt work practices and the workplace to support effective and efficient delivery of regulation and business operations in a hybrid work model, where employees are working both on-site and remote.

Actions will include:

- Establish and adjust work policies and practices to support a hybrid workforce, contributing to collaboration and organizational culture in a hybrid workplace model
- Develop policies and practices that support flexibility in hours and place of work
- Implement physical space design features to ensure employee health and safety, and to support a hybrid workplace
- Implement a digital solution to support the hybrid workplace plan.

Planned Outcomes:

- Updated and new policies and practices and tools that address employment practices in a hybrid workplace and flexible work arrangements
- Alignment of office space design with effective hybrid work practices.

Risks

Key Risks and Mitigation Strategies

Key Components of the OSC Risk Management Framework

The OSC must manage a wide range of risks arising from the pace of change and the increase in complexity of financial markets in Canada and globally. The OSC has adopted a Risk Management Framework, with the purpose to support the achievement of the OSC's objectives through the enterprise-wide acceptance and integration of risk management into decision-making, strategy and policy development, operations and business processes and transformation activities. The main components of the framework include:

- Risk Management Policy that provides guidance regarding the OSC's approach to risk management in supporting the achievement of its objectives, defines risk management roles and responsibilities and promotes a strong risk culture
- Risk Management Process to identify, assess, manage, monitor and report risks
- Common tools to enable risk informed decision-making such as risk registers maintained at the enterprise and Branch levels, where both levels of risk inform the OSC's risk profile.

Three Lines of Defense

The OSC employs a three-lines-of-defense model where Management is responsible for managing risks while the risk committees and Enterprise Risk Management (ERM) Function provide risk oversight. In addition, the ERM Function maintains the Risk Management Framework and the associated policies and tools.

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

Governance and Enterprise Risk Inventory

At the enterprise level, the OSC develops and maintains corporate governance structures such as the Board Risk Committee and Risk Steering Committee and organization-wide risk framework. The committees and Management set the tone from the top. An Enterprise Risk Inventory is maintained by the ERM Function, in consultation with Management, and includes key enterprise risks impacting the organization as a whole where risks are defined within the context of presenting uncertainty to the achievement of OSC objectives.

The Risk Steering Committee, comprised of OSC senior and executive management, reviews the risk profile quarterly including key, new or emerging risks. This information is reported to the Board Risk Committee and escalated to the Board of Directors, as appropriate.

The table below highlights various key enterprise risks which the OSC is exposed to, along with the mitigating controls. The OSC continues to monitor the risk environment and to respond appropriately to ensure that risks are properly addressed.

Key Risk Inventory – Key Risks and Mitigating Controls

Risk	Risk Description	Mitigating Controls
Digital Transformation	Outdated technology, data and processes increase regulatory burden for market participants and impede OSC's effectiveness and efficiency	<ul style="list-style-type: none"> ▪ Digital Solutions Branch (DSB) has established the multi-year platform strategy, articulated the data and digital capability needs across the OSC and developed the first executable roadmap ▪ A dedicated team within DSB executes the data & analytics strategy and data governance program ▪ Agile implementation and dedicated team model has been established to support various initiatives
Regulatory Burden	OSC regulations, processes and operational systems impede fair and efficient markets and inhibit capital formation	<ul style="list-style-type: none"> ▪ Burden Reduction initiatives identified in the 2019 OSC Burden Reduction Report are part of the Business Plans for each relevant Branch and are worked on accordingly ▪ Regulatory impact analyses, including cost benefit analyses, are completed for new policy projects ▪ Office of Economic Growth and Innovation is developing and will implement an enhanced organization-wide framework that will ensure a systematic and streamlined approach to projects aimed at modernizing our regulatory environment
Enforcement Effectiveness	OSC fails to identify, investigate and prosecute administrative, quasi criminal and/or criminal misconduct involving securities law violations that could cause significant harm to investors or the integrity of the markets	<ul style="list-style-type: none"> ▪ Centralized intake process to identify matters which reflect OSC/Enforcement strategic priorities and factors relating to public harm ▪ Standardized and visible planning and reporting process from investigation to litigation to identify key violations and employ appropriate enforcement tools in a timely manner ▪ Updated technology, analytics and evidence control procedures to improve approaches to large data, remote work and scaling up ▪ Partnerships with other regulators, and active advocacy in IOSCO, CSA and NASAA committees to monitor and identify cross-border issues and threats
Systemic Risk in Capital Markets	OSC fails to identify an increase in systemic risk related to activity in capital markets in a timely manner	<ul style="list-style-type: none"> ▪ Oversight of systemically important market infrastructure ▪ Monitoring compliance with rules designed to minimize systemic risks ▪ Detection of exposure and connectivity between market participants through monitoring of market activity ▪ OSC Systemic Risk Working Group; as well as CSA and IOSCO working groups and committees ▪ Cooperation with other domestic and international organizations in charge of systemic risk oversight

Risk	Risk Description	Mitigating Controls
Business Continuity	A significant disruption of business operation occurs	<ul style="list-style-type: none"> ▪ Formal business continuity plan (BCP) and pandemic plan ▪ Annual BCP systems recovery, ERBCP scenario test and Emergency Staff Communications tests are performed ▪ Reciprocal arrangements with other securities regulators to provide continuity of regulatory services (e.g. prospectus and application reviews)
Information Technology	Risks that a significant disruption of OSC Information Technology systems and/or services occurs or that critical IT system changes and implementation do not meet desired business outcomes	<ul style="list-style-type: none"> ▪ Regular reviews of established IT policy, procedures and controls are conducted; Annual ICFR audits include testing of IT Key Controls ▪ On-going monitoring of OSC systems and established support agreements / service level agreements with key vendors ▪ Architecture Review Board meets regularly to conduct information technology, project and vendor reviews ▪ Change Approval Board meets regularly to review and schedule system changes ▪ IT platform currency plans established and actively managed ▪ Robust system and user acceptance testing are completed prior to system implementation ▪ Fall-back plans and system back-ups in place as required
Information Security	Risks arising from breaches of or attacks on OSC information systems that result in loss of information or the compromise of confidential information which would impact OSC's reputation and/or operations	<ul style="list-style-type: none"> ▪ Dedicated Information Security Office with policies, procedures and controls ▪ Multi-year information security operations roadmap formulated, adhering to the National Institute of Standards and Technology (NIST) cybersecurity framework ▪ Key information security program controls in place including: <ul style="list-style-type: none"> - Formal security risk assessment process - Access control - Data protection - Regular vulnerability scans and patch management - Incident response and simulation - Security awareness and testing - Cyber insurance protection

Risk	Risk Description	Mitigating Controls
Workforce Management	Misalignment and gaps between the OSC's existing workforce and the workforce required to deliver on its objectives	<ul style="list-style-type: none"> ▪ Strategic Workforce Plan detailing actions to retain, develop, motivate and deploy human resources ▪ Ability to re-prioritize various projects, deadlines, and deliverables to balance work demands across the organization ▪ Flexible work arrangements to support employees in meeting professional and personal obligations ▪ Formal and informal training and development opportunities for staff ▪ Compensation and benefits administered to remain an attractive and competitive employer ▪ Ongoing engagement such as communications regarding workplace guidance, resources, status updates and various wellness programs
Project Delivery	OSC is unsuccessful in delivering on major projects regarding objective, scope, budget and schedule	<ul style="list-style-type: none"> ▪ Robust project management processes and methodologies ▪ Regular status reporting – i.e. review project portfolio status and proactively identify, communicate, mitigate and escalate in a timely manner issues/trends that could impact scope, schedule, budget and/or change management ▪ Budgets, forecasts are developed and maintained, and spending is monitored ▪ Dedicated governance framework in place to oversee coordination and execution of Modernization Taskforce related initiatives ▪ Introduced OSC Technology Enablement Framework (OTEF) to govern initiation, prioritization, and execution of OSC-led technology related initiatives
Confidence in OSC's ability to deliver on its mandate	Loss of confidence by stakeholders in OSC's ability to execute its mandate	<ul style="list-style-type: none"> ▪ Executive level messaging and regular public appearances that clearly communicate the OSC's mandate and authority ▪ Corporate publications to provide relevant information and assist readers in understanding the OSC's mandate and outcomes ▪ Consultations with stakeholders on various policy matters to obtain feedback, as well as publication of rules and national instruments for comment ▪ Impact on reputation is incorporated into the risk management process for all key risks at the Branch and Enterprise levels ▪ Risk assessment informs decision making at all levels and is incorporated into strategy and policy development, operations and business processes and change management activities

Human Resources

Human Resources Plan

OSC's people strategy is to build an attractive, modern, high performing workplace where every manager is a great talent manager, and every employee is fully engaged. The COVID-19 pandemic has impacted the labour market within which we compete for talent and will fundamentally change the way we work. While our four HR goals continue to guide our work, specific strategies and plans have been adjusted or developed to support employee and organization needs in a work environment that has been primarily remote and is now transitioning to a hybrid model. These include needs related to operational efficiency and effectiveness; the ability to attract and retain talent; and employee health and well-being.

In addition to the strategies and plans listed in the table below, the OSC has implemented Bill 124 *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, and entered the three-year moderation period on April 1, 2021. The OSC will monitor, identify and report on related emerging workforce changes and risks that may impact our ability to operate effectively and efficiently from a people perspective during the moderation period.

Area of Focus	Strategies/Plans
Build an attractive, modern and high-performing workplace	<ul style="list-style-type: none"> ▪ Sustain and build on strong employee engagement by providing regular workplace communications throughout the pandemic; implementing pulse surveys and taking actions to respond to employee concerns; and delivering employee programs that reinforce our OSC values, leadership competencies and build a collegial OSC community ▪ Establish and administer compensation practices that support attraction and retention of employees with the skills and experience required to effectively regulate the capital markets and deliver on the OSC mandate and priorities ▪ Benchmark compensation against the talent market from which we recruit; the OSC uses a blended benchmark of 50% public sector, 25% private sector and 25% financial services ▪ Create an environment where all employees feel safe, valued, respected, and empowered by ensuring a culture of equity, inclusivity and diversity ▪ Continue investment and commitment to build the Inclusion Equity and Diversity (IED) function and associated programs to enable achievement of IED objectives ▪ Offer employees a modern workplace, with a mix of workspaces that enable collaboration, focused work, and team engagement by piloting our Hybrid Work Model and continuing to refine our approach to Hybrid Work as we learn through our shared experiences working in both the office and remote locations ▪ Provide employees with comprehensive benefits encompassing health, dental, short and long term disability insurance, and Employee and Family Assistance Programs. Continue to advance Benefits Sustainability Strategy with an increased focus on employee choice and flexibility and continued prioritization of employee mental health and well-being.

Area of Focus	Strategies/Plans
Develop great talent managers	<ul style="list-style-type: none"> ▪ Continue to develop current and emerging leaders through the OSC's leadership development program, which includes coaching, classroom training and self-directed learning, peer learning sessions, and management tools ▪ Contribute to inclusive leadership practices through IED training and inclusive and equitable management policies and practices. ▪ Deliver training, as part of piloting our Hybrid Work Model, to equip managers and leaders with the skills and tools they need to effectively manage teams and employees distributed between office and remote work locations.
Support successful organizational change and continuity	<ul style="list-style-type: none"> ▪ Develop and implement a strategic workforce plan that addresses current and emerging talent needs: <ul style="list-style-type: none"> • Identifying, monitoring, and managing talent risks to mitigate impact on operations • Expanding staffing approaches and employment relationships to increase the OSC's ability to attract, retain and leverage staff with specialized skills and experience • Continuing to strengthen and build on succession planning and talent mapping practices to ensure a diverse and robust talent pipeline for critical roles across the organization • Continuing to deliver targeted talent development programs including leadership, coaching and skills-based learning, thereby strengthening organizational performance • Continue to develop a culture of learning and development that provides professional and career growth and enables delivery of effective regulation. ▪ Enable the effective implementation of a new executive structure and governance models within the OSC ▪ Continue to deliver change management programs and practices that enable employees to effectively achieve business outcomes in a complex business environment, including: <ul style="list-style-type: none"> • Provide employees with training and access to information, tools and resources that support them in adapting to and leading change • Incorporate a consistent change methodology across key initiatives to support successful project planning and execution.

Area of Focus	Strategies/Plans
Provide first class fundamental HR services	<ul style="list-style-type: none"> ▪ Increase capacity to respond to emerging issues and organizational complexity by increasing knowledge and ability to provide executive and manager clients with reliable, accurate, timely and trusted advisory services ▪ Design and deliver human resources policies, programs, and approaches that are responsive to emerging workforce and talent management risks. ▪ Continue to monitor and report on an “OSC People” dashboard with metrics and analysis to guide decision-making and identify emerging risks to workforce and talent management objectives and guide the design of responsive risk mitigation strategies and tactics ▪ Continue to monitor emerging risk in the external talent market and adjust and apply targeted recruitment practices to source and compete effectively for diverse, qualified candidates for OSC positions.

Initiatives Involving Third Parties

Domestic Engagement

The OSC works closely with other Canadian securities regulators with a view to harmonizing our legislation and regulatory practices for the benefit of the Ontario and Canadian capital markets and their investors. We also work with various law enforcement agencies, sharing information and facilitating investigations across jurisdictions.

As needed, we also co-ordinate our efforts with the Department of Finance Canada, the Office of the Superintendent of Financial Institutions Canada (OSFI) and the Bank of Canada when developing regulatory responses intended to promote financial stability in areas identified by the G20 and the Financial Stability Board (FSB).

Domestic Partners

Canadian Securities Administrators (CSA) – The OSC is an active member of the CSA, which is a forum comprised of the 13 securities regulators of Canada’s provinces and territories. The CSA works to foster a nationally coordinated and modernized securities regulatory framework.

Canadian Public Accountability Board (CPAB) – CPAB is an organization that oversees public accounting firms that audit Canadian reporting issuers. CPAB promotes sustainable audit quality through proactive regulation, robust audit assessments, dialogue with domestic and international stakeholders, and practicable insights that inform capital market participants and contribute to public confidence in the integrity of financial reporting. The OSC and CPAB have an MOU in place to facilitate the exchange of information that supports collaboration on review and oversight matters.

Ombudsman for Banking Services and Investments (OBSI) – OBSI is a free and independent service for resolving banking and investment disputes between participating firms and their clients. The CSA and OBSI have an MOU in place which outlines an oversight framework for the CSA and OBSI to cooperate and communicate constructively to ensure that OBSI continues to meet the standards set by the CSA.

Policy Coordination Committee (PCC) – The CSA established the PCC which oversees the CSA’s policy development initiatives, facilitates decision making and provides timely resolution on policy development matters. Its members are the chairs of eight regulators (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia). The PCC is currently chaired by the OSC Chair & CEO.

CSA Standing and Project Committees – Through participation in CSA Committees (permanent and project committees), OSC staff work alongside CSA members on the development of policy and the delivery of regulatory programs. Standing committees include: Market Structure and Exchange Oversight, Clearing Agency Oversight, Registrant Regulation, Investment Funds, Investor Education and Enforcement. The OSC participates in various project committees dealing with specific policy initiatives, including regulatory burden reduction efforts, crypto-assets and enhanced investor confidence and protection.

Heads of Regulatory Agencies (HoA) – The HoA serves as a federal-provincial forum for cooperation on financial sector issues. The HoA is chaired by the Governor of the Bank of Canada and includes the Department

of Finance Canada, OSFI, the Québec Autorité des Marchés Financiers, the OSC, the Alberta Securities Commission, and the British Columbia Securities Commission. The OSC is also a member of the Systemic Risk Surveillance Committee which was created by the HoA to collaborate and share information on the assessment of vulnerabilities and risks to the Canadian financial system.

Self-regulatory organizations (SROs) – SROs are organizations that regulate the operations and the standards of practice and business conduct of their members and their representatives.

The OSC oversees the operation of two SROs:

- Investment Industry Regulatory Organization of Canada (IIROC)
- Mutual Fund Dealers Association of Canada (MFDA).

Joint Forum of Financial Market Regulators – The CSA is a member of the Joint Forum of Financial Market Regulators through which pension, securities and insurance regulators seek to coordinate, harmonize, and streamline the regulation of financial products and services in Canada.

Quasi-Criminal Serious Offences Team (QSOT) – The QSOT is an enforcement partnership between the OSC, the RCMP Financial Crime program and the Ontario Provincial Police Anti-Rackets Branch. QSOT combines law enforcement policing skills with the OSC's expertise in forensic accounting and capital markets to investigate and prosecute serious violations of the law under *Ontario's Securities Act and Canada's Criminal Code*.

Domestic Memoranda of Understanding (MOUs)

The OSC has entered into a number of domestic MOUs, including an MOU with the Ontario Minister of Finance. This MOU establishes the OSC's accountability relationship with the Minister and sets out the roles and responsibilities of the Minister of Finance, the Chair and CEO of the Commission, the Board, the Executive Director, and the Deputy Minister of Finance.

MOUs have also been entered into with other government agencies, regulators, and law enforcement agencies across Canada. The various MOUs may contain provisions that:

- describe accountability relationships as well as outline roles and responsibilities
- promote safety and efficiency within the securities market
- contribute to the management of systemic risk
- promote higher quality auditing and investor confidence
- reduce overlap between their respective mandates and acknowledge the significance of working with each other
- outline the manner in which each jurisdiction will cooperate and coordinate their enforcement efforts to oversee securities law
- exchange information on a confidential basis to assist each organization in fulfilling its respective mandate.

These MOUs reinforce relationships and foster collaboration in matters of mutual interest.

International Engagement

The OSC contributes to the international securities regulatory agenda by actively participating in international organizations and committees. The OSC's international activities are focused on developing financial stability and other standards, information sharing, and co-operation on cross-border enforcement initiatives.

International partners

The OSC actively participates in international organizations such as the International Organization of Securities Commissions (IOSCO), the North American Securities Administrators Association (NASAA) and the Council of Securities Regulators of the Americas (COSRA) to better position the OSC regarding the detection, investigation and enforcement of securities offences, development of regulatory policy, and monitoring of emerging issues. Collaboration with international partners is critical for protecting the interests of investors and the integrity of our Canadian markets.

IOSCO Board, Committees and Working Groups – The OSC is a member of the IOSCO Board, which is an executive decision-making body representing key securities regulators from the world's developed and developing capital markets. The OSC participates on all major IOSCO committees.

Cross-border enforcement – The OSC works with other securities regulators to share intelligence and provide assistance in investigations of alleged cross-border misconduct. The IOSCO MMOU, signed by more than 120 other securities commissions and governmental bodies, is a key instrument in advancing international co-operation on enforcement matters.

In 2018, the OSC also entered into the IOSCO Enhanced MMOU. The IOSCO Enhanced MMOU expands on the forms of assistance available under the IOSCO MMOU.

Financial Sector Assessment Program (FSAP) - Established by the International Monetary Fund (IMF) and World Bank in 1999, FSAP teams conduct a thorough analysis of a country's financial sector, including banks, insurance companies, securities, and foreign exchanges. In addition, the FSAP teams analyze a country's payments system and the regulatory oversight that governs its financial institutions and markets. Canada underwent an FSAP analysis in 2019. Canada's Financial System Stability Assessment is available on the IMF website.

International Memoranda of Understanding (MOUs)

The OSC has entered into a number of MOUs with international partners to foster cooperation and information-sharing on various matters, including enforcement. These MOUs strengthen relationships and foster collaboration in matters of mutual interest.

OSC Consultative Committees

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

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

A list of the key consultative committees includes:

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

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

Small Business Advisory Committee (SBAC) – advises the OSC's Corporate Finance Branch staff on current business practices and emerging trends affecting small businesses in both the public and private markets. SBAC also provides feedback on the effectiveness of Corporate Finance policies and initiatives as they relate to small business.

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

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

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

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

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

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

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

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

Communications and Public Affairs

Strategic Focus

We are guided by the following principles:

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

External Outreach and Communication

Our outreach strategy is designed to promote and enhance knowledge and information regarding the operation of the securities and financial markets. We work to ensure the investing public, market participants and interested stakeholders are familiar with our processes, points of contact, service standards and priorities.

The OSC prioritizes content development and executive outreach that clearly articulates the OSC's key messages and priorities. The OSC communicates and engages with investors and other stakeholders regularly through publications and channels such as, social media, newsletters, events, webinars, corporate reporting, and its digital properties. Further initiative-specific areas are set out below.

OSC Websites

The OSC's digital properties, including the OSC corporate website, OSC.ca, GetSmarterAboutMoney.ca for retail investors, and www.oscinnovation.ca, supporting innovative businesses and Ontario's financial innovation ecosystem. Each site provides target audiences and stakeholders with accessible and relevant information.

OSC Dialogue

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

The theme of Dialogue 2021 was "Creating Conditions for Growth." The event explored how capital markets can best contribute to sustainable long-term growth at a critical point for our economy. Financial industry leaders, senior regulators and investors came together virtually to discuss how they are working to emerge stronger.

The event attracted more than 600 participants. Speakers included the Hon. Peter Bethlenfalvy, Ontario's Minister of Finance; Paul Beaudry, Deputy Governor of the Bank of Canada; Harvard Law School Professor Cass Sunstein, Commissioner at the Australian Securities & Investments Commission Cathie Armour; and Sheldon Mills, Executive Director, Consumers and Competition at the Financial Conduct Authority, among others.

Planning is underway for OSC Dialogue 2022.

Corporate Reporting

The OSC also communicates with its stakeholders on its operational activities and other key highlights by:

- Reporting publicly on how we are tracking against our service commitment standards quarterly
- Reporting on our key accomplishments against our Statement of Priorities and providing statistics related to our core regulatory work in our Annual Report
- Publishing various branch specific summary or activity reports.

Stakeholder Engagement

The OSC is open to stakeholder feedback, emphasizing integrated communications and relationship development with industry, investors and other stakeholder groups. Stakeholder engagement features thought leadership and corporate outreach to engage commentators and drive the discussion around OSC priorities and strategic initiatives.

As part of policy and rule development, the OSC has established several advisory committees to gather input on regulatory issues and industry trends. Through these advisory committees, community and industry representatives, with a variety of expertise and from a range of industry sectors, advise on the development of new or amended securities regulation. Refer to "Initiatives with Third Parties" section of this Business Plan for more information.

The OSC also invites stakeholders to participate in various policy roundtables and to provide comments on proposed instruments, rules and policies, including our Statement of Priorities.

Investors are engaged through organized investor community seminars, telephone townhalls, and other events hosted by the OSC.

The OSC actively collaborates with businesses and other regulators to support innovation and modernizing regulation through the Innovation Office.

Public Affairs

The OSC also develops and implements communications strategies to ensure our priorities, policies and initiatives are broadly known and aligned with government priorities. The OSC seeks opportunities to maximize visibility using all available corporate channels and platforms, including direct media outreach, digital communications tools and social media. We also develop communications strategies to mitigate issues that pose risks to public confidence in Ontario's capital markets.

Internal Communications

OSC internal communications focuses on continued improvements to staff engagement regarding OSC priorities. This engagement is achieved via staff intranet, weekly newsletters, executive messaging, quarterly virtual town hall meetings and candid Q&A sessions. Planned intranet enhancements will enable greater collaboration, streamline communication and enhance productivity.

Metrics

Performance Measurement

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

Performance Measures

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

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

Outcome measures indicate whether the OSC's statutory objectives, strategies and goals have been achieved. The impact of regulation, supervisory activity and interventions are more complex to quantify as they occur over time and are often less tangible and the result of multiple factors. For market-facing activities, outcomes are measured for example in terms of compliance rates (e.g., as measured by the number of significant findings in compliance reviews and number and type of misconduct cases identified), number and type of investor complaints, changes in investor literacy rates and successful enforcement outcomes. For internal operations, the OSC measures outcomes for example in terms of employee retention and satisfaction rates and adherence to budget. The OSC Statement of Priorities identifies specific activities and key planned outcomes for each priority. The key activities and planned outcomes from the 2022-2023 Statement of Priorities are found in the "Strategic Direction – Current and Future Programs and Activities" section of this Business Plan.

Performance Reporting

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

- The OSC publishes an Annual Report, including the Report Card on progress against the initiatives identified in the Statement of Priorities.
- Various branches within the OSC produce Summary, or Activity Reports, which are published on the OSC Website.
- The OSC annually publishes its Service Commitments, which outlines service standards and targeted timelines, along with publishing quarterly the results against these targets. The list of the OSC's current service commitments can be found in Appendix A of this Business Plan. The OSC reviews its service commitments on an annual basis and updates service commitments as necessary. The OSC may implement temporary changes to its Service Commitments in response to emerging issues, as required.

Budget

Note: The Budget reflects upcoming changes to the OSC's governance and structure that will come into effect when the *Securities Commission Act, 2021* is proclaimed into force.

2022 – 2023 Budget Summary

The 2022-2023 OSC operating and capital budgets prioritize investments in people and technology to effectively respond to emerging regulatory issues, growth in the volume and complexity of regulatory activities, the implementation of various taskforce recommendations and progress against key multi-year growth areas, as follows:

- Investor education through expanded outreach via paid media and the redevelopment of the OSC's investor website, GetSmarterAboutMoney.ca
- Fostering new methods of engagement with the innovation community
- Enhancing over-the-counter (OTC) derivatives oversight by developing an OTC trades data warehouse and building out the compliance oversight function
- Technology modernization to optimize regulatory operations, implement an enterprise data and analytics platform, automate manual tasks using robotic process automation technology and begin the implementation of an Enterprise Resource Planning solution.

Budgeted revenues reflect a \$16.5 million (12.9%) increase from the 2021-2022 budget as a result of growth in the capital markets experienced over the past year. Most of the OSC's revenues are directly impacted by capital market conditions which have recovered from the onset of the COVID-19 pandemic.

Budgeted expenses reflect a \$15.1 million (10.7%) increase from the 2021-2022 budget. The four multi-year investment growth areas noted above account for a budget increase of \$5.3 million (3.8%), while implementation of certain Taskforce recommendations account for \$2.7 million (1.9%) of the budgetary increase. Resources added to effectively respond to the evolution of the investing landscape (e.g. registration, compliance and enforcement of crypto activities) account for \$1.0 million (0.7%) of the increase. Capacity expansions to address an increase in the volume and complexity of activities within established regulatory and operational functions account for \$6.1 million (4.3%) of the budgetary increase.

Budgeted salaries and benefits reflect an \$11.2 million (10.9%) increase from the 2021-2022 budget. The increase is primarily as a result of adding 57 new permanent and 28 new temporary positions for the following:

- 21 permanent and 9.5 temporary positions for core regulatory, advisory and back-office activities to appropriately address capacity constraints from a significant increase in the volume and complexity of various regulatory and operational activities (e.g. capital raising, enforcement, human resources)
- 10 positions converted from external consultants working on technology projects within Information Services to full-time permanent staff to align with the maturity and strategy of the Information Services and Digital Solutions branches
- 6 permanent and 2 temporary positions to appropriately address emerging regulatory issues arising from the evolution of the investing landscape (e.g. cryptocurrency oversight functions)
- 11 permanent and 8 temporary positions to deliver the multi-year roadmap within various growth areas:

- 5 new positions for derivatives oversight
- 2 new roles between the Investor Office and Innovation Office
- 4 new permanent and 8 temporary positions to support technology modernization
- 9 permanent and 8.5 temporary positions towards the implementation of taskforce recommendations

Capital expenditures are budgeted at \$12.4 million, reflecting a \$7.0 million (128.1%) increase from the 2021-2022 budget. The budget is comprised of the following:

- \$5.1 million for leasehold improvements aligned with the multi-year workplace modernization program by transforming 2 floors into a hybrid work environment.
- \$3.4 million for integrating local OSC systems within SEDAR+
- \$2.5 million for digital transformation projects
- \$0.9 million for the development of an enhanced derivatives data warehouse
- \$0.5 million for regular infrastructure refresh projects, including replacements of office furniture

2021 – 2022 Financial Summary

Total forecasted excess revenues over expenses in 2021-2022 is \$6.4 million. Total forecasted revenues in 2021-2022 is \$146.1 million, an increase of \$18.1 million (14.2%) from the 2021-2022 budget primarily from higher participation fees due to capital markets growth. Total forecasted expenses in 2021-2022 are \$139.7 million, a decrease of 1.1 million (0.8%) from the 2021-2022 budget.

Fee Rule Amendments

Fee rates have remained unchanged from 2017-2018 as set out in the OSC's fee rules (13-502 and 13-503). Proposed amendments for the fee rule have been released for public consultation with a targeted April 2023 implementation date. The existing surplus, projected level of revenue and expenses, capital spending and the level of cash resources required to fund operations through market downturns are considered when determining appropriate fee rates. Subject to Minister's approval, the proposed fee rule amendments reflect new fees towards OTC derivatives market participants to fund the expansion of OTC derivatives regulatory oversight capabilities while reducing fees for most existing fee payers as we re-calibrate fees to reflect a fair allocation of costs across market segments. The amendments are expected to generate efficiencies for most market participants and the OSC by eliminating a number of activity and late fees without compromising investor protection.

Excess/Deficiency of Revenues over Expenses (in millions)	2021-2022 Budget	2022-2023 Budget	Change Favourable/ (Unfavourable)	Change Favourable/ (Unfavourable)
Revenues	\$127.9	\$144.4	\$16.5	12.9%
Expenses*	\$140.8	\$155.9	(\$15.1)	(10.7%)
Excess (Deficiency) of Revenues over Expenses	(\$12.9)	(\$11.5)	\$1.4	10.8%
Capital Expenditures	\$5.4	\$12.4	(\$7.0)	(129.6%)

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

	2021-2022 Budget	2022-2023 Budget	Change
Staff Resources	628	685	9.1%

	OSC Operating Budget and Staff Allocation	
	2022 - 2023 Budget Expenses: \$155.9 Million	
	Total 685 Staff (546 Front Office Staff)	
Regulatory Operations Budget - \$129.5 Million 472 staff	Regulatory Advisory Budget - \$21.7 Million 64 staff	Executive Offices Budget - \$4.7 Million 10 staff

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

Three Year Surplus Forecast

(in millions)	2022-2023 Budget	2023-2024 Forecast	2024-2025 Forecast
Total Revenues	\$144.4	\$148.3	\$148.5
Total Expenses*	\$155.9	\$152.4	\$153.8
Surplus/(Deficit)	(\$11.5)	(\$4.1)	(\$5.3)
Opening Surplus	\$115.4	\$103.9	\$99.8
Closing Surplus	\$103.9	\$99.8	\$94.5

* Net of Recoveries from Designated Funds

Capital Expenditures Forecast

(in millions)	2022-2023 Budget	2023-2024 Forecast	2024-2025 Forecast
Leasehold Improvements	\$5.1	\$3.4	\$6.4
SEDAR+ Integration	\$3.4	\$2.6	\$1.7
Digital Transformation	\$2.5	\$2.4	\$2.4
Derivatives Data Warehouse	\$0.9	\$0.9	\$0.9
Other IT initiatives	\$0.5	\$0.4	\$1.0
Total	\$12.4	\$9.7	\$12.4

The OSC's closing surplus in 2021-2022 is forecasted to be \$115.4 million, projecting to decline to \$94.5 million in 2024-2025. The OSC will continue drawing down on its surplus in upcoming fiscal years to fund key multi-year programmes. The revenue forecast assumptions in 2022-2023 includes a decline in registrant and unregistered capital market participation and a further decline in 2023-2024, followed by nominal growth in 2024-2025. However, as previously stated, the OSC intends to introduce a new fee to OTC derivatives market participants in fiscal 2023-2024, projected to be \$13.5 million partially offset by a reduction of approximately \$5.6 million in annual fees for most existing payers by lowering participation fees and eliminating a number of activity and late fees. This is projected to increase overall revenues in 2023-2024 by approximately \$7.9 million.

The increase in forecasted expenses in 2023-2024 onwards is primarily due to the continuation of key multi-year investments in digital transformation, derivatives oversight, fostering innovation and modernizing regulation and investor outreach activities. These investments are partially offset by recoveries from Designated Funds, representing funds collected from paid monetary sanctions.

Capital expenditures are forecasted to decrease in fiscal 2023-2024 and be comparable to fiscal 2022-2023 in fiscal 2024-2025. Capital expenditures are forecasted to decline primarily due to the completion of the SEDAR+ project, however, will be offset by increases in leasehold improvements through our workplace modernization program. Digital transformation projects to support the streamlined end-to-end regulatory and back office activities are to remain consistent in fiscal 2023-2024, and 2024-2025 as compared to fiscal 2022-2023. The derivatives data warehouse is expected to be delivered in five phases with the final phase to be completed in fiscal 2024-2025 with an even spend through the forecast period.

The OSC's cash balance is forecasted to be \$121.5 million (including reserves) as of March 31, 2022. Furthermore, we forecast an ending cash position of \$86.0 million by March 2025. The OSC's revenues generated from participation fees (85% of total revenues) are directly tied to changes in firm, industry and general market growth. Given the lack of control over most revenues, an adequate cash reserve of approximately 6 months is necessary to continue to carry out the OSC mandate during unfavourable capital market driven events.

The Designated Funds balance as of September 2021 was \$120.8 million. The *Securities Act* (Ontario) permits the OSC to allocate funds received to or for the benefit of third parties or to be used by the OSC for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets. The OSC earmarks fund outflows for investor outreach programs, whistleblower payments and future commitments to third parties that align with how the funds could be used in accordance with the *Securities Act* (Ontario). We have also included assumptions in the forecast that the Innovation Office will be funded from the Designated Fund beginning in fiscal 2023-2024, which requires Minister approval. Higher spend towards innovative investor education delivery methods are forecasted for recovery against the designated fund. While the fund has grown to \$120.8 million, the inflow of funds into the account is completely dependent upon the nature of enforcement cases from year to year.

Appendix A - Service Commitments

Note: The below represents the OSC Service Commitments as at December 7, 2021, which includes temporary changes to its service commitments which are effective until June 30, 2022. The most current OSC service standards can be found at <https://www.osc.ca/en/about-us/accountability/osc-service-commitment>.

When you have a general question or complaint

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

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

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

When you make a filing with us

Item and Description	Timeline
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Issuing comment letters for long form prospectus or simplified prospectus</p>	<p>We will provide a first comment letter within 15 working days of the date of the preliminary receipt (for preliminary filings) and related materials in acceptable form (target is for 80% or more of all filings received).[†]</p>
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Issuing comment letters for short form prospectus or shelf prospectus</p>	<p><u>Except for bought deals, we will</u> provide a first comment letter within 5 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).</p> <p>For bought deals, we will provide a first comment letter within 3 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).[†]</p>
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Completion of review</p>	<p>We will complete our review for routine offerings within 40 working days of the issuance of a receipt (for preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</p>
<p>Prospectus: <i>Filing for a preliminary or pro forma prospectus</i></p> <p>Filing your final prospectus</p>	<p>For final prospectus materials filed by 12:00 noon: receipt will be issued by end of the same working day provided materials are in acceptable form.</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus before the OSC issues a comment letter relating to the preliminary prospectus materials</i></p> <p>Long form prospectus or simplified prospectus</p>	<p>We will issue our comment letter on the later of the date that is 5 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus before the OSC issues a comment letter relating to the preliminary prospectus materials</i></p> <p>Short form prospectus or shelf prospectus</p>	<p>Except for bought deals, we will issue our comment letter on the later of the date that is 3 working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter (target is for 80% or more of all filings received).</p> <p>For bought deals, we will provide a first comment letter within 3 working days of the date of the preliminary receipt and related materials in acceptable form (target is for 80% or more of all filings received).[†]</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus after a final receipt has been issued by the OSC</i></p> <p>Long form prospectus or simplified prospectus</p>	<p>We will issue our comment letter 3 working days after the date that related materials are received in acceptable form (target is for 80% or more of all filings received).</p>
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus after a final receipt has been issued by the OSC</i></p> <p>Short form prospectus or shelf prospectus</p>	<p>We will issue our comment letter 2 working days after the date that related materials are received in acceptable form (target is for 80% or more of all filings received).</p>

[†] Includes a temporary change to its service commitment effective until June 30, 2022.

Item and Description	Timeline
<p>Prospectus Amendments: <i>Filing an amendment to a preliminary or current prospectus - Providing our decision on amendment filing</i></p> <p>Completion of review</p>	<p>We will complete our review for routine offerings within 45 working days of the issuance of a receipt (for the preliminary filings) and receipt of related materials in acceptable form (target is for 80% or more of all routine filings received).[†]</p> <p>Note: Offerings that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every 2 weeks.</p>
<p>Exemption Application: <i>Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)</i></p> <p>Issuing comment letters</p>	<p>We will issue a first comment letter within 15 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all applications received).[†]</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Exemption Application: <i>Filing an application for exemptive relief (excluding exemption from recognition applications for market infrastructure entities)</i></p> <p>Providing our decision</p>	<p>We will make a decision on requests for routine exemptive relief within 45 working days of receiving a complete and adequate application (target is for 80% or more of all routine exemption applications received).[†]</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Application for recognition/ designation/ exemption from recognition</p> <p>Issuing comment letters</p>	<p>We will issue a first comment letter within 20 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine applications received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Application for recognition/ designation/ exemption from recognition</p> <p>Completion of review</p>	<p>We will complete our review within 6-9 months from receipt of a final application for routine items (target is for 80% or more of all routine applications received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Management Information Circular <i>Filings for Conflict of Interest Transactions</i></p> <p>Conflict of Interest Transactions</p>	<p>We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 80% or more on all filings received).[†]</p>
<p>Management Information Circular <i>Filings for Conflict of Interest Transactions</i></p> <p>Completion of review</p>	<p>We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Take-Over / Issuer Bid Circulars</p> <p>Filing a Take-Over Bid / Issuer Bid Circular</p>	<p>We will provide comments, if applicable, within 7 working days from the date of filing of the circular (target is 80% or more on all filings received).[†]</p>
<p>Take-Over / Issuer Bid Circulars</p> <p>Completion of review</p>	<p>We will complete our review within 21 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Dissident Proxy Circulars</p> <p>Filing a Dissident Proxy Circular</p>	<p>We will provide comments, if applicable, within 5 working days from the date of filing of the circular (target is 90% or more on all filings received).</p>

Item and Description	Timeline
<p>Dissident Proxy Circulars Completion of review</p>	<p>We will complete our review within 14 working days from the date of filing of the circular (target is 80% or more of all filings received).</p>
<p>Registration Materials: <i>New business submissions</i> Our acknowledgement of your application</p>	<p>We will acknowledge your application within 5 working days after receipt of the application (target is for 95% or more of all filings received).</p>
<p>Registration Materials: <i>New business submissions</i> Our response to your application</p>	<p>We will provide our initial comments on your firm registration application within 45 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all filings received).[†]</p>
<p>Registration Materials: <i>New business submissions</i> Providing our decision on applications for new business submissions that have met the prescribed conditions*</p>	<p>We will make a decision on routine applications and notify you within 120 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).[†]</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Registration Materials: <i>Dealing representatives</i> New applications and reactivations that have met the prescribed conditions* and are not part of a new business submission</p>	<p>We will make a decision on routine applications within 10 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.</p>
<p>Registration materials: <i>Advising representatives, associate advising representatives and CCO's</i> New applications and reactivations that have met the prescribed conditions* and are not part of a new business submission</p>	<p>We will make a decision on routine applications within 30 working days of receiving a complete and adequate application in acceptable form (target is for 80% or more of all routine filings received).</p> <p>Note: Applications that are complex or raise new policy issues take longer for the OSC to review; we will provide regular touchpoints to advise you of our progress at a minimum of every two weeks.[†]</p>
<p>Notices of termination <i>Where the individual left the former sponsoring firm in good standing</i></p>	<p>We will complete our acknowledgement of a notice of termination within 24 hours of receipt (target is for 100% of all filings received).</p>

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

If you are selected for review**

Item and Description	Timeline
Continuous Disclosure Reviews (Full Reviews) Issuing comment letters	We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Continuous Disclosure Reviews (Full Reviews) Completion of review	We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews). Issue-oriented review times vary significantly based on the nature of the review. We will provide regular touchpoints to advise you of our progress at least every two weeks.
Insider Reporting Reviews Issuing comment letters	We will respond to the issuer's correspondence within 10 working days of receiving the correspondence (target is for 80% or more of all reviews).
Insider Reporting Reviews Completion of review	We will complete our review within 120 days from the issuance of our first comment letter (target is for 80% or more of all reviews).
Compliance Reviews - Registrants Risk-based assessment of the registrant's compliance with Ontario securities laws and commodity futures laws	We will complete our review and communicate our findings within 12 weeks of the initial meeting with the registrant (target is for 80% or more of all reviews, excluding sweeps.) [†] For reviews conducted as a sweep, the findings are coordinated across all firms selected for the sweep and, as a result, it will take longer for staff to communicate our findings. Note: <i>In general, the time spent on a review depends on the quality and effectiveness of your existing compliance program as well as the availability of key personnel and prompt responses to our requests for information.</i>

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

When you request OSC Records

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

If you request support from OSC LaunchPad

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