

B.6.2 CSA Notice and Request for Comment – Proposed Amendments to Multilateral Instrument 13-102 System Fees



**CSA NOTICE AND REQUEST FOR COMMENT
PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 13-102 SYSTEM FEES**

November 21, 2024

Introduction

The Canadian Securities Administrators except the British Columbia Securities Commission (the **CSA** or **we**) are publishing for a 90-day comment period proposed amendments (the **Proposed Amendments**) to Multilateral Instrument 13-102 *System Fees* (**MI 13-102**)¹. The British Columbia Securities Commission is not publishing the proposed amendments and changes for comment at this time while it awaits necessary government approvals.

The text of the Proposed Amendments is contained in Annex A of this notice and will also be available on the websites of CSA jurisdictions, including:

www.bcsc.bc.ca
www.albertasecurities.com
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.gov.on.ca
www.lautorite.qc.ca
www.fcnb.ca
nssc.novascotia.ca

Substance and Purpose

The CSA is proposing to introduce an updated system fee regime with annual increases in system fees over a 5-year period commencing late 2025. Under the Proposed Amendments:

- the total system fees collected by the CSA will increase,
- no new system fees are introduced,
- system fees remain established on a cost-recovery basis, and
- the flat-fee structure is retained.

We note that system fees fund the costs of the technology systems shared by the CSA and its members and are separate from any regulatory or other fees a user may be required to pay in any province or territory.

Background

In 2013, MI 13-102 was adopted to replace the filing service charge schedules under the SEDAR Filer Manual and the NRD User Guide. On adopting MI 13-102, the CSA reduced some fee rates but retained the fee structure from the filing service charge schedules, which required fees to be paid to principal and non-principal regulators in differing amounts. These fee reductions were made in response to the underlying costs of operating the national systems having been reduced at that time.

In 2019, the CSA proposed that MI 13-102 be repealed and replaced so that the principal and non-principal regulator system fees could be replaced with flat fees per filing type paid only to a filer's principal regulator. This change simplified the system fee regime for filers and was implemented when SEDAR+ went live in July 2023. This change also removed system fees for certain filing types and introduced some new fees. The system fee changes under this new structure, combined with changes in filing patterns, reduced the annual system fee revenue by 18%. As a result, fiscal 2024 system fee revenue was less than the fiscal 2013 system fee revenue.

¹ While the Manitoba Securities Commission is not a participant in MI 13-102, it is a participant in the system fee regime as a result of Regulation 158/2013 under *The Securities Act* (Manitoba). It is anticipated that the Proposed Amendments would be reflected in corresponding changes to Regulation 158/2013.

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When this change was proposed in 2019, the accelerated growth in IT labour costs for both system development and operations (including SEDAR+), could not have been anticipated. From 2021 to 2024, the labour costs for IT services increased between 35% and 45%, outpacing costs growth in other sectors². These IT labour costs are expected to continue increasing at a steady pace over the next few years.

The CSA's experience with cost increases is consistent with external research³, which shows that IT costs have increased significantly across all industries in recent years due to several factors, including higher technology costs, higher cybersecurity risk mitigation costs and higher specialized labour costs.

Summary of the Proposed Amendments

The CSA is proposing to increase system fees to better align system fee revenues with projected national systems operating costs over the next 5 years.

To meet current national systems funding needs, the CSA is proposing a 60% system fee increase in November 2025 and 3% increases in each of the following four years. The proposed system fee increase will be less than \$2,500 for 95% of filing and registrant organizations and less than \$1,000 for 85% of filing and registrant organizations, in the first year.

These system fee increases are necessary to ensure sufficient funding to operate the CSA's national systems over those five years. Since system fees continue to be based on the type and number of filings submitted and the number of individual registrants, the proportional fee increases will equitably impact all market segments.

We are reviewing whether the CSA can develop and operate national systems more effectively and efficiently. As part of that review, the CSA is developing a long-term strategic plan for the national systems that considers use of the latest technology tools and alternative operating models.

Local Matters

Annex B is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Request for Comments

We welcome your comments on all aspects of the Proposed Amendments.

Please submit your comments in writing on or before February 19, 2025.

Address your submission to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Financial and Consumer Services Division, Justice and Public Safety, Prince Edward Island
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Nunavut

² <https://www.gartner.com/en/documents/3996699>

The Gartner Labor Rate Tool provides rates for 30+ countries for a selection of IT services. It uses salary analysis, which sources salary data from 65,000 global sources including government salary data, job boards, and corporate sources to collect compensation data. North American parameters were used to assess labor rate increases.

³ Gartner, Statistica

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Deliver your comments **only** to the addresses below. Your comments will be distributed to the other participating CSA regulators.

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
[E-mail: comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour PwC
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax : 514-864-6381
[E-mail: consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of the written comments received during the comment period. All comments received will be posted on the websites of each of the Alberta Securities Commission at www.albertasecurities.com, the Autorité des marchés financiers at www.lautorite.qc.ca and the Ontario Securities Commission at www.osc.gov.on.ca. You should not include personal information directly in comments as the comments will be published and publicly available.

It is important that you state on whose behalf you are making the submission.

List of Annexes

This notice contains the following annexes:

- Annex A – Proposed amendments to MI 13-102
- Annex B – Local matters

Questions

Please refer your questions to any of the following:

British Columbia Securities Commission

Noreen Bent
Chief, Corporate Finance Legal Services
nbent@bcsc.bc.ca

Alberta Securities Commission

Duncan Pardoe
Legal Counsel, Office of the General Counsel
Duncan.Pardoe@asc.ca

Manitoba Securities Commission

Leigh-Anne Mercier
General Counsel
leigh-anne.mercier@gov.mb.ca

Autorité des marchés financiers

Mathieu Laberge
Senior Legal Counsel, Legal Affairs
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British Columbia Securities Commission

Ken Chow
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Financial and Consumer Services Commission Authority of Saskatchewan

Sonne Udemgba,
Director, Legal, Securities Division
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sonne.udemgba@gov.sk.ca

Ontario Securities Commission

Ashley Hsu
Legal Counsel, General Counsel's Department
ahsu@osc.gov.on.ca

Autorité des marchés financiers

Sylvia Pateras
Senior Legal Counsel, Legal Affairs
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*Financial and Consumer Services Commission
(New Brunswick)*

Ray Burke
Manager, Corporate Finance
ray.burke@fcnb.ca

Nova Scotia Securities Commission

Doug Harris
General Counsel, Director of Market
Regulation and Policy and Security
Doug.Harris@novascotia.ca

ANNEX A

**PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 13-102 SYSTEM FEES**

1. **Multilateral Instrument 13-102 System Fees is amended by this Instrument.**
2. **Subsection 3(1) is replaced with the following:**
 - (1) If a person or company described in Column A of Appendix A transmits a filing of a type described in Column B of the Appendix, the person or company must pay to the person or company's principal regulator the system fee specified in Column C of the Appendix for the filing for the reference period corresponding to the date of transmission of the filing..
3. **Section 4 is amended by adding "for the reference period corresponding to that date" after "Appendix B".**
4. **Appendix A is replaced with the following:**

**Appendix A
System Fees**

In this Appendix,

"**application**" means a request transmitted through SEDAR+ for a decision of the regulator or securities regulatory authority but, for greater certainty, does not include a pre-filing;

"**pre-filing**" means a request to consult with the principal regulator regarding the application of securities legislation or securities directions generally or the application of securities legislation or a direction to a particular transaction or matter or proposed transaction or matter.

| Item | Column A | Column B | Column C | | | | |
|------|--|---|--|--|--|--|---------------------|
| | | | Reference periods and system fee payable | | | | |
| | | | From 11/30/2025 to 11/29/2026 | From 11/30/2026 to 11/29/2027 | From 11/30/2027 to 11/29/2028 | From 11/30/2028 to 11/29/2029 | After 11/29/2029 |
| 1 | Sponsoring firm – in respect of an individual registrant | Application for registration or reactivation of registration | \$138 | \$143 | \$148 | \$153 | \$158 |
| 2 | International dealer or international adviser | Annual notice of reliance on exemption from dealer registration requirement or adviser registration requirement | \$560 | \$577 | \$595 | \$613 | \$632 |
| 3 | Investment fund that is a reporting issuer | Annual financial statements | \$840 | \$866 | \$892 | \$919 | \$947 |

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| Item | Column A | Column B | Column C | | | | |
|------|---|---|--|--|--|--|--|
| | Person or company required to file | Filing type | Reference periods and system fee payable | | | | |
| | | | From 11/30/2025 to 11/29/2026 | From 11/30/2026 to 11/29/2027 | From 11/30/2027 to 11/29/2028 | From 11/30/2028 to 11/29/2029 | After 11/29/2029 |
| 4 | Investment fund | Preliminary, pro forma, or combined preliminary and pro forma long form prospectus | \$3520, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund | \$3626, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund | \$3735, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund | \$3848, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund | \$3964, regardless of whether the applicable long form prospectus relates to the distribution of the securities of one or more than one investment fund |
| | | Preliminary, pro forma, or combined preliminary and pro forma simplified prospectus | \$3520, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund | \$3626, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund | \$3735, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund | \$3848, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund | \$3964, regardless of whether the applicable simplified prospectus relates to the distribution of the securities of one or more than one investment fund |
| 5 | Reporting issuer other than an investment fund | Annual financial statements | \$1224 | \$1261 | \$1299 | \$1338 | \$1379 |
| 6 | Reporting issuer, other than an investment fund, that is not a short form prospectus issuer | Annual information form | \$688 | \$709 | \$731 | \$753 | \$776 |
| 7 | Investment fund that is not a short form prospectus issuer | Annual information form | \$688 | \$709 | \$731 | \$753 | \$776 |
| 8 | Reporting issuer that is a short form prospectus issuer | Annual information form | \$4048 | \$4170 | \$4296 | \$4425 | \$4558 |

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| Item | Column A | Column B | Column C | | | | | | |
|------|---------------------------------------|---|------------------------------------|--------------------------|--|-------------------------------|-------------------------------|-------------------------------|------------------|
| | | | Person or company required to file | Filing type | Reference periods and system fee payable | | | | |
| | | | | | From 11/30/2025 to 11/29/2026 | From 11/30/2026 to 11/29/2027 | From 11/30/2027 to 11/29/2028 | From 11/30/2028 to 11/29/2029 | After 11/29/2029 |
| 9 | Issuer other than an investment fund | Preliminary long form prospectus Preliminary prospectus governed by a CPC instrument Preliminary short form prospectus, preliminary shelf prospectus or preliminary MJDS prospectus | \$1520 \$2400 | \$1566 \$2472 | \$1613 \$2547 | \$1662 \$2624 | \$1712 \$2703 | | |
| 10 | All filers | Issuer bid circular filed under Part 2 of National Instrument 62-104 <i>Take-Over Bids and Issuer Bids</i> or take-over bid circular filed under Part 2 of National Instrument 62-104 <i>Take-Over Bids and Issuer Bids</i> | \$560 | \$577 | \$595 | \$613 | \$632 | | |
| 11 | Issuer, other than an investment fund | Rights offering circular | \$2400 | \$2472 | \$2547 | \$2624 | \$2703 | | |
| 12 | All filers | Report of exempt distribution | \$64 | \$66 | \$68 | \$71 | \$74 | | |
| 13 | All filers | Pre-filing that is transmitted through SEDAR+ | \$560 | \$577 | \$595 | \$613 | \$632 | | |

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| Item | Column A | Column B | Column C | | | | | | |
|------|------------|---|------------------------------------|-------------|--|-------------------------------|-------------------------------|-------------------------------|------------------|
| | | | Person or company required to file | Filing type | Reference periods and system fee payable | | | | |
| | | | | | From 11/30/2025 to 11/29/2026 | From 11/30/2026 to 11/29/2027 | From 11/30/2027 to 11/29/2028 | From 11/30/2028 to 11/29/2029 | After 11/29/2029 |
| 14 | All filers | <p>Application that is required to be transmitted through SEDAR+ under National Instrument 13-103 <i>System for Electronic Data Analysis and Retrieval + (SEDAR+)</i>,</p> <p>(a) if a pre-filing referred to in Item 13 was previously transmitted in respect of the application, and</p> <p>(b) in any other case</p> | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | | | \$560 | \$577 | \$595 | \$613 | \$632 | | |

5. Appendix B is replaced with the following:

**Appendix B
System Fees**

| Column A | Column B | Column C | | | | | | |
|--|-----------------------------|------------------------------------|-------------|--|-------------------------------|-------------------------------|-------------------------------|------------------|
| | | Person or company required to file | Filing type | Reference periods and system fee payable | | | | |
| | | | | From 11/30/2025 to 11/29/2026 | From 11/30/2026 to 11/29/2027 | From 11/30/2027 to 11/29/2028 | From 11/30/2028 to 11/29/2029 | After 11/29/2029 |
| Sponsoring firm – in respect of each individual registrant sponsored by the firm | Annual registration renewal | \$138 | \$143 | \$148 | \$153 | \$158 | | |

6. (1) This Instrument comes into force on [●].
- (2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after [●], this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

ANNEX B

ONTARIO LOCAL MATTERS

1. Introduction

This Annex to the accompanying CSA Notice and Request for Comment (**CSA Notice**) sets out matters relevant to Ontario. The Ontario Securities Commission (**Commission**) is publishing this Annex to supplement the CSA Notice.

Please refer to the CSA Notice for a discussion of the substance and purpose of the proposed amendments (the **Proposed Amendments**) to Multilateral Instrument 13-102 *System Fees*, and a summary of the Proposed Amendments. The Proposed Amendments are set out in Annex A.

2. Authority for the Proposed Amendments

The Proposed Amendments described in the CSA Notice will be made under subsection 143(1) of the *Securities Act* (Ontario) (the **Act**):

- Paragraph 43 of that subsection provides the Commission with authority to prescribe fees payable to the Commission in connection with the administration of Ontario securities law.
- Paragraph 45 of that subsection provides the Commission with authority to establish requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.
- Paragraph 49 of that subsection provides the Commission with authority to permit or require, including through variations to the Act, methods of filing or delivery by specified persons of specified material required under or governed by Ontario securities law.

3. Reliance on Unpublished Studies

The Commission is not relying on any significant unpublished study, report or other written materials in proposing the Proposed Amendments.

4. Qualitative and Quantitative Analysis of the Anticipated Costs and Benefits of the Proposed Amendments

I. Background

a. Current regulatory framework and rationale for intervention

System fees fund the CSA National Systems which include applications and technology infrastructure supporting common regulatory oversight and public disclosure requirements of securities regulators across Canada. The CSA operates the CSA National Systems on a cost-recovery basis.

The CSA National Systems include SEDAR+ for issuers, SEDI for insiders, and NRD for registrants, ensuring that Canadian capital markets participants and investors have a single location to submit and obtain information pertaining to regulatory compliance and disclosure.

In 2013, Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* was adopted to replace the filing service charge schedules under the SEDAR Filer Manual and the NRD User Guide. This reduced some fee rates but retained the fee structure from the filing service charge schedules, which required fees to be paid to principal and non-principal regulators in differing amounts. These fee reductions were made in response to the underlying costs of operating the national systems, at that time.

SEDAR+ went live in July 2023, replacing outdated and fragmented custom-built regulatory filing and disclosure systems with a centralized platform. With the launch of SEDAR+, Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* was repealed and replaced with a new instrument – Multilateral Instrument 13-102 *System Fees (MI 13-102)*. Under the new instrument, the principal and non-principal regulator system fees were replaced with flat fees per filing type paid only to a filer's principal regulator. This change simplified the system fee regime for SEDAR+ and NRD filers. This change also removed system fees for certain filing types and introduced some new fees. The system fee changes under this new structure, combined with changes in filing patterns, reduced the annual system fee revenue by 18%.

b. Proposed intervention

The CSA is proposing to amend the system fees in MI 13-102 to better align them with the projected operating costs of its national systems over the next 5 years.

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When MI 13-102 was first proposed in 2019, the accelerated growth in IT development and operating costs resulting from the global pandemic could not have been anticipated. From 2021 to 2024, the labour rate for IT services increased between 35% and 45%, outpacing costs growth in other sectors¹, and these IT labour costs are expected to continue increasing at a steady pace over the next few years. The CSA's experience with cost increases is consistent with external research,² which shows that IT costs have increased significantly across all industries in recent years due to several factors, including higher technology costs, higher cybersecurity risk mitigation costs and higher specialized labour costs.

To meet current national systems funding needs, the CSA is proposing a 60% system fee increase in November 2025 and 3% increases in each of the following four years. These increases are necessary to ensure sufficient funding to operate the CSA National Systems over those five years. Since system fees continue to be based on the type and number of filings submitted and the number of individual registrants, the proportional fee increases will equitably impact all market segments.

II. Stakeholders affected by the Proposed Amendments

General Public

Through the CSA National Systems, the general public is able to obtain information pertaining to regulatory compliance and disclosure, including public filings of issuers on SEDAR+.

Filers

Filers (i.e. issuers, registrants and other market participants) use SEDAR+ and NRD for registration activities, submission of regulatory documents, and making disclosure requirements to securities regulators.³

Based on filing volume since the SEDAR+ launch, from August 2023 to July 2024, it is estimated that 12,858 filers will be impacted Canada-wide including 3,627 registrant filers through NRD and 9,231 filing organizations through SEDAR+ (including issuers, fund groups, fund issuers, and third-party filers). Of this number, 7,166 filers will be impacted in Ontario including 2,753 registrant filers through NRD and 4,413 filing organizations through SEDAR+.

From August 2023 to July 2024, system fees represented approximately 4.5% of total fees, including regulatory fees, collected through both NRD and SEDAR+ across Canada.

Figure 1 below illustrates in more detail the filing fees for filers across Canada and in Ontario, including the current regulatory fees and system fees, and the proposed increase in system fees.

Figure 1: Filing Fees in Canada and Ontario, August 2023-July 2024

| Coverage | Filing system | Number of filers with filing fees ⁴ | Regulatory fees, \$m ⁵ | System fees, \$m | | Proposed increase as % of total fees |
|----------|---------------|--|-----------------------------------|------------------|-------------------|--------------------------------------|
| | | | | Current | Proposed increase | |
| Canada | SEDAR+ | 9,231 | 246.3 | 10.1 | 6.1 | 2.4% |
| | NRD | 3,627 | 225.4 | 12.0 | 7.2 | 3.0% |
| | Total | 12,858 | 471.7 | 22.1 | 13.3 | 2.7% |
| Ontario | SEDAR+ | 4,413 | 49.2 | 5.1 | 3.1 | 5.7% |
| | NRD | 2,753 | 90.5 | 8.5 | 5.1 | 5.2% |
| | Total | 7,166 | 139.7 | 13.6 | 8.2 | 5.3% |

Note: Proposed increase in system fees is based on filing volumes for August 2023-July 2024.

Source: SEDAR+, NRD.

¹ <https://www.gartner.com/en/documents/3996699>

The Gartner Labor Rate Tool provides rates for 30+ countries for a selection of IT services. It uses salary analysis, which sources salary data from 65,000 global sources including government salary data, job boards, and corporate sources to collect compensation data. North American parameters were used to assess labor rate increases.

² Gartner, Statistica.

³ Note that system fees are based on the type and number of filings submitted. Some issuers and registrants do not submit regulatory filings every year. For example, while some reporting issuers may submit regular filings to meet their continuous disclosure obligations, other issuers and registrants may only submit filings when triggered by various activities, such as capital raising or the registration of new staff. Furthermore, some filers may make different types of filings on both SEDAR+ and NRD.

⁴ Number of filers is based on unique SEDAR+ profile and NRD numbers.

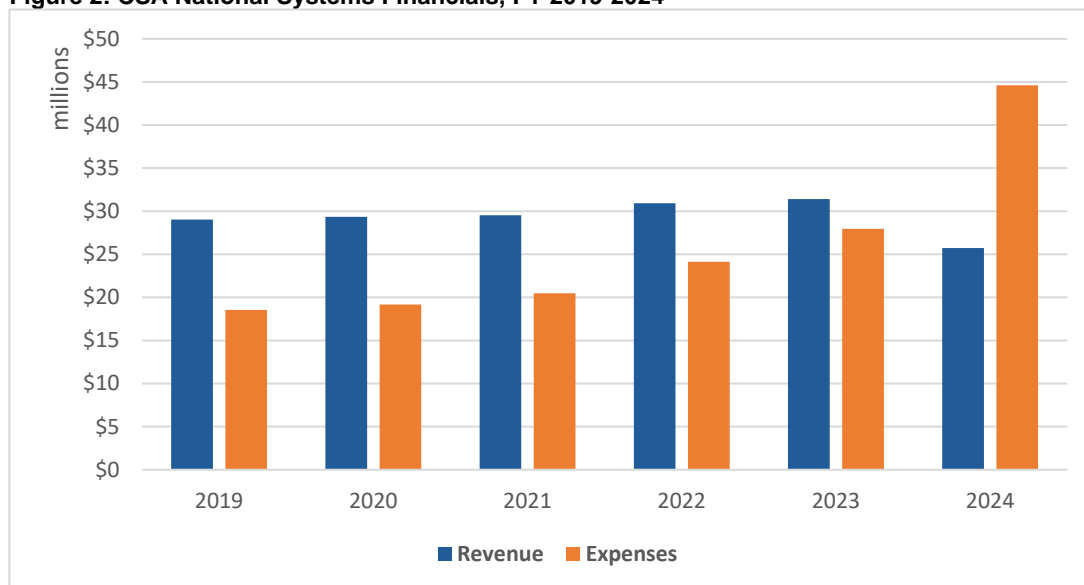
⁵ SEDAR+ regulatory fees exclude late fees.

CSA

The CSA National Systems are the primary interface between regulated entities and each provincial and territorial securities regulator. The CSA National Systems are largely funded by system fees collected from market participants when filing within the SEDAR+ and NRD systems.

The system fee changes under the new structure of MI 13-102 introduced in 2023, combined with changes in filing patterns, reduced the annual system fee revenue by 18%. This, combined with the increase in IT costs in recent years, resulted in a deficit for the CSA National Systems in fiscal year 2024 (see Figure 2 below).

Figure 2: CSA National Systems Financials, FY 2019-2024



Source: CSA National Systems.

III. Impact of the Proposed Amendments on each of the OSC mandate components

The OSC considers the impact of proposed rulemaking on the OSC’s mandate to:

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

As described below, the Proposed Amendments will impact the market efficiency, capital formation, systemic risk and investor protection components of the OSC’s mandate.

- Efficiency and investor protection – The CSA National Systems provide a central repository for Canadian capital markets participants and investors to submit and obtain information pertaining to regulatory compliance and disclosure. SEDAR + facilitates improved access to market participants’ information by replacing outdated and fragmented custom-built regulatory filing and disclosure systems with a centralized platform. This enhances transparency in the capital markets as investors can access pertinent issuer information on a timely basis and can allocate their funds to investments more efficiently.
- Capital formation – The CSA National Systems support capital formation by facilitating timely, accurate and efficient disclosure of material information by issuers and allow investors to compare risks across issuers and make informed investment decisions.
- Systemic risk – The CSA National Systems play an important role in enhancing the compliance, monitoring and risk management activities of the OSC as it gives the OSC access to data and information about market participants.

IV. Anticipated costs and benefits

a. Benefits to stakeholders

General Public

The CSA National Systems serve as a centralized and user-friendly source of information for the general public. The Proposed Amendments will keep the CSA National Systems operational so it can continue to serve to the general public as a timely source of information about Canadian capital markets.

CSA

The increase in system fees is necessary to ensure sufficient funding to operate the CSA National Systems over these next five years. CSA members depend on the functioning of the national systems to achieve their respective mandates and regulatory objectives.

Filers

The CSA National Systems function as a centralized system where filers make required submissions to securities regulators and pay filing fees. The flat fee design introduced in 2023 also increases administrative efficiency for filers. As system fees paid by filers are determined primarily by filing behaviour and volume of systems use, the fee increases are expected to equitably impact all market participants. Therefore, larger firms are expected to incur more system fees than smaller firms due to filing volume.

b. Costs to stakeholders

General Public

There are no direct costs to the general public as the system fees are paid by filers filing within the SEDAR+ and NRD systems.

CSA

There are no direct costs to the CSA members as the system fees are paid by filers filing within the SEDAR+ and NRD systems.

Filers

i. Compliance costs

We assume that filers already have policies and procedures in place governing the SEDAR+ and NRD filing processes. There are no anticipated incremental compliance costs to filers as a result of the Proposed Amendments as filers would not need to make changes to policies and procedures governing the filing process.

ii. System fees

Regulatory costs to be borne by filers were estimated using the total filing volume and stakeholder filing behaviour from August 2023 to July 2024. All filers impacted (including SEDAR+ filing and NRD registrant organizations) are expected to, altogether, incur increases in system fees of approximately \$13 million across Canada, of which \$8 million is from Ontario, in the first year following the Proposed Amendments (see Figure 1 above).

Based on system filing fees paid from August 2023 to July 2024, 96% of SEDAR+ filers and 92% of NRD registrant filers that paid system fees will see a system fee increase of less than \$2,500 (see Figure 3 below). Furthermore, approximately 46% of SEDAR+ filers and 10% of NRD registrant filers will have a system fee increase of less than \$100.

For smaller market participants, the system fee changes do not present a barrier to entry. Investment fund managers and large financial institutions that manage several registrants with higher filing volumes will experience greater increases.

Figure 3: Distribution of proposed system fees increases for filers in Canada

| Filing system | Number of filers with system fees ⁶ | % of filers with system fees | | | |
|---------------|--|------------------------------|----------|----------|------------------|
| | | \$0-0.1k | \$0.1-1k | \$1-2.5k | More than \$2.5k |
| SEDAR+ | 9,165 | 46% | 39% | 11% | 4% |
| NRD | 1,572 | 10% | 73% | 9% | 8% |

Note: Based on filing volumes from August 2023 to July 2024.

Source: SEDAR+, NRD.

V. Summary comparison of costs and benefits

We expect filers to incur an increase in system fees of approximately \$13 million across Canada, of which \$8 million is from Ontario, in the first year of the Proposed Amendments based on volume of filings recorded from August 2023 to July 2024. This will be followed by an increase of 3% in each of the following four years. Although the benefits of the Proposed Amendments cannot be accurately quantified, we are of the view that these benefits outweigh the costs as the continuing operation of the CSA National Systems is critical to transparency and efficiency in the Canadian capital markets. The Proposed Amendments also enable the OSC to achieve the capital markets efficiency, capital formation, systemic risk and investor protection components of its mandate.

VI. Description of alternatives considered

The CSA considered maintaining the status quo and retaining the current fees set out in MI 13-102. This option was not feasible as there would be insufficient funding to continue operating the CSA National Systems. In fact, following the introduction of the new MI 13-102 in 2023, the CSA has already reduced CSA National Systems spending to the point where additional reductions would negatively impact services and the viability of the systems. Based on a thorough consideration of this option, the CSA determined the system fee increases reflected in the Proposed Amendments to be necessary to cover the operating costs of the CSA National Systems over the next 5 years.

⁶ Number of filers is based on unique SEDAR+ profile and NRD numbers.