The Ontario Securities Commission

OSC Bulletin

July 24, 2025

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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FOR IMMEDIATE RELEASE
July 17, 2025

OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – A case management hearing in the above-named matter is scheduled to be heard on July 31, 2025 at 10:00 a.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "View by Zoom" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 Ontario Securities Commission et al.

FOR IMMEDIATE RELEASE
July 18, 2025

ONTARIO SECURITIES COMMISSION AND
EMERGE CANADA INC.,
LISA LANGLEY,
DESMOND ALVARES,
MARIE ROUNDING,
MONIQUE HUTCHINS AND
BRUCE FRIESEN,
File No. 2025-7

TORONTO – Marie Rounding and Monique Hutchins withdraw the Motion dated July 2, 2025 in the above-named matter.

A copy of the Notice of Withdrawal dated July 18, 2025 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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inquiries@osc.gov.on.ca

A.2.3 Ontario Securities Commission et al. – Rule 23 of CMT Rules of Procedure

ONTARIO SECURITIES COMMISSION

Applicant

AND

**EMERGE CANADA INC.,
LISA LANGLEY,
DESMOND ALVARES,
MARIE ROUNDING,
MONIQUE HUTCHINS, AND
BRUCE FRIESEN**

Respondents

File No. 2025-7

**NOTICE OF WITHDRAWAL
(Pursuant to Rule 23 of the Capital Markets Tribunal Rules of Procedure)**

Marie Rounding and Monique Hutchins withdraw their motion for an extension of time to review additional documents produced by the Ontario Securities Commission, scheduled as returnable on July 29, 2025.

July 18, 2025

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B. Ontario Securities Commission

B.1
Notices

B.1.1 CSA Notice Regarding Coordinated Blanket Order 81-930 Exemptions from Certain Repurchase Transactions Requirements for Investment Funds

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE REGARDING
COORDINATED BLANKET ORDER 81-930
EXEMPTIONS FROM CERTAIN REPURCHASE TRANSACTIONS REQUIREMENTS FOR INVESTMENT FUNDS

July 24, 2025

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing substantively harmonized exemptions from certain repurchase transaction requirements in National Instrument 81-102 *Investment Funds* (**NI 81-102**) to allow investment funds to access the Bank of Canada's repurchase facility, the Contingent Term Repo Facility (**CTRF**).

Every member of the CSA is implementing the relief through a local blanket order entitled Coordinated Blanket Order 81-930 *Exemptions from Certain Repurchase Transactions Requirements for Investment Funds* (the **Coordinated Blanket Order**). Although the outcome is the same in all CSA jurisdictions, the language of the Coordinated Blanket Order issued by each province or territory may not be identical because each jurisdiction's blanket order must fit within the authority provided for in local securities legislation.

The text of the Coordinated Blanket Order is contained in Annex A of this notice and will also be available on websites of the following CSA jurisdictions:

www.bcsc.bc.ca
www.asc.ca
www.fcaa.gov.sk.ca
www.mbsecurities.ca
www.osc.ca
www.lautorite.qc.ca
www.fcnb.ca
nssc.novascotia.ca

Substance and Purpose

The purpose of the Coordinated Blanket Order is to provide investment funds with exemptions from certain repurchase transaction requirements in NI 81-102 (collectively, the **certain repurchase transaction requirements**) to facilitate access to the CTRF offered by the Bank of Canada should it become activated in the future. The Bank of Canada has developed the CTRF to support the stability of the Canadian financial system by assisting market participants to address liquidity issues that may arise if there are severe market-wide liquidity stresses.[1] Under the CTRF, the Bank of Canada will repurchase certain eligible fixed income securities issued or guaranteed by the Government of Canada or a provincial government. The CTRF offers Canadian-dollar funding for a term of up to 30 days to eligible participants.

The Bank of Canada has recently revised its eligibility criteria to provide greater clarity on the eligibility of investment funds that may access the CTRF.[2]

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1 https://www.bankofcanada.ca/markets/market-operations-liquidity-provision/market-operations-programs-and-facilities/contingent-term-repo-facility/
2 https://www.bankofcanada.ca/2025/03/bank-canada-announces-planned-changes-contingent-term-repo-facility/.

Background

CTRF

The application, access and settlement requirements for the CTRF are solely determined by the Bank of Canada. An investment fund must submit an application to the Bank of Canada to become an approved counterparty and the Bank of Canada then reviews the application to confirm the investment fund meets the eligibility requirements. Once approved, the investment fund must sign the Bank of Canada's master repurchase agreement prior to accessing the CTRF.

The CTRF may be activated and deactivated by the Bank of Canada, at its discretion. Currently, the CTRF is not activated.

Exemptions

We recognize that during times when the CTRF is activated, an investment fund with exposure to Canadian dollar money markets and/or fixed income securities may need to access the CTRF to manage its liquidity during periods of severe market-wide liquidity stresses in the Canadian dollar money markets and/or fixed income markets. However, accessing the CTRF would result in an investment fund being unable to comply with the certain repurchase transaction requirements.

The Coordinated Blanket Order provides investment funds with exemptive relief to facilitate access to the CTRF on the conditions that:

- it would be in the best interest of the investment fund to do so;
- the cash delivered to the investment fund as consideration for sold securities in the CTRF is used for liquidity management of the investment fund; and
- certain reporting requirements are complied with.[3]

The CSA is of the view that it would not be prejudicial to the public interest to grant the exemptions from the certain repurchase transactions requirements.

Effective Date

The Coordinated Blanket Order will come into effect on July 24, 2025 (the **Effective Date**).

Under securities legislation, the Coordinated Blanket Order is not subject to an expiration date in any of the CSA jurisdictions, except in Ontario. In Ontario, the term of the Coordinated Blanket Order is 18 months and it will cease to be effective on January 24, 2027, unless it is extended or revoked. In Ontario, the Coordinated Blanket Order may be extended for a further period of up to 18 months by way of rule.

Content of Annex A

This Notice contains Annex A: Coordinated Blanket Order 81-930 *Exemptions from Certain Repurchase Transactions Requirements for Investment Funds*.

Questions

Please refer your questions to any of the following:

British Columbia Securities Commission

Noreen Bent
Chief
Corporate Finance Legal Services
Phone: 604-899-6741
Email: nbent@bcsc.bc.ca

James Leong
Senior Legal Counsel
Corporate Finance
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Email: jleong@bcsc.bc.ca

Alberta Securities Commission

Chad Conrad
Senior Legal Counsel, Investment Funds
Phone: 403-297-4295
Email: chad.conrad@asc.ca

[3] The reporting requirements exclude any operational tests that may be conducted by the Bank of Canada during the onboarding process for the CTRF.

Financial and Consumer Affairs Authority of Saskatchewan

Sonne Udemgba,
Director, Legal, Securities Division
Financial and Consumer Affairs
sonne.udemgba@gov.sk.ca

Manitoba Securities Commission

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Nova Scotia Securities Commission

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B.1.2 OSC Staff Notice 33-759 – Registration, Inspections and Examinations Division – 2025 Annual Report

OSC Staff Notice 33-759 – Registration, Inspections and Examinations Division – 2025 Annual Report is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

OSC Staff Notice 33-759

Registration, Inspections and Examinations Division

2025 Annual Report

July 24, 2025

Contents

Message from Matthew Onyeaju

Senior Vice President, Registration, Inspections and Examinations

The Registration, Inspections and Examinations Division (**RIE**) has completed its first year of transformative change following the re-organization of the Regulatory Operations portfolios and my arrival this past fall. As the centre of excellence for compliance examinations within the Ontario Securities Commission (**OSC**), the division has expanded upon our traditional registrant space to now also include examinations of various other regulated entities, including trade repositories, clearing agencies, the exchanges, designated rating organizations, and strategic, risk-based and thematic reviews of the Canadian Investment Regulatory Organization (**CIRO**) members. We will be working closely with CIRO in coordinating this work to minimize potentially duplicative efforts that could lead to unintentional burden. The re-organization has emphasized the importance of collaboration across all divisions within the OSC to provide a harmonized and consistent regulatory response to the capital markets.

Through our continued focus on examinations, the division is fully committed to making Ontario's capital markets inviting, thriving and secure. Investor protection remains paramount to our approach which continues to be risk-based and data driven to maximize the efficient allocation of our resources and yield the most substantive benefit to investors. As part of our modernization efforts, we are also exploring the use of new tools and technology to enhance the examination process, including horizon scanning to gain a robust understanding of the marketplace and potential areas of non-compliance or risk.

Market participants can expect us to offer practical instructive guidance in a proportionate and balanced manner consistent with the principles in our mandate of upholding investor protection, while supporting competition and capital formation.

We endeavour to provide timely insights to our stakeholders by publishing guidance on major initiatives that includes best practices to help firms enhance their compliance processes to meet their regulatory obligations. We are available to discuss guidance with stakeholders, as well as emerging compliance risks and broader developing trends in the market and potential impacts to the registrants we regulate.

I am very proud of what the division has accomplished this past fiscal. In addition to the execution and high bar achieved on our core operational activities, the division accomplished the following:

- surveying the sales environment at certain bank-owned mutual fund dealers in collaboration with our colleagues in Behavioral Insights,
- the second phase of our Client Focused Reforms (**CFRs**) sweeps, focusing on KYC, KYP and suitability determinations,
- digital engagement practices review of online dealers, advisers and crypto asset trading platforms (**CTPs**), and
- reaching several significant settlement agreements through our Registrant Conduct Team.

We've also directly supported the goals set out in the *OSC Strategic Plan* (May 2024) to right-size regulation and assess the optimal division of responsibilities between ourselves and other regulators through the delegation of certain registration activities to CIRO.

Regarding delegation, on April 1 we expanded upon the delegation of activities to CIRO and delegated the registration of Futures Commissions Merchants, Investment Dealers and Mutual Fund Dealers and the individuals who act on their behalf (where this was not already occurring). The project was an operational success, and we will continue to support CIRO through this transition period.

Earlier this fiscal we published our inaugural edition of our examination priorities, which highlighted areas of strategic interest: the sales practices and culture within certain financial institutions, cybersecurity, artificial intelligence, and the exempt market. We will issue guidance and best practices on our observations following the conclusion of this work. Please also be on the look out for highly topical registrant outreach sessions and a new publication from the division which highlights the work from our Registrant Conduct Team. This report, which we expect to publish in fall 2025, will highlight a selection of conduct files, and offer guidance on how registrants can avoid similar outcomes.

We are excited by the possibilities ahead as we continue to make progress on our bold strategic plan.

If you have a question, comment, or would like to discuss regulatory or compliance matters, please feel free to reach out to us.

Matthew Onyeaju, SVP, RIE
Ontario Securities Commission

Glossary of legislative reference

Act: *Securities Act (Ontario)*, RSO 1990, c. S. 5

Form 31-103F1: Form 31-103F1 *Calculation of Excess Working Capital*

Form 33-109F4: Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals*

Form 33-109F5: Form 33-109F5 *Change of Registration Information*

Form 33-109F6: Form 33-109F6 *Firm Registration*

NI 31-103: National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*

NI 31-103CP: Companion Policy to NI 31-103

NI 33-109: National Instrument 33-109 *Registration Information*

NI 33-109CP: Companion Policy to NI 33-109

NI 45-106: National Instrument 45-106 *Prospectus Exemptions*

NI 45-106CP: Companion Policy to NI 45-106

NI 52-107: National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*

NI 52-107CP: Companion Policy to NI 52-107

NI 93-101: National Instrument 93-101 *Derivatives: Business Conduct*

Introduction

The RIE Division of the OSC is responsible for the registration and ongoing supervision of firms and individuals who are in the business of trading in, or advising on, securities or commodity futures and firms that manage investment funds in Ontario. RIE is also responsible for conducting compliance examinations of certain regulated market participants in Ontario, including the enhanced risk-based oversight of CIRO.

The OSC's mandate is to:

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

Registration and examination activities are integral to the OSC's vision of working together to make Ontario's capital markets inviting, thriving and secure.

The purpose of this report

The 2025 Annual Report is designed to assist registrants by providing information about:

Education and outreach

Part 1 provides links and information to the registration and ongoing educational resources and outreach opportunities available to current and prospective registrants.

Regulatory oversight activities and guidance

Part 2 of this report can be used by registrants as a self-assessment tool to strengthen compliance with Ontario securities law and, as appropriate, to make changes to enhance their systems of compliance, internal controls and supervision.

Impact of upcoming initiatives

Part 3 provides insights into some of the new and proposed rules and other regulatory initiatives that may impact a registered firm's operations.

Who this report is relevant to

The 2025 Annual Report provides information for market participants operating in Ontario and primarily for registered firms and registered individuals that are directly regulated by the OSC, including investment fund managers (**IFMs**), portfolio managers (**PMs**), exempt market dealers (**EMDs**) and scholarship plan dealers (**SPDs**). At present, these registrants include:

Firms	Individuals
1,191[1]	11,743[2]

IFMs	PMs	EMDs	SPDs
558[3]	340[4]	288[5]	5[6]

In general, firms must register with the OSC if they conduct any of these activities in Ontario:

[1] Excludes firms registered only in the category of mutual fund dealer (MFD), investment dealer (ID), commodity trading adviser (CTA), commodity trading counsel (CTC), commodity trading manager (CTM) and future commission market (FCM).
[2] Includes CSA-only registrants (excludes MFD and ID individuals).
[3] Includes firms registered only as IFMs and IFMs also registered in other registration categories (other than SPD).
[4] Includes firms registered only as PMs, restricted portfolio managers (RPMs), and PMs/RPMs also registered in other registration categories (other than IFM).
[5] Includes firms registered only as EMDs, restricted dealers (RDs), and EMDs/RDs also registered in other registration categories (other than IFM or PM).
[6] Includes firms registered only as SPDs and SPDs also registered in other registration categories.

- are in the business of trading in, or advising on, securities (this is referred to as the "business trigger" for registration)
- direct the business, operations or affairs of an investment fund
- act as an underwriter
- conduct trading or advising activities involving commodity futures contracts or commodity futures options

Individuals must register if they trade, advise or underwrite on behalf of a registered dealer or adviser, or act as the Ultimate Designated Person (**UDP**) or Chief Compliance Officer (**CCO**) of a registered firm.

There are seven dealer and adviser categories for firms trading in or advising on securities, or acting as an underwriter, as applicable:

- portfolio manager (**PM**)
- restricted portfolio manager (**RPM**)
- exempt market dealer (**EMD**)
- restricted dealer (**RD**)
- scholarship plan dealer (**SPD**)
- investment dealer (**ID**) – firms in this category must be a member of CIRO
- mutual fund dealer (**MFD**) – firms in this category must be a member of CIRO

There are four dealer and adviser categories for firms trading in or advising on commodity futures:

- commodity trading adviser (**CTA**)
- commodity trading counsel (**CTC**)
- commodity trading manager (**CTM**)
- futures commission merchant (**FCM**) – firms in this category must be a member of CIRO

Investment fund manager (**IFM**) is a separate category for firms that direct the business, operations or affairs of investment funds.

This report is also relevant to derivative market participants including derivatives dealers and derivatives advisers.

While this report focuses primarily on registered firms and individuals directly overseen by the OSC, firms directly overseen by CIRO are encouraged to review the report for information and guidance that may also be relevant to them. The OSC will implement an enhanced framework of ongoing oversight of CIRO's performance of delegated powers and duties and intends to perform risk-based direct compliance examinations of CIRO member firms.

Service standards

We are committed to accountability and transparency, and to ensuring services are delivered in the most efficient and effective ways possible. The compliance examination and registration service standards and timelines are incorporated into the OSC Service Commitment and can also be accessed at:

- Registration Materials
- Notices of End of Individual Registration or Permitted Individual Status
- Compliance Reviews: Registrants

Organizational structure

The RIE Division is led by the Senior Vice President, supported by the RIE management team.

The Division is organized into: Examination Teams, the Registrant Conduct Team, the Data Strategy and Risk Team and the Registration Team.

The Examination Teams are responsible for conducting compliance examinations of registered firms and other regulated market participants and assessing emerging compliance risks. Examination staff consists of accountants and lawyers who are subject matter experts in the compliance requirements applicable to different types of market participants. The Examination Teams also provide support to the Registration Team in assessing new firm applicants for registration.

The Registrant Conduct Team handles matters that require further regulatory action to remediate registrant misconduct or to review higher-risk registration applications. Registrant misconduct may be addressed by applying terms and conditions to registration, suspension of registration or referral to Enforcement. A separate publication for the activities undertaken by the Registrant Conduct Team will be published later this year.

The Data Strategy and Risk Team performs financial analysis of registered firms' interim and annual financial statements and capital calculations, leads the Capital Markets participation fee process and oversees all fee matters. This team is also responsible for administering the OSC's risk assessment questionnaire, supporting data requirements and conducting data analytics.

The Registration Team focuses on the initial registration of firms and individuals, subsequent changes to registration, including the surrender of registration, and ongoing maintenance of registration information.

Staff contact information

Name	**Title**	**Phone**
Matthew Onyeaju	Senior Vice President	647-501-8193
Felicia Tedesco	Deputy Director, Operations	647-404-7582
Alizeh Khorasanee	Manager, Dealer and Derivatives Team	416-716-3307
Daniel Panici	Manager, Portfolio Manager Team	416-593-8113
Dena Staikos	Manager, Regulated Entities and SRO Team	416-558-9218
Erin Seed	Manager, Investment Fund Manager Team	647-625-3393
Jeff Sockett	Manager, Data Strategy and Risk Team	416-593-2160
Michael Denyszyn	Manager, Registrant Conduct Team and Registration Team	647-295-5317

The format for our email addresses is first initial and last name:
First Last, flast@osc.gov.on.ca.

For registration or fee inquiries, please use the following contact information:

- Registration inquiries: registrations@osc.gov.on.ca
- Fees inquiries: annualfees@osc.gov.on.ca

Part 1: Outreach

1.1 Outreach program and resources

Launched in 2013, the objectives of our Registrant Outreach program are to strengthen communication with Ontario registrants and other industry participants (such as lawyers and compliance consultants), to promote strong compliance practices and to enhance investor protection. The program is also pivotal to strengthening the OSC's position as a trusted and influential voice in Canadian capital markets.

Registrant Outreach statistics since inception

Sessions held (in-person and webinars)	Individual attendance	Replays viewed	Topical Guide for Registrants (annual page views)
75	16,589	14,710	7,750

Interested in attending an upcoming Registrant Outreach seminar?

Click here for our calendar of upcoming events.

Looking for information about regulation matters?

Take a look at our Registrant Outreach program webpage or our Topical Guide for Registrants for help with key compliance issues and policy initiatives.

Want to be informed about newly released publications?

Register to receive our e-mail alerts here.

Looking for a listing of recent e-mail alerts and links to each?

Refer to the Compliance-related reports, staff notices and email notifications webpage.

Interested in reading previously published Director's decisions?

Refer to the Opportunity to be heard and Director's decisions webpage.

If you have questions related to the Registrant Outreach program or have suggestions for seminar topics, please send an e-mail to RegistrantOutreach@osc.gov.on.ca.

1.2 Registrant Advisory Committee

Established in January 2013, the Registrant Advisory Committee (**RAC**) is in its seventh term, chaired by the Senior Vice President of RIE.

Following the completion of the sixth term, the RAC was reconstituted and is currently comprised of 13 external members whose terms began in January 2025 and end in December 2026. The RAC meets quarterly, with members serving a minimum two-year term.

The RAC's objectives are to:

- advise on issues and challenges faced by registrants in interpreting and complying with Ontario securities law, including registration and compliance-related matters, and
- provide feedback on the development and implementation of policy and rulemaking initiatives that promote investor protection, fair and efficient capital markets, and contribute to the stability of the financial system.

Discussion topics during the fiscal year (April 1, 2024 – March 31, 2025) included:

- the CSA's proposed binding authority framework
- perspectives on implementation challenges associated with the CFRs
- the applicability of Canadian securities law and the use of artificial intelligence systems in capital markets
- behavioral insights research on artificial intelligence

Part 2: Information for dealers, advisers and investment fund managers

How to navigate Part 2 of the 2025 Annual Report

Part 2 of the report provides an overview of the key findings and outcomes from compliance examinations conducted during the 2024-2025 fiscal year:

- Section 2.1 discusses the annual highlights of the work we completed.
- Section 2.2 discusses key or novel issues, suggests best practices, and specifies applicable legislation and relevant guidance to assist firms in addressing each of the topic areas. For ease of reference, registration categories are listed beside each deficiency heading to indicate that the information is relevant to firms registered in those categories.

We encourage registrants to review all the information set out in Part 2 of this report as the guidance presented may be helpful to registration categories other than those listed.

2.1 Annual highlights

2.1.1 CFRs - know your client, know your product and suitability determination examinations

The CFRs were a set of amendments to NI 31-103 designed to better align the interests of registrants, both firms and individuals, with the interests of their clients, improve outcomes for clients, and make clearer to clients the nature and terms of their relationship with registrants. The CFRs came into effect in two stages in 2021. The first stage of amendments involved changes to the conflicts of interest requirements for registrants. The second stage involved changes to the know your client (**KYC**), know your product (**KYP**) and suitability determination requirements for registrants.

In 2023, the CSA and CIRO published Joint CSA/CIRO Staff Notice 31-363 *Client Focused Reforms: Review of Registrants' Conflicts of Interest Practices and Additional Guidance* (**SN 31-363**), highlighting our findings and guidance from examinations focused on firms' compliance with the conflicts of interest requirements, as amended by the CFRs. The CSA and CIRO have also recently completed a set of examinations focused on assessing firms' compliance with the KYC, KYP and suitability determination requirements, as amended by the CFRs. We anticipate the findings from these examinations, along with guidance, will be published later this year.

2.1.2 Restricted dealer CTPs' compliance with the account appropriateness, investment limits and client limits requirements compliance examinations

OSC Staff Notice 33-757 *Review of Restricted Dealer Crypto Asset Trading Platforms' Compliance with the Account Appropriateness, Investment Limits and Client Limits Requirements* was published on December 10, 2024. It outlines the results of our focused compliance examinations of registered CTPs' compliance with the conditions of their exemptive relief decisions in respect of account appropriateness assessments, investment limits and client limits.

The staff notice highlights instances where CTPs did not adequately comply with these conditions, particularly in assessing account appropriateness for clients and determining a client limit that is meaningfully tailored to each client's individual circumstances in order to mitigate the risk of clients incurring significant losses while trading in crypto contracts on CTPs. It also provides suggested practices for CTPs to meet their regulatory obligations under their exemptive relief decisions.

CTPs currently registered as restricted dealers, or seeking exemptive relief, should refer to the guidance in the staff notice when designing an appropriate framework to comply with the account appropriateness, investment limits and client limits requirements.

2.1.3 High-risk examinations

We continue to assess the most efficient and effective way to oversee our registrant population, including our use of a risk-based approach to select firms for compliance examinations.

In 2024, we reviewed firms that were risk-ranked as 'high' based on information collected from the risk assessment questionnaire. A firm may be risk-ranked as high based on a variety of factors, including: the nature of the firm's business activities, a large amount of client assets under management (**AUM**), the number of compliance staff relative to the amount of AUM, and the number of clients and/or type of clients serviced by the firm.

In some cases, the number and nature of the significant deficiencies identified led to further regulatory action.

2.1.4 High-impact examinations

High-impact firms are those firms that, given the size of their AUM, could have a significant impact on the capital markets if there was a breakdown in their compliance structure or key operations.

In the 2024-2025 fiscal year, we commenced compliance examinations of four high-impact firms who had a combined AUM of approximately $400 billion as of December 31, 2024.

We focused our high-impact examinations to assess each firm's ability to identify and effectively manage its regulatory and compliance risks by reviewing:

- their governance structure,
- their risk framework, including the risk identification and risk management processes, and
- any compliance issues self-identified during the review period, including how any non-compliance was remediated and the steps put in place to prevent reoccurrence.

2.1.5 High-risk firms identified through the "Registration as the First Compliance Examination" program

Our "Registration as the First Compliance Examination"[7] program includes a risk assessment of newly registered firms. A firm may be categorized as high-risk based on the firm's proposed business operations, compliance systems and proficiency of the firm's individuals. As a result, targeted examinations of these firms may be scheduled within a certain period of time following the commencement of operations.

As in previous years, we conducted compliance examinations of newly registered firms categorized as high-risk to assess their compliance with Ontario securities law. Significant deficiencies raised as part of these examinations included the following operational areas:

- *KYC, KYP & suitability determinations*
    - inadequate collection of KYC and trusted contact person information
    - inadequate determination of risk profile

[7] For more information on the "Registration as the First Compliance Examination" program, please refer to section 3.1a) *Pre-registration reviews* of OSC Staff Notice 33-745 2014 *Annual Summary Report for Dealers, Advisers and Investment Fund Managers*.

    - inadequate product due diligence (KYP) performed
    - inadequate process and documentation of suitability determinations
    - potentially unsuitable investments
- *Prospectus exemptions* - improper reliance on prospectus exemptions
- *Conflicts of interest* – material conflicts of interest not identified, and not adequately addressed or disclosed
- *Referral arrangements* - no referral arrangement disclosure provided to clients

2.1.6 Net asset value adjustments examinations

Section 12.14 of NI 31-103 requires IFMs to submit a completed Form 31-103F4 *Net Asset Value Adjustments* (**Form 31-103F4**) within 90 days after the end of their financial year and within 30 days after the end of their first, second and third interim periods, if any net asset value (**NAV**) adjustments were made during the financial year, including any interim period.

Between March 1, 2023 and March 31, 2024, we reviewed 77 Form 31-103F4 submissions, which included NAV adjustments impacting 268 investment funds, from 27 IFMs.

We followed up with 17 IFMs where:

- the reason for the NAV adjustment was unclear
- the error remained unresolved for an extended period
- it was not noted whether impacted unitholders or investment funds were compensated, or the amount of such compensation
- the firm's control systems were not updated
- the updates to the firm's policies were not adequately explained
- the proposed corrective measures did not appear adequate

Although most firms identified and rectified the errors promptly, we observed instances where inadequate controls allowed errors to remain undetected for extended periods, sometimes exceeding one month. When NAV errors are identified (including errors below the IFM's materiality threshold), IFMs are expected to review their operational procedures to determine if any gaps led to the incorrect NAV and enhance their controls where necessary to prevent future occurrences.

2.1.7 Digital Engagement Practices (**DEP**) examinations

Since 2022, the OSC's Investor Office has released a series of research reports focused on the use of DEPs such as gamification[8] and the subset of DEPs known as dark patterns,[9] and their impact on retail investors' trading behaviours and outcomes. These research reports highlight the need for further review by regulators to consider whether future policy development and guidance on the use of DEPs are required to address investor protection concerns.

To gain a better understanding of DEPs used by registrants, we conducted examinations of PMs, EMDs and CTPs (those registered as restricted dealers or having a signed pre-registration undertaking). We assessed whether and how the use of DEPs complies with:

- registrants' obligations to deal fairly, honestly and in good faith with clients under s. 2.1(1) of OSC Rule 31-505, and
- the registrant's obligation to address any conflicts of interest in the best interest of the clients.

Findings from our desk examinations will be used to inform further policy development and guidance in relation to the use of DEPs by registrants, in identifying the impact DEPs may have on investor outcomes and flagging practices which we observe as negatively impacting investor behaviour. We expect to publish guidance early fall of 2025.

[8] For more information, see OSC Staff Notice 11-796 *Digital Engagement Practices in Retail Investing: Gamification and Other Behavioural Techniques* and *Gamification Revisited: New Experimental Findings in Retail Investing*

[9] For more information, see *Digital Engagement Practices: Dark Patterns in Retail Investing*

2.1.8 Financial institution sales practices examination

In November 2024, the OSC and CIRO commenced a coordinated review of sales practices within five large Canadian bank-affiliated mutual fund dealers.

The review followed a public media report of potential investor harm due to alleged high-pressure sales practices at some Canadian bank branches. The initial phase of the work was to build an understanding of the sales culture and environment within Canadian banks, and to identify and assess the scale of any potential issues.

We have completed the initial phase of our review, which involved gathering information directly from mutual fund dealing representatives working out of bank branches located in Ontario through a voluntary, anonymous survey. The OSC's Research and Behavioural Insights Team played a key role in this project, providing expertise in behavioural science and leading the development of the survey methodology, data analysis, and interpretation.

The survey results were published on July 9, 2025 in the OSC's and CIRO's report *Sales Culture Concerns at Five of Canada's Bank-Affiliated Dealers* and highlight several areas of concern with respect to the sales culture and environment within five of Canada's bank-affiliated mutual fund dealers.

Given the information provided to us through the survey data, we are continuing our work on this initiative. As noted in the report, the next phase of the work will focus on obtaining and assessing information directly from each of the five bank-affiliated mutual fund dealers related to specific concerns identified in the survey.

This next phase will enable us to obtain an understanding of the sales practices in place and how they may impact the behaviour of mutual fund dealing representatives, as well as any potential impacts to investors. We also want to understand the controls the dealers have in place to address any material conflicts of interest arising from the sales practices, including the compensation, incentives, and performance metrics, and experiences of sales pressure.

Once we have completed our review and analysis of the information from each of the five bank-affiliated mutual fund dealers, we will consider our regulatory tools available and determine whether further action is required to ensure ongoing compliance with securities laws.

2.2 Registration and compliance deficiencies

2.2.1 Conflicts of interest (All)

As noted earlier in this report, joint CSA and CIRO SN 31-363 published on August 3, 2023 summarized the findings following our examinations of firms' compliance with the conflicts of interest requirements, as amended by the CFRs, and provided additional guidance to registrants related to the conflicts of interest requirements.

Despite the additional guidance provided in SN 31-363, we continued to find that some registrants failed to adequately identify existing and reasonably foreseeable material conflicts of interest, address those material conflicts in the best interest of clients, and disclose the material conflicts of interest.

Registrants are required to address material conflicts of interest in the best interest of clients. If the registrant is unable to address the material conflicts of interest identified in the best interest of clients using controls, those conflicts must be avoided.

Conflicts of interest requirements, and the related requirement to maintain records to demonstrate compliance, apply to all firms, regardless of their size and number of conflicts. As noted in SN 31-363, creating and maintaining a conflicts inventory, such as a conflicts matrix, is a tool firms are strongly encouraged to use to demonstrate that a firm has identified and appropriately addressed all material conflicts of interest. A conflicts of interest inventory should include the following:

- a description of each material conflict of interest identified by the firm
- the firm's assessment for concluding why the conflict is material, including the criteria considered in making the assessment
- the potential impact and risk that the conflict can pose
- the registrant's obligation to address any conflicts of interest in the best interest of the clients
- who at the firm was involved in identifying the conflict and making the assessment of whether it is material
- the controls the firm has in place to manage or address each material conflict of interest, and how these controls are sufficient to address the material conflict in the best interest of clients
- how the firm has disclosed the conflict to clients

Firms should also maintain evidence of their periodic reviews of the conflicts of interest inventory and associated controls implemented.

Guidance pertaining to conflicts of interest is set out in SN 31-363. However, there are a few specific conflicts of interest that staff observed in recent examinations outlined below:

Distributing multiple series/classes of the same issuer to clients

We have noted EMDs that are distributing multiple series/classes of the same issuer to clients where some of the attributes associated with the series/classes create material conflicts of interest between the EMDs and their clients. These attributes include differences in the up-front and ongoing compensation paid to the EMD and differences upon redemption of the securities (in the form of a redemption charge) for the clients. In these cases, the EMDs failed to identify the material conflicts of interest associated with these compensation and redemption differences and adopt controls to address this conflict in the best interest of clients.

EMDs need to take reasonable steps to identify material conflicts of interest that may be associated with offering multiple series/classes of the same issuer to clients and must adopt controls to address these conflicts in the best interest of their clients or they must avoid the conflicts. In addition, when an EMD offers multiple series/classes of an issuer to clients, the dealing representatives must have suitability determination documentation to demonstrate that the series/class sold to the client was suitable for the client and put the client's interest first, and it must support why the particular series/class was sold to the client over another. When making a suitability determination, the EMDs and representatives must put the client's interest first, ahead of their own interests and any other competing considerations, such as a higher level of remuneration or other incentives.

Issuer-sponsored dealing representative model

As noted in last year's Summary Report, we have seen an increase in the number of registered firms using the issuer-sponsored dealing representative business model. In this model, an individual who works for an issuer (or its affiliate) is also registered with an EMD as a dealing representative to market the issuer's securities to investors.

The issuer-sponsored dealing representative has an inherent material conflict of interest because of their employment relationship with the issuer. This is because this relationship may motivate the dealing representative to make recommendations to clients that would benefit the issuer. Further, another conflict that can arise is that some issuer-sponsored dealing representatives often can only offer securities of the issuer they are associated with, despite the availability of a range of alternative securities on the firm's shelf that could better for the client.

EMDs must identify these material conflicts of interest and implement controls to address the conflicts in the best interest of clients. For example, in some circumstances, it may be in the client's best interest to deal with another dealing representative who can offer a wider range of securities from the firm's shelf. In addition, EMDs must provide clear, written disclosure to clients that includes a description of the limited range of products and services the issuer-sponsored dealing representative is able to sell, and that other alternatives available to the client through the firm are not being considered.

Registered firms should:

- ✓ establish clear policies and procedures for identifying, addressing and disclosing material conflicts of interest, and for maintaining adequate documentation
- ✓ implement a process for the CCO to regularly report on material conflicts of interest to the firm's UDP, executive management, and board of directors (or equivalent), including how the firm is addressing such conflicts in the best interest of clients
- ✓ if distributing multiple series/classes of the same issuer with different attributes:
    - o consider if those different attributes create a material conflict of interest and identify, address and disclose the material conflict of interest
    - o clearly document the suitability determination process for the recommended series/class that was chosen over others and how it put the client's interest first
    - o develop an investor profile for each series/class that would identify clients for whom the series/class may be suitable and also clearly identify clients for whom the series/class would not be suitable
- ✓ if using an issuer-sponsored dealing representative business model, adequately identify and address associated conflicts of interest, and clearly disclose to clients the restrictions on the dealing representative's activities

Legislative reference and guidance

- NI 31-103 and related NI 31-103CP, s. 13.4 *Identifying, addressing and disclosing material conflicts of interest – registered firm*
- NI 31-103 and related NI 31-103CP, s. 13.4.1 *Identifying, reporting and addressing material conflicts of interest – registered individual*
- NI 31-103 and related NI 31-103CP, s. 11.5 *General requirements for records*
- NI 31-103 and related NI 31-103CP, s. 13.3 *Suitability determination*
- Joint CSA/CIRO Staff Notice 31-363 *Client Focused Reforms: Review of Registrants' Conflicts of Interest Practices and Additional Guidance*
- OSC Staff Notice 33-756 2024 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 36-37

2.2.2 Prospectus exemptions misuse (EMD)

During our compliance examinations, we identified various instances where EMDs distributed securities to clients in reliance on a prospectus exemption, but the prospectus exemption was either (a) not available in that circumstance, or (b) the EMD did not collect or document enough evidence to support that the prospectus exemption was available in that circumstance. Specific issues we noted are discussed below.

Offering memorandum exemption (OM exemption)

Some EMDs failed to adequately consider the investment limits for eligible investors when distributing securities in reliance on the OM exemption. In Ontario, issuers and dealers are subject to a $30,000 investment limit within a 12-month period when distributing securities to individual eligible investors in reliance on the OM exemption. If an individual eligible investor receives a positive suitability assessment from a PM, ID or EMD for an investment made above the $30,000 limit, they can invest under the OM exemption to a higher limit of up to $100,000 over a 12-month period.

Specific issues we saw:

- EMDs that did not consider the $30,000 or $100,000 investment limits within a 12-month period for individual eligible investors. Specifically, we saw some EMDs failed to adequately collect and document information about other investments the client may have made outside the registrant within the last 12 months in reliance on the OM exemption. In some instances, this resulted in investment limits being breached and also raised some significant concentration and other suitability concerns.

- Instances where EMDs documented trades as “client-directed” trades for individual eligible investors above the $30,000 investment limit, even though the EMD determined the investment action to be unsuitable. Client-directed trades cannot be used to circumvent the $30,000 basic investment limit for individual eligible investors.

Family, friends and business associates exemption (FFBA exemption)

When citing reliance on the FFBA exemption for a trade, we noted that some EMDs did not adequately document the relationship that existed between the investor and the issuer that would permit the exempt trade. In particular, as noted in the NI 45-106CP, where citing reliance on the “close personal friend” or “close business associate” components of the FFBA exemption, EMDs should not only document the relationship being relied on for the FFBA exemption, e.g. “a close personal friend of a director of the issuer,” but also document details that confirm that the nature and length of the relationship in question are adequate for reliance on the exemption. This includes documenting:

- the name of the person the purchaser is connected to (e.g. the name of the director of the issuer)
- a description of the nature and length of the relationship between the purchaser and the connected party (e.g. an explanation of the relationship the purchaser has with the director of the issuer, frequency of contact, how long the relationship has been in place, the level of trust and reliance that exists, etc.)

Additionally, if the issuer is relying on the FFBA exemption, the EMD must collect and document information to ensure that the investor itself has the connection to the issuer that satisfies the FFBA exemption. The FFBA exemption cannot be relied on if someone acting on behalf of the purchaser for the purchase (e.g. a dealing representative or a person holding a power of attorney) is the one with the connection to the issuer, not the purchaser itself.

Accredited investor exemption (AI exemption)

When securities were distributed to clients in reliance on the AI exemption, staff noted some instances where an incorrect definition of accredited investor was relied on for distributions. For example, we noted instances where EMDs distributed securities:

- to a client that was a corporation in reliance on a paragraph of the "accredited investor" definition that is only available to individuals (such as paragraph (j) of the accredited investor definition, which is only available to individuals, alone or with a spouse, who have net financial assets that exceed $1,000,000)
- to two individuals that were not spouses (e.g. mother and daughter, brother and sister, friends, etc.) in reliance on a paragraph of the accredited investor definition that is only available to individuals alone or spouses (e.g. paragraph (j) of the accredited investor definition, described above)

Often in these cases, staff found that the client's investment could be completed in reliance on another paragraph of the accredited investor definition, however, a deficiency was still noted as the incorrect definition was relied on and documented.

More generally, EMDs should be collecting and documenting KYC information that supports reliance on the exemption, and the associated paragraph of the exemption, as applicable. For example, a transaction for a client that is a corporation in reliance on paragraph (m) of the accredited investor definition, which requires the corporation to have net assets of at least $5,000,000, supporting financial circumstances for the corporation itself should be collected as part of the KYC process.

Where staff became aware of an issuer or dealer distributing securities without compliance with the prospectus requirement or an exemption from the prospectus requirement, staff may recommend compliance or enforcement action against the issuer and/or dealer as appropriate. We also remind market participants that, where a distribution of securities is made in breach of the prospectus requirements of Ontario securities law, this may provide investors with a civil right of action for recission or damages against the issuer, its principals and any intermediaries involved in the transaction.

EMDs should:

- ✓ take reasonable steps to confirm and document that the conditions of the prospectus exemptions relied on are met
- ✓ when relying on the OM exemption, ensure that clients are asked about other OM exemption purchases made in the preceding 12 months, and that past OM exemption purchases are monitored at the EMD itself, to ensure investment limits are not breached
- ✓ when relying on the OM exemption for an individual eligible investor investing greater than the $30,000 investment limit, conduct a meaningful suitability determination and maintain documentation to evidence why the trade was determined to be suitable
- ✓ when relying on the FFBA exemption, collect and document information about the purchaser and the connection being relied on, if applicable, to ensure proper reliance on the FFBA exemption
- ✓ when relying on the AI exemption, collect and document information that confirms that the accredited investor definition being relied on is available in that circumstance
- ✓ establish clear policies and procedures for all the above

Legislative reference and guidance

- NI 45-106 and NI 45-106CP
- Act, s. 73.3 *Exemption, accredited investor*
- NI 31-103 and related NI 31-103CP, s. 13.2 *Know your client*
- OSC Staff Notice 33-754 2022 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 28-29
- OSC Staff Notice 33-751 2020 *Summary Report for Dealers, Advisers and Investment Fund Managers*, page 36
- OSC Staff Notice 33-748 2017 *Annual Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 50-55
- OSC Staff Notice 33-747 2016 *Annual Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 46-47

2.2.3 Issues with EMDs holding client cash (EMD)

In cases where EMDs held client assets, we identified compliance deficiencies where these EMDs failed to meet their registrant conduct obligations relating to custody, conflicts of interest and suitability determination requirements in respect of client cash balances held in trust.

Custody

EMDs that hold or have access to client assets must ensure that client cash:

- is held separate and apart from the registered firm's own property and held by a qualified custodian or Canadian financial institution, in a designated trust account in trust for clients
- in the case of cash held for the purpose of trading, is transferred to the client's account held by that client's qualified custodian or Canadian financial institution as soon as possible following a trade

Conflicts of interest

EMDs with a trust account in the name of the registered firm that earns interest on client cash held in trust are expected to establish policies and procedures to identify material conflicts of interest associated with the trust account. These conflicts must be addressed in the best interest of clients through:

- appropriate controls to minimize the amounts and holding periods in respect of cash balances held in trust, or
- avoidance measures such as:
    - ensuring all interest earned on cash balances held in trust is paid to clients, or
    - implementing a trade settlement process that does not require the EMD to administer a trust account.

As a reminder, registrants must take proactive measures to identify reasonably foreseeable conflicts of interest and assess the materiality of those conflicts in the circumstances. For EMDs that hold client cash in a trust account, disclosure alone (without appropriate controls) will generally not be sufficient to address material conflicts of interest in the best interest of clients.

Suitability determination

Where an EMD holds or has access to client cash balances resulting, for example, from distributions or redemptions in connection with exempt market securities, we expect the EMD to meet its suitability determination obligation by, among other things, establishing a system of controls to assess the continued suitability of the client account after such distribution or redemption, so that an account that is suitable only for the purpose of holding cash temporarily is not used to hold client cash indefinitely.

If the firm cannot recommend an account, services or securities to the client that meet the criteria set out in paragraphs 13.3(1)(a) and (b) of NI 31-103 because these are not available at the firm, the EMD should decline to open an account or provide the securities or services to the client.

EMDs should:

- ✓ ensure that they have adequate policies and procedures in place with respect to the above (i.e. custody, conflicts of interest and suitability determination) if they hold or have access to client assets

Legislative reference and guidance

- NI 31-103 and related NI 31-103CP, s. 14.5.3 *Cash and securities held by a qualified custodian*
- NI 31-103 and related NI 31-103CP, s. 13.4 *Identifying, addressing and disclosing material conflicts of interest – registered firm*
- NI 31-103 and related NI 31-103CP, s. 13.3 *Suitability determination*

2.2.4 Excess working capital and subordinated loans (All)

We continued to note the following issues with firms' calculation of their excess working capital:

Not aware of working capital position at all times

Some registered firms were not aware of their working capital position at all times. As noted in NI 31-103CP, a firm may be required to calculate its excess working capital every day. The appropriate frequency of working capital calculations depends on many factors, including the size of the firm, the nature of its business and the stability of the components of its working capital. It may be sufficient for a sole proprietor firm with a dedicated and stable source of working capital to do the calculation on a monthly basis and, in general, it should be done no less than monthly.

Inadequate documentation supporting capital calculations

Registered firms did not maintain adequate books and records to evidence who prepared and reviewed working capital calculations.

Inaccurate capital calculations due to changes in subordinated debt

Registered firms did not accurately calculate their working capital on Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**), specifically with respect to subordinated debt in accordance with subsections 12.2(3) of NI 31-103. For example, some firms did not report increases in or repayments of the debt. Inaccurate reporting on Form 31-103F1 may result in a firm failing to meet its capital requirements. Registered firms must notify their principal regulator 10 days before the full or partial repayment of their subordinated debt or termination of their subordinated debt agreement. When firms submit a notice of repayment with respect to their subordinated debt, they should also provide an updated schedule to the principal regulator indicating the outstanding balance following the repayment.

Incorrect financial information used to perform capital calculations

Registered firms completed their Form 31-103F1 using financial information that was not based on the generally accepted accounting principles used to prepare their audited financial statements. For example, we noted instances where registered firms applied cash-basis accounting to prepare interim financial statements and Form 31-103F1 calculations resulting in an inaccurate reporting of the registrant’s financial results for the period and therefore, an inaccurate calculation of excess working capital.

Registered firms should:

- ✓ calculate excess working capital on a regular basis and maintain adequate books and records to support their calculation

- ✓ consult sections 12.1 and 12.2 of both NI 31-103 and NI 31-103CP to ensure accurate calculation of excess working capital and prevent a failure to meet capital requirements
- ✓ notify their principal regulator of any repayment or termination of their subordinated debt 10 days before these changes are made
- ✓ calculate working capital based on the methodology prescribed in the Form 31-103F1
- ✓ use financial statements prepared in accordance with generally accepted accounting principles when calculating their excess working capital
- ✓ be aware of their capital position at all times

Legislative reference and guidance

- NI 31-103 and related NI 31-103CP, s. 12.1 *Capital requirements*
- NI 31-103 and related NI 31-103CP, s. 12.2 *Subordination agreement*
- NI 31-103, Appendix B - *Subordination Agreement*
- Form 31-103F1 *Calculation of Excess Working Capital*
- NI 31-103 and related NI 31-103CP, s. 11.5 *General requirements for records*
- NI 52-107, s. 3.2 *Acceptable Accounting Principles – General Requirements*
- NI 52-107CP, Part 2 *Application - Accounting Principles*
- NI 31-103 and related NI 31-103CP, s. 12.11(2) *Interim financial information*
- CSA Staff Notice 31-350 *Guidance on Small Firms Compliance and Regulatory Obligations*, page 5 under the heading "Inadequate Excess Working Capital"
- OSC Staff Notice 33-756 2024 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 39 - 40

2.2.5 Delays in response to books and records requests for compliance examinations (All)

When staff conduct a compliance examination, as an initial step, we send the firm a books and records request. This initial request sets out a list of the registered firm's books and records that must be delivered or made available to staff for the start of the examination.

As necessary, we will make subsequent or additional requests for books and records throughout our compliance examinations.

To ensure that our examinations can be conducted efficiently, registrants have an obligation to keep such books, records and other documents as are necessary for the proper recording of their business operations and to demonstrate compliance with Ontario securities law, and that their books and records should be maintained in a manner that ensures they are readily available to be delivered to the OSC promptly and by the time requested by staff.

Staff appreciate registrants' co-operation in the timely provision of documents when requested for a compliance examination. Significant delays in receiving books and records, may be considered by staff as a compliance deficiency.

Registered firms should:

- ✓ implement policies, procedures and controls that are sufficient to ensure that the registrant is able to respond promptly to any requests for information from the OSC
- ✓ maintain books and records in a manner that is readily available and accessible
- ✓ when books and records are requested by the OSC for a compliance examination, provide the requested books and records in a timely manner

Legislative reference and guidance

- Act, s. 19(3) *Provision of information to Commission*
- NI 31-103 and related NI 31-103CP, s. 11.5 *General requirements for records*
- NI 31-103, s. 11.6 *Form, accessibility and retention of records*
- OSC Staff Notice 33-755 2023 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 42-43
- OSC Staff Notice 33-746 2015 *Annual Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 41-42

2.2.6 OSC filings arising from legal actions (All)

During our examinations, we noted that some firms were plaintiffs or respondents named in outstanding legal actions and the OSC had not been notified of these legal actions as required by NI 33-109.

A registered firm must provide notice to the OSC of changes to the firm's information previously submitted in Form 33-109F6 by filing Form 33-109F5 in accordance with and within the time frames stipulated in NI 33-109. Registered firms are required to provide updates on the changes in legal actions reported in item 8.3 of Form 33-109F6. This includes disclosure of legal actions that involve fraud, theft or securities-related activities, or that could significantly adversely affect the firm's business, under any statute governing the firm and its specified affiliates and their business activities in any jurisdiction with respect to the preceding seven-year period.

Notice should be provided for both new legal actions and developments in the proceedings, including defenses, counterclaims, third-party claims, amendments, settlements or resolutions of the claims (whether by judgment, dismissal or discontinuance), and appeals. For example, registrants should not assume notice of a counterclaim is not required merely because notice of the claim had previously been provided to the OSC.

It is an offence under securities law to provide false or misleading information in Form 33-109F6 or in Form 33-109F5. If a firm provides false or misleading information, or fails to meet the ongoing disclosure requirements, the matter will be investigated and could result in regulatory action against the registrant.

In addition to the obligation of firms to provide notification to their principal regulator of outstanding legal actions in the preceding seven-year period as noted above, individuals who are registered or approved as permitted individuals at these firms may also have to provide notice of change to their registration information. For additional information, we direct you to review the questions under Item 13 *Regulatory disclosure*, Item 14 *Criminal disclosure*, Item 15 *Civil disclosure*, and Item 16 *Financial disclosure* in Form 33-109F4.

Registrants should:

- ✓ notify the OSC if a registered firm or a registered individual is a defendant or respondent (or the equivalent in any jurisdiction) in any outstanding legal action
- ✓ review the disclosure requirements applicable to firms in item 7 and item 8 of Form 33-109F6
- ✓ review the disclosure requirements applicable to individuals in item 13, item 14, item 15 and item 16 of Form 33-109F4

Legislative reference and guidance:

- NI 33-109 and related NI 33-109CP, s. 3.1(1.1)(b) *Notice of Change to a Firm's Information*
- CSA Staff Notice 33-320 *The Requirement for True and Complete Applications for Registration*

2.2.7 Referral arrangements (PM/EMD)

Paid referral arrangements, whether they are referrals into a registered firm or referrals of a registered firm's clients to another entity, are inherent conflicts of interest which, in our experience, are almost always material conflicts of interest and must be addressed in the best interest of the client.

Staff have observed that registered firms did not always establish adequate controls over referral arrangements.

Some registrants are authorized by their clients to remit fees from the client's account to the referral agent for services the client receives from the referral agent. To demonstrate that they have addressed the material conflict of interest associated with this arrangement in the best interest of the client, these registrants should implement a process to verify that the referral agent has continued to provide the services to the client before remitting the fees. For example, when a referring agent retires, the registrant should determine that there is evidence to support that a new agent from the referring firm is currently providing the services to the client, before deciding that the ongoing payment of the referral fee is appropriate and that the arrangement continues to be in the client's best interest.

Registered firms should:

- ✓ enter into a written agreement with the referring party that clearly defines their roles and responsibilities
- ✓ enter into a written agreement with the client that includes all necessary and accurate disclosures to minimize any possible client confusion
- ✓ develop policies and procedures to maintain ongoing oversight over all referral arrangements, and exercise professional judgement when assessing whether they have obtained sufficient information to determine that a referral is in the client's best interest, both at the onset of the arrangement and on an ongoing basis

Legislative reference and guidance

- NI 31-103 and related NI 31-103CP, s. 11.1 *Compliance system and training*
- Joint CSA/CIRO Staff Notice 31-363 *Client Focused Reforms: Review of Registrants' Conflicts of Interest Practices and Additional Guidance*, item 7
- OSC Staff Notice 33-750 2019 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 40-42

2.2.8 Inadequate compliance system (All)

Staff continued to note registered firms that did not have an adequate compliance system. These firms were deficient in many areas of compliance in respect of their operations, often combined with the UDP and/or CCO not adequately having performed their responsibilities under securities law. For example, staff often concluded that a CCO was not adequately performing their responsibilities where the CCO was not aware of all aspects of the firm's operations, key risks, and applicable securities law.

In general, firms with an inadequate compliance system had:

- lack of awareness/understanding of securities law applicable to the firm's operations
- inadequate policies and procedures along with no monitoring/testing for compliance with any policies and procedures in place
- repeat deficiencies from a prior compliance examination

- lack of documentation to support compliance with securities law
- inadequate training of registered individuals

In cases where firms did not establish appropriate controls and policies addressing the above areas, we also noted many significant deficiencies specific to the firm's registration category(ies) including the following examples:

- EMDs that (i) took unsuitable investment actions for investor clients (e.g. concerns related to the client's concentration and risk profile, etc.), (ii) did not address significant conflicts of interest with respect to the distribution of securities (e.g. compensation and deferred sales charges), (iii) did not perform adequate KYP on securities distributed (iv) allowed unregistered individuals to be involved in distributions and (v) had issues related to reliance on prospectus exemptions.
- PMs where (i) discretionary managed account clients were invested in unsuitable securities due to the firm's inadequate procedures across KYC, KYP and suitability and (ii) the firm had also delegated of some of these activities to unregistered individuals.
- IFMs that (i) did not properly oversee their service provider(s) used for fund administration including fund accounting, transfer agent and trust accounting services and (ii) improperly valued securities and charged inappropriate expenses to the funds they managed.

When a firm does not have an adequate compliance system in place, staff may recommend further regulatory action, including a recommendation to suspend, revoke or impose terms and conditions on the firm's registration and/or referring the matter to the Enforcement Division, where the appropriate regulatory action can only be taken by the Tribunal.

Registered firms should:

- ✓ review all applicable securities law and relevant guidance to design an effective compliance system tailored to their business model
- ✓ create and maintain documentation that demonstrates compliance with securities legislation

- ✓ have internal controls and monitoring systems that pro-actively identify non-compliance
- ✓ perform periodic assessments of compliance with securities law and acts to make improvements where necessary, which may involve retaining professional legal and compliance advice from knowledgeable securities regulatory advisors

Legislative reference and guidance:

- Act, s. 32(2) *Duty to establish controls, etc.*
- NI 31-103 and related NI 31-103CP s. 11.1 *Compliance system and training*
- NI 31-103 and related NI 31-103CP s. 5.1 *Responsibilities of the ultimate designated person*
- NI 31-103 and related NI 31-103CP s. 5.2 *Responsibilities of the chief compliance officer*
- Registrant Outreach Seminar November 2019 – *The OSC Compliance Review Process and Effective Compliance Systems*

2.2.9 Market value determination (All)

We are concerned that some registered firms have not established an adequate process to determine and report accurate market values of securities held in clients' accounts.

In some instances, firms relied solely on pricing information provided by the custodian. Registrants should validate the accuracy of prices received from their primary pricing vendor to a secondary pricing source. This may be accomplished by comparing the prices of a sample of securities to a different pricing source than the one used by their custodian.

We also noted registrants that did not have procedures in place to review market values for private securities and securities where there are strong indicators that the price may be stale/old and not reflective of current values. A significant event may require the firm to write down the value of the security.

Registrants are required to monitor securities made available to clients for significant changes, which may result from market events or issuer developments. Monitoring activities should include an assessment of the impact of the changes on valuation of hard-to-value securities.

Registered firms should:

- ✓ have a valuation policy that:
  - establishes appropriate valuation methodologies for all security types made available to clients
  - establishes criteria to value securities when market quotations are not readily available or are unreliable
  - describes factors or valuation approaches (e.g. fair value techniques) that will be considered when market quotations are not readily available or are unreliable
  - validates the accuracy of market values by comparing prices received from the primary pricing source to a secondary pricing source

Legislative reference and guidance:

- NI 31-103 and related NI 31-103CP, s. 11.1 *Compliance system and training*
- NI 31-103 and related NI 31-103CP, s. 13.2.1 *Know your product*

2.2.10 Inadequate client statements and reports (PM/EMD)

Client Relationship Model 2 (**CRM2**) requirements have been in effect since 2014. However, we have found some registrants who are not in full compliance with the requirements for the delivery of client statements and reports. Staff noted the following during compliance examinations:

Account statements and additional statements (collectively, client statements):

- contained inappropriate disclaimer language limiting the firm's liability in relation to the accuracy and reliability of the information contained in the client statements
- reported position cost as tax cost instead of book cost or original cost

- consolidated all accounts (e.g. TFSA, RRSP, RIF, CAD/USD denominated accounts) owned by a client or a family group without also providing information at the account level
- contained abbreviated names of the securities bought/sold/transferred/held in a client account making it difficult for clients to identify the securities transacted in or held by the client
- were missing information such as:
    - the name of the person or company that holds or controls each security and a description of the way it is held
    - disclosure indicating whether original cost or book cost was used including the definition of original cost or book cost
    - the identification of specific securities where book/original cost were not available and where market value was used to report the position cost

Reports on charges and other compensation:

- were not delivered within 10 calendar days of the client statements in instances where the report was not combined with the client statement or sent at the same time as the client statement
- were inappropriately consolidated (e.g. for a family group, or without obtaining written client consent)
- included insufficient disclosure when clients with multiple accounts (e.g. TFSA and RRSP accounts) designated that only one account pay all fees incurred

Investment performance reports:

- were not delivered within 10 calendar days of the client statements in instances where the report was not combined with the client statement or sent at the same time as the client statement
- were inappropriately consolidated (e.g. for a family group, or without obtaining written client consent)
- did not include text, tables and charts to illustrate the contents of the reports, or adequate disclosure when presenting benchmarks
- were missing required information such as:
    - the definition of total percentage return

    - notes explaining the content of the report and how a client can use the information to assess the performance of the client's investments
    - notes explaining the changing value of the client's investments as reflected in the report
    - disclosure to indicate that the returns were not annualized, where the returns for less than one year were presented
    - adequate explanation that the money-weighted rate of return may be impacted by the deduction or absence of management fees

We also noted ineffective internal controls over client reporting. Examples include:

- no reconciliations to verify that the information presented (e.g. market values) was consistent across the various documents provided
- no oversight procedures to ensure that outsourced processes for client reporting documents met all the CRM2 requirements

Finally, we continue to note instances where registrants did not deliver the required client statements, compensation reports or performance reports. Examples include:

- EMDs that held client assets
- EMDs that did not hold client assets, but received trailing commissions related to the client's ownership of the securities distributed by the EMD
- PMs that believed that they had met their statement delivery obligation because their clients' custodians were carrying out these tasks. We remind PMs to refer to CSA Staff Notice 31-347 *Guidance for Portfolio Managers for Service Arrangements with IIROC Dealer Members*.

Legislative reference and guidance

- Act, s. 32(2) *Duty to establish controls, etc.*
- NI 31-103 and related NI 31-103CP s. 11.1 *Compliance system and training*
- NI 31-103 and related NI 31-103CP s. 14.14 *Account statements*
- NI 31-103 and related NI 31-103CP s. 14.14.1 *Additional statements*
- NI 31-103 and related NI 31-103CP s. 14.14.2 *Security position cost information*
- NI 31-103 and related NI 31-103CP s. 14.17 *Report on charges and other compensation*
- NI 31-103 and related NI 31-103CP s. 14.18 *Investment performance report*

- NI 31-103 and related NI 31-103CP s. 14.19 *Content of investment performance report*
- NI 31-103 and related NI 31-103CP s. 14.20 *Delivery of report on charges and other compensation and investment performance report*
- NI 31-103CP Part 14 – Division 2 *Disclosure to clients*
- CSA Staff Notice 31-345 *Cost Disclosure, Performance Reporting and Client Statements - Frequently Asked Questions and Additional Guidance*
- CSA Staff Notice 31-347 *Guidance for Portfolio Managers for Service Arrangements with IIROC Dealer Members*
- Registrant Outreach Seminar February 2017 *CRM2 Reporting to Clients and Portfolio Manager - IIROC Dealer Member Service Arrangements*
- Registrant Outreach Seminar October 2018 *New Custody Rules and CRM2 Refresher*

2.2.11 Delegation of advisory functions to non-registered individuals (PM)

PMs must collect KYC information from and make suitability determinations for their clients. These are client-facing portfolio management activities that require adviser registration.

We identified situations where registered firms improperly delegated portfolio management activities that require registration to non-registered individuals who provide holistic wealth and financial planning services. These individuals are not appropriately registered and should not be performing activities such as:

- collecting KYC information
- performing KYC updates
- assisting with asset mix and security selection
- discussing specific investment holdings and performance with clients

Subsection 25 of the Act provides that a person shall not engage in the business of, or hold themselves out as engaging in the business of, advising anyone with respect to investing in buying or selling securities unless the person is registered with the OSC or the person can properly rely on an exemption from the adviser registration requirements.

PMs must:

- ✓ ensure that registered individuals are responsible for:
  - collecting the initial KYC and conducting KYC updates,
  - suitability determinations and security selection, and
  - maintaining direct client communication.

Legislative reference and guidance:

- Act, s. 25(3) *Registration, advisers*
- NI 31-103 and related NI 31-103CP, s. 13.2 *Know your client*
- NI 31-103 and related NI 31-103CP, s. 13.3 *Suitability determination*
- CSA Staff Notice 31-336 – *Guidance for Portfolio Managers, Exempt Market Dealers and Other Registrants on the Know-Your-Client, Know-Your-Product and Suitability Obligations*, pages 8 – 9

2.2.12 Compensation paid to unregistered firms and individuals for registerable activities (All)

Compensation for registerable trading, advising or IFM activities must be paid directly to registered firms or the registered individuals that the firm sponsors. During compliance examinations and reviews of registration filings, we have identified situations where compensation for registerable trading or advising activity was paid to (or proposed to be paid to) an unregistered entity. As an example, we observed arrangements where PMs were paying an unregistered entity, partly or wholly owned by the PM's advising representatives, compensation for their portfolio management services. In some cases, the unregistered entity was the representative's personal holding company, and in others it was an active company providing services such as financial planning.

We are of the view that such arrangements do not comply with registration requirements. Registered firms must instead directly compensate the registered individuals they sponsor for their registerable activity on behalf of the firm, including for advising and trading in securities, such as by making payments directly to a bank account in the individual's name. Unregistered firms and individuals may only be paid for activities that do not require registration under section 25 of the Act.

We have also identified cases where unregistered individuals at registered firms were engaged in registerable activity, such as client relationship management for managed account clients, and were compensated for this activity by their firms either directly or to an unregistered entity that they owned. Engaging in registerable activity without registration will warrant investigation and potentially significant regulatory action.

Registered firms should:

- ✓ directly compensate their registered individuals for their registerable activities, and not compensate any unregistered firms or individuals for registerable activity
- ✓ maintain records to identify compensation that is tied to registerable activities, and to support that compensation for registerable activities is only paid to registered firms or registered individuals
- ✓ have supervisory and control systems that provide reasonable assurance that non-registered individuals at the firm are not engaged in any registerable activity

Legislative reference and guidance

- Act, s. 25 *Registration*
- CSA Position Paper 25-404 *New Self-Regulatory Organization Framework* under the heading "Harmonizing Directed Commissions"

Part 3: Initiatives impacting registrants and market participants

3.1 Delegation of registration function to CIRO

On April 1, 2025, the OSC delegated the registration function for firms registered in the categories of ID, MFD and FCM, and the individuals who act on their behalf, to CIRO (the **Delegation**). Prior to the Delegation, CIRO had already been responsible for the registration of individuals who acted on behalf of IDs. This re-alignment of certain functions between the OSC and CIRO was a priority identified in the OSC's Statement of Priorities for 2025-2026 and is aimed at promoting improved and streamlined regulation of securities dealers, better allocation of resources across the regulatory ecosystem and enhanced investor protection. This was also a key recommendation in the Capital Markets Modernization Taskforce final report published in January of 2021.

The registration function for the following firm categories, and the registered and permitted individuals who act on their behalf, has not been delegated and remains with the OSC: IFM, PM, RPM, EMD, RD, SPD, CTA, CTM, and CTC, as well as MFDs that rely on legacy relief exempting them from CIRO membership.

Firms seeking registration as ID, MFD and/or FCM, while also seeking to register in a category that has not been delegated to CIRO, will be reviewed jointly by the OSC and CIRO.

The OSC retains concurrent authority for the delegated powers and duties, and CIRO's performance related to the Delegation will be subject to an enhanced risk-based framework of ongoing oversight by the OSC. Going forward, the OSC also intends to perform risk-based direct examinations of CIRO member firms.

OSC and CIRO staff have worked together to ensure the successful transition of this registration function and will continue to do so. For an interim period following April 1, 2025, in relation to applicants and registrants whose principal jurisdiction is Ontario, the OSC will assist CIRO with certain matters related to the review of applications and ongoing suitability for registration. For this reason, firms and individuals may still be contacted by OSC staff regarding applications or submissions.

The Delegation has not resulted in a change to the key information that firms and individuals are required to submit with respect to applications for registration and updates to registration information.

The Delegation is a positive step towards the streamlined regulation of securities dealers and the better allocation of resources across the regulatory ecosystem. A more streamlined registration process will also improve the experience of registered firms and individuals and ensure investors remain protected. In the future, the delegation of additional registration functions to CIRO will also be considered.

For more information on the Delegation, please refer to the Delegation Order and related FAQs which address common questions from both firm and individual registration perspectives.

3.2 CTPs prioritization of applications for ID registration with CIRO

In Canada, CTPs that facilitate or propose to facilitate trading of (a) crypto assets that are securities and/or derivatives or (b) instruments or contracts, based on crypto assets, that are securities or derivatives are expected to register as IDs and become members of CIRO, the regulatory body intended to oversee this type of activity.

The CSA had previously adopted an interim approach which allowed CTPs to operate as RDs in an appropriately regulated environment for a time-limited period while working toward obtaining CIRO membership. As this time-limited period is now over, CTPs that are currently registered as RDs are expected to have prioritized and diligently sought ID registration and membership with CIRO. Guidance for CTPs that are registered as RDs for an interim period was provided in last year's Summary Report.

OSC staff will coordinate with CIRO and other CSA jurisdictions to process a firm's change in registration category from restricted dealer to ID when the CTP meets the requirements for approval and CIRO membership.

Firms now seeking to become CTPs should apply to CIRO directly for registration as IDs and for CIRO membership. CTPs should submit a completed Membership Application Form and all supporting documents to CIRO and actively engage with CIRO on their applications.

Legislative reference and guidance

- *CSA and CIRO expect crypto trading platforms to prioritize applications for investment dealer registration and CIRO membership*
- Joint Canadian Securities Administrators/Investment Industry Regulatory Organization of Canada Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*
- OSC Staff Notice 33-756 2024 *Summary Report for Dealers, Advisers and Investment Fund Managers*, pages 48 - 57

3.3 Relevant investment management experience – enhanced approach

A fundamental aspect of the registration regime is that an individual applying for registration as an advising representative or associate advising representative must meet both the educational and relevant investment management experience (**RIME**) requirements set out in securities legislation. Advising representatives may have discretionary authority over the investments of others, and as such, this category of registration involves the highest proficiency requirements.

We have considered feedback from industry describing changes to advising business models and other ways in which the portfolio management industry has evolved. We have assessed our approach to reviewing RIME and implemented training and procedural enhancements to account for this evolution. We have also engaged in an open dialogue with industry participants, along with our CSA colleagues, to understand the areas in which our approach to RIME could be enhanced. We continue to work with our CSA colleagues to harmonize our approach to assessing RIME. We are also monitoring these application types and there are early indicators of positive interactions with applicants and their counsel as the enhancements have come into effect.

Legislative reference and guidance

- CSA Staff Notice 31-332 *Relevant Investment Management Experience for Advising Representatives and Associate Advising Representatives of Portfolio Managers*
- NI 31-103, s. 3.11 *Portfolio manager – advising representative*
- NI 31-103 and related NI 31-103CP, s. 3.12 *Portfolio manager – associate advising representative*

3.4 Derivatives: business conduct rules

After an extensive consultation process, NI 93-101 came into force on September 28, 2024. The rule imposes business conduct obligations on derivatives firms that will apply at various points during the relationship with their derivatives counterparties, which include but are not limited to fair dealing, conflicts of interest and complaints handling.

In response to concerns expressed by certain derivatives firms, on July 25, 2024 the CSA published CSA Notice Regarding Coordinated Blanket Order 93-930 *Re Temporary Exemptions for Derivatives Firms from Certain Obligations When Transacting with Certain Investment Funds and for Senior Derivatives Managers from Certain Reporting Obligations* (the **Blanket Order**) which came into effect concurrently with NI 93-101. The Blanket Order exempts derivatives firms from the NI 93-101 requirements, other than the specified core obligations, when they transact with an investment fund that is managed or being advised by a foreign equivalent to a Canadian IFM or adviser. This is intended to ensure a level-playing field for certain domestic and foreign-advised investment funds seeking Eligible Derivatives Party status.

Additionally, the Blanket Order also grants an exemption from the obligation to provide a Senior Derivatives Manager (**SDM**) Compliance Report for 2024. If a derivatives firm is relying on this exemption, its SDM Compliance Report for 2025 must also cover the period between the NI 93-101 effective date and December 31, 2024. Please note that all other applicable obligations under NI 93-101 continue to apply for derivatives firms relying on this exemption, including the obligation in section 33 of NI 93-101 to provide timely reports of non-compliance to the regulator in circumstances where there is a risk of material harm to a derivatives party or to the capital markets generally, or the non-compliance represents a pattern of material non-compliance.

In response to implementation questions from derivatives firms, we published CSA Staff Notice 93-302 *Frequently Asked Questions About National Instrument 93-101 Derivatives: Business Conduct* (the **Business Conduct FAQs**) on September 12, 2024. The Business Conduct FAQs are intended to clarify staff's views on how certain requirements under NI 93-101 should be implemented, while allowing derivatives firms the flexibility to adapt these requirements to their specific business frameworks. The Business Conduct FAQs may be updated periodically.

We remind derivatives firms that are subject to Part 5 of NI 93-101 *Compliance and Recordkeeping*, that we expect their written policies and procedures to outline and describe the process they have designed in respect of reliance on an applicable exemption.

3.5 Derivatives: trade reporting data rule amendments

In October 2024, the Minister of Finance approved amendments to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **Trade Reporting Rule**). These amendments will come into force on July 25, 2025 and address the need for harmonization with international standards to reduce the regulatory burden on derivatives market participants by reducing the complexity of reporting systems, operational costs, compliance costs, and by strengthening the quality and consistency of data.

Part of these changes include the adoption of internationally harmonized data elements, including unique transaction identifiers and unique product identifiers. Additional notable changes include increased domestic harmonization in terms of derivatives regulation and policy, improvements to enhance data accuracy and consistency, and new requirements for derivatives trading facilities to report derivatives transactions executed anonymously.

We have also published a CSA-wide Derivatives Technical Manual (OSC Staff Notice 91-705 (Revised) *CSA Derivatives Data Technical Manual*) to inform market participants on how to consistently report in accordance with the Trade Reporting Rule. Use of this manual will permit flexibility for future updates and maintain harmonization with global changes in reporting formats and values.

On October 31, 2024, OSC Coordinated Blanket Order 96-932 *Re Temporary Exemptions from Certain Derivatives Data Reporting Requirements* came into effect to provide temporary exemptions on end-user reporting of creation data, life cycle event data, valuation data, reporting exclusions for commodity derivatives and transactions with affiliated entities. This Coordinated Blanket Order will cease to be effective on July 25, 2025, when the amendments to the Trade Reporting Rule come into effect.

Additionally on February 20, 2025, the OSC issued OSC Coordinated Blanket Order 96-933 *Re Temporary Exemptions from Derivatives Data Reporting Requirements relating to the Unique Product Identifier for Commodity Derivatives* to provide market participants with temporary exemptions to continue to report Unique Product Identifiers for commodity derivatives as required under the current Trade Reporting Rule. This Coordinated Blanket Order comes into effect on July 25, 2025, and will cease to be effective on January 24, 2027, subject to any extension or revocation by the OSC.

On May 1, 2025, the OSC published CSA Staff Notice 96-307 *Frequently Asked Questions about Derivatives Trade Reporting*, which helps clarify how certain requirements under the amendments should be implemented, and CSA Staff Notice 96-308 *Derivatives Trade Reporting Notice of Significant Error or Omission*, which sets out a suggested form of notice that may be used to notify regulators of significant errors or omissions in reporting under the Trade Reporting Rule. This form will be available on the OSC's website beginning July 25, 2025.

3.6 Application of securities legislation to certain business models purporting to offer immediate delivery of crypto assets

We are aware of several CTPs claiming to make "immediate delivery" of crypto assets as described in CSA SN 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets* (**CSA SN 21-327**) and taking the position that they are not subject to securities legislation.

In many cases, we have identified potential investor protection concerns and questioned whether the activities of the CTPs fall within the scope of securities legislation, particularly where the CTP's business model involves the use of vouchers, online balances, or other mechanisms through which clients transfer funds to the platform prior to purchasing crypto assets.

These models typically involve clients transferring fiat currency (e.g. via e-transfer or ATM) to the platform, which then provides a voucher or credits the client with an online balance that may only be used to purchase crypto assets. Once the voucher is issued, or the online balance reflects the fund transfer, the client may then request a purchase of crypto assets, up to the amount of the voucher or balance. However, in many cases, clients may hold off on making a purchase or make a purchase using only a portion of their available funds, resulting in the CTP holding client's remaining funds for a period of time.

Following the client's request to purchase crypto assets, the CTP will procure the requested crypto assets and deliver the crypto assets to an external, client-controlled wallet. Firms have pointed to the last step in the transaction (i.e. the transfer of the crypto assets to the clients' wallets following the purchase request from the client) and claim to operate a non-custodial, "immediate delivery" business model that is not subject to securities legislation.

Staff are concerned that these CTPs may not be operating in compliance with applicable securities law. In staff's view, CTPs that adopt these pre-funding models may be subject to securities legislation and raise material investor protection concerns:

- In the event of platform insolvency, clients may face challenges in recovering their fiat funds or in obtaining delivery of crypto assets.
- Clients are exposed to the operational soundness, solvency, proficiency, and potential fraud of the platform during the period that fiat funds are held by the platform.
- There may be uncertainty related to custodial arrangements, including transparency regarding how client assets are held, and uncertainty regarding whether sufficient assets will be available to meet withdrawal demands of fiat or crypto assets.
- Clients may face a risk akin to a run on the platform if many clients simultaneously attempt to withdraw fiat or purchase crypto assets for immediate delivery and the platform has not properly reserved assets to meet all claims.

Determining whether securities legislation applies requires a consideration of the economic substance of the transaction and the broad, protective scope of Ontario securities law. Under subsection 1(1) of the Act, the definition of "security" is broad and includes, among other things:

> (b) any document constituting evidence of title to or interest in the capital, assets, or property of any person or company,
> (e) a bond, debenture, note or other evidence of indebtedness (with some narrow exceptions, generally for regulated deposit-taking financial institutions), and
> (n) any investment contract.

The guidance in CSA Staff Notice 21-327 explains that a transaction involving a crypto asset (even if they are not in and of themselves securities) may be subject to securities legislation if the transaction does not result in an obligation to make and take delivery of the crypto asset immediately following the transaction. The Capital Markets Tribunal has repeatedly found that such arrangements are "investment contracts" and therefore meet the definition of "security" under the Act.[10] CSA SN 21-327 states that we generally will consider immediate delivery to have occurred if:

- the platform immediately transfers ownership, possession, and control of the crypto asset to the platform's user, and the user is free to use, or otherwise deal with, the crypto asset without further involvement with or reliance on the firm or its affiliates, and without the firm or any affiliate retaining any security interest or any other legal right to the crypto asset, and
- following the immediate delivery of the crypto asset, the platform's user is not exposed to insolvency risk (credit risk), fraud risk, performance risk or proficiency risk on the part of the firm.

In determining whether an instrument constitutes a security, the Capital Markets Tribunal has stated that the term must be interpreted broadly and purposively, in light of the remedial nature of securities legislation and its overarching goal of protecting investors. As the Tribunal stated, "[t]he Act must be read in the context of the economic realities to which it is addressed" and "[s]ubstance, not form, is the governing factor."[11] Investor protection remains the overarching lens through which the attributes of an alleged security should be assessed. Accordingly, in assessing whether immediate delivery of crypto assets is provided to platform users, or whether securities legislation otherwise applies, CTPs should assess the substance and economic reality of the entire transaction, rather than focusing narrowly on individual steps within a broader transactional relationship.

We understand that some CTPs characterize their voucher products as "gift cards." As noted above, the definition of "security" under the Act is broad and there is no general exemption in Ontario securities law for instruments labeled as "gift cards." We remind issuers and other market participants that clause (e) of the definition of "security" in the Act includes any "bond, debenture, note or other evidence of indebtedness." The breadth of this definition for securities law purposes has recently been reaffirmed by the Ontario Superior Court of Justice and the Ontario Court of

[10] *Phemex Limited* (Re), 2024 ONCMT 30 at paras 18-20.
[11] *Hogg* (Re), 2024 ONCMT 15 (CanLII) at paras 88 and 107. See also *Nvest Canada Inc.* (Re), 2024 ONCMT 25 (CanLII).

Appeal in the *Tiffin case*[12] and the Alberta Court of Appeal in the *Stevenson case*.[13] In the *Tiffin* case, the Ontario Court of Appeal accepted that the scheme of the Act is a "catch and exclude" approach, whereby the Legislature has defined the term "security" very broadly and then provided certain exemptions from the Act's requirements, where the Legislature has concluded that the policy reasons for such requirements do not apply.

In staff's view, the fact that these platforms require clients to pre-fund their accounts means that, from an investor protection perspective, they raise many of the same concerns as crypto asset trading platforms that are registered under securities legislation. Although some platforms characterize their services as involving "immediate delivery," the use of pre-funding arrangements reflects a similar risk profile to that of regulated CTPs — including:

- Potential inability of the platform to source and deliver crypto assets in the event of a liquidity crisis or bankruptcy.
- Ongoing credit and operational risk exposure while client funds are held on-platform.
- Risks of inadequate custody, lack of price transparency, and inability to redeem claims in a market stress scenario.
- Uncertainty regarding clients' rights to recover funds or crypto assets in insolvency.

CTPs that operate within the securities regulatory framework are subject to requirements specifically designed to address these types of risks and to provide investors with meaningful protections.

CTPs should:

- ✓ carefully assess their models against securities law obligations
- ✓ consider the totality of the conduct, including the surrounding circumstances and economic realities, how the conduct impacts investor protection and other purposes and principles of Ontario securities law

[12] 2018 ONSC 3047 (SCJ) and 2020 ONCA 217 (OCA)
[13] 2017 ABCA 420

✓ consult legal counsel to determine whether their operations require registration under securities legislation

Legislative reference and guidance

- Act, s. 1(1) *Definitions - security*
- OSC Staff Notice 21-327 *Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets*
- *Phemex Limited* (Re), 2024 ONCMT 30
- *Ontario Securities Commission v Tiffin*, 2018 ONSC 3047
- *Ontario Securities Commission v Tiffin*, 2020 ONCA 217

ONTARIO SECURITIES COMMISSION

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Ontario

B.2
Orders

B.2.1 Angus Gold Inc.

Headnote

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

Applicable Legislative Provisions

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

July 16, 2025

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ANGUS GOLD INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

a) the Ontario Securities Commission is the principal regulator for this application, and

b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta and British Columbia.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Marie-France Bourret"
Vice President, Corporate Finance
Ontario Securities Commission

OSC File #: 2025/0404

B.2.2 Ontario Securities Commission – Coordinated Blanket Order 81-930

ONTARIO SECURITIES COMMISSION

COORDINATED BLANKET ORDER 81-930

Citation: Re Exemptions from Certain Repurchase Transactions Requirements for Investment Funds

Date: July 24, 2025

Definitions

1. Terms defined in the *Securities Act* (Ontario) (the **Act**), Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) and National Instrument 81-102 *Investment Funds* (**NI 81-102**) have the same meaning in this Order.

Background

2. Investment funds that are reporting issuers are subject to the NI 81-102 requirements for repurchase transactions.

3. The Bank of Canada (**Bank**) has developed a facility to support the stability of the Canadian financial system by assisting market participants to address liquidity issues that may arise if there are severe market-wide liquidity stresses. The Contingent Term Repo Facility (**CTRF**) is a facility under which the Bank will repurchase certain eligible fixed income securities issued or guaranteed by the Government of Canada or a provincial government. The CTRF offers Canadian-dollar funding for a term of up to 30 days to eligible participants.

4. The Commission recognizes that investment funds with exposure to Canadian dollar money markets and/or fixed income securities may need to access the CTRF to manage their liquidity during periods of severe market-wide liquidity stresses in the Canadian dollar money markets or fixed income markets.

5. An investment fund that accesses the CTRF would not be able to comply with certain requirements for repurchase transactions in NI 81-102 for the reasons set out below:

   (a) the cash to be delivered to the investment fund at the beginning of the CTRF would be less than an amount equal to at least 102% of the market value of the sold securities as required by paragraph 2.13(1)5 of NI 81-102;

   (b) the sold securities would be marked to market on each business day, but the amount of sale proceeds in the possession of the investment fund would not be adjusted on each business day, as applicable, as required by paragraph 2.13(1)6 of NI 81-102;

   (c) given (a) and (b) above, the Bank's master repurchase agreement for the CTRF would not implement all the requirements of section 2.13(1) of NI 81-102 as required by paragraph 2.13(1)2 of NI 81-102;

   (d) the cash delivered to an investment fund as consideration for sold securities would be used for liquidity management of the investment fund which is not permitted under subsection 2.13(2) of NI 81-102; and

   (e) to promptly manage liquidity during periods of severe market-wide liquidity stresses in the Canadian dollar money markets and/or fixed income markets,

      (i) mutual funds, other than exchange-traded mutual funds not in continuous distribution, may not have sufficient time to provide the disclosure required by paragraph 2.17(1)(a) of NI 81-102 before accessing the CTRF;

      (ii) exchange-traded mutual funds that are not in continuous distribution or non-redeemable investment funds may not have sufficient time to provide a news release of the required prospectus disclosure and the date on which the investment funds intend to begin entering the CTRF as required by paragraph 2.17(1)(b) of NI 81-102; and

      (iii) investment funds may not have sufficient time to provide their securityholders with the 60 days' written notice required by paragraph 2.17(1)(c) of NI 81-102 prior to accessing the CTRF.

Order

6. The Commission, considering that it would not be prejudicial to the public interest to do so, orders under subsection 143.11(2) of the Act that investment funds that are reporting issuers are exempt from paragraphs 2.13(1)2, 5 and 6, subsection 2.13(2) and subsection 2.17(1) of NI 81-102 for the purpose of accessing the CTRF, provided that:

(a) the manager has determined that accessing the CTRF is in the best interest of the investment fund;

(b) the cash delivered to an investment fund as consideration for sold securities in the CTRF is used for liquidity management of the investment fund;

(c) as soon as practicable, and in any event within 5 business days after an investment fund's application to become an eligible counterparty to the CTRF is approved by the Bank, the investment fund provides notification to its principal regulator by email as set out in Annex B that the investment fund's CTRF application has been approved and the investment fund intends to rely on this Order;

(d) as soon as practicable, and in any event within 5 business days after each instance an investment fund accesses the CTRF, the investment fund provides notification to its principal regulator by email as set out in Annex B that the investment fund has accessed the CTRF; and

(e) as soon as practicable after each instance an investment fund accesses the CTRF, the investment fund provides the information required in Annex A in an Excel document to its principal regulator by email as set out in Annex B.

Effective Date

7. This Order comes into effect on July 24, 2025 and ceases to be effective on January 24, 2027, unless extended by the Commission.

For the Commission:

"D. Grant Vingoe"
Chair and Chief Executive Officer
Ontario Securities Commission

ANNEX A

1.	**Date (dd/mm/yy)**	
2.	**Name of the investment fund manager**	
3.	**Name of the investment fund**	
4.	**CTRF access start date (dd/mm/yy)**	
5.	**CTRF access end date (dd/mm/yy)**	
6.	**CTRF amount accessed ($CAD)**	
7.	**CTRF amount accessed as a percentage of the investment fund's NAV on the CTRF access start date (%)**	
8.	**The outstanding amount of all borrowings of the investment fund, including the CTRF amount accessed, as a percentage of its NAV on the CTRF access start date (%)**	
9.	**The outstanding amount of all borrowings of the investment fund as a percentage of its NAV on the CTRF access end date (%)**	

ANNEX B

CSA Jurisdiction	Email Address
British Columbia	examiners@bcsc.bc.ca
Alberta	Investment.Funds@asc.ca
Saskatchewan	corpfin@gov.sk.ca
Manitoba	securities@gov.mb.ca
Ontario	IMDivision@osc.gov.on.ca
Québec	dsfi@lautorite.qc.ca
New Brunswick	IMDivision@osc.gov.on.ca
Nova Scotia	NSSC_Corp_Finance@novascotia.ca
Prince Edward Island	IMDivision@osc.gov.on.ca
Newfoundland and Labrador	SecuritiesExemptions@gov.nl.ca
Yukon	IMDivision@osc.gov.on.ca
Northwest Territories	IMDivision@osc.gov.on.ca
Nunavut	IMDivision@osc.gov.on.ca

B.2.3 Euroclear Bank SA/NV – s. 147

Headnote

Application under section 147 of the Securities Act (Ontario) (OSA) for an order exempting Euroclear Bank SA/NV (EB) from the requirement in subsection 21.2(0.1) of the OSA to be recognized as a clearing agency and for a decision exempting EB from certain requirements in NI 24-102 Clearing Agency Requirements.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2(0.1), 147.
NI 24-102 Clearing Agency Requirements, s. 6.1.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5,
AS AMENDED
(the OSA)

AND

IN THE MATTER OF
EUROCLEAR BANK SA/NV

ORDER
(Section 147 of the OSA)

WHEREAS the Ontario Securities Commission (**Commission**) has received an Application (**Application**) from Euroclear Bank SA/NV (**EB**) pursuant to section 147 of the OSA requesting an order exempting EB from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Order**);

AND WHEREAS EB has represented to the Commission that:

1.1. EB is a company established under the laws of Belgium providing settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds. EB offers participants a single access point to post-trade services covering domestic securities from over 40 markets.

EB is a wholly owned subsidiary of the Euroclear Group and a direct subsidiary of Euroclear SA/NV, a financial holding company within the meaning of article 4.1 (20) of Regulation (EU) 575/2013, and a Support Institution within the meaning of article 36/26 of the Belgian law of 22 February 1998 that owns a number of companies operating financial market infrastructures and other financial institutions.

Euroclear SA/NV is a subsidiary of Euroclear Holding SA/NV (EH), the ultimate parent financial holding company, within the meaning of Article 4(30) of Regulation (EU) 575/2013. EH's 10% and above shareholders are (i) Sicovam Holding S.A. ("Sicovam") (15.89%), (ii) Société Fédérale de Participation et d'Investissement SA (12.92%), (iii) Caisse des Dépôts et Consignations (11.41%).

The remaining shareholders are predominantly financial institutions and, to EB's knowledge, there are currently no shareholders (other than those named above) holding, individually or acting in concert with other shareholders, 10% or more of EH shares.

1.2. EB is authorised as a Central Securities Depository (**CSD**) with a limited purpose banking license in the meaning of Regulation (EU) 909/2014 (**CSDR**), and operates the *Euroclear System*, a Securities Settlement System (**SSS**) in the meaning of Directive 98/26/EC (Settlement Finality Directive).

EB is subject to prudential supervision and oversight by the National Bank of Belgium (**NBB**) and to the supervision of the Belgian Financial Market and Services Authority (**FSMA**) for conduct of business rules.

1.3. EB has branches and representative offices in various countries:

- EB Hong Kong Branch – supervised by the Hong Kong Monetary Authority (restricted banking license);
- EB Polish Branch – supervised by the Komisja Nadzoru Finansowego (KNF);
- EB Japan Branch – supervised by the Japan Financial Services Agency (JFSA) as a Foreign Bank Agency Business;

- EB Singapore Branch – supervised by the Monetary Authority of Singapore (MAS);
- EB Representative Office in Beijing (China) – supervised by the National Administration of Financial Regulation (NAFR) and the Beijing Administration for Market Regulation (AMR);
- EB Representative Office in Dubai (United Arab Emirates) – supervised by the Dubai Financial Services Authority (DFSA);
- EB Representative Office in Frankfurt (Germany) – registered with Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); and
- EB Representative Office in New York (US) – supervised by the New York Department of Financial Services (NYDFS) and by the Federal Reserve Bank of New York (NY FRB).

EB is exempt from registration as clearing agency in the United States (US) and is subject to an Exemption Order granted by the Securities and Exchange Commission (SEC), revised on 16 December 2016 (Release No. 34-79577; File No. 601-01). EB is also recognised as a Third-Country CSD in the United Kingdom (UK) (as per the UK's CSD Regulation) and the "Euroclear System" is designated as a securities settlement system under the Financial Markets and Insolvency Regulations 1999.

1.4. Through compliance with the CSDR and Belgian/European banking requirements, EB addresses the relevant principles applicable to financial market infrastructures described in the April 2012 report *Principles for Financial Market Infrastructures* (**PFMI**) published by the Committee on Payments and Markets Infrastructures and the International Organization of Securities Commissions (**CPMI-IOSCO**).

1.5. Pursuant to its authorisation under CSDR, EB's service offering includes core CSD services, which comprise the operation of an SSS and acting as issuer CSD in the meaning of the EU Commission Delegated Regulation 2017/392, i.e. providing the notary service and the central maintenance service. The functions of SSS and issuer CSD are analogous to the concepts referred to in the PFMI published by the CPMI-IOSCO.

1.6. Pursuant to its authorisation under CSDR and its authorisation as a credit institution, EB's service offering comprises non-banking-type ancillary services and banking-type ancillary services. Non-banking-type ancillary services include new issues services (services to issuers through their agents, lead managers and issuing and paying agents), asset servicing, collateral management services, securities lending and borrowing services, general collateral access and funds-order processing. Banking-type ancillary services include money transfer services, credit management and treasury management.

1.7. EB has around 1800 participants (**Participants**) that are predominantly financial institutions from all over the world, including banks, broker-dealers, custodians, financial market infrastructures (CSDs, central counterparties (CCPs)) and national central banks. EB currently makes available the services described in representations 1.5 and 1.6 above to Ontario residents who are Participants in EB. Ontario resident Participants in EB may include investment dealers, investment funds, banks, pension funds, asset managers and insurance companies, although it is possible there could be further unanticipated interest from other types of entities resident in Ontario in EB's services.

1.8. Access to EB services is subject to admission criteria, which all Participants are required to meet on an ongoing basis and which are regularly reviewed taking into account both regulatory changes as well as business evolution. As prerequisite to admission to EB, an applicant must meet the following preliminary conditions:

- be established in a jurisdiction that is not subject to sanctions or not subject to a call for action from the Financial Action Task Force (FATF) in the context of the fight against money laundering and terrorism financing;
- its participation in the Euroclear System will not cause Euroclear Bank to breach any law, order, Sanctions or regulation; and
- provide adequate information enabling Euroclear Bank to meet the applicable anti-money laundering and terrorism financing requirements that apply to Euroclear Bank.

Any applicant is required to meet the following five admission criteria: adequate financial resources, operational and technological capacity, legal capacity, internal control and risk management, and ethical standards.

EB may also impose additional conditions on applicants on a risk-based basis. For instance, additional conditions may be imposed in order to avoid that EB becomes exposed to additional reporting, disclosure or other legal, tax or regulatory requirements.

1.9. Upon admission in the *Euroclear System*, Participants can make a request to subscribe to any of the services offered by EB. EB offers its services under an adhesion agreement denominated “Terms and Conditions governing use of Euroclear” where the rights and duties of Participants are described.

1.10. EB does not have (nor does it intend to have) an establishment or physical presence in Ontario or elsewhere in Canada. Entities resident in Ontario may request access to EB and, upon admission as Participants in the SSS operated by EB, adhere to the Terms and Conditions governing use of Euroclear (‘Terms and Conditions’), which are governed by Belgian law.

1.11. EB submits that it does not pose a significant risk to Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction (Belgium).

AND WHEREAS EB has agreed to the terms and conditions attached hereto as Schedule “A” to this Order;

AND WHEREAS the Director issued a decision exempting EB from subsections 2.5(1) and 2.5(2) of National Instrument 24-102 *Clearing Agency Requirements*, as set out in Schedule “B” of this Order;

AND WHEREAS based on the Application and the representations that EB has made to the Commission, in the Commission’s opinion the granting of the Order to exempt EB from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

AND WHEREAS EB has acknowledged to the Commission that the scope of and the terms and conditions imposed by the Commission attached hereto as Schedule “A” to this Order, or the determination whether it is appropriate that EB continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission’s monitoring of developments in international and domestic capital markets, EB’s activities or regulatory status, or any changes to the laws of the European Union, Belgium or Ontario affecting trading in or clearing and settlement of securities;

IT IS HEREBY ORDERED by the Commission that pursuant to section 147 of the OSA, EB is exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA;

PROVIDED THAT EB complies with the terms and conditions attached hereto as Schedule “A”.

DATED this 16th day of July, 2025.

“Aaron Ferguson”
AVP, Trading and Markets Division
Ontario Securities Commission

SCHEDULE "A"

Terms and Conditions

Definitions:

For the purposes of this Schedule "A":

Unless the context requires otherwise, terms used in this Schedule "A" have the meanings ascribed to them elsewhere in this order and in Ontario securities law (as defined in the OSA).

COMPLIANCE WITH ONTARIO LAW

1. EB must comply with applicable Ontario securities law.

SCOPE OF CLEARING SERVICES

2. EB will continue to provide CSD and SSS services in Ontario pursuant to this order as generally described in paragraph 1.5 of EB's representations set out above in this Order (**Clearing Services**).

3. For purposes of this order, **Ontario Participant** means a Participant resident in Ontario that uses the Clearing Services.

4. Ontario Participants will continue to use other services offered by EB as described under paragraph 1.6 of EB's representations set out above in this Order.

REGULATION OF EB

5. EB must maintain its status as a CSD and SSS authorized under the CSDR. EB is regulated and supervised by the NBB and will continue to be subject to the regulatory oversight of the NBB or any successors.

6. EB must continue to comply with its ongoing regulatory requirements as a CSD and SSS authorized under the CSDR or any comparable successor legislation, and with the ongoing regulatory requirements of the NBB, as applicable.

GOVERNANCE

7. EB must continue to promote a governance structure that minimizes the potential for conflicts of interest between EB and the Euroclear Group/its shareholders that could adversely affect the Clearing Services or the effectiveness of EB's risk management policies, controls and standards.

RULE MAKING

Purpose of Rules

8. (a) EB must have rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of Participants and do not permit unreasonable discrimination among Participants or impose any burden on competition that is not reasonably necessary or appropriate.

   (b) The Rules must not be contrary to the public interest.

REPORTING REQUIREMENTS

Prompt Reporting

9. EB must, promptly notify staff of the Commission of any of the following:

   (a) a material change or proposed material change in EB's status as a CSD and/or SSS under CSDR or to the regulatory oversight of EB by the NBB or any successor;

   (b) an event of insolvency by, or removal from the Clearing Services of an Ontario Participant;

   (c) a material system failure of a Clearing Service impacting an Ontario Participant, including cybersecurity breaches;

   (d) details of any material legal proceeding instituted against EB that could materially affect the safety and soundness of EB;

(e) notification that EB has instituted a petition for a judgment of bankruptcy or insolvency or similar relief or to wind up or liquidate EB, or has a proceeding for any such petition instituted against it;

(f) notification that EB has initiated its recovery plan;

(g) the entering of EB into any resolution regime or the placing of EB into resolution by a resolution authority;

(h) any new services to be offered to Ontario Participants or services that will no longer be available to Ontario Participants; and

(i) a material change to the eligibility criteria that would apply to Ontario Participants.

Quarterly Reporting

10. EB must maintain and submit the following information to the Commission in a manner and form acceptable to the Commission on a quarterly basis within 30 days of the end of each calendar quarter, and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Participants with their corresponding legal entity identifier (**LEI**), to the extent known by EB; and

(b) quantitative information in respect of the Clearing Services used by Ontario Participants, including the following:

i. The average daily value and number of settlement instructions for Ontario Participants, on an aggregate basis, during the quarter, by instrument type;

ii. The percentage of average daily value and number of settlement instructions during the quarter for all Participants that represents the average daily value and number of settlement instructions during the quarter for all Ontario Participants;

iii. The end of quarter level, maximum and average daily value of securities deposits held on behalf of Ontario Participants, on an aggregate basis, during the quarter; and

iv. The percentage of end of quarter level and average daily value of securities deposits held on behalf of all Participants that represents the end of quarter level and average daily value of securities deposits held on behalf of all Ontario Participants.

Annual Reporting

11. EB must maintain the following updated information and submit such information in a manner and form acceptable to the Commission on an annual basis (by January 31 of the following year) and at any time promptly upon the request of staff of the Commission:

(a) a list of all Ontario Participants against whom disciplinary or legal action has been taken in the year by EB with respect to activities at EB; and

(b) a list of all Ontario applicants for status as a Participant who were denied such status or access to EB in the year, together with the reasons for each such denial.

INFORMATION SHARING

12. EB must promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws that would prevent the sharing of such information and subject to the application of solicitor-client privilege.

13. Unless otherwise prohibited under applicable law, EB must share information relating to regulatory and enforcement matters and otherwise cooperate with other recognized and exempt clearing agencies on such matters, as appropriate.

SCHEDULE "B"

DIRECTOR'S EXEMPTION

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5,
AS AMENDED
(THE OSA)

AND

IN THE MATTER OF
EUROCLEAR BANK SA/NV

DECISION
(Section 6.1 of National Instrument 24-102 *Clearing Agency Requirements*)

WHEREAS the Commission has issued an order pursuant to section 147 of the OSA exempting Euroclear Bank SA/NV (**EB**) from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Order**);

AND WHEREAS EB is required to comply with National Instrument 24-102 *Clearing Agency Requirements* (**NI 24-102**);

AND WHEREAS the Director may, pursuant to section Part 6.1 of NI 24-102, exempt EB, in whole or in part, from a requirement in NI 24-102;

AND WHEREAS NI 24-102 would require EB:

(a) to file annual audited financial statements with the Commission no later than the 90th day after the end of its financial year, pursuant to subsection 2.5(1); and

(b) to file interim financial statements with the Commission no later than the 45th day after the end of each interim period of its financial year, pursuant to subsection 2.5(2).

AND WHEREAS EB has applied for an exemption from the requirements under in subsections 2.5(1) and 2.5(2) of NI 24-102;

AND WHEREAS EB has represented to the Director that:

1. EB is subject to prudential supervision and oversight by the National Bank of Belgium (**NBB**) and to the supervision of the Belgian Financial Market and Services Authority (**FSMA**) for conduct of business rules;

2. EB's annual audited financial statements are prepared within six months of the end of its financial year, in accordance with the Belgian Code of Companies and Associations and the Belgian Royal Decree of 23 September 1992 relating to the annual accounts of credit institutions; and

3. EB is not required to produce interim financial statements, under its home legal or supervisory framework.

AND WHEREAS the Director is satisfied it would not be prejudicial to the public interest to exempt EB from subsections 2.5(1) of 2.5(2) of NI 24-102;

IT IS THE DECISION of the Director that pursuant to section 6.1 of NI 24-102, EB is exempt from:

(a) Subsection 2.5(1) of NI 24-102; and

(b) Subsection 2.5(2) of NI 24-102.

PROVIDED THAT:

(a) EB submits to the Commission its annual audited financial statements, no later than the 180th day after the end of its financial year.

DATED this 16th day of July, 2025.

"Aaron Ferguson"
AVP, Trading and Markets Division
Ontario Securities Commission

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B.3
Reasons and Decisions

B.3.1 RBC Global Asset Management Inc.

Headnote

Relief granted from the single custodian requirement in subsection 6.1(1) of NI 81-102 to permit the use of an additional custodian on a temporary basis for securities that are subject to certain sanctions, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 6.1(1) and 19.1.

July 17, 2025

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

AND

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

AND

IN THE MATTER OF
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Filer and RBC Emerging Markets Equity Fund, RBC Emerging Markets Equity Index ETF Fund, RBC Emerging Markets Bond Fund and RBC QUBE Low Volatility Global Equity Fund (the **Funds** and each a **Fund**) for a decision under the securities legislation of the principal regulator (the **Legislation**) for relief from subsection 6.1(1) of National Instrument 81-102 – *Investment Funds* (**NI 81-102**) to permit the Funds to appoint two custodians, each of which satisfies the requirements of Section 6.2 of NI 81-102, subject to certain conditions proposed in this Application (the **Exemption Sought**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation formed by amalgamation under the federal laws of Canada and its head office is located in Toronto, Ontario.

2. The Filer is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

3. The Filer is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each Jurisdiction, is registered as an investment fund manager in each of British Columbia, Ontario, Québec and Newfoundland and Labrador and is also registered in Ontario as a commodity trading manager.

4. The Filer is the investment fund manager of each of the Funds.

5. The Filer is not in default of securities legislation in any of the Jurisdictions.

The Funds

6. Each Fund is an open-ended mutual fund governed by the laws of the Province of Ontario.

7. Each Fund distributes its securities pursuant to a simplified prospectus prepared pursuant to National Instrument 81-101 – *Investment Funds* and Form 81-101F1 – *Contents of a Simplified Prospectus* and is governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

8. Each Fund is a continuing fund in respect of the following fund mergers (the **Fund Mergers**) involving the following RBC Indigo Asset Management Inc. funds (the **Merging Funds**):

Merging Fund	**Continuing Fund**
RBC Indigo Emerging Markets Fund II	RBC Emerging Markets Equity Fund
RBC Indigo Emerging Markets Equity Index Fund	RBC Emerging Markets Equity Index ETF Fund
RBC Indigo Emerging Markets Debt Fund	RBC Emerging Markets Bond Fund
RBC Indigo Global Equity Volatility Focused Fund	RBC QUBE Low Volatility Global Equity Fund

9. The Fund Mergers were effective as of April 17, 2025 and following the completion of the Fund Mergers, the Merging Funds terminated.

10. The custodian for the assets of the Funds is RBC Investor Services Trust (**RBC IS**) pursuant to an amended and restated master custodian agreement between the Filer and RBC IS dated July 26, 2012, as amended.

11. The custodian for the assets of the Merging Funds was CIBC Mellon Trust Company (**CIBC Mellon**) pursuant to a fund custody agreement dated June 29, 2021, as amended (the **CIBC Mellon Custody Agreement**).

12. Prior to the Fund Mergers, each of the Merging Funds owned securities (the **Sanctioned Securities**) of Russian and Belarus issuers that became the subject or target of sanctions administered and enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury (**OFAC**) and Global Affairs Canada (**GAC**) (collectively, the **Sanctions Authorities**), respectively, some time after their purchase.

13. The Sanctioned Securities are not material to the Funds' portfolios and currently represent almost 0% of the overall net asset value of the Funds.

14. Under the Fund Mergers, all portfolio securities (including Sanctioned Securities) and cash of each Merging Fund were transferred to the relevant Fund. In connection with such transfer, the Sanctioned Securities continued to be custodied at CIBC Mellon and CIBC Mellon has agreed to custody the Sanctioned Securities for the Funds.

15. CIBC Mellon has advised that it will not transfer the Sanctioned Securities until (i) any required licenses or permits, or confirmation that such licenses or permits are not required, is obtained from the relevant Sanctions Authorities, or (ii) the applicable sanctions measures are repealed.

16. In order to accommodate the Fund Mergers, CIBC Mellon has agreed to amend the CIBC Mellon Custody Agreement and act as custodian for the Funds in respect of the Sanctioned Securities until either of the events described in (i) or (ii) of paragraph 15 above occur, as a result of which such securities will remain in their existing custodial accounts.

17. No later than 10 business days after the Filer provides CIBC Mellon with a copy of a license, permit or confirmation from the relevant Sanctions Authorities, as applicable, with respect to a Fund or the Sanctioned Securities, CIBC Mellon and its sub-custodians shall review and determine if such license, permit or confirmation from the relevant Sanctions Authorities, as applicable, is in good order, and if in good order upon the completion of such review, it shall transfer such Sanctioned Securities as directed by the Filer.

18. Until receipt of the appropriate licenses, permits or confirmations from the relevant Sanctions Authorities, as applicable, or in the case of certain of the Sanctioned Securities, the applicable sanctions measures are repealed, the Sanctioned Securities must continue to be custodied at CIBC Mellon on a temporary basis.

19. The Filer has applied for the Exemption Sought in order to permit the appointment of two custodians for the Funds on a temporary basis and until receipt of the appropriate licenses, permits or confirmations from the relevant Sanctions Authorities, as applicable, or in the case of certain of the Sanctioned Securities, the applicable sanctions measures are repealed, and the securities are transferred to Fund accounts custodied at RBC IS.

20. Both RBC IS and CIBC Mellon are qualified to act as a custodian of an investment fund under section 6.2 of NI 81-102.

21. CIBC Mellon has advised that it will not transfer the Sanctioned Securities for any purpose until the appropriate licenses, permits or confirmations from the relevant Sanctions Authorities, as applicable, are obtained and reviewed by CIBC Mellon.

22. The Filer is working diligently to obtain the appropriate licenses, permits or confirmations from the Relevant Sanctions Authorities for the transfer of the Sanctioned Securities.

23. Both the Filer and CIBC Mellon agree that the appropriate course of action in the circumstances is to maintain the existing custodial accounts at CIBC Mellon until receipt of the appropriate licenses, permits or confirmations from the relevant Sanctions Authorities, as applicable.

24. The appointment of two custodians will have no impact on the safe keeping of the portfolio assets of the Funds and will enable the Filer to ensure the Sanctioned Securities are properly custodied during this interim period.

25. Once the Exemption Sought is granted then the Funds will not be in default of securities legislation in any Jurisdiction.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) for so long as each of CIBC Mellon and RBC IS act as custodian of the Fund, they will each be qualified to act as a custodian of the Funds under NI 81-102;

(b) the existing custodial accounts at CIBC Mellon will be maintained until receipt of the appropriate licenses, permits or confirmations and only in respect of the Sanctioned Securities; and

(c) a single entity, the Filer, reconciles all the portfolio assets of each Fund and provides each Fund with valuation services.

"Darren McKall"
Associate Vice President, Investment Management Division
Ontario Securities Commission

Application File #: 2025/0352
SEDAR+ File # 6296585

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B.4
Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Rivalry Corp.	May 1, 2025	July 16, 2025

B.4.3 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Perk Labs Inc.	April 4, 2024	
Rivalry Corp.	May 1, 2025	July 16, 2025

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B.7
Insider Reporting

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

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

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

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
North Growth Balanced Fund
North Growth Canadian Equity Fund
North Growth U.S. Equity Advisor Fund
Principal Regulator – British Columbia
Type and Date:
Preliminary Simplified Prospectus dated Jul 18, 2025
NP 11-202 Preliminary Receipt dated Jul 18, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06283994

Issuer Name:
Mawer Global Equity Fund
Principal Regulator – Alberta
Type and Date:
Amendment No. 2 to Final Simplified Prospectus dated Jul 11, 2025
NP 11-202 Final Receipt dated Jul 15, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06268353

Issuer Name:
CST Spark 2026 Education Portfolio
CST Spark 2029 Education Portfolio
CST Spark 2032 Education Portfolio
CST Spark 2035 Education Portfolio
CST Spark 2038 Education Portfolio
CST Spark 2041 Education Portfolio
CST Spark Graduation Portfolio
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated Jul 18, 2025
NP 11-202 Final Receipt dated Jul 21, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06205764

Issuer Name:
Fidelity International Concentrated Equity Fund
Fidelity Global Health Care Fund
Fidelity U.S. High Quality ETF Fund
Fidelity Canadian Short Term Corporate Bond ETF Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 7 to Final Simplified Prospectus dated Jul 15, 2025
NP 11-202 Final Receipt dated Jul 17, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06191088, 06190975, 06191402, 06189646

Issuer Name:
Manulife Global Balanced Fund
Manulife Global Balanced Private Trust
Manulife Global Equity Class
Manulife Global Equity Private Pool
Principal Regulator – Ontario
Type and Date:
Amendment No. 7 to Final Simplified Prospectus dated Jul 16, 2025
NP 11-202 Final Receipt dated Jul 17, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06144987

Issuer Name:
Fidelity Equity Premium Yield ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Long Form Prospectus dated Jul 15, 2025
NP 11-202 Final Receipt dated Jul 21, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06165438

Issuer Name:
CI Bitcoin Fund
CI Ethereum Fund
CI Galaxy Bitcoin ETF
CI Galaxy Core Multi-Crypto ETF
CI Galaxy Ethereum ETF
CI Galaxy Multi-Crypto Navigator ETF
CI Solana Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jul 15, 2025
NP 11-202 Final Receipt dated Jul 16, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06297292

Issuer Name:
Canadian Equity Alpha Corporate Class
Canadian Equity Alpha Pool
Canadian Equity Growth Corporate Class
Canadian Equity Growth Pool
Canadian Equity Managed Class
Canadian Equity Managed Pool
Canadian Equity Small Cap Corporate Class
Canadian Equity Small Cap Pool
Canadian Equity Value Corporate Class
Canadian Equity Value Pool
Canadian Fixed Income Corporate Class
Canadian Fixed Income Pool
Cash Management Pool
Emerging Markets Equity Corporate Class
Emerging Markets Equity Pool
Fixed Income Managed Class
Fixed Income Managed Pool
Global Equity Allocation Pool
Global Equity Pool
Global Fixed Income Corporate Class
Global Fixed Income Pool
International Equity Alpha Corporate Class
International Equity Alpha Pool
International Equity Growth Corporate Class
International Equity Growth Pool
International Equity Managed Class
International Equity Managed Pool
International Equity Value Corporate Class
International Equity Value Currency Hedged Corporate Class
International Equity Value Currency Hedged Pool
International Equity Value Pool
Real Estate Investment Corporate Class
Real Estate Investment Pool
Short Term Income Corporate Class
Short Term Income Pool
Strategic Fixed Income Corporate Class
Strategic Fixed Income Pool
Tactical Asset Allocation Balanced Class
Tactical Asset Allocation Balanced Growth Class
Tactical Asset Allocation Balanced Growth Pool
Tactical Asset Allocation Balanced Pool
Tactical Asset Allocation Conservative Balanced Class
Tactical Asset Allocation Conservative Balanced Pool
Tactical Asset Allocation Conservative Class
Tactical Asset Allocation Conservative Income Class
Tactical Asset Allocation Conservative Income Pool
Tactical Asset Allocation Conservative Pool
Tactical Asset Allocation Equity Class
Tactical Asset Allocation Equity Pool
Tactical Asset Allocation Growth Class
Tactical Asset Allocation Growth Pool
Tactical Asset Allocation Income Class
Tactical Asset Allocation Income Pool
Tactical Asset Allocation Neutral Balanced Class
Tactical Asset Allocation Neutral Balanced Pool
U.S. Equity Alpha Corporate Class
U.S. Equity Alpha Pool
U.S. Equity Growth Corporate Class
U.S. Equity Growth Pool
U.S. Equity Managed Class
U.S. Equity Managed Pool

U.S. Equity Small Cap Corporate Class
U.S. Equity Small Cap Pool
U.S. Equity Value Corporate Class
U.S. Equity Value Currency Hedged Corporate Class
U.S. Equity Value Currency Hedged Pool
U.S. Equity Value Pool
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus, dated Jul 14, 2025
NP 11-202 Final Receipt dated Jul 18, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06299074

Issuer Name:
Fidelity Equity Premium Yield ETF Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jul 15, 2025
NP 11-202 Final Receipt dated Jul 16, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06297451

Issuer Name:
Embark Student Plan
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jul 16, 2025
NP 11-202 Final Receipt dated Jul 17, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06304305

Issuer Name:
Embark Select Conservative Plan
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jul 16, 2025
NP 11-202 Final Receipt dated Jul 17, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06304306

Issuer Name:
Fulcra Credit Opportunities Fund
Principal Regulator – British Columbia
Type and Date:
Final Simplified Prospectus dated Jul 15, 2025
NP 11-202 Final Receipt dated Jul 17, 2025
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 062302821

NON-INVESTMENT FUNDS

Issuer Name:
Toronto Hydro Corporation
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated July 18, 2025
NP 11-202 Final Receipt dated July 18, 2025
Offering Price and Description:
$1,500,000,000 – Debentures (unsecured)
Filing # 06311099

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Issuer Name:
Apolo V Acquisition Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary CPC Prospectus TSXV dated July 18, 2025
NP 11-202 Preliminary Receipt dated July 18, 2025
Offering Price and Description:
Minimum: $500,000 or 5,000,000 Common Shares
Maximum: $1,000,000 or 10,000,000 Common Shares
Price: $0.10 per Common Share
Filing # 06311233

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Issuer Name:
Quarterhill Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated July 18, 2025
NP 11-202 Final Receipt dated July 18, 2025
Offering Price and Description:
$200,000,000 – Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing # 06300160

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Issuer Name:
Koryx Copper Inc. (formerly Deep-South Resources Inc.)
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated July 15, 2025
NP 11-202 Preliminary Receipt dated July 17, 2025
Offering Price and Description:
$17,391,360 – 16,563,200 Common Shares
Price: $1.05 per Common Share
Filing # 06310853

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Issuer Name:
HIVE Digital Technologies Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated July 16, 2025
NP 11-202 Preliminary Receipt dated July 16, 2025
Offering Price and Description:
US$500,000,000 – Common Shares, Warrants, Subscription Receipts, Units, Debt Securities, Share Purchase Contracts
Filing # 06310574

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Issuer Name:
Bitcoin Treasury Corporation
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated July 17, 2025
NP 11-202 Preliminary Receipt dated July 17, 2025
Offering Price and Description:
$300,000,000 – Common Shares, Debt Securities, Warrants, Subscription Receipts, Units, Preferred Shares
Filing # 06310795

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Issuer Name:
Algoma Steel Group Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated July 18, 2025
NP 11-202 Final Receipt dated July 18, 2025
Offering Price and Description:
Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing # 06311041

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Issuer Name:
Empress Royalty Corp.
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated July 14, 2025
NP 11-202 Final Receipt dated July 15, 2025
Offering Price and Description:
$100,000,000 – Common Shares, Warrants, Debt Securities, Units
Filing # 06271553

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Issuer Name:
Perseverance Metals Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated July 15, 2025
NP 11-202 Preliminary Receipt dated July 18, 2025
Offering Price and Description:
Minimum: 2,000,000 Common Shares and 1,000,000 Warrants issuable upon deemed exercise of 2,000,000 Subscription Receipts and 140,000 Finder Warrants
Maximum Offering: Up to 8,712,374 Common Shares and 4,356,186 Warrants issuable upon deemed exercise of up to 8,712,374 Subscription Receipts and up to 609,866 Finder Warrants
Filing # 06310980

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Issuer Name:
Versamet Royalties Corporation (previously Sandbox Royalties Corp.)
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated July 16, 2025
NP 11-202 Preliminary Receipt dated July 17, 2025
Offering Price and Description:
$400,000,000 – Common Shares, Debt Securities, Warrants, Subscription Receipts, Share Purchase Contracts, Units
Filing # 06310614

Issuer Name:
Uranium Royalty Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated July 18, 2025
NP 11-202 Preliminary Receipt dated July 18, 2025
Offering Price and Description:
$150,000,000 – Common Shares, Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06311140

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B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Saguenay Strathmore Capital, LLC	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	July 16, 2025
New Registration	Hosper Capital Corp.	Exempt Market Dealer	July 16, 2025
Voluntary Surrender	Goodman & Company, Investment Counsel Inc.	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	July 14, 2025
Voluntary Surrender	PRIORI-T CAPITAL INC.	Exempt Market Dealer	July 21, 2025

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 Cboe Canada Inc. – Trading Policies Amendment – Notice of Approval

CBOE CANADA INC.

TRADING POLICIES AMENDMENT

NOTICE OF APPROVAL

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, the Ontario Securities Commission (the "**OSC**") has approved a Public Interest Rule amendment to the Cboe Canada Inc. (the "**Exchange**") Trading Policies (the "**Rule Amendment**").

On May 22, 2025, the Rule Amendment, which introduces a new visible Primary Peg order modifier for the NEO-L and NEO-N Trading Books, was published for comment. For additional details, please refer to the Request for Comments published on the OSC website and in the OSC Bulletin on May 22, 2025. One comment letter was received; the comments made in that letter, along with the Exchange's response to each one, are set out in Appendix A.

A copy of the amended Trading Policies will be available on the Exchange's website closer to the date of implementation.

The Exchange is planning to implement the Rule Amendment on **September 30**, **2025**.

Appendix A

SUMMARY OF PUBLIC COMMENTS AND RESPONSES

The following is a summary of comments received in response to the Request for Comments published on May 22, 2025 regarding the Rule Amendment to introduce a new visible Primary Peg order modifier, and the responses thereto. Capitalized terms used but not defined herein are as defined in the Trading Policies, the Request for Comments, and/or the Notice of Approval to which this Appendix A is attached.

One comment letter was received in response to the Request for Comments (from the Canadian Forum for Financial Markets).

Comment	Exchange Response
General support was expressed for the proposed new order modifier, given its efficiencies to traders and given the existence of an equivalent order type on other marketplaces in Canada.	The Exchange appreciates the general support for the Rule Amendment.
The commenter expressed concern with the “lack of data and supporting analysis on the rational [sic] and expected impacts” of the Rule Amendment. The commenter noted that the Request for Comments “does not provide any supporting analysis (either quantitative or qualitative),” including, in particular, no “data or analysis on the number of Cboe orders that are peg orders, the securities that are most frequently pegged, or the expected bandwidth costs for market participants, particularly those who do not trade ETFs.” The commenter also stated that the Request for Comments “does not include any substantive analysis on how the introduction of automated order types may impact different market participants (for example, smaller dealers) and the costs imposed.”	The Exchange believes that the proposed visible Primary Peg order modifier will improve efficiency and will democratize quoting capabilities for all Members. Primary pegged orders are expected to be used to facilitate quoting practices already being performed on the Exchange, making it possible for Members to conduct the type of trading that they are already engaged in, with less effort and cost; however, estimating the exact number of Primary Peg orders that may be used in the future by our Members would be a highly speculative exercise. (In fact, we fail to see how any marketplace could be expected to provide, as part of a Request for Comments, the “number” of orders using, or the securities most affected by, a new order type or modifier that does not yet exist on its marketplace.) Furthermore, we have no reason to believe that the new order modifier will create any “bandwidth costs for market[place] participants,” including those that do not trade ETFs, let alone any different impacts across different marketplace participants (including smaller dealers).
The commenter noted that “no alternatives were considered” by the Exchange in the Request for Comments.	The Exchange notes that it is common for marketplaces to indicate, as part of a proposed rule amendment, that no alternatives were considered (other than taking no action) when that is accurate. When a proposed rule amendment deals with a highly specific or technical trading matter (as is the case here), there may in fact be no viable alternatives (and taking no action may not be appropriate either). However, that should not be an impediment to regulatory approval of the proposal.
The commenter acknowledged that it does not object to the Rule Amendment, but took the view that “the level of detail and analysis in this Request for Comments falls short of what is expected under the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto [the “**Exchange Protocol**”], which is appended to [Cboe Canada’s] recognition order.” The commenter further indicated that, while the “practices of other exchanges may be relevant to a rule proposal, public interest rule changes should not be guided solely by those practices.” The commenter further cautioned “against the perfunctory use of the public consultation process.”	We disagree with the commenter’s view on what is “expected” under the Exchange Protocol. The points noted in our responses above (among other salient points) are explained in the Request for Comments, and we believe that this type of explanation and analysis is sufficient to meet both the letter and the spirit of the written requirements set out in the Exchange Protocol, particularly given the widespread use of the Primary Peg order type today, both in Canada and other jurisdictions (including the U.S.). To ensure a level playing field, all Canadian marketplaces must be held to the same standards, including with respect to the ability to introduce new or modified order types and how the requirements of the Exchange Protocol are to be applied. Moreover, evidence of the widespread existence and use of a particular order type on multiple marketplaces in Canada and abroad is absolutely relevant to whether a marketplace that does not yet offer that same order type should be permitted to do so, particularly

Comment	Exchange Response
	when the order type offers obvious benefits, and no obvious detriments, for marketplace participants (whether individually or as a whole).

B.11.3 Clearing Agencies

B.11.3.1 Euroclear Bank SA/NV – Notice of Commission Order

EUROCLEAR BANK SA/NV

NOTICE OF COMMISSION ORDER

On July 16, 2025, the Commission issued an order under section 147 of the *Securities Act* (Ontario) (OSA) exempting Euroclear Bank SA/NV (EB) from the requirement in subsection 21.2(0.1) of the OSA to be recognized as a clearing agency (Order), subject to terms and conditions as set out in the Order.

The Commission published EB's application and draft Order for public comment on March 27, 2025 on the **OSC website** and in the **OSC Bulletin, Volume 48, Issue 12 (2025), 48 OSCB 2970**. No comments were received.

Attached at Schedule "B" to the Order that was published for comment is a director's decision exempting EB from certain requirements under each of subsections 2.5(1) and 2.5(2) of National Instrument 24-102 *Clearing Agency Requirements.*

A copy of the **Order** is published in Chapter 2 of this Bulletin.

B.11.3.2 Canadian Derivatives Clearing Corporation (CDCC) – Proposed Amendments to the CDCC Rules and Operations Manual on Participation Requirements – Notice of Commission Approval

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

NOTICE OF COMMISSION APPROVAL

**PROPOSED AMENDMENTS TO
THE CDCC RULES AND OPERATIONS MANUAL ON PARTICIPATION REQUIREMENTS**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and the Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on July 16, 2025 the amendments to the CDCC Rules and Operations Manual relating to participation requirements.

For further details, please see the Request for Comments Notice published on **CDCC's website** on March 6, 2025.

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