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FOR IMMEDIATE RELEASE
May 4, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MARK ALLEN DENNIS

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated May 3, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1-877-785-1555 (Toll Free)

1.5.2 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
May 5, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION,
CENITH AIR INC., ANGEL IMMIGRATION INC. and
XUNDONG QIN also known as SAM QIN

TORONTO – Following the hearing on the merits in the above noted matter, the Commission issued its Reasons and Decision.

A copy of the Reasons and Decision dated May 4, 2016 is available at www.osc.gov.on.ca.

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1.5.3 Robert Laudy Williams

FOR IMMEDIATE RELEASE
May 5, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
ROBERT LAUDY WILLIAMS

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the Securities Act in the above noted matter.

A copy of the Reasons and Decision and the Order dated May 4, 2016 are available at www.osc.gov.on.ca.

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1.5.4 Terrence Bedford

FOR IMMEDIATE RELEASE
May 6, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
TERRENCE BEDFORD

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated May 5, 2016 are available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 HNZ Group Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Dual application – Application for relief from take-over bid and early warning requirements so that the applicable thresholds be triggered on a combined basis rather than on a per class basis – Relief to address foreign investment concerns – Dual class structure implemented solely for compliance with foreign ownership requirements in the transportation industry – Both classes of securities are freely tradable, have identical economic attributes and are automatically and mandatorily inter-convertible based on the holder's Canadian or non-Canadian status.

Applicable Legislative Provisions

Securities Act (Québec), s. 263.
Securities Act (Ontario), Part XX.
Regulation 51-102 respecting Continuous Disclosure Obligations.
Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues.
Regulation 62-104 respecting Take-Over Bids and Issuer Bids.

April 29, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
HNZ GROUP INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a "**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that:

(i) an offeror that makes an offer to acquire outstanding variable voting shares of the Filer (the "**Variable Voting Shares**") or outstanding common shares of the Filer (the "**Common Shares**", and collectively with the Variable Voting Shares, the "**Shares**"), which would constitute a take-over bid under the Legislation as a result of the securities subject to the offer to acquire, together with the offeror's securities of that class, constituting in the aggregate 20% or more of the outstanding Variable Voting Shares or Common Shares, as the case may be, at the date of the offer to acquire, be exempted from the take-over bid requirements contained in *Regulation 62-104 respecting Take-Over Bids and Issuer Bids* ("**Regulation 62-104**") and Part XX of the *Securities Act* (Ontario) (collectively, the "**TOB Rules**") (the "**TOB Relief**");

(ii) an acquiror who acquires beneficial ownership of, or the power to exercise control or direction over, Variable Voting Shares or Common Shares, or securities convertible into such Shares, that, together with the acquiror's securities of that class, would constitute 10% or more of the outstanding Variable Voting Shares or Common Shares, as the case may be, be exempted from the early warning requirements contained in the Legislation (the "**Early Warning Relief**");

(iii) an eligible institutional investor subject to the early warning requirements of the Legislation be entitled to rely on alternative eligibility criteria from those set forth in Section 4.5 of *Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("**Regulation 62-103**") in order to benefit from the exemption contained in Section 4.1 of Regulation 62-103 (the "**Alternative Monthly Reporting Criteria**"); and

(iv) the Filer be entitled to rely on alternative disclosure requirements from those set forth in Item 6.5 of Form 51-102F5 – *Information Circular* ("**Form 51-102F5**") of *Regulation 51-102 respecting Continuous Disclosure Obligations* ("**Regulation 51-102**") (the "**Alternative Disclosure Requirements**" and, collectively with the TOB Relief, the Early Warning Relief and the Alternative Monthly Reporting Criteria, the "**Exemption Sought**").

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

(a) the *Autorité des marchés financiers* is the principal regulator for this Application;

(b) the Filer has provided notice that Subsection 4.7(1) of *Regulation 11-102 respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon by the Filer in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, Regulation 62-103, Regulation 62-104 and Regulation 11-102, including without limitation, "offeror", "offeror's securities", "offer to acquire", "acquiror", "acquiror's securities", "early warning requirements", "eligible institutional investor" and "securityholding percentage", have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Filer are located at 1215 Montée Pilon, Les Cèdres, Québec.

3. The Filer is a reporting issuer in all of the provinces and territories of Canada and is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Filer is the largest helicopter operator in Canada and is one of the largest helicopter providers in the world.

5. The Filer is subject to the *Canada Transportation Act* (the "**CTA**") which requires that any person operating a "domestic service" (as defined in the CTA), as the Filer does, be controlled in fact by Canadians, within the meaning of Section 55(1) of the CTA ("**Canadians**"). As such, at least 75% of the Filer's voting interests must be owned and controlled by Canadians such that non-Canadians cannot hold or control more than 25% of the voting interests of the Filer.

6. The authorized share capital of the Filer is comprised of an unlimited number of Variable Voting Shares, an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. As of March 31, 2016, 111,024 Variable Voting Shares, 12,916,979 Common Shares and no preferred shares were outstanding.

7. The Common Shares may only be held, beneficially owned and controlled, directly or indirectly, by Canadians. An outstanding Common Share is converted into one Variable Voting Share, automatically and without any further act of the Filer or the holder, if such Common Share becomes held, beneficially owned or controlled, directly or indirectly, otherwise than by way of security only, by a person who is not a Canadian.

8. The Variable Voting Shares may only be held, beneficially owned or controlled, directly or indirectly, by persons who are not Canadians. An outstanding Variable Voting Share is converted into one Common Share, automatically and without any further act of the Filer or the holder, if such Variable Voting Share becomes held, beneficially owned and controlled, directly or indirectly, otherwise than by way of security only, by a Canadian.

9. Each Common Share confers the right to one vote. Each Variable Voting Share also confers the right to one vote unless: (i) the number of Variable Voting Shares outstanding, as a percentage of the total number of Shares outstanding of the Filer, exceeds 25% (or any higher percentage that the Governor in Council may by regulation specify); or (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting exceeds 25% (or any higher percentage that the Governor in Council may by regulation specify) of the total number of votes that may be cast at such meeting. If either of the above noted thresholds would otherwise be surpassed at any time, the vote attached to each Variable Voting Share decreases proportionately such that: (i) the Variable Voting Shares as a class do not carry more than 25% (or any higher percentage that the Governor in Council may by regulation specify) of the aggregate votes attached to all outstanding Shares of the Filer; and (ii) the total number of votes cast by or on behalf of holders of Variable Voting Shares at any meeting does not exceed 25% (or any higher percentage that the Governor in Council may by regulation specify) of the votes that may be cast at such meeting.

10. Aside from the differences in voting rights stated above, the rights attached to the Variable Voting Shares and Common Shares are the same in all other respects, including with regard to the right to receive dividends, if any, as well as the right to receive the property and assets of the Filer in the event of a dissolution, liquidation, or winding up of the Filer.

11. The articles of the Filer contain coattail provisions pursuant to which: (i) Variable Voting Shares may be converted into Common Shares in the event of a formal take-over bid for the Common Shares which is not also made to the holders of Variable Voting Shares; and (ii) Common Shares may be converted into Variable Voting Shares in the event of a formal take-over bid for the Variable Voting Shares which is not also made to the holders of Common Shares (the "**Coattail Provisions**"). The Coattail Provisions do not need to be amended as a result of the decision to grant the Exemption Sought.

12. The Common Shares and the Variable Voting Shares are listed on the Toronto Stock Exchange and have historically traded within a narrow price range, demonstrating that the market essentially assigns the same value to Common Shares and Variable Voting Shares.

13. The Filer's dual class structure was implemented solely to ensure compliance with the requirements of the CTA.

14. On December 31, 2010, the Filer adopted a shareholders rights plan which was ratified by the holders of Shares at the Filer's annual and special shareholder meeting held on June 10, 2011 and reconfirmed on May 14, 2014 (the "**Shareholders Rights Plan**"). The Shareholders Rights Plan does not need to be amended as a result of the decision to grant the Exemption Sought.

15. An investor does not control or choose which class of Shares it acquires and holds. There are no unique features of either class of Shares which an existing or potential investor can choose to acquire, exercise or dispose of. The class of Shares that an investor can acquire ultimately depends on the investor's Canadian or non-Canadian status only. Moreover, if after having acquired Shares a holder's Canadian or non-Canadian status changes, the Shares will convert accordingly and automatically, without formality or regard to any other consideration.

16. The Variable Voting Shares are not considered "restricted voting securities" for the purposes of the Legislation.

17. The TOB Rules and early warning requirements apply to the acquisition of securities of a class. Because of the current significantly smaller public float of Variable Voting Shares (compared to the public float of Common Shares), it is more difficult for non-Canadian investors to acquire Variable Voting Shares in the ordinary course without the apprehension of inadvertently triggering the TOB Rules and early warning requirements, thus restricting the interest of non-Canadian investors in the Variable Voting Shares because of reasons unrelated to their investment objectives. Aggregating Variable Voting Shares and Common Shares for the purpose of the TOB Rules and early warning requirements would aim at facilitating an investment in Variable Voting Shares.

18. To the extent that the Variable Voting Shares and Common Shares are aggregated for the purposes of the TOB Rules, the early warning requirements and the alternative monthly reporting requirements, the Filer should not be required to disclose the number of Variable Voting Shares and Common Shares on a per-class basis in its management information circular.

Decision

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

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

(a) the Filer shall publicly disclose the terms of the Exemption Sought in a news release filed on SEDAR promptly following the issuance of this decision document;

(b) the Filer shall disclose the terms and conditions of the Exemption Sought in all of its annual information forms and management proxy circulars filed on SEDAR following the issuance of this decision document;

(c) with respect only to the TOB Relief, the Variable Voting Shares or the Common Shares, as the case may be, subject to the offer to acquire of an offeror, together with the Variable Voting Shares and Common Shares beneficially owned, or over which control or direction is exercised, on the date of the offer to acquire, by the offeror or by any person acting jointly or in concert with the offeror, would not constitute, in the aggregate 20% or more of the outstanding Variable Voting Shares and Common Shares on a combined basis on the date of the offer to acquire;

(d) with respect only to the Early Warning Relief, the Variable Voting Shares or Common Shares, or securities convertible into such Shares, as the case may be, over which the acquiror acquires beneficial ownership of, or the power to exercise control or direction over, together with the securities of the Filer beneficially owned, or over which control or direction is exercised, by the acquiror or any person acting jointly or in concert with the acquiror, would not constitute 10% or more of the outstanding Variable Voting Shares and Common Shares on a combined basis;

(e) with respect only to the Alternative Monthly Reporting Criteria, the eligible institutional investor meet any of the eligibility criteria contained in Section 4.5 of Regulation 62-103 by calculating its securityholding percentage using (i) a denominator comprised of all of the outstanding Variable Voting Shares and Common Shares on a combined basis; and (ii) a numerator including all of the Variable Voting Shares and Common Shares, as the case may be, beneficially owned or over which control or direction is exercised by the eligible institutional investor; and

(f) with respect only to the Alternative Disclosure Requirements, the Filer meet the disclosure requirements contained in Item 6.5 of Form 51-102F5 by calculating the securityholding percentage using (i) a denominator comprised of all of the outstanding Variable Voting Shares and Common Shares on a combined basis; and (ii) a numerator including all of the Variable Voting Shares and Common Shares, as the case may be, beneficially, or over which control or direction is exercised, directly or indirectly, by any person who, to the knowledge of the Filer's directors or executive officers, beneficially owns, controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding Variable Voting Shares and Common Shares on a combined basis.

"Gilles Leclerc"
Superintendent Securities Market
Autorité des marches financiers

2.1.2 Global Resource Champions Split Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to an exchange traded mutual fund from certain mutual fund requirements and restrictions on borrowing and form of payment of redemptions – Since investors will generally buy and sell shares through the TSX, requirements intended principally for conventional mutual funds in continuous distribution are largely not applicable – requested relief would not be prejudicial to investors – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 10.4(3), 19.1.

April 27, 2016

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
GLOBAL RESOURCE CHAMPIONS SPLIT CORP.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the following provisions of National Instrument 81-102 *Investment Funds* (**NI 81-102**) will not apply to the Filer with respect to the offering of the Preferred Shares (as defined below) and the payment of redemption proceeds with the issuance of Debentures (as defined below) (the **Exemption Sought**);

1. sections 2.6(a) and 10.4(3) of NI 81-102, which respectively: (i) restricts a mutual fund in borrowing cash or providing a security interest over its portfolio assets and (ii) requires a mutual fund to pay the redemption price for securities that are the subject of a redemption order in cash or, with consent of the holder, by delivery of portfolio assets.

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

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

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Quebec, Nova Scotia, New Brunswick, Saskatchewan, Newfoundland and Labrador, Manitoba and Prince Edward Island.

Interpretation

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

Representations

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

The Filer

1. The Filer is a mutual fund corporation incorporated under the *Business Corporations Act* (Ontario) and has its head office in Toronto, Ontario. Brookfield Investment Management (Canada) Inc. (the **Manager**) will be the manager of the Filer with its head office in Toronto, Ontario.

2. The Filer is a "mutual fund" under applicable securities legislation because it is an issuer of securities which entitle the holder to receive an amount computed by reference to the value of a proportionate interest in the whole or part of the net assets of the Filer, within a specified period after demand.

3. The Filer and any other relevant party are not in default of securities legislation in any jurisdiction.

The Offering

4. The Filer will make an offering (the **Offering**) to the public of Class A Preferred Shares, Series 1 (the **Preferred Shares**) of the Filer. Concurrently with the Offering of the Preferred Shares, the Filer will issue one capital share (the **Capital Shares**) to Partners Value Investments Inc. (**Partners Value Investments**) for each Preferred Share sold. Partners Value Investments will acquire all of the Capital Shares issued.

5. The Filer intends to file a long form prospectus to be dated shortly after the date of this decision (the **Prospectus**) in respect of the Offering of the Preferred Shares with the securities regulatory authorities in each of the provinces of Canada.

6. The Offering is a one-time offering and the Filer will not offer the Preferred Shares on a continuous basis.

7. The proceeds of the Offering and the proceeds from the issuance of the Capital Shares will be invested in a diversified portfolio (the **Portfolio**) of large capitalization commodity companies that the Manager believes are best in class. The Portfolio and any cash held by the Filer will be the only material assets of the Filer.

8. The Filer is authorized to borrow money required to fund the payment of dividends on the Preferred Shares on a temporary basis and may pledge its assets as collateral for such loans. The Filer will limit this borrowing to a maximum of 5% of the Filer's net assets. This borrowing is disclosed in the Prospectus.

9. All of the Preferred Shares will be redeemed by the Filer on the date specified in the Prospectus.

The Preferred Shares

10. The Filer's investment objectives with respect to the Preferred Shares are:

    (a) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount set out in the Prospectus; and

    (b) on the date specified in the Prospectus, to pay the holders of Preferred Shares the original issue price of $25.00 of those shares, through the redemption of each Preferred Share held on such date.

11. The Filer's investment objectives with respect to the Capital Shares are to provide their holders with a leveraged investment, the value of which is linked to changes in the market price of the Portfolio.

12. The Preferred Shares will be listed and posted for trading on the Toronto Stock Exchange (**TSX**).

13. The record date for quarterly distributions to holders of Preferred Shares will be the last business day of March, June, September and December in each year with payments being made on or before the 15th day of the following month.

14. The Preferred Shares will be retractable at the option of the shareholder on a monthly basis at a price computed with reference to the value of a proportionate interest in the net assets of the Filer.

15. Shares may be surrendered at any time for retraction by the Filer and shareholders will receive payment pursuant to a retraction request on the 15th day of each month (the **Retraction Payment Date**), provided they are surrendered at least 5 business days before last business day of the preceding month (the **Retraction Valuation Date**).

16. The Filer will put in place a remarketing agreement with a dealer which will provide that the dealer will use its reasonable efforts to find purchasers for any Preferred Shares tendered for retraction at a price that is not less than (after expenses) the lesser of (i) 95% of the Net Asset Value per Unit (as defined below) (ii) 95% of the trading price of

the Preferred Shares or (iii) $23.75. The "Net Asset Value per Unit" on any particular day will be the net asset value of the Company on such day divided by the total number of Units outstanding. A "Unit" will consist of one Capital Share and one Preferred Share.

17. If a purchaser cannot be found for Preferred Shares tendered for retraction, subject to satisfaction of certain conditions described below, in lieu of receiving the retraction price in cash, such retracting holder of Preferred Shares will receive unsecured debentures of the Filer (the **Debentures**), with a principal amount equal to $25.00 for each Preferred Share tendered for retraction. Each Debenture will have an interest rate which is higher than the yield per annum on the Preferred Shares and will mature on the final redemption date for the Preferred Shares. The Debentures will be redeemable by the Filer at any time for cash. As a debt security, the Debentures will rank ahead of the Preferred Shares.

18. The Debentures will be issued in compliance with registration and prospectus requirements under the Legislation or exemption therefrom. The Debentures will not be listed on the TSX.

19. As described in the Prospectus, the issuance of Debentures by the Filer will be subject to certain terms and conditions, including a limitation that the Debentures may not be issued by the Filer if following such issuance (i) the aggregate principal amount of Debentures outstanding would be greater than 5% of the net asset value of the Filer determined as of the date of issuance, or (ii) such issuance would cause the annual income of the Company for the following year, net of expected operating expenses and interest obligations on the Debentures for that period, to fall below the amount required to pay distributions to holders of Preferred Shares, unless in either case DBRS or its successor has confirmed that such issuance would not affect the then current rating of the Preferred Shares. Accordingly, the issuance of Debentures by the Filer is not expected to have any material adverse impact on the ability of the Filer to make dividend payments to the remaining holders of Preferred Shares.

20. Holders of preferred shares that have been surrendered for retraction on the same retraction payment date will be allocated Debentures on a pro rata portion up to a maximum of 5% of the net asset value of the Filer, with the remainder of the retraction payment being satisfied in cash.

21. If the Filer cannot issue Debentures to satisfy a retraction, including if there are already Debentures outstanding representing 5% of the net asset value of the Filer, the retraction payment will be satisfied by cash in an amount equal to the lesser of (i) 95% of the Net Asset Value per Unit, (ii) 95% of the trading price of the Preferred Shares or (iii) $23.75.

22. If any Debentures are issued and outstanding, the Filer will provide investors (in the same manner as the net asset value is made available to investors as described in the Prospectus) on a monthly basis with the outstanding amount of Debentures which have been issued by the Filer as well as the par value of the outstanding Preferred Shares.

23. The Prospectus contains disclosure of the terms of the Preferred Shares, including the fact that upon retraction, if a purchaser cannot be found for the Preferred Shares tendered for retraction, such retracting holder will receive, unless the financial tests to issuance are not satisfied, Debentures as the retraction consideration. The Prospectus also contains a risk factor relating to the payment of the retraction price in Debentures that also explains that the Debentures will be illiquid investments. The Prospectus will also give holders of Preferred Shares a contractual right of rescission against the Filer in case of retractions of their Preferred Shares and will include information about the method of exercising the right and cautionary language about the limited nature of such right. The tax opinion that will be provided in the Prospectus under "Principal Canadian Federal Income Tax Considerations" will include disclosure regarding the tax implications of holding and selling Debentures. Once entered into, any trust indenture or supplemental trust indenture for the Debentures will be filed on SEDAR. Accordingly, the Prospectus contains all material disclosure pertaining to the Preferred Shares such that potential investors may make an informed decision.

24. Since the Preferred Shares will be listed on the TSX, holders of such shares will not be relying solely on the retraction privilege to provide liquidity for their investment.

25. Section 10.4(3) of NI 81-102 allows for the payment of redemption proceeds other than with cash, subject to obtaining securityholder consents. With regards to the Preferred Shares, since the Prospectus will contain all material disclosure pertaining to the Preferred Shares, an investor who purchases Preferred Shares will do so with full knowledge that they may be issued Debentures if they request a retraction of their investment in the Preferred Shares and a purchaser cannot be found to purchase such Preferred Shares. Such investor would thereby implicitly consent to the payment of retraction proceeds by the Filer with Debentures.

26. The Manager is of the view that the retraction feature is a fundamental term of the Preferred Shares and that it would be onerous to add such feature subsequent to the Offering as the Filer would incur significant additional costs in order to obtain the requisite shareholder consents and approvals.

27. As of the date hereof, Partners Value Investments is not an affiliate of the Manager or an associate of any partner, director or officer of the Filer or Manager. In addition, as of the date hereof, no substantial securityholder of the Manager has a significant interest in Partners Value Investments and no responsible person or an associate of a responsible person at the Manager is a partner, officer or director of Partners Value Investments.

28. Debentures are only issuable by the Filer upon retraction of the Preferred Shares, and the Filer will not have any control over whether any holder of Preferred Shares exercises their retraction rights and whether any purchaser can be found for Preferred Shares tendered for retraction.

29. Other than the Exemption Sought, the Filer will otherwise comply with NI 81-102.

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 on the following basis:

(a) section 2.6(a) of NI 81-102 – to enable the Filer to borrow money for working capital purposes and provide a security interest over its assets, as described in paragraph 8 above, so long as the outstanding amount of any such borrowing by the Filer does not exceed 5% of the net assets of the Filer taken at market value at the time of the borrowing; and

(b) sections 2.6(a) and 10.4(3) of NI 81-102 – to permit the Filer to pay the retraction price for the Preferred Shares in the form of Debentures, so long as the issuance of Debentures meets all terms and conditions that will be specified in the Prospectus and that the cover page of the prospectus will contain prominent disclosure indicating that, if a purchaser for Preferred Shares tendered for retraction cannot be found, a holder of Preferred Shares may receive payment in the form of Debentures rather than cash upon retraction.

“Raymond Chan”
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.3 The Empire Life Insurance Company

Headnote

NP 11-203 – Application for relief from the requirement that the Filer shall not file a prospectus in the form of a short form prospectus unless the issuer is qualified under specified sections of National Instrument 44-101 Short Form Prospectus Distributions – Filer seeking qualification to file a prospectus in the form of a short form prospectus for convertible 5 year rate reset preferred shares – Relief granted subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1, 8.1.

June 19, 2015

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
THE EMPIRE LIFE INSURANCE COMPANY
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator ("**Legislation**") exempting the Filer, from the requirement under subsection 2.1(1) of National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") that the Filer shall not file a short form prospectus in the form of Form 44-101F1 of NI 44-101 unless the Filer is qualified under any of section 2.2 through 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus and subsection 2.1(2) that the Filer be qualified under any of sections 2.2 through 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus, in both cases, in connection with the distribution of Series 1 Shares (as defined below) (the "**Requested Relief**").

Furthermore, the principal regulator in the Jurisdiction has received a request from the Filer for a decision ("**Confidentiality Relief**") that the application, any supporting materials and this decision document in connection with the subject matter herein ("**Confidential Material**") be kept confidential and not be made public until the earlier of the date: (i) on which the Filer advise the Decision Maker that there is no need for the Confidential Material to remain confidential; (ii) on which the Filer receives a receipt in respect of the preliminary Non-Offering Prospectus (as defined below); and (iii) that is 90 days from the date of this decision.

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

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in each of Alberta, British Columbia, Manitoba, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102 and NI 44-101 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:

(a) The Filer is a stock life insurance company incorporated by Letters Patent on January 11, 1923. The head office of the Filer is 259 King Street East, Kingston, Ontario.

(b) The Filer is governed by the *Insurance Companies Act* (Canada) (the "**ICA**") and regulated by the Office of the Superintendent of Financial Institutions (Canada) ("**OSFI**").

(c) The Filer is not a reporting issuer (or the equivalent thereof) in any province of Canada and, to its knowledge, is not in default of any applicable requirements under the securities legislation thereunder.

(d) The Filer has one wholly owned subsidiary, Empire Life Investments Inc., which carries on business as an investment management firm and is registered as a portfolio manager, exempt market dealer and commodity trading manager in Ontario and as an investment fund manager in each of Ontario, Newfoundland and Labrador and Quebec.

(e) The authorized capital of the Filer consists of (i) an unlimited number of preferred shares without nominal or par value, issuable in series ("**Preferred Shares**"); and (ii) 2,000,000 common shares without nominal or par value ("**Common Shares**"). As of the date hereof, the Filer has 985,076 Common Shares issued and outstanding. No Preferred Shares have been issued.

(f) The Common Shares are the only "equity securities" (as defined under National Instrument 41-101 – *General Prospectus Requirements*) of the Filer and are not listed or traded on a "short form eligible exchange" as defined in NI 44-101.

(g) The Filer is a direct subsidiary of E-L Financial Services Limited ("**ELFS**") and an indirect subsidiary of E-L Financial Corporation Limited ("**E-L**"), an insurance and investment holding company listed on the Toronto Stock Exchange ("**TSX**") with a market capitalization as at May 13, 2015 of over $2.5 billion.

(h) E-L is the owner of 81% of the equity of ELFS. The remaining 19% of ELFS' equity is owned by Guardian Assurance Ltd.

(i) ELFS is the owner of 98.3% of the Filer's outstanding Common Shares. The remaining 1.7% of the outstanding Common Shares are held by various shareholders, including 0.9% owned directly by E-L, but, as noted above, the Filer is not a reporting issuer (or the equivalent thereof) in any province of Canada.

(j) E-L is a reporting issuer in each of the provinces of Canada. The Filer is the major operating subsidiary of E-L. Although the Filer is not a reporting issuer (or equivalent thereof) in any province of Canada, there is significant disclosure regarding the Filer contained in E-L's public disclosure which is filed on SEDAR. This disclosure has historically included detailed financial disclosure of the Filer in E-L's annual and interim financial statements, a detailed section on the Filer contained in E-L's MD&A, a description of the Filer's business and risk factors in E-L's annual information form and some description of the Filer's executive compensation in E-L's management information circular. Such disclosure is included in the annual information form, annual financial statements and accompanying MD&A filed by E-L on March 6, 2015 and the management information circular filed by E-L on April 1, 2015. E-L has also issued and filed press releases in respect of certain matters in respect of the Filer, including the appointment of a new President and Chief Executive Officer of the Filer in May 2014.

(k) The Preferred Shares may at any time or from time to time be issued in one or more series having such designation, rights, privileges, restrictions and conditions as determined by the board of directors of the Filer. Subject to any rights which may be attached to a series of Preferred Shares or as a result of applicable law, the holders of Preferred Shares are not entitled to receive notice of, attend or vote at any meetings of shareholders of the Filer. For greater certainty, the only voting securities of the Filer are the Common Shares.

(l) Prior to the issuance of any series of Preferred Shares, the particulars of the series, including the rights, privileges, restrictions and conditions of such series must be sent to OSFI.

(m) The Filer proposes to (i) become a reporting issuer pursuant to the filing of and issuance by the Ontario Securities Commission of a final receipt in respect of a non-offering prospectus ("**Non-Offering Prospectus**"); (ii) file pursuant to section 2.8 of NI 44-101 with the Ontario Securities Commission a notice of intention on the date that the Filer files the preliminary Non-Offering Prospectus declaring its intention to be qualified to file a short form prospectus; (iii) subsequently thereafter create two new series of Preferred Shares, being Non-Cumulative Redeemable 5-Year Rate Reset Preferred Shares, Series 1 ("**Series 1 Shares**") and Non-Cumulative Redeemable Floating Rate Reset Preferred Shares, Series 2 ("**Series 2 Shares**"); and (iv) distribute the Series 1 Shares to the public ("**Offering**") pursuant to a short form prospectus ("**Short Form Prospectus**"). The Short Form Prospectus will be prepared pursuant to the short form prospectus requirements of NI 44-101 and comply with the requirements set out in Form 44-101F1. The Filer intends to file the Short Form Prospectus in each of the provinces and territories of Canada.

(n) The purpose of the Offering is to increase the Filer's regulatory capital. The Filer intends to confirm with OSFI that the Series 1 Shares and Series 2 Shares will be treated as Tier 1 capital of the Filer for the purposes of the ICA.

(o) The Series 1 Shares and the Series 2 Shares will be substantially identical in all respects except that (i) the dividends payable on the Series 1 Shares will be based on a fixed rate and the dividends payable on the Series 2 will be based on a floating rate; and (ii) the Filer is able to redeem the Series 2 Shares on any date after the fifth anniversary of the closing of the Offering, whereas the Series 1 Shares can only be redeemed by the Filer on the fifth anniversary of the closing of the Offering and every fifth year thereafter.

(p) The Series 1 Shares will be convertible, in certain circumstances, at the option of the holder or the Filer, into an equal number of Series 2 Shares of the Filer. In particular, holders of Series 1 Shares will have the right, at their option, no earlier than five years after the issue date of the Series 1 Share (i.e., at the end of the fixed rate period) and every five years thereafter, to convert their Series 1 Shares into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share.

(q) The Series 2 Shares will be convertible, in certain circumstances, at the option of the holder or the Filer, into an equal number of Series 1 Shares of the Filer. In particular, holders of Series 2 Shares will have the right, at their option, five years following the end of the floating rate period (usually after 10 years after the issue date of the Series 1 Shares) and every five years thereafter, to convert their Series 2 Shares into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share.

(r) Holders of Series 1 Shares and Series 2 Shares will not be entitled to convert their shares in certain circumstances if the Filer determines that there would remain outstanding on a conversion date less than 1,000,000 or 500,000 of such shares depending on the initial number of Series 1 Shares that are issued.

(s) The Series 1 Shares and the Series 2 Shares will have a designated rating on a provisional basis and the Filer will satisfy the other ratings requirement as set out in Section 2.3(e) of NI 44-101.

(t) The Filer does not satisfy the qualification criteria in Section 2.3 of NI 44-101 in order to be able to file a prospectus in the form of a short form prospectus for the distribution of the Series 1 Shares because the Series 1 Shares are convertible securities.

(u) The Series 2 Shares will be distributed pursuant to Section 2.42 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

(v) An application will be made to list the Series 1 Shares and the Series 2 Shares on the TSX.

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 Requested Relief is granted provided that:

1. the Filer is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

2. the Filer is a reporting issuer in at least one jurisdiction of Canada;

3. the Filer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction

(a) under applicable securities legislation,

(b) pursuant to an order issued by the securities regulatory authority, or

(c) pursuant to an undertaking to the securities regulatory authority;

4. the Filer has, in at least one jurisdiction in which it is a reporting issuer,

(a) current annual financial statements, and

(b) a current AIF, or provided the Filer has not yet been required under the applicable CD rule to file any annual financial statements, the Filer has filed and obtained a receipt for a final prospectus that included the Filer's or each predecessor entity's comparative annual financial statements for its most recently completed financial year or the financial year immediately preceding its most recently completed financial year, together with the auditor's report accompanying those financial statements and, if there has been a change of auditors since the comparative period, an auditor's report on the financial statements for the comparative period;

5. the securities to be distributed

(a) have received a designated rating on a provisional basis,

(b) are not the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating, and

(c) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and

6. the Filer files the Short Form Prospectus pursuant to the short form prospectus requirements of NI 44-101 and complies with the requirements set out in Form 44-101F1.

The further decision of the principal regulator under the Legislation is that the application of the Filer, any supporting materials and this decision document in connection with the subject matter herein be kept confidential and not be made public until the earlier of the date: (i) on which the Filer advise the Decision Maker that there is no need for the Confidential Material to remain confidential; (ii) on which the Filer receives a receipt in respect of the preliminary Non-Offering Prospectus; and (iii) that is 90 days from the date of this decision.

"Kathryn Daniels"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.1.4 9416471 Canada Inc. (formerly SilverWillow Energy Corporation)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer in default of obligation to file interim unaudited financial statements and related MD&A and certification – 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).

Citation: Re 9416471 Canada Inc., 2016 ABASC 1

January 5, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, NOVA SCOTIA, AND
NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
9416471 CANADA INC.
(formerly SILVERWILLOW ENERGY CORPORATION)
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to cease to be a reporting issuer (the **Exemptive Relief Sought**).

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

(a) the Alberta Securities Commission is the principal regulator for this application; and

(b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act* with its head office in Calgary, Alberta.

2. SilverWillow Energy Corporation (**SilverWillow**) is a corporation existing under the laws of Canada. SilverWillow is a reporting issuer in each of the Jurisdictions and the common shares of SilverWillow (the **SilverWillow Shares**) were listed and traded on the TSX Venture Exchange (the **TSXV**) under the symbol "SWE".

3. On August 25, 2015, SilverWillow amalgamated (the **Amalgamation**) with 9341102 Canada Inc. (**AcquireCo**) under the Canada Business Corporations Act to form the Filer. As a result of the Amalgamation, and in accordance with the acquisition agreement dated July 2, 2015 among SilverWillow, AcquireCo and Value Creation Inc. (**VCI**), former holders (**SilverWillow Shareholders**) of SilverWillow Shares were left without interest in the Filer.

4. Pursuant to the Amalgamation (i) each SilverWillow Share was exchanged for one preferred share (**Preferred Share**) in the capital of the Filer and cancelled; and (ii) each common share of AcquireCo was converted into one common share of the Filer.

5. Immediately following the Amalgamation, each Preferred Share was automatically redeemed without further act or formality in exchange for C$0.03 (the **Cash Consideration**) per Preferred Share in cash.

6. As a result of the Amalgamation and the exchange of the Cash Consideration, all of the Filer's issued and outstanding securities have been held by VCI since August 25, 2015.

7. The aggregate Cash Consideration was paid in trust to the depository retained in connection with the Amalgamation for the benefit of former SilverWillow Shareholders on the business day prior to the completion of the Amalgamation.

8. The SilverWillow Shares were delisted from and no longer traded on the TSXV as close of business on August 26, 2015.

9. The Filer has applied for a decision that it is not a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer.

10. The Filer has been granted a Notice of Voluntary Surrender of Reporting Issuer Status from the British Columbia Securities Commission under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, effective on September 8, 2015.

11. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for the obligation to file its interim financial statements and related management's discussion and analysis for the periods ended June 30, 2015 and September 30, 2015 as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statement and management's discussion and analysis as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, all of which became due on August 31, 2015 and November 30, 2015 respectively (collectively, the **Filing Dates**), after the effective date of the Amalgamation.

12. The Filer had commenced termination of its obligations as a reporting issuer prior to the Filing Dates and had delisted the SilverWillow Shares from trading on the TSXV prior to such date.

13. The Filer has no current intention to seek public financing by way of an offering of securities.

14. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions of Canada and less than 51 security holders in total worldwide.

15. None of the Filer's securities, 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.

16. The Filer is not required to remain a reporting issuer in the Jurisdictions under any contractual arrangement between the Filer and its sole shareholder, VCI.

17. Upon granting the Exemptive Relief Sought, the Filer will not be a reporting issuer in any jurisdiction of Canada.

Decision

Each of the Decision Makers is satisfied that the decision meets the test contained in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.5 Avala Resources Ltd. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer 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).

May 5, 2016

Avala Resources Ltd.
2200 HSBC Building, 885 West Georgia Street
Vancouver BC V6C 3E8

Dear Sirs/Mesdames:

Re: Avala Resources Ltd. (the Applicant) – application for a decision under the securities legislation of Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, and Saskatchewan (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, 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;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Michael Tang"
Acting Manager, Corporate Finance

2.1.6 Shaw Communications Inc.

Headnote

MI 11-102 and NP 11-203 – Filer closed an Acquisition that satisfied the profit or loss test under Part 8 of NI 51-102, necessitating the filing of a BAR. The Filer submitted that the Acquisition was not significant from a practical, commercial or financial perspective – in addition to significance test results, issuer supplied other metrics – the Filer was relieved from the obligation to file a BAR.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.2(1), 8.4(5), 13.

Citation: Re Shaw Communications Inc., 2016 ABASC 103

May 2, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
SHAW COMMUNICATIONS INC.
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) to grant an exemption from the requirement under subsection 8.2(1) of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) to file a business acquisition report (**BAR**) in connection with the Acquisition (as defined below).

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

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the Provinces of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 51-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

1. The Filer, a corporation formed under the *Business Corporations Act* (Alberta) with its head office in Alberta, is a reporting issuer in each of the provinces of Canada. The Filer is not in default of securities legislation in any jurisdiction of Canada.

2. The Class B Non-Voting Participating Shares of the Filer are listed on Toronto Stock Exchange under the trading symbol SJR.B and, accordingly, the Filer is not a venture issuer.

The Acquisition and Mid-Bowline

3. Effective March 1, 2016, the Filer indirectly acquired (the **Acquisition**) all of the issued and outstanding equity of Mid-Bowline Group Corp. (**Mid-Bowline**) pursuant to an arrangement agreement made effective as of December 16, 2015, as amended.

Significance of the Acquisition

4. Pursuant to subsection 8.2(1) of NI 51-102, if a reporting issuer makes a significant acquisition it must file a BAR within 75 days after the acquisition date. The tests for determining whether an acquisition is a significant acquisition are set out in section 8.3 of NI 51-102 and are referred to as the asset test, the investment test and the profit or loss test. An acquisition by the Filer is a significant acquisition if any of the three foregoing tests yield a result that exceeds 20%.

5. The Acquisition is not a significant acquisition under

(a) the asset test in paragraph 8.3(2)(a) of NI 51-102 as the consolidated assets of Mid-Bowline represents approximately 8.1% of the Filer's consolidated assets as

stated on its audited financial statement for the year ended August 31, 2015 (the **Audited Financial Statements**), or

(b) the investment test in paragraph 8.3(2)(b) of NI 51-102 as the Filer's consolidated investment in, and advances to, Mid-Bowline represents approximately 11.5% of the Filer's consolidated assets as stated on its Audited Financial Statements.

6. The Acquisition is a significant acquisition under the profit or loss test in paragraph 8.3(2)(c) of NI 51-102 as the consolidated specified profit or loss of Mid-Bowline represents approximately 45.9% of the Filer's consolidated specified profit or loss as stated on its Audited Financial Statements.

7. The application of the profit and loss test leads to an anomalous result due to a series of agreements entered into with a third party corporation (**Third Party**) by which the Third Party transferred certain licenses to Mid-Bowline's subsidiary, WIND Mobile Corp. (**WIND**), in exchange for nominal consideration and one spectrum license of significantly lesser value with Mid-Bowline recognizing (on a consolidated basis, before the Acquisition), a significant one-time gain of approximately $265 million, which reflects the significant excess of the estimated fair value of the licences received by WIND from the Third Party over the carrying value of that one licence that WIND transferred to the Third Party.

The Significance of the Acquisition from a Practical, Commercial, or Financial Perspective

8. Overall, the Filer is of the view that the Acquisition is not a "significant acquisition" to it from a practical, commercial or financial perspective, due to the results of the asset test and the investment test and other metrics put forward by the Filer, such as the number of subscribers of the Filer as compared to those of Mid-Bowline.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

"Cheryl McGillivray"
Manager, Corporate Finance

2.1.7 Franklin Templeton International Services S.à. r.l.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – International non-resident investment fund manager exempted from the investment fund manager registration requirement on conditions analogous to the permitted client exemption in Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Fund Managers – Relief required because Filer wishes to solicit investments by permitted clients, despite the existence of certain investors that do not qualify as permitted clients who made purchases while resident outside of Canada and subsequently requested an address change as a result of a move to Canada – Filer will not permit existing investors that do not qualify as a permitted client to purchase additional shares, other than purchases of additional shares that result from the investor's participation in an automatic distribution reinvestment program.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(4), 74(1).
Multilateral Instrument 11-102 Passport System.
Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Fund Managers, s. 1, 3, 4.

May 6, 2016

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
FRANKLIN TEMPLETON INTERNATIONAL
SERVICES S.à. r.l.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filer from the investment fund manager registration requirement in the Legislation in respect of its acting as an investment fund manager for the SICAV Funds (as defined below), including the existing SICAV Funds of which the Filer is the investment fund

manager and any additional SICAV Funds that may be established in the future of which the Filer may be the investment fund manager (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Québec and Newfoundland and Labrador (together with Ontario, the **Jurisdictions**)

Interpretation

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

The term **Permitted Client** has the same meaning as in section 1 of Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* (**MI 32-102**).

Representations

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

1. The Filer is a corporation established under the laws of the Grand Duchy of Luxembourg, with its head office located at 8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Filer does not have a place of business in Canada.

2. The Filer is the investment fund manager of Franklin Templeton Investment Funds (**FTIF**), a corporation established under the laws of the Grand Duchy of Luxembourg as a *société anonyme* and qualified as a *société d'investissement à capital variable* (**SICAV**). FTIF is currently comprised of 88 sub-funds and may add or remove sub-funds from time to time (each, a **SICAV Fund** and collectively, the **SICAV Funds**).

3. The Filer is a wholly-owned subsidiary of Franklin Templeton Luxembourg S.A., a corporation established under the laws of the Grand Duchy of Luxembourg, which is an indirect wholly-owned subsidiary of Franklin Resources, Inc. (**FRI**).

4. FRI is a global investment management organization operating as Franklin Templeton Investments. FRI and its subsidiaries provide global and domestic investment management solutions for institutional and retail clients in over 150 countries.

5. Franklin Templeton Investments Corp. (**FTIC**) is an indirect wholly-owned subsidiary of FRI, and is a corporation amalgamated under the laws of Ontario, having its head office in Toronto, Ontario. FTIC is registered under the securities legislation in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan and Yukon as an adviser in the category of portfolio manager and as a dealer in the categories of mutual fund dealer and exempt market dealer. FTIC is also registered under the securities legislation in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario and Quebec as an investment fund manager and under the *Commodity Futures Act* in Ontario as an adviser in the category of commodity trading manager.

6. The SICAV Funds are distributed in 31 European countries pursuant to the European passport implemented by the European Union regulations of collective investment schemes, known as the UCITS (*Undertakings for Collective Investment in Transferable Securities*) Directives. The SICAV Funds are also distributed in Chile, Peru, South Korea, Taiwan, Singapore, Hong Kong, Macau and South Africa.

7. The Filer has implemented restrictions to prevent Canadian residents from making purchases of the SICAV Funds. The transfer agency responsible for the SICAV Funds has implemented internal policies for new account onboarding and has a rejection process for any applications with a Canadian tax residency code. The transfer agency's oversight team also reviews all new accounts and would flag any account for further review if an investor's residence were in question. The SICAV Fund prospectus also contains language indicating that the SICAV Funds are not available for sale to residents of Canada unless otherwise permitted under Canadian securities laws.

8. It has come to the Filer's attention that there are presently 10 accounts in the SICAV Funds with clients who have a Canadian tax residency code, each of whom became a shareholder while resident outside of Canada and subsequently requested an address change as a result of a move to Canada (the **Canadian SICAV Shareholders**). The Canadian SICAV Shareholders are resident in a Jurisdiction and are unlikely to fall within the definition of "permitted client" in MI 32-102.

9. Restrictions have been implemented that prevent a Canadian SICAV Shareholder from purchasing additional shares of the SICAV Funds. However, the Canadian SICAV Shareholders continue to hold the SICAV Funds and any distributions on shares of the funds have been reinvested in

additional shares pursuant to an automatic distribution reinvestment program for the SICAV Funds where a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the SICAV Fund's shares is applied to the purchase of the same class or series of the SICAV Fund's shares as the shares to which the dividend or distribution is attributable (the **Automatic Distribution Reinvestment Program**). Each Canadian SICAV Shareholder entered into the Automatic Distribution Reinvestment Program at the time of the shareholder's initial purchase of the SICAV Funds outside of Canada.

10. Given the large number of countries in which the SICAV Funds are distributed, it is likely that there will be additional Canadian SICAV Shareholders in the future solely as a result of these investors purchasing the SICAV Funds while resident outside of Canada and subsequently moving to Canada.

11. The Filer currently relies on the "no active solicitation" exemption under section 3 of MI 32-102 from the requirement to register as an investment fund manager in the Jurisdictions.

12. The Filer wishes to solicit, through FTIC, investments by Permitted Clients in the SICAV Funds.

13. The Filer is unable to rely on the "permitted clients" exemption under section 4 of MI 32-102 (the **Permitted Client Exemption**) from the requirement to register as an investment fund manager in the Jurisdictions because all of the Canadian SICAV Shareholders do not qualify as Permitted Clients.

14. Although the Filer has taken precautions in prohibiting the sales of the SICAV Funds to Canadian residents, the Filer is not able to control the movement of investors in the SICAV Funds into the Jurisdictions after they have purchased the SICAV Funds.

15. In order to rely on the Permitted Client Exemption to enable Permitted Clients in the Jurisdictions to be solicited for investments in the SICAV Funds, the Filer could redeem the shares of the funds held by the Canadian SICAV Shareholders. However, such approach may have adverse tax or other consequences on the Canadian SICAV Shareholders. Further, such approach does not effect a permanent solution for the Filer because it is possible that investors in the SICAV Funds that are not resident in Canada and that are not Permitted Clients could become Canadian SICAV Shareholders in the future as a result of a move to Canada.

16. The Filer is seeking the Exemption Sought to permit the marketing and sale of the SICAV Funds to Permitted Clients in the Jurisdictions on conditions analogous to the Permitted Client Exemption, but that allow for the existing Canadian SICAV Shareholders and any future Canadian SICAV Shareholders to continue to hold the SICAV Funds and participate in the automatic distribution reinvestment program of the SICAV Funds.

17. The Filer would be able to meet all of the conditions of the Permitted Client Exemption but for the movement of Canadian SICAV Shareholders that purchased the SICAV Funds outside of Canada into the Jurisdictions.

18. The Filer is not in default under the securities laws of any of the Jurisdictions.

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:

1. All securities of the SICAV Funds distributed in the local jurisdiction are distributed under an exemption from the prospectus requirement to either:

   (a) a Permitted Client;

   (b) a Canadian SICAV Shareholder pursuant to such Canadian SICAV Shareholder's participation in the Automatic Distribution Reinvestment Program; or

   (c) a person to whom the legal or beneficial ownership of the securities is transferred as a consequence of a Canadian SICAV Shareholder's death or mental incapacity or planning for same (the "Successor Shareholder") pursuant to such Successor Shareholder's participation in the Automatic Distribution Reinvestment Program.

2. The Filer will not permit a Canadian SICAV Shareholder or Successor Shareholder that does not qualify as a Permitted Client to purchase additional shares of a SICAV Fund, other than purchases of additional shares that result from the Canadian SICAV Shareholder's or Successor Shareholder's participation in the Automatic Distribution Reinvestment Program.

3. The Filer does not have its head office or its principal place of business in Canada.

4. The Filer is incorporated, formed or created under the laws of a foreign jurisdiction.

5. None of the SICAV Funds are reporting issuers in any jurisdiction of Canada.

6. The Filer has submitted to the securities regulatory authority in each Jurisdiction a completed Form 32-102F1 *Submission to Jurisdiction and Appointment of Agent for Service for International Investment Fund Manager*.

7. The Filer has notified the Permitted Client or Canadian SICAV Shareholder in writing of all of the following:

   (a) the Filer is not registered in the applicable Jurisdiction to act as an investment fund manager;

   (b) the foreign jurisdiction in which the head office or principal place of business of the Filer is located;

   (c) all or substantially all of the assets of the Filer may be situated outside of Canada;

   (d) there may be difficulty enforcing legal rights against the Filer because of the above; and

   (e) the name and address of the agent for service of process of the Filer in the applicable Jurisdiction.

8. If the Filer relied on the Exemption Sought in a Jurisdiction during the 12 month period preceding December 1 of a year, it must notify the securities regulatory authority in the applicable Jurisdiction, by December 1 of that year, of the following:

   (a) the fact that it relied upon the Exemption Sought;

   (b) the total assets under management expressed in Canadian dollars of the SICAV Funds, attributable to securities beneficially owned by residents of the applicable Jurisdiction as at the most recently completed month.

9. The Filer files with the securities regulatory authority in the applicable Jurisdiction, a completed Form 32-102F2 *Notice of Regulatory Action* (**Form 32-102F2**) within 10 days of the date on which the Filer began relying on the Exemption Sought in the applicable Jurisdiction.

10. The Filer must notify the securities regulatory authority in the applicable Jurisdiction, of any change to the information previously submitted in Form 32-102F2 within 10 days of the change.

11. The Filer complies with the filing and fee payment requirements applicable to an unregistered investment fund manager under OSC Rule 13-502 *Fees*.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Sarah B Kavanagh"
Commissioner
Ontario Securities Commission

2.1.8 Sprott Asset Management LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 13.5(2)(b)(ii)(iii) of NI 31-103 to permit responsible person/associate of responsible person to purchase an insignificant amount of illiquid securities from Funds in connection with the termination of the Funds. Relief subject to conditions including IRC approval and independent pricing.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5, 15.1.

May 3, 2016

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
SPROTT ASSET MANAGEMENT LP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from section 13.5(2)(b)(i) and (ii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) which prohibits an adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of i) a "responsible person" or (ii) an associate of a "responsible person", as such term is defined in NI 31-103, in order to permit the purchase of the Illiquid Securities (defined below) held by Sprott Master Fund Ltd. and Sprott Master Fund II Ltd., both investment funds managed and advised by the Filer (each, a **Fund** and together, the **Funds**) by Sprott Inc. (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador (together with Ontario, the **Jurisdictions**).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless otherwise defined.

Representations

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

1. The Filer is a limited partnership formed and organized under the laws of the Province of Ontario with its head office in Toronto, Ontario. The general partner of the Filer, Sprott Asset Management GP Inc., is an indirect wholly-owned subsidiary of Sprott Inc., which is the sole limited partner of the Filer. As a result, Sprott Inc. is an affiliate of the Filer.

2. The Filer is registered under the securities legislation: (i) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager; (ii) in Ontario, Quebec and Newfoundland and Labrador as an investment fund manager; and (iii) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland and Labrador as a dealer in the category of exempt market dealer. The Filer is also registered in Ontario as a commodity trading manager.

3. Each of the Funds is an investment fund for the purposes of the *Securities Act* (Ontario).

4. Each of the Funds is an exempted company incorporated pursuant to the laws of the Cayman Islands.

5. Securities of the Funds are held primarily by non-Canadian investors and by four Canadian investors who are each an accredited investor. Securities of the Funds were distributed to the Canadian investors pursuant to available exemptions from the prospectus requirements.

6. The Filer is the manager and portfolio adviser for each of the Funds.

7. Neither the Filer nor the Funds are in default of securities legislation in any of the Jurisdictions.

8. The Filer is not a reporting issuer in any jurisdiction of Canada.

9. The investment objective of Sprott Master Fund Ltd. is to maximize absolute returns on investments while attempting to mitigate some market risk. Sprott Master Fund Ltd. intends to accomplish its set objective through superior securities selection by taking both long and short investment positions.

10. The investment objective of Sprott Master Fund II Ltd. is to maximize absolute returns on investments while attempting to mitigate some market risk. Sprott Master Fund Ltd. intends to accomplish its set objective through superior securities selection by taking both long and short investment positions.

11. The Filer has determined that, due to the reduced size of the Funds, the liquidation and wind-up of the Funds and the distribution to securityholders of the Funds of all or substantially all of the assets of the Funds would be in the best interests of the Funds and their securityholders.

12. In July 2015, investors in each Fund were provided with written notice informing them of the intention to close the Fund and begin the process of liquidating the Fund's holdings, and have been provided with written updates since then.

13. Since July 2015, the Filer has been liquidating the Funds' existing portfolio securities in an orderly manner, subject to market conditions. Proceeds from the sale of the Funds' assets are being held in cash and short-term securities, pending distribution of such assets to securityholders.

14. The Funds hold portfolio securities which are "illiquid assets" as such term is defined in National Instrument 81-102 *Investment Funds* (the **Illiquid Securities**).

15. As at April 15, 2016, the value of the Illiquid Securities held by Sprott Master Fund Ltd. was US$21,544, representing approximately 1.53% of the total value of Sprott Master Fund Ltd. and the value of the Illiquid Securities held by Sprott Master Fund II Ltd. was US$585, representing approximately 0.08% of the total value of Sprott Master Fund II Ltd.

16. In order to maximize the amount of capital that will ultimately be distributed to the securityholders of the Funds, an affiliate of the Filer, Sprott Inc., proposes to make a one-time purchase of all of the Illiquid Securities held by each of the Funds. The Filer is of the view that it will be neither practical nor economical to make a distribution "in kind" of portions of the Illiquid Securities to securityholders of the Funds since securityholders will have difficulty finding a market, if any, for these assets.

17. Certain individuals who participate in the management of the proprietary portfolio of Sprott Inc. are portfolio managers of the Filer that are involved in managing the portfolio of the Funds. Accordingly, Sprott Inc. may have access to investment decisions made on behalf of a client of the Filer or advice given to a client of the Filer and therefore be a "responsible person" as defined in section 13.5(1) of NI 31-103. In addition, Sprott Inc. beneficially owns voting securities carrying more than 10% of the voting rights of the Filer and therefore is an associate of a "responsible person" as defined in section 13.5(1) of NI 31-103.

18. Absent the Exemption Sought, the Filer is prohibited by section 13.5(2)(b) of NI 31-103 from causing a Fund to sell securities to Sprott Inc.

19. The Filer has determined that disposing of the Illiquid Securities by selling them to Sprott Inc. is appropriate for the Funds.

20. The decision to sell the Illiquid Securities on behalf of each Fund's portfolio to Sprott Inc. has been made based on the judgment of responsible persons uninfluenced by considerations other than the best interests of the Funds and the investors in the Funds.

21. The Illiquid Securities are securities of a private company that are not traded on an exchange. The Illiquid Securities will be sold by the Funds to Sprott Inc. at fair value based on an independent quote of the fair value of the Illiquid Securities obtained from an independent broker.

22. The Filer referred the purchase of the Illiquid Securities to an independent review committee ("**IRC**") for review. The IRC will oversee the transaction described herein after making the determinations provided under sub-sections 5.2(2)(a), (b) and (d) of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), as if the Funds were subject to NI 81-107.

23. The Filer will receive no remuneration with respect to the sale of the Illiquid Securities by the Funds to Sprott Inc. With respect to the delivery of securities, the only expenses incurred by the Funds are nominal administrative charges levied by the custodian and/or recordkeeper of the Funds for recording the trades and/or any charges by a dealer in transferring the securities.

24. The Illiquid Securities are not securities of an issuer that is a related party of the Filer.

25. Each of the Funds has been audited since inception and will have final audited financial statements prepared for the year ended December 31, 2015.

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:

1. The Illiquid Securities are securities of a private company that are not traded on an exchange. The Illiquid Securities will be sold by the Funds to Sprott Inc. at fair value based on an independent quote of the fair value of the Illiquid Securities obtained from an independent broker;

2. The Filer referred the purchase of the Illiquid Securities to the IRC for review. The IRC will oversee the transaction described herein after making the determinations provided under sub-sections 5.2(2)(a), (b) and (d) of NI 81-107, as if the Funds were subject to NI 81-107;

3. The Filer receives no remuneration with respect to the sale of the Illiquid Securities by the Funds to Sprott Inc. With respect to the delivery of securities, the only expenses incurred by the Funds are nominal administrative charges levied by the custodian and/or recordkeeper of the Funds for recording the trades and/or any charges by a dealer in transferring the securities; and

4. The Funds will keep written records of the transactions reflecting details of the portfolio securities delivered by the Funds to Sprott Inc. and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place.

"Raymond Chan"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.9 Boulder Energy Ltd. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer 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).

Citation: Re Boulder Energy Ltd., 2016 ABASC 112

May 5, 2016

DLA Piper (Canada) LLP
Suite 1000, Livingston Place West
250 - 2nd Street SW
Calgary, AB T2P 0C1

Attention: Cherry Jiang

Dear Madam:

Re: Boulder Energy Ltd. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, "securityholder" means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, 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;

(b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the

jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2 Orders

2.2.1 Mark Allen Dennis – ss. 127(1), 127(10)

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5**

AND

**IN THE MATTER OF
MARK ALLEN DENNIS**

**ORDER
(Subsections 127(1) and 127(10) of the Securities Act)**

WHEREAS:

1. on September 28, 2015, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff sought an order against Mark Allen Dennis ("Dennis") pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. on September 30, 2015, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting October 27, 2015, as the date of the hearing;

3. at the hearing on October 27, 2015, the Commission issued an order continuing the proceeding by way of a written hearing;

4. Dennis was convicted of offences arising from transactions related to securities;

5. the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED against Dennis that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Dennis cease permanently;

2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Dennis be prohibited permanently;

3. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Dennis permanently;

4. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Dennis resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager;

5. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Dennis be prohibited permanently from becoming or acting as an officer or director of any issuer, registrant or investment fund manager; and

6. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Dennis be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

DATED at Toronto this 3rd day of May, 2016.

"Timothy Moseley"

2.2.2 Genoil Inc. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
GENOIL INC.

ORDER
(Section 144(1) of the Act)

WHEREAS the securities of Genoil Inc. (the "**Issuer**") are subject to a temporary cease trade order issued by the Director on May 9, 2014 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on May 21, 2014 pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**"), directing that trading in securities of the Issuer cease until further order by the Director;

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the British Columbia Securities Commission on May 8, 2014 and the Alberta Securities Commission on May 6, 2014;

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS as of January 22, 2016, the Issuer's securities trade on the OTC Marketplace (**OTC**);

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares on the OTC; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Genoil Inc., who is not, and was not as at May 9, 2014, an insider or control person of Genoil Inc., may sell securities of Genoil Inc. acquired before May 9, 2014, if:

1. the sale is made through a market outside of Canada; and

2. the sale is made through an investment dealer registered in Ontario.

DATED this 26th day of January, 2016.

"Sonny Randhawa"
Manager,
Corporate Finance Branch
Ontario Securities Commission

2.2.3 Great Western Minerals Group Ltd. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
GREAT WESTERN MINERALS GROUP LTD.

ORDER
(Section 144(1) of the Act)

WHEREAS the securities of Great Western Minerals Group Ltd. (the "**Issuer**") are subject to a temporary cease trade order issued by the Director on May 15, 2015 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on May 27, 2015 pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**"), directing that trading in securities of the Issuer cease until further order by the Director;

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the Manitoba Securities Commission on May 13, 2015, the Alberta Securities Commission on August 11, 2015 and the Financial and Consumer Affairs Authority on May 11, 2015;

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS as of January 22, 2016, the Issuer's securities trade on the OTC Marketplace (**OTC**);

AND WHEREAS a shareholder of the Issuer has made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares on the OTC; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Great Western Minerals Group Ltd., who is not, and was not as at May 15, 2015, an insider or control person of Great Western Minerals Group Ltd., may sell securities of Great Western Minerals Group Ltd. acquired before May 15, 2015, if:

1. the sale is made through a market outside of Canada; and

2. the sale is made through an investment dealer registered in Ontario.

DATED this 26th day of January, 2016.

"Sonny Randhawa"
Manager,
Corporate Finance Branch
Ontario Securities Commission

2.2.4 Robert Laudy Williams – ss. 127(1), 127(10)

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5**

AND

**IN THE MATTER OF
ROBERT LAUDY WILLIAMS**

**ORDER
(Subsections 127(1) and 127(10) of the Act)**

WHEREAS:

1. on September 28, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in this matter, in respect of a Statement of Allegations filed by Enforcement Staff ("Staff") of the Commission on September 28, 2015, in which Staff requested that the Commission make an order against Robert Laudy Williams ("Williams") pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. Staff served and filed written submissions on November 3, 2015, and Williams did not respond to Staff's submissions;

3. Williams is subject to an order made by a securities regulatory authority that imposes sanctions, conditions, restrictions or requirements on him, within the meaning of paragraph 4 of subsection 127(10) of the Act; and

4. the Commission is of the opinion it is in the public interest to make this order;

IT IS ORDERED that:

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in or acquisition of any securities by Williams shall cease until May 7, 2017, except that he may trade securities in his own name through a registrant if he first provides a copy of this order of the Commission to the registrant;

2. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Williams is prohibited until May 7, 2017, from becoming or acting as an officer or director of any issuer or registrant; and

3. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Williams is prohibited until May 7, 2017 from becoming or acting as a registrant or promoter.

Dated at Toronto this 4th day of May, 2016.

"Timothy Moseley"

2.2.5 European Ferro Metals Ltd. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
EUROPEAN FERRO METALS LTD.

ORDER
(Section 144)

WHEREAS the securities of **EUROPEAN FERRO METALS LTD.** (the **Issuer**) are subject to a cease trade order made by the Director dated September 28, 2015 (the **Cease Trade Order**) pursuant to subsections 127(1) and 127(5) of the Act, directing that all trading in the securities of the Issuer cease until the Cease Trade Order is revoked by the Director;

AND WHEREAS the Cease Trade Order was made on the basis that the Issuer was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order and outlined below;

AND WHEREAS the Issuer has made an application to the Ontario Securities Commission (the Commission) for revocation of the Cease Trade Order pursuant to section 144 of the Act (the **Revocation Order**);

AND UPON the Issuer having represented to the Commission that:

1. The Issuer was incorporated under the *Business Corporations Act* (British Columbia) on December 31, 2013. The Issuer's registered and records office is located at Suite 700, 595 Burrard Street, PO Box 49290, Vancouver, British Columbia, V7X 1S8.

2. The Issuer is a reporting issuer in British Columbia, Alberta and Ontario (the **Reporting Jurisdictions**) and is not a reporting issuer in any other jurisdiction. The British Columbia Securities Commission (the **BCSC**) is the principal regulator of the Issuer.

3. The Issuer's authorized capital structure consists of an unlimited number of common shares (**Common Shares**) without par value of which 8,610,000 Common Shares are issued and outstanding. Other than the Common Shares, the Issuer has no other securities issued and outstanding.

4. The Common Shares of the Issuer, which traded under the symbol EFM, were delisted from trading on the Canadian Securities Exchange (the **CSE**) effective April 12, 2016.

5. The Common Shares are not listed on any other exchange, marketplace or facility.

6. The Commission made the decision that trading cease in respect of the securities of the Issuer because the Issuer failed to file the following continuous disclosure materials as required by Ontario securities law:

   (a) interim financial statements for the six month period ended June 30, 2015 (the **June Interim Statements**);

   (b) management's discussion and analysis relating to the interim financial statements for the six month period ended June 30, 2015 (the **June MD&A**); and

   (c) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the **NI 52-109 Certificates**).

7. A temporary cease trade was made by the Director on September 16, 2015, which order was then subsequently extended on September 28, 2015 until further order of the Director.

8. The Issuer was also subject to a similar cease trade order issued by the BCSC as a result of its failure to file the June Interim Statements, the June MD&A and the NI 52-109 Certificates. The BCSC's cease trade order was revoked on December 1, 2015.

9. The Issuer is subject to a reciprocal cease trade order issued by the Alberta Securities Commission.

10. Since November 30, 2015, the Issuer has filed the following documents with the Reporting Jurisdictions:

    (a) the June Interim Statements;

    (b) the June MD&A;

    (c) the NI 52-109 Certificates;

(d) the interim financial statements for the nine month period ended September 30, 2015;

(e) management's discussion and analysis relating to the interim financial statements for the nine month period ended September 30, 2015;

(f) the certification of the foregoing interim filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**);

(g) annual financial statements for the year ended December 31, 2015;

(h) management's discussion and analysis relating to the financial statements for the year ended December 31, 2015; and

(i) the certification of the foregoing annual filings as required by NI 52-109.

11. Since the issuance of the Cease Trade Order, there have been no material undisclosed changes in the business, operations or affairs of the Issuer.

12. The Issuer has paid all outstanding fees required to be paid to the Commission.

13. The Issuer's SEDAR profile and SEDI issuer profile supplement are current and accurate.

14. The Issuer has not contravened the Cease Trade Order.

15. The Issuer is (i) up to date with all of its other continuous disclosure obligations; (ii) not in default of any of its obligations under the Cease Trade Order; and (iii) not in default of any requirement under the Act or the rules and regulations made pursuant thereto, except that it has not held its annual general shareholders meeting for 2015.

16. The Issuer undertakes, in accordance with Section 3.1(5) of National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order*, to hold an annual meeting of its shareholders within three months of the date on which the Cease Trade Order is revoked.

17. The Issuer's current directors and officers are Karl Antonius, President, Chief Executive Officer and director; Dennis Mee, Chief Financial Officer and director; and Jon Sherron, director.

18. Susan Downing beneficially owns, and exercises control or direction over, 1,920,000 Common Shares of the Issuer, representing 22.3% of the Issuer's issued and outstanding shares. To the knowledge of the directors and officers of the Issuer, no other shareholder of the Issuer beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attaching to the Common Shares of the Issuer, Common Shares being the only class of voting securities of the Issuer.

19. The Issuer is not considering nor is it involved in any discussions related to a reverse take-over, merger, amalgamation or other form of combination or transaction similar thereto.

20. Upon issuance of the Revocation Order, the Issuer will issue a news release announcing the revocation of the Cease Trade Order and will concurrently file the news release and a material change report regarding the revocation of the Cease Trade Order on SEDAR.

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Director being satisfied that is would not be prejudicial to the public interest to revoke the Cease Trade Order.

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order is revoked.

DATED at Toronto this 4th day of May, 2016.

"Michael Tang"
Acting Manager, Corporate Finance
Ontario Securities Commission

2.2.6 Terrence Bedford – ss. 127(1), 127(10)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
TERRENCE BEDFORD

ORDER
(Subsections 127(1) and 127(10) of the Securities Act)

WHEREAS:

1. on June 30, 2015, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff sought an order against Terrence Bedford ("Bedford") pursuant to subsection 127(1) of the *Securities Act* (the "Act");

2. on July 2, 2015, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting July 22, 2015, as the date of the hearing;

3. on October 1, 2015, the Commission issued an order continuing the proceeding by way of a written hearing;

4. Bedford was convicted of an offence related to securities;

5. the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED against Bedford that:

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, Bedford is prohibited from trading or acquiring any securities or derivatives for ten years, except that during that period he may trade or acquire securities or derivatives:

   i. in any account at a registered dealer in his own name and of which he has the sole beneficial interest; or

   ii. in registered retirement savings plans, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada) in which only he and/or his spouse have a beneficial interest;

2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Bedford for ten years;

3. pursuant to paragraphs 7, 8, 8.1, 8.2, 8.3 and 8.4 of subsection 127(1) of the Act, Bedford shall resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager, and he shall be prohibited for a period of ten years from holding any such position, except that he may be a director or officer of any issuer:

   i. of which the shareholders are limited to Bedford, his spouse, and any of their children; and

   ii. that does not engage in the business of trading in securities; and

4. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Bedford is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

DATED at Toronto this 5th day of May, 2016

"Timothy Moseley"

2.2.7 EFT Canada Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
EFT CANADA INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA and has an authorized capital consisting of an unlimited number of common shares (the **Common Shares**).

2. The head office of the Applicant is located at 801 Eglinton Avenue West, Suite 400, Toronto, Ontario, M5N 1E3.

3. On January 22, 2016, the Applicant and 1422748 Ontario Inc. (**1422748**) entered into an arrangement agreement pursuant to which 1422748 would acquire all of the issued and outstanding Common Shares of the Applicant for cash consideration of $0.105 per Common Share under a court-approved plan of arrangement under Section 182 of the OBCA (the **Arrangement**).

4. The Arrangement was approved by the shareholders of the Applicant on March 9, 2016 and by the court on March 11, 2016.

5. The Arrangement was completed on March 14, 2016 and 1422748 became the sole shareholder of the Applicant on that date.

6. The Common Shares of the Applicant, which traded under the symbol "EFT" on the TSX Venture Exchange, were de-listed effective as of the close of trading on March 15, 2016.

7. All of the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by the sole securityholder, 1422748. The Applicant has no other outstanding securities, including debt securities, aside from the Common Shares.

8. No securities of the Applicant, 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.

9. The Applicant has no intention to seek public financing by way of an offering of securities.

10. Pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, the Applicant voluntarily surrendered its reporting issuer status in British Columbia on March 22, 2016 and the British Columbia Securities Commission confirmed the Applicant's non-reporting issuer status in British Columbia effective April 4, 2016.

11. Pursuant to a Decision made on April 21, 2016 by the securities regulatory authorities of each of the Provinces of Ontario and Alberta (the **Jurisdictions**), the Applicant has ceased to be a reporting issuer in each of the Jurisdictions.

12. The Applicant is not in default of any of the applicable requirements under securities legislation.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto on this 3rd day of May, 2016.

"Mary Condon"
Commissioner

"Christopher Portner"
Commissioner

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Mark Allen Dennis

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5

AND

IN THE MATTER OF
MARK ALLEN DENNIS

REASONS AND DECISION

Hearing:	In writing		
Decision:	May 3, 2016		
Panel:	Timothy Moseley	–	Commissioner and Chair of the Panel
Submissions by:	Clare Devlin	–	For Staff of the Commission
	No submissions received on behalf of Mark Allen Dennis		

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REASONS AND DECISION

I. OVERVIEW

[1] The respondent Mark Allen Dennis ("**Dennis**") was registered in various capacities under the *Securities Act*[1] (the "**Act**") from December 2003 to January 2010.

[1] RSO 1990, c S.5.

[2] Dennis misappropriated the funds of numerous clients, as a result of which several proceedings ensued:

a. a proceeding initiated in 2011 before a hearing panel of the Investment Industry Regulatory Organization of Canada, as a result of which Dennis was ultimately subject to a fine of $1.45 million and other sanctions;

b. a trial in the Superior Court of Justice, following which Dennis was convicted on one of three counts of theft by conversion and, in July 2014, sentenced to a term of imprisonment of two years less a day, with probation to follow (the "**First Criminal Proceeding**"); and

c. guilty pleas by Dennis to ten counts of theft by conversion, as a result of which Dennis was sentenced in February 2015 to a term of imprisonment of 42 months (the "**Second Criminal Proceeding**").

[3] Enforcement Staff of the Ontario Securities Commission ("**Staff**" of the "**Commission**") asks the Commission to order, pursuant to subsection 127(1) of the Act, that:

a. trading in any securities or derivatives by Dennis cease permanently;

b. the acquisition of any securities by Dennis be prohibited permanently;

c. any exemptions contained in Ontario securities law not apply to Dennis permanently;

d. Dennis resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager;

e. Dennis be prohibited permanently from becoming or acting as an officer or director of any issuer, registrant or investment fund manager; and

f. Dennis be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

[4] In seeking the order, Staff relies upon paragraph 1 of subsection 127(10) of the Act, which provides that an order under subsection 127(1) may be made in respect of a person who has been convicted of an offence arising from a course of conduct related to securities.

[5] For the reasons set out below, I find that Dennis was convicted of offences arising from a course of conduct related to securities, and that it is in the public interest to make the order requested by Staff.

II. PRELIMINARY MATTERS

[6] On September 30, 2015, the Commission issued a Notice of Hearing (the "**Notice of Hearing**"), naming Dennis as the sole respondent, in relation to a Statement of Allegations filed by Staff on September 28, 2015. The Notice of Hearing fixed October 27, 2015, as the date of a hearing at which the Commission would consider whether it was in the public interest to make the order referred to in paragraph [3] above.

[7] The Notice of Hearing indicated that at the October 27 hearing Staff would apply to continue this proceeding in writing.

[8] On October 23, Dennis sent an email to Staff in which he advised that he did "not object to the hearing being held by way of writing."

[9] Dennis did not appear at the October 27 hearing. At the hearing, I granted Staff's application to proceed in writing. I ordered that Staff deliver its written materials by November 5, 2015, and that Dennis deliver his responding materials, if any, by December 4, 2015.[2]

[10] Staff served and filed its materials as required. Those materials included written submissions and a hearing brief comprising a number of documents. I have marked the following documents as exhibits in this proceeding:

a. Indictment sworn September 18, 2014, re: Mark Allen Dennis (Exhibit 1);

b. Agreed Statement of Fact re: Mark Allen Dennis (Exhibit 2);

[2] *Re Dennis* (2015), 38 OSCB 9283.

c. Transcript of the Guilty Plea and Sentencing Proceedings dated February 5, 2015, in the Superior Court of Justice before the Honourable Justice Parayeski in the matter of *Her Majesty the Queen v. Mark Allen Dennis* (Exhibit 3);

d. Indictment sworn October 16, 2012, re: Mark Allen Dennis (Exhibit 4);

e. Transcript of Charge to the Jury dated May 1, 2014, in the Superior Court of Justice before the Honourable Justice Whitten in the matter of *Her Majesty the Queen v. Mark Allen Dennis* (Exhibit 5);

f. Transcript of Verdict by Jury dated May 2, 2014, in the Superior Court of Justice before the Honourable Justice Whitten in the matter of *Her Majesty the Queen v. Mark Allen Dennis* (Exhibit 6);

g. Transcript of the Reasons for Sentence dated July 18, 2014, in the Superior Court of Justice before the Honourable Justice Whitten in the matter of *Her Majesty the Queen v. Mark Allen Dennis* (Exhibit 7);

h. Investment Industry Regulatory Organization of Canada Decision and Reasons re: Mark Allen Dennis dated June 3, 2011 (Exhibit 8);

i. Ontario Securities Commission Reasons for Decision dated July 31, 2012 (Exhibit 9); and

j. Section 139 Certificate re: Dennis dated June 5, 2015 (Exhibit 10).

[11] In this proceeding, Dennis did not deliver any materials and did not otherwise respond.

III. FACTUAL BACKGROUND

A. Introduction

[12] The facts that are relevant to this proceeding and described below are found in the documents referred to above.

B. The First Criminal Proceeding

[13] Following a trial by jury before the Superior Court, Dennis was found guilty of one count of theft by conversion relating to one former client. The client gave Dennis $1.7 million to invest in commercial real estate. Dennis did not invest the funds in real estate. Instead, he used the funds for his own personal benefit or to make payments to other former clients.

[14] The sentencing judge noted the following:[3]

a. as an investment advisor, Dennis abused his position of trust and authority;

b. the conduct was “a horrific breach of that position of trust”;

c. Dennis was “a gifted, trusted financial investment advisor, a professional, who took advantage of [his] position and created not just financial loss but shame and trust issues for his victim”; and

d. Dennis “still presents a risk … he perceives himself as the victim. He is somewhat detached from the consequences of his behaviour.”

C. The Second Criminal Proceeding

[15] Dennis’s guilty pleas referred to in paragraph [2]c above related to his having accepted money from former clients, purportedly to invest those funds in commercial real estate secured by mortgages or in mortgages on commercial properties.

[16] Dennis did not invest the funds as he said he would. Instead, he used them for a variety of other purposes, including for his own personal benefit and for making payments to other investors.

[17] The sentencing judge found that Dennis had “used his position as an investment adviser to channel just under $5,000,000 worth of client's money to his own use. He did this over a protracted period of time ..."[4]

[3] Exhibit 7 at 3, 5 and 7.
[4] Exhibit 3 at 41, lines 21-25.

IV. ISSUES

[18] Paragraph 1 of subsection 127(10) of the Act provides that an order may be made under subsection 127(1) in respect of a person if the person "has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives."

[19] Staff's application for an order pursuant to subsection 127(1), made in reliance upon subsection 127(10), therefore presents two issues:

a. Did Dennis's convictions arise from transactions or a course of conduct related to securities?

b. If so, what sanctions, if any, should the Commission order against Dennis?

V. ANALYSIS

A. Did Dennis's convictions arise from transactions or a course of conduct related to securities?

[20] I must first determine whether the transactions through which Dennis accepted funds, purportedly to invest those funds for the benefit of his clients, were "securities".

[21] The term "security" is defined in subsection 1(1) of the Act to include an "investment contract". That term is not defined in the Act, but as the Supreme Court of Canada has held, an investment contract will be found where: (i) there is an investment of funds with a view to profit, (ii) in a common enterprise, and (iii) the profits are to be derived solely from the efforts of others.[5]

[22] I now apply that three-pronged test to the facts of this case to determine whether the course of conduct related to securities.

[23] With respect to the first prong, there can be no dispute in this case that Dennis's clients invested their funds with a view to profit. This was precisely the clients' objective in entrusting their funds to Dennis.

[24] In describing the second and third prongs of the test to determine the existence of an investment contract, the Supreme Court of Canada held that:

> … such an enterprise exists when it is undertaken for the benefit of the supplier of capital (the investor) and of those who solicit the capital (the promoter). In this relationship, the investor's role is limited to the advancement of money, the managerial control over the success of the enterprise being that of the promoter; therein lies the community. In other words the "commonality" necessary for an investment contract is that between the investor and the promoter. There is no need for the enterprise to be common to the investors between themselves.[6]

[25] In this case, each victim's role was limited to advancing the funds. Those individuals relied upon Dennis's promises as to how he would invest their funds and believed that he would manage the investments.

[26] These facts establish commonality between the investors and Dennis, in circumstances where the anticipated profits were to be derived solely from the efforts of others.

[27] The course of conduct underlying Dennis's conduct was, therefore:

a. related to investments made with a view to profit,

b. in a common enterprise between Dennis and the investors,

c. where the profits were to be derived solely from the efforts of someone other than the investors.

[28] As a result, all three prongs of the test referred to above are satisfied. It follows that Dennis's convictions arose from transactions, and a course of conduct, relating to securities. The test prescribed by subsection 127(10) of the Act is satisfied.

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5 *Pacific Coast Coin Exchange v Ontario (Securities Commission)*, [1978] 2 SCR 112 at 128.
6 *Ibid* at 129-30.

B. If so, what sanctions, if any, should the Commission order against Dennis?

[29] Having found that the test in subsection 127(10) of the Act has been met, I must now determine what sanctions, if any, should be ordered against Dennis.

1. Legislative framework

[30] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). The Commission must still consider whether it is in the public interest to make an order under subsection 127(1), and if so, what the order ought to be.

[31] The purpose of section 127 of the Act, and the principles that should "animate" its application, were reviewed by the Supreme Court of Canada in Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission).[7] In that decision, the Court held[8] that "in considering an order in the public interest", the Commission shall have regard to both of the two purposes of the Act, as set out in section 1.1 of the Act:

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[32] The Court then described the purpose of the section 127 public interest jurisdiction as being "neither remedial nor punitive; it is protective and preventive, intended to be exercised to prevent likely future harm to Ontario's capital markets".[9] Further, the Court held that section 127 orders are not punitive. Rather, their purpose is to:

> … restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.[10]

2. Facts of this case

[33] With those purposes and principles in mind, I turn to a review of the facts cited above and consider their significance in light of those purposes and principles.

[34] In my view, each of the following facts is relevant to an assessment of the gravity of Dennis's conduct and the effects of that conduct on Dennis's victims (investors) and on confidence in Ontario's capital markets:

a. as an investment advisor, Dennis exploited his relationship with his clients and breached their trust;

b. Dennis used the funds for his own personal benefit, instead of investing the funds as he had promised his clients he would do;

c. some of Dennis's victims were vulnerable and unsophisticated with respect to investments;

d. the victims suffered significant losses;

e. Dennis's misconduct took place over a lengthy period of time; and

f. Dennis was motivated simply by greed.

[35] In this proceeding, there are no relevant mitigating circumstances. As noted above, Dennis neither appeared nor responded to Staff's submissions.

3. Conclusion

[36] Taken together, all of the facts listed above easily qualify Dennis's misconduct as among the worst possible abuses of the capital markets that an individual could commit upon numerous innocent and vulnerable victims. Dennis's misconduct was, to use the words of the Supreme Court of Canada in *Asbestos*, "so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets".

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7 2001 SCC 37 ("***Asbestos***").
8 Ibid at para 41.
9 *Ibid* at para 42, adopting the words of Laskin J.A. from the court below.
10 *Ibid* at para 43, citing *Re Mithras Management Ltd.* (1990), 13 OSCB 1600.

[37] Dennis's conduct engages both of the two purposes of the Act. Allowing him to participate in the capital markets would not offer sufficient protection to investors and would undermine confidence in the capital markets.

[38] In my view, it is in the public interest to remove Dennis from Ontario's capital markets permanently, and to issue the order requested by Staff.

VI. ORDER

[39] I will therefore issue an order that provides that:

a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Dennis cease permanently;

b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Dennis be prohibited permanently;

c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Dennis permanently;

d. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Dennis resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager;

e. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Dennis be prohibited permanently from becoming or acting as an officer or director of any issuer, registrant or investment fund manager; and

f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Dennis be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

Dated at Toronto this 3rd day of May, 2016.

"Timothy Moseley"

3.1.2 Future Solar Developments Inc. et al.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION,
CENITH AIR INC.,
ANGEL IMMIGRATION INC. and
XUNDONG QIN also known as SAM QIN

REASONS AND DECISION

Hearing:	March 23, 24, 28, 30, 31 and April 4, 2016		
Decision:	May 4, 2016		
Panel:	Alan J. Lenczner	–	Commissioner and Chair of the Panel
	D. Grant Vingoe	–	Vice-Chair
	Deborah Leckman	–	Commissioner
Appearances:	Christie Johnson	–	For Staff of the Commission
	Peter E. Tuovi	–	For Future Solar Developments Inc.
	Xungdon Qin (a.k.a) Sam Qin	–	On his own behalf and on behalf of Cenith Energy Corporation, Cenith Air Inc., and Angel Immigation Inc.

REASONS AND DECISION

[1] This merits hearing involved the sale of preference shares by the respondent to 11 Chinese investors who were seeking to immigrate to Canada under Ontario's Provincial Nominee Program ("OPNP").

[2] The respondents are alleged to have traded in securities while not being registered with the Ontario Securities Commission ("OSC") contrary to s. 25(1) of the *Securities Act*, (the "*Act*") and of distributing securities without a receipted prospectus contrary to s. 53 of the *Act*. There is no allegation of fraud or of fraudulent misrepresentation.

[3] The facts adduced, which were admitted, establish that none of the respondents were registered to trade in securities with the Commission nor did they sell the preference shares pursuant to a prospectus.

THE OPNP PROGRAM

[4] The OPNP is an Ontario program operating in conjunction with Federal Immigration Policies which allows each province to tailor requirements specific to its needs for eligible immigrants.

[5] The Immigrant Investor program administered by Ontario's Ministry of Citizenship and Immigration ("MCI") is one category of entry for new immigrants to Ontario and to Canada. It was established in 2008 and operated, until it was terminated, in 2015. Twelve applications were successful and approved, with more than 100 being rejected.

[6] There are essential requirements that an applicant must meet to qualify:

(a) a viable business plan reflecting a real business opportunity for a start-up or organic growth of an existing business;

(b) an investment of a minimum of $3 million in the venture;

(c) a requirement that each potential immigrant investor, up to a maximum of 25 investors, invests a minimum of $1 million each or acquire 33 1/3 percent of the business venture;

(d) that each immigrant investor will perform a job in the new venture at a high managerial or officer level and has the requisite skills to execute that function; and

(e) that five local residents will also be hired by the business venture. For each immigrant investor approved above five in number, an additional local resident will also be engaged.

[7] Careful and thorough due diligence is performed by the Ontario Ministries involved to insure that the requirements are established and will be met. A two year monitoring program follows the endorsement of a successful investment application.

THE ISSUES

[8] The issues that arose in the merits hearings are:

(a) Did the offer and sale of preference shares to 11 potential Chinese Immigrant Investors constitute engaging in the business of trading in securities, or involve holding out as being engaged in such a business?

(b) Do the provisions of the *Act* extend to the distribution of securities outside Ontario?

(c) Was the sale to fewer than 50 individuals a sale by a private issuer?

(d) Was the sale from the private issuer to Accredited Investors or to persons that are not the public?

THE RELEVANT FACTS

[9] Cenith Energy was incorporated by the respondent Sam Qin on August 28, 2002. He is its president and sole director. From 2002 to May 2011, Cenith Energy had no active business related to solar energy or energy conservation.

[10] In May 2011, Cenith Energy acquired Feed-inTariff ("FIT") contracts with a capacity of 1.8 MW for a total purchase price of $516,000. A FIT contract was available under Ontario's *Green Energy Act* and allowed the purchaser to build and install solar panels in the province with a guaranteed generous rate of payment for 20 years for each kilowatt of electricity produced. Qin testified that, once he had bought and installed the solar panels capable of producing 1.8 MW of electricity, Cenith Energy would enjoy a profit of $1 million per year. He estimated the cost of the supply and installation of the solar panels at approximately $9.8 million.

[11] To Hon Lam ("Lam"), a third party, provided $258,000 or ½ the monies required to acquire the FIT contracts.

[12] On May 3, 2011, Qin incorporated the respondent, Future Solar Developments Inc. ("Future Solar") for the purpose of developing and managing solar energy products in Ontario. The FIT contracts were transferred to Future Solar from Cenith Energy. Qin was Future Solar's President and a Director.

[13] For his investment of $258,000, Lam acquired 51% of the shares of Future Solar through his company Aspire Canada Ltd. Cenith Energy became the other 49% shareholder. A Shareholders' Agreement of June 2011 signed between Aspire Canada Ltd. and Cenith Energy, provided that Aspire Canada would be responsible for raising the capital Future Solar required to build out the solar panel development and that Cenith Energy would provide the engineering expertise.

[14] By December 2011, it became evident that Aspire Canada was not able or willing to provide the needed capital of approximately $10 million. Qin managed to raise an additional $257,000 from local investors in February 2012. However, the monies raised were far from sufficient.

[15] It is to be noted that none of Staff's allegations concern the capital raised from local investors. The reference to them is for background for the relevant events for the period at issue, i.e. May 2012 to August 2014. The only relevant investors were 11 Chinese investors.

APPLICATION FOR APPROVAL OF THE BUSINESS PLAN

[16] Qin turned to OPNP in February 2012 by submitting an application to the MCI describing Future Solar's business as being centred around the construction of 12 ground mount solar energy projects capable of generating a total of 1.8 MW of electricity at a cost of approximately $9.8 million. The application also mentioned a "Light up GTA" program which focussed on LED (Liquid Emitting Diodes) lighting products using solar energy in institutional, commercial and manufacturing contexts with a total additional investment of $13 million.

[17] The application was referred on March 27, 2012 to the Ministry of Economic Development, Trade and Employment ("MEDTE") for assessment of its business proposal and investment parameters.

[18] Future Solar submitted a detailed Business Plan setting out the proposed use of investor capital and revenue projections for the solar projects acquired and for the research and development of the "Light up GTA" program.

[19] Between the spring of 2012 until September 18, 2013, there were consultations by Future Solar with MEDTE, clarifications and revisions to the Business Plan.

[20] The MEDTE conducted thorough due diligence to consider whether the proposal met the requirements of OPNP, including that a viable business was being proposed that would be of significant economic benefit to Ontario.

[21] On September 18, 2013, MEDTE endorsed the business application by Future Solar based on 20 nominee positions of managerial or higher positions to be filled by immigrants, an investment of $10 - $11 million and the creation of at least 44 net new jobs.

SOLICITING CHINESE INVESTORS FOR THE OPNP

[22] In mid-June 2012, Qin began soliciting investors in China primarily through two immigration consulting firms: (i) CanBo International Ltd. ("CanBo"), a Chinese consulting firm with offices only in China, and (ii) C&C Immigration Services (Canada) ("C&C") with offices in Guangzhou and Shenzhen, China and in North York, Toronto. Their role was to use their network of clients and contacts to identify high net worth individuals interested in investing in the project in Ontario and taking up a senior managerial or officer position in Ontario.

[23] The immigration consultants were also to assist the potential investor immigrants with understanding the requirements of the nominee applications, with filling out the forms and to act as a go-between them and Future Solar for further information and to answer questions about the business proposal and the investment parameters.

[24] CanBo provided referrals for 18 investors, six of whom were previously known to Qin.

[25] C&C referred a number of investors, only four of whom were selected by Future Solar for inclusion in the application.

[26] The OPNP investors entered into Subscription Agreements for the purchase of 1 million preference shares at $1 per share, with payments able to be made in three tranches. The Subscription Agreements provided, in part,

> In the event that the invest [*sic*] immigration status in Ontario Canada is not approved by either the Provincial or Federal [*sic*], the investment will be returned to the individual investors immediately.
>
> . . .
>
> Use of Proceeds: General corporate purposes including developments of 1.8MW solar power projects in Ontario to be completed before September 2013, seed capital for developments of 80MW solar power projects in Ontario, costs and expenses to go public, corporate growth and capital initiatives.

[27] Share Certificates were issued to the subscribers for class B preference shares of Future Solar at a price of $1 per share. The share certificates were issued in two phases: (1) seven in mid-2012; and (2) five in mid-to-late 2013. All were issued prior to the OPNP Investors' individual nominee applications being submitted to MCI. Twelve investors invested $6,636,781.

[28] On October 1, 2013, Future Solar entered into an Agreement with Mann Solar Ltd. whereby Mann Solar would acquire the FIT contracts from Future Solar and be responsible to build them out in return for which Future Solar would receive 45% of the net profits derived therefrom. Future Solar would henceforth focus its business activities on LED products both in the retrofitting of Government of Canada buildings and in the display panels of air purifiers.

[29] Between October 1, 2013 and the submission of the nominee applications to MCI, Future Solar took in some $4.5 million from the Chinese investors.

[30] On a number of occasions from May 2012 to December 2013, Qin and/or Future Solar's employee, Joyce Li, travelled to China to speak to potential interested investors, to firm up the investments and to deliver the share certificates, personally, to investors. Their activities also involved developing new business opportunities, identifying subcontractors and training future employees.

[31] Having received the endorsement of the Business Plan from MEDTE in September 2013, Future Solar now had to proceed to obtain the MCI approval for each individual immigrant investor.

[32] Beginning in December 2013, Future Solar submitted the nominee applications, filled out and signed by each of the 12 Chinese investors who were interested in immigrating to Canada.

[33] The nominee application forms were extensive and gave a fulsome description of each nominee's personal history, his/her work history including positions held and names of employers. It also included net worth statements detailing bank accounts, investments, real estate holdings and annual income.

[34] MCI conducted due diligence on the nominee applicants by examining the application information and by telephoning each applicant and asking for more information or for clarifications of the information on the form.

[35] In June 2014, MCI denied the application of five of the individual nominees on the basis that they did not have the requisite work experience for their proposed position with Future Solar. Only one individual nominee, Q.C., was approved by MCI. The five individuals who were denied were referred back for reconsideration.

[36] By June 2014, Future Solar had used all the investors' monies in developing its business and was at a financial impasse. It could neither repay investors their monies, which it had promised to do if their applications to be investor immigrants to Ontario were turned down, nor was it able to have them nominated by the MCI.

[37] Although there were further discussions and negotiations with MCI and MEDTE, they proved futile.

[38] On February 17, 2015, the Commission issued a temporary cease trade order against all the shares of the respondents and freeze directions, freezing the respondents' bank accounts and real property at three separate locations. The assets frozen in the bank accounts total $697,402.28 and the value of the real property frozen was approximately $965,347 representing their purchase price less the outstanding mortgages.

[39] Needless to say, the freeze orders guaranteed the cessation of all business activity at Future Solar and the other respondents, the termination of all employees and the loss of opportunities to develop future business and raise capital in order to continue in business.

THE STATEMENT OF ALLEGATIONS

[40] The Statement of Allegations charges all the respondents from May 2012 to August 2014 with:

(a) trading in securities without being registered contrary to subsection 25(1) of the *Act*;

(b) illegally distributing securities without a prospectus contrary to subsection 53(1) of the *Act*; and

(c) acting in a manner contrary to the public interest.

[41] The trades which are targeted are those sales of preference shares to 11 Chinese investors in China who bought the shares between May 2012 and December 2013.

DECISION AND ANALYSIS

[42] For the reasons that follow, we find that there was no breach of the *Act* and none of the respondents acted contrary to the public interest.

The Respondents were not in the Business of Trading in Securities

[43] Section 25(1) provides:

> 25. (1) Unless a person or company is exempt under Ontario securities law from the requirement to comply with this subsection, the person or company shall not engage in or hold himself, herself or itself out as engaging in the business of trading in securities unless the person or company,
>
> (a) is registered in accordance with Ontario securities law as a dealer;

[44] There is no doubt that the preference shares were securities.

[45] The nub of the issue is whether the respondents, more particularly Future Solar and Qin, engaged in or held itself or himself out as engaging in the business of trading in securities. Companion Policy 31-103CP of the Commission provides guidance with regard to the factors that are relevant in determining whether a company or person is engaged in the business of trading in securities. Companion Policy 31-103CP is not law and not binding on Staff, on the respondents or on the panel. It does provide a useful set of criteria to bear in mind. Ultimately, the panel has to take a holistic view whether it was more probable than not that Future Solar and Qin were acting like a securities dealer whose business is the sale of securities or whether, on the other hand, they were seeking to obtain capital for the advancement of a legitimate business.

[46] Staff pointed to a number of factors, which it alleges should lead the panel to conclude that Future Solar and Qin were in the business of trading in securities.

[47] Staff pointed to the compensation and remuneration of the Immigration Consultants which it contends were substitutes for Future Solar's own sales force. Both consultant agencies had contracts to be paid 5% commission for every immigrant investor that was signed up. It appears that, overall, CanBo was paid $52,500, and C&C was entitled to $55,000, but this amount appears not to have been paid to C&C. The focus of these firms was on providing immigration services for which the investments by immigrant investors was a necessary, but incidental, part. Qin claimed that these payments were for services rendered in assisting the 11 investors to understand and fill out their individual nominee application forms and for acting as a go-between for investor questions to understand more about Future Solar's business, plans and growth opportunities.

[48] We do not view the Immigration Consultants as being the equivalent of a Future Solar sales force dedicated to the sale of its shares. Future Solar was but one of many clients of the Immigration Consultants which had their own independent businesses focussed on immigration consulting. Nor can the single payment to each consulting firm for this array of services be characterized as the equivalent of the payment of a securities brokerage commission.

[49] Staff claims that the Future Solar website is a direct solicitation for investment and constitutes an act in furtherance of a trade. The website includes the following passage:

> Future Solar's mission is to provide solar power to communities and regions across North America, through developing and constructing utility scale solar power plants with more affordable, stable, and efficient solar photovoltaic technologies. Our solid and unique capacity of implementing the three integration approaches into solar power developments has made it a reality for investors to not only participate in the great power industry revolution with a passion to solve cyclical energy crises in an environmental friendly manner, which has been fascinating people for over centuries, but also benefit from the great works with a sound return on investment. Should you be interested in solar power investments with us, please feel free to contact us, and we would like to hear from you.

[50] Qin testified that not one investor ever contacted him as a result of the website. The Chinese investors all indicated on their nominee applications that they never saw any advertising for Future Solar in China and did not come to the investment by reason of any advertising.

[51] The passage from the website quoted above is but one paragraph from a 160 page document, with the rest of the document describing the business activities of Future Solar and its future prospects. There was also no evidence that the website was translated into any Chinese language or that it was available in China. We do not view this reference in the website advertising to be representative of a securities solicitation to the public.

[52] Staff points to a Future Solar brochure dated April 30, 2012 entitled "PNP Information for Investor Immigrants of Future Solar Developments Inc." In a section entitled "Returns on Investment in Solar Power", Future Solar represents that the investment has a lifespan of 20 years, with "an investment payback of eight years, and a steady income for at least the other twelve years" and goes on to state, with respect to the investment, that the "[a]verage annual return rate is 10%". The brochure further makes representations concerning plans to have Future Solar listed on the TSX-V and further plans for capital raising prior to going public:

> Future Solar Developments Inc. plans to go public on the TSX Venture Exchange with a total capitalization of CAD $100,000,000. The company plans to attract over 200 preferred stock shareholders around the world before going public and issue no less than 20 million preferred shares to invest in new projects where there is a contract with the government for solar power purchasing and to cover the expenses of going public and corporate governance.

The brochure clarifies that the investor will be entitled to "profits as the company grows and after it goes public" and that "[t]he investor will possibly be looking at considerable return on his/her investment" but the investor must not

redeem the principal or be paid interest or returns within a specified time period because of requirements imposed by the OPNP.

[53] We find these statements and passage in the many paged brochure to be a natural inclusion of the business opportunity. No reasonable, prudent person will invest in a business venture, that is a start-up or in its initial stages without knowing the expected return and the path to an ultimate exit. The statements are not illustrative of a desire to merely sell securities without an underlying sound business plan. The fact that business ultimately ground to a halt does not lead to the implication that the business plans were a sham from the outset.

[54] Staff pointed to the repetition of solicitations to obtain the investors, the monetary benefit that Qin would receive from the investments, the larger ($6.96 million) than usual capital raised, the change in the business focus after October 2013 when the FIT contracts were transferred to Mann Solar with a 55-45% split of profits, the new focus on LED products and the small amount of money spent on the solar energy project as being factors that should give rise to the inference that Future Solar and Qin were in the business of trading in securities.

[55] We do not agree. Qin impressed us as having an honest intention dating back to 2011 to develop a solar energy business. Well before he sought out the Chinese Immigrant Investors, he initiated his business, first at Cenith Energy, then at Future Solar by acquiring valuable FIT contracts which would generate substantial revenues that could then be used to expand the reach of Future Solar business into Light up GTA and retrofitting 8,000 Government of Canada buildings with LED lights. He signed a Memorandum of Understanding in this regard with SNC Lavalin Inc., which had a contract to conduct this work with the Government of Canada. We are persuaded that Qin's vision was that of an entrepreneur who desired to develop a sustainable and growing business in the energy space. His capital raising activities through the Chinese investors was necessitated because Future Solar's 51% partner, Aspire, did not fulfil its obligations under the Shareholders' Agreement.

[56] The trips to China, and the retention of Immigration Consultants, were normal activities that any company would undertake under OPNP to acquire capital to fund a business, which the Government of Ontario endorsed and found to be of significant benefit to Ontario.

[57] Mr. Qin impressed us as forthright and honest. His evidence was responsive to questions asked of him and, in spite of the fact that he appeared without counsel, he cooperated with Staff and participated fully in the enforcement hearing. Not only were we impressed, but so too was the Government of Ontario, which bestowed an award on him and lauded his efforts to promote Ontario business in China.

[58] In sum, we are of the opinion that Future Solar and Qin were pursuing legitimate business interests and that their fundraising activities under OPNP were adjuncts to those activities and were not mainly the sale of securities akin to a registered dealer selling securities as its primary business.

Do the Provisions of s. 53(1) of the *Act* Extend to the Sale and Distribution of Securities Outside Ontario

[59] Staff contend that if there is a sufficient connection between the conduct at issue and Ontario that the provisions of the *Act* apply to the prospectus requirement.

[60] Indicia of a sufficient connection include that:

- all of the Corporate respondents were incorporated in Ontario;
- the registered office of the Corporate respondents is located in Ontario;
- the offices of the Corporate respondents operated from are located in Ontario;
- Qin, the directing mind of Future solar is an Ontario resident;
- the share certificates issued by Future Solar were signed in Ontario;
- funds for the purchase of Future Solar shares were deposited in Ontario bank accounts;
- the bank accounts were opened and maintained in Ontario.

[61] We agree that there is a sufficient connection with Ontario. We also agree that previous decisions including *Crowe v. OSC* (2011 ONSC 6918 affirming *Re XI Biofuels Inc.* (2010), 33 OSCB 3077) have all held that jurisdiction was grounded in Ontario if there was a sufficient connection with Ontario. We also think those cases were correctly decided

on their facts, but that the analysis in them addressed a situation where there were allegations or evidence of fraudulent misrepresentation, fraud or high pressure salesmanship.

[62] It is our opinion that, where the distribution of securities takes place outside of Ontario and there is no conduct such as high pressure salesmanship or fraudulent conduct accompanying such distribution, and therefore no conduct that would bring the capital markets of Ontario into disrepute, and no need to protect investors in Ontario, the requirement to have a prospectus receipted in Ontario does not apply.

[63] In our view, before the provisions of s. 53(1) can be applied to the distribution of securities outside Ontario, there must be a legitimate reason to raise concerns regarding the objects of the *Act*: the integrity of the capital markets in Ontario and the need to protect investors. If there was a charge of fraud or fraudulent misrepresentation under s. 126.1(1)(b) of the *Act* and some evidence to establish misconduct, those concerns would be raised and a panel could exercise its discretion to extend the provisions of s. 53(1) beyond the boundaries of Ontario. In this case, there was no charge under s. 126.1(1)(b) and no evidence led of misconduct by the respondents.

[64] We therefore find that the prospectus requirements of section 53, on the facts of this case, do not apply.

[65] In spite of our conclusion, we address the other arguments advanced.

The Prospectus Requirement

[66] Subsection 53(1) of the *Act* provides:

> No person or company shall trade in a security on his, her or its own account or on behalf of any other person or company if the trade would be a distribution of the security, unless a preliminary prospectus and a prospectus have been filed and receipts have been issued for them by the Director.

[67] The definition of "distribution" in the *Act* includes the following:

> (1) a trade in securities of an issuer that have not been previously issued,
>
> . . .

It is admitted that no prospectus was filed or receipted in connection with the impugned trades.

[68] As the Commission held in *Re Limelight* (2008), 31 OSCB 1727 at para. 139, a prospectus is fundamental to the protection of the investing public because it ensures that investors have full, true and plain disclosure of information to properly assess the risks of an investment and make an informed decision.

The Availability of an Exemption

[69] The two exemptions that the respondents raise are the Accredited Investor exemption and the private issuer exemption.

[70] Staff asserts, and correctly so, that the onus of establishing that they are entitled to an exemption falls upon the respondents and contends that they have failed in their onus. We are of the view that, if the evidence is clear enough that any particular exemption is demonstrated on the facts, we should consider it in spite of the fact that the respondents could have brought further evidence to establish support for the exemption.

[71] An Accredited Investor means:

> (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1 000 000,
>
> (k) an individual whose net income before taxes exceeded $200 000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300 000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
>
> (l) an individual who, either alone or with a spouse, has net assets of at least $5 000 000,

[72] The rationale behind the Accredited Investor exemption is that it is presumed that persons who have the requisite level of income or assets are sophisticated investors who do not require the safeguard of the full, true and plain disclosure contained in a prospectus. These persons can make the necessary inquiries to satisfy themselves of the particulars and risks involved in the investment.

[73] Staff, quite properly, acknowledged that seven of the investors qualify as accredited investors, based on their personal net worth statements appended to their OPNP Investor Applications. Four do not qualify.

[74] Three of the four investors who do not qualify as accredited investors had net worth of Investor A $2,722,400; Investor B $3,050,453; Investor C $4,387,291 and Investor D $5,181,669.39 including their payments to Future Solar and their commitments to pay the balance to Future Solar. If those future commitments are deducted from the net worth statements, as Staff contends they should be, none of the four investors qualify as an Accredited Investor. If they are not deducted, then Investor D does qualify.

[75] In reviewing the two most recent calendar years' income of the four investors, it appears that Investor A has earned a little above or a little below $200,000 depending on the exchange rate of the Canadian dollar to the Yuan. We are prepared to give him the benefit of the doubt.

Private Issuer

[76] A private issuer need not file a prospectus. A private issuer is one that is not a reporting issuer and issues its securities to fewer than 50 persons who qualify because they bear certain characteristics enumerated under NI 45-106.

[77] The lengthy enumerated list includes a wide array of family members, close business associates and close friends. It also includes Accredited Investors.

[78] Suffice it to say that regulators have permitted a distribution to fewer than 50 persons where there is an affinity between them and the principals of the issuer. The logic underlying the list of qualifying persons is that because there is a relationship with the issuer, it is presumed that they either have, or can easily obtain, sufficient information regarding the issuer to come to an informed decision whether to invest or not.

[79] The last bullet point in NI 45-106 is "a person that is not the public". Its inclusion is a type of basket clause which informs the list of specified relationships that precedes it. It stands for the proposition that, as long as the distribution is not to total strangers but to a group of people who come within a defined category, a distribution to fewer than 50 persons is permitted.

[80] In this case, a few of the 11 investors were known to either Qin or to Li. Further, they were investors of significant wealth and with the desire to emigrate to Ontario. We feel that they are not "the public" at large. They formed part of a network of people known to the immigration consultants as desirous of investing abroad and emigrating to a foreign country.

[81] When viewed with the seven or eight people who are Accredited Investors, the few individuals known to Qin and/or Li, the Future Solar materials provided to each investor and the questioning by those investors of the investment opportunity, we conclude that the distribution of preference shares to the 11 investors is from a private issuer.

CONCLUSION

[82] We therefore dismiss the allegations of Staff in this matter against Future Solar Developments Inc., Cenith Energy Corporation, Cenith Air Inc., Angel Immigration Inc. and Xundong Qin also known as Sam Qin, and order that Staff take the necessary steps, as expeditiously as possible, to rescind the Freeze Directions in this matter that have been filed with the Superior Court of Justice.

DATED at Toronto this 4th day of May, 2016.

"Alan J. Lenczner"

"D. Grant Vingoe"

"Deborah Leckman"

3.1.3 Robert Laudy Williams – ss. 127(1), 127(10)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5

AND

IN THE MATTER OF
ROBERT LAUDY WILLIAMS

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the Act)

Hearing: In writing

Decision: May 4, 2016

Panel: Timothy Moseley – Commissioner and Chair of the Panel

Appearances: Clare Devlin – For Staff of the Commission

No one appeared on behalf of Robert Laudy Williams

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REASONS AND DECISION

I. OVERVIEW

[1] On May 7, 2015, the Executive Director of the British Columbia Securities Commission (the "**BCSC**") entered into a settlement agreement[1] (the "**Agreement**") with Robert Laudy Williams ("**Williams**") in which Williams agreed that he had traded in securities without being registered and had illegally distributed securities, contrary to British Columbia's *Securities Act*[2] (the "**BC Act**").

[2] As a result, the BCSC issued an order (the "**BC Order**")[3] that prohibited Williams, for a period of two years, from:

a. trading in or purchasing securities, subject to a limited exception;

b. becoming or acting as a director or officer of an issuer or registrant;

1 *Re Robert Laudy Williams*, 2015 BCSECCOM 171.
2 RSBC 1996, c 418.
3 *Re Robert Laudy Williams*, 2015 BCSECCOM 172.

c. becoming or acting as a registrant or promoter;

d. acting in a management or consultative capacity in connection with activities in the securities market; and

e. engaging in investor relations activities.

[3] Enforcement Staff of the Ontario Securities Commission ("**Staff**" of the "**Commission**") seeks an order pursuant to subsection 127(1) of the Ontario *Securities Act* (the "**Act**")[4] that mirrors most of the terms of the BC Order and that imposes similar bans in Ontario until May 7, 2017. Staff relies upon subsection 127(10) of the Act, which provides that this Commission may make an order against a person under subsection 127(1) if that person is subject to an order made by a securities regulatory authority in another jurisdiction.

[4] In the Agreement, Williams "consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada" that includes any of the sanctions imposed by the BCSC.

[5] For the reasons set out below, I find that it is in the public interest to issue an order substantially in the same terms requested by Staff.

II. THE BCSC PROCEEDING

[6] The BCSC proceeding was one of a number of proceedings relating to a scheme involving a group of companies. In the settlement agreement, Williams admitted that he had introduced three individuals as investors in the companies.

[7] No prospectus was filed in respect of the distribution of securities that took place. Williams was not registered under the BC Act.

[8] Williams admitted that he had traded in securities without being registered and that he had distributed securities with respect to which a prospectus had not been filed.

[9] As a result, the BCSC issued the order referred to in paragraph [2] above.

III. PRELIMINARY MATTERS

A. Notice to Williams

[10] The Notice of Hearing commencing this proceeding indicated that the hearing would take place on October 26, 2015.

[11] At the October 26 hearing, Williams did not appear, and no one appeared on his behalf. Staff tendered an affidavit of Lee Crann, sworn October 19, 2015, which described steps taken by Staff to serve Williams with the Notice of Hearing, the Statement of Allegations, and disclosure.[5] I am satisfied that service was properly effected on Williams.

[12] Subsection 7(1) of the *Statutory Powers Procedure Act*[6] (the "**SPPA**") and Rule 7.1 of the Commission's *Rules of Procedure*[7] (the "**OSC Rules**") provide that where notice of the hearing has been given to a party, but the party fails to appear, the tribunal may proceed in the absence of the party and the party is not entitled to further notice in the proceeding.

B. Written Hearing

[13] At the oral hearing on October 26, 2015, I ordered that the proceeding continue by way of written hearing, as provided for in section 5.1 of the SPPA and Rule 11.5 of the OSC Rules. I ordered that Staff serve and file its materials by November 5, and that Williams serve and file any responding materials by December 4.

[14] Staff served on Williams[8] and filed a hearing brief[9] containing the Agreement and the BC Order, along with written submissions and a book of authorities. No materials were received from Williams.

4 RSO 1990, c S.5.
5 Marked as Exhibit 1 at the oral hearing on October 26, 2015.
6 RSO 1990, c S.22.
7 (2014), 37 OSCB 4168.
8 Affidavit of service of Lee Crann, sworn November 9, 2015, marked as Exhibit 3 in this proceeding.
9 Marked as Exhibit 4 in this proceeding.

IV. ISSUES

[15] This proceeding presents three principal issues:

a. Is the test prescribed by subsection 127(10) of the Act met?

b. If so, is it in the public interest to make an order in Ontario?

c. If so, what is the appropriate order?

V. ANALYSIS

A. Is the test prescribed by subsection 127(10) of the Act met?

[16] In seeking an order under subsection 127(1) of the Act, Staff relies upon subsection 127(10), which provides in part:

> … an order may be made under subsection (1) … in respect of a person … if any of the following circumstances exist:
>
> 4. The person or company is subject to an order made by a securities regulatory authority … in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[17] The BC Order is an order of the BCSC, which is a securities regulatory authority in another jurisdiction.

[18] The BC Order imposes sanctions, restrictions and requirements upon Williams.

[19] The BC Order therefore meets the test prescribed by subsection 127(10) of the Act, and the Commission may make an order under subsection 127(1) if it is in the public interest to do so.[10]

B. Is it in the public interest to make an order in Ontario?

1. Introduction

[20] The conclusion that the BC Order meets the test in subsection 127(10) of the Act does not necessarily lead to the conclusion that an order of this Commission should be made under subsection 127(1) of the Act. Any such order must still be "in the public interest" in the context of the Ontario capital markets.[11]

2. Inter-jurisdictional co-operation

[21] In determining what order would be in the public interest, I am guided by the objective of co-operation among securities regulators, as set out in section 2.1 of the Act:

> In pursuing the purposes of this Act, the Commission shall have regard to the following fundamental principles:
>
> […]
>
> 5. The integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.

[22] By explicitly referring to orders made by securities regulatory authorities in other jurisdictions, subsection 127(10) of the Act clearly promotes this legislative objective. This goal is also well recognized in decisions of the Supreme Court of Canada[12] and of this Commission.[13]

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10 *Re Euston Capital Corp* (2009), 32 OSCB 6313 at para 46.

11 *Re Elliott* (2009), 32 OSCB 6931 at para 27.

12 *McLean v British Columbia (Securities Commission)*, 2013 SCC 67 at para 51; *Global Securities Corp. v. British Columbia (Securities Commission)*, 2000 SCC 21 at para 27.

13 *Re JV Raleigh Superior Holdings Inc.* (2013), 36 OSCB 4639 at para 21; *New Futures Trading International Corp. (Re)* (2013), 36 OSCB 5713 at para 27.

3. Consent by Williams

[23] As noted above, Williams consented to a similar order being made by a regulatory authority in another province (including the Commission). In my view, this consent obviates the need to consider whether the sanctions sought by Staff are excessive.

C. What is the appropriate order?

[24] Given the consent by Williams, I find it appropriate to issue an order substantially in the terms requested by Staff.

VI. CONCLUSION

[25] For the reasons set out above, I find that it is in the public interest to issue an order providing that:

a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in or acquisition of any securities by Williams shall cease until May 7, 2017, except that he may trade securities in his own name through a registrant if he first provides a copy of the order of the Commission in this proceeding to the registrant;

b. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Williams is prohibited until May 7, 2017, from becoming or acting as an officer or director of any issuer or registrant; and

c. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Williams is prohibited until May 7, 2017, from becoming or acting as a registrant or promoter.

Dated at Toronto this 4th day of May, 2016.

“Timothy Moseley”

3.1.4 Terrence Bedford

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5

AND

IN THE MATTER OF
TERRENCE BEDFORD

REASONS AND DECISION

Hearing:	In writing		
Decision:	May 5, 2016		
Panel:	Timothy Moseley	–	Commissioner and Chair of the Panel
Submissions by:	Brooke A. Shulman	–	For Staff of the Commission
	Derek D. Ricci Dina Milivojevic	–	For Terrence Bedford

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REASONS AND DECISION

I. OVERVIEW

[1] On March 8, 2013, Terrence Bedford ("**Bedford**") was convicted in the Ontario Court of Justice of having committed fraud contrary to section 126.1(1)(b) of the *Securities Act*[1] (the "**Act**"), thereby committing an offence contrary to section 122(1)(c) of the Act.

[2] Bedford's conviction was based upon his guilty plea and an Agreed Statement of Fact in which he admitted that through his involvement with the Greyhawk Equity Partners Limited Partnership (Millenium) ("**Greyhawk Millenium**"):

a. he misled investors into believing that the Greyhawk Millenium investment fund was highly profitable;

[1] RSO 1990, c S.5.

b. he created and disseminated false documents, fraudulent audited financial statements, false audit opinion letters and fraudulent assurance letters;

c. he misrepresented to investors the value, security and performance of the assets managed by Greyhawk Millenium; and

d. he concealed the true value of the fund and investment losses; and

e. the scheme caused investors to lose almost $5 million.

[3] On September 18, 2013, Bedford was sentenced to two years' imprisonment.

[4] Enforcement Staff of the Ontario Securities Commission ("**Staff**" of the "**Commission**") asks the Commission to order, pursuant to subsection 127(1) of the Act, that:

a. trading in any securities or derivatives by Bedford cease permanently;

b. Bedford be prohibited permanently from acquiring any securities;

c. any exemptions contained in Ontario securities law not apply to Bedford permanently;

d. Bedford be reprimanded;

e. Bedford resign any positions he holds as director or officer of any issuer, registrant or investment fund manager, and that he be prohibited permanently from becoming or acting in any such position; and

f. Bedford be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

[5] In seeking the order, Staff relies upon subsection 127(10) of the Act, which provides that an order in the public interest under subsection 127(1) may be made in respect of a person who has been convicted in any jurisdiction of an offence arising from a course of conduct related to securities.

[6] While Bedford accepts that certain sanctions would be appropriate in this case, he submits that the order requested by Staff is punitive. He submits that the bans requested by Staff should be limited to ten years and made subject to limited exceptions so that he can earn a living and support his family.

[7] For the reasons set out below, I find that Bedford was convicted of an offence arising from a course of conduct related to securities, and that it is in the public interest to make an order:

a. prohibiting Bedford permanently from acting as a registrant, investment fund manager or promoter; and

b. for a period of ten years, limiting Bedford's participation in the capital markets to that necessary to allow him to provide for his family.

II. PRELIMINARY MATTERS

[8] On July 2, 2015, the Commission issued a Notice of Hearing in relation to a Statement of Allegations filed by Staff against Bedford on June 30, 2015. The Notice of Hearing fixed July 22, 2015 as the date of a hearing at which the Commission would consider whether it was in the public interest to make the order referred to in paragraph [4] above.

[9] The Notice of Hearing indicated that at the July 22 hearing Staff would seek to have this proceeding continue in writing.

[10] At the hearing on July 22, Bedford appeared and advised that he had not retained counsel and that he wished to seek legal advice in respect of Staff's application to continue the proceeding in writing. The proceeding was adjourned.

[11] At a hearing on October 1, 2015, Bedford, through his counsel, indicated that he consented to Staff's application to continue this proceeding in writing. I granted the application.[2]

[2] *Terrence Bedford (Re)* (2015), 38 OSCB 8688.

[12] Staff and Bedford filed various materials, including written submissions, briefs of authorities, an affidavit sworn by Bedford on November 5, 2015, and a hearing brief comprising a number of documents. I have marked the following documents as exhibits in this proceeding:

a. the transcript of Bedford's appearance in the Ontario Court of Justice on March 8, 2013, at which time he pled guilty (Exhibit 1);

b. the Agreed Statement of Fact submitted at that appearance (Exhibit 2);

c. the transcript of the sentencing submissions on June 21, 2013 (Exhibit 3);

d. the transcript of the reasons for sentence of Takach J. on September 18, 2013 (Exhibit 4); and

e. the affidavit of Terrence Bedford sworn November 5, 2015 (Exhibit 5).

III. FACTUAL BACKGROUND

A. Introduction

[13] The facts relevant to this proceeding and described below are found in the documents referred to above. They are not disputed by Staff or by Bedford.

B. Facts supporting Bedford's conviction and sentence

[14] Bedford formed the Greyhawk Millenium fund in 2000 and continued to be its directing mind. The fund's primary business was investing in securities in Canada and the United States.

[15] Initially, very few individuals invested money in the fund. The amounts invested were substantial. Over time, as Bedford reported excellent returns, other investors contributed to the fund.

[16] The fund consistently lost money. As the fund's performance deteriorated, Bedford was ashamed to admit the truth. Instead, Bedford misled the investors as to the performance of the fund.

[17] Bedford created and disseminated false documents, including:

a. financial statements that falsely purported to have been audited by a major accounting firm;

b. fraudulent audit opinion letters; and

c. fraudulent assurance letters.

[18] In early 2011, an investor noticed an erroneous date in the fund's financial statements. The investor contacted the accounting firm whose name appeared on the statements. The firm advised that it had not been involved in the preparation of the statements and that it had never been retained to audit Greyhawk Millenium.

[19] On February 8, 2011, by application to the Ontario Superior Court of Justice, investors in the fund obtained an order appointing a receiver of the assets of Greyhawk Millenium and its associated companies.

[20] The receiver determined that between July 2000 and February 2011, 24 investors from Canada and the United States invested a total of approximately $9 million in the fund, net of redemptions.

[21] The total loss to investors was almost $5 million.

C. Mitigating factors

[22] Bedford's initial intentions were good. He did not set out to defraud investors.

[23] There is no evidence that Bedford actively solicited new investors. As noted above, most new investors were attracted to the fund by word of mouth. In the words of the sentencing judge, "he really didn't want their money, but it appeared that they were insistent on investing."

[24] Bedford was not motivated by greed or profit. He did not use the invested funds to enrich himself or his family, or to improve his lifestyle.

[25] From the time the fraud was discovered, Bedford has acknowledged his misconduct and has cooperated fully with the receiver, the court and the Commission and its staff. Indeed, when making submissions to the sentencing judge, counsel appearing on behalf of the Crown said that Bedford had been "extremely cooperative" throughout.

[26] Bedford has been genuinely remorseful.

IV. ISSUES

[27] Paragraph 1 of subsection 127(10) of the Act provides that an order may be made under subsection 127(1) in respect of a person if the person "has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives."

[28] Staff's application for an order pursuant to subsection 127(1), made in reliance upon subsection 127(10), therefore presents two issues:

a. Did Bedford's conviction arise from transactions or a course of conduct related to securities?

b. If so, what sanctions, if any, should the Commission order against Bedford?

V. ANALYSIS

A. Did Bedford's conviction arise from transactions or a course of conduct related to securities?

[29] Bedford's conduct related to securities in two ways.

[30] First, as noted above, the Greyhawk Millenium fund's primary business was investing in securities in Canada and the United States.

[31] Second, for the reasons set out in the following paragraphs, each investment in the fund itself was a security. The term "security" is defined in subsection 1(1) of the Act to include an "investment contract". That term is not defined in the Act, but as the Supreme Court of Canada has held, an investment contract will be found where: (i) there is an investment of funds with a view to profit, (ii) in a common enterprise, and (iii) the profits are to be derived solely from the efforts of others.[3]

[32] I now apply that three-pronged test to the facts of this case to determine whether the course of conduct related to securities.

[33] There can be no dispute that investors invested with a view to profit. Investors were promised high rates of return.

[34] In describing the second and third prongs of the test to determine the existence of an investment contract, the Supreme Court of Canada held that:

> … such an enterprise exists when it is undertaken for the benefit of the supplier of capital (the investor) and of those who solicit the capital (the promoter). In this relationship, the investor's role is limited to the advancement of money, the managerial control over the success of the enterprise being that of the promoter; therein lies the community. In other words the "commonality" necessary for an investment contract is that between the investor and the promoter. There is no need for the enterprise to be common to the investors between themselves.[4]

[35] Investors advanced the funds and relied upon Bedford's false representations that those investments were generating returns. The investors understood that Bedford had managerial control over their investments.

[36] These facts establish commonality between the investors and Bedford, in circumstances where the anticipated profits were to be derived solely from the efforts of others.

[37] The course of conduct underlying Bedford's conviction of fraud was, therefore:

a. related to investments made with a view to profit,

b. in a common enterprise between Bedford and the investors,

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3 *Pacific Coast Coin Exchange v Ontario (Securities Commission)*, [1978] 2 SCR 112 at 128.
4 *Ibid* at 129-30.

c. where the profits were to be derived solely from the efforts of someone other than the investors.

[38] As a result, all three prongs of the test referred to above are satisfied. It follows that Bedford's convictions arose from transactions, and a course of conduct, relating to securities. The test prescribed by subsection 127(10) of the Act is satisfied.

B. If so, what sanctions, if any, should the Commission order against Bedford?

[39] Having found that the test in subsection 127(10) of the Act has been met, I must now determine what sanctions, if any, should be ordered against Bedford.

1. Legislative framework

[40] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). The Commission must still consider whether it is in the public interest to make an order under subsection 127(1), and if so, what the order ought to be.

[41] The purpose of section 127 of the Act, and the principles that should "animate" its application, were reviewed by the Supreme Court of Canada in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*.[5] In that decision, the Court held[6] that "in considering an order in the public interest", the Commission shall have regard to both of the two purposes of the Act, as set out in section 1.1 of the Act:

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[42] The Court then described the purpose of the section 127 public interest jurisdiction as being "neither remedial nor punitive; it is protective and preventive, intended to be exercised to prevent likely future harm to Ontario's capital markets".[7] Further, the Court held that section 127 orders are not punitive. Rather, their purpose is to:

> … restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.[8]

2. Positions of the parties

(a) *Staff*

[43] In submitting that Bedford ought to be subject to the permanent bans described in paragraph [4] above, Staff emphasizes the following:

a. Bedford's misconduct was serious and was described by the sentencing judge as "a breach of trust … in every sense of the word";

b. the losses were substantial;

c. there was significant premeditation by Bedford;

d. to further the fraud, Bedford falsified documents, even to the extent of making it appear that the financial statements had been produced by a major accounting firm;

e. the fraud extended over a period of time; and

f. had one investor not identified an issue in the financial statements, the fraud may well have continued for some time and caused further substantial losses.

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5 2001 SCC 37 ("***Asbestos***").
6 *Ibid* at para 41.
7 *Ibid* at para 42, adopting the words of Laskin J.A. from the court below.
8 *Ibid* at para 43, citing with approval *Mithras Management Ltd. (Re)* (1990), 13 OSCB 1600.

(b) *Bedford*

[44] Bedford submits that the sanctions sought by Staff are excessive and therefore punitive. While Bedford concedes that some sanctions would be appropriate, he says that the sanctions sought by Staff would deprive him of his only source of income and of the only means he has of providing for his family.

[45] Bedford emphasizes the mitigating factors referred to in paragraphs [22] to [26] above.

3. Previous Commission decisions

[46] Staff and Bedford cited a number of previous Commission decisions in support of their submissions as to what sanctions would be appropriate in this case. I now consider each of the decisions that in my view are relevant to this matter.

(a) *Re Lewis*

[47] Staff referred to the 2015 decision in *Re Lewis*,[9] in which the Commission ordered a permanent ban against the respondent, who had defrauded 33 investors through a Ponzi scheme that caused approximately $7.5 million in losses. Bedford submits that the decision is distinguishable in that the respondent in that case actively solicited investors and used the funds to greatly enhance his lifestyle.

[48] Neither of those aggravating factors is present in this case. I note also that in that case the respondent consented to the permanent ban sought by Staff and offered no mitigating circumstances.

(b) *Re Yoannou*

[49] Staff also cited *Re Yoannou*,[10] a 2014 decision of the Commission imposing a permanent ban. In that case, the respondent, who did not appear in the proceeding, had been sentenced to six years' imprisonment for frauds causing approximately $6.6 million in losses. The case involved a number of aggravating factors that made the conduct more egregious than that of Bedford. It also involved some (but not all) of the mitigating factors present in this matter.

(c) *Re Bunting & Waddington Inc.*

[50] Finally, Staff cited *Re Bunting & Waddington Inc.*,[11] another 2014 decision in which the Commission imposed a permanent ban. In that case, the individual respondent had been sentenced to five years' imprisonment as a result of convictions on three charges of fraud. The sentencing judge noted numerous aggravating factors and described the fraud as "particularly calculated and callous".

[51] Unlike Bedford, the respondent in that case actively solicited the investors in the scheme, targeted investors who were vulnerable and unsophisticated, was motivated by greed, and did not participate in the Commission proceeding.

(d) *Re Conforzi*

[52] Bedford submits that his conduct "most closely resembles" the conduct of the respondent in *Re Conforzi*,[12] a 1996 matter in which the Commission approved a settlement agreement entered into between the respondent and Staff.

[53] The respondent in that case was the president and director of a reporting issuer who deceived the issuer's auditors, leading to material misstatements in the issuer's financial statements. The Commission ordered that the exemptions contained in Ontario securities law would not apply to the respondent for ten years, but it allowed the respondent to continue to trade mutual funds and certain debt securities.

[54] As Bedford notes, the Commission also prohibited the respondent from acting as a director or officer of a reporting issuer for ten years, but this ban did not extend to all issuers.

[55] Staff distinguishes *Re Conforzi,* noting that:

a. it did not involve allegations of fraudulent conduct;

b. the misconduct of the respondent in that case was largely at the direction of someone else; and

9 *Andre Lewis (Re)* (2015), 38 OSCB 7541.
10 *Paul Yoannou (Re)* (2014), 37 OSCB 10762.
11 *Bunting & Waddington Inc. (Re)* (2014), 37 OSCB 3414.
12 *Conforzi (Re)* (1996), 19 OSCB 5108.

c. the amount of money involved was considerably less than the losses in this matter.

(e) *Re Prydz*

[56] Bedford also cites the Commission's 2000 decision in *Re Prydz*.[13] In that case, the respondent had previously entered into a settlement agreement relating to misrepresentations made by him in selling certain securities. The agreement and resulting order called for a five-year ban on the respondent trading in securities, and required the respondent to take certain steps with respect to communication with investors and the public.

[57] The respondent failed to comply with the order. As a result, the Commission extended the five-year ban for a further ten years and prohibited the respondent from acting as a director or officer for fifteen years.

[58] Staff notes that this case did not involve allegations of fraudulent conduct.

4. Analysis

(a) *Introduction*

[59] The distinctions cited by Staff and by Bedford regarding these cases are fair and reinforce the important principle that particularly when it comes to sanctions, each case is unique and any sanctions ordered must depend upon the particular circumstances of the case.

[60] In my view, the factors cited in the five cases referred to above, and the circumstances present in this matter, raise three questions of particular importance in determining the appropriate sanctions:

a. Of what significance is Bedford's conduct following discovery of the fraud?

b. Should any trading ban against Bedford be subject to an exception to allow him and his family to save for their future?

c. If so, should any prohibition against Bedford acting as a director or officer of an issuer be subject to an exception to allow him to use a corporation for that purpose?

(a) *Bedford's conduct following discovery of the fraud*

[61] As the sentencing judge found, it is clear that while Bedford made serious errors of judgment, Bedford's conduct was rooted in his own perceived inability to "stop this runaway train". Once the train was stopped by an investor, Bedford did all he could to cooperate and to mitigate the harm caused by his misconduct.

[62] While Bedford's cooperation does not excuse the conduct that required that cooperation in the first place, it is significant that Bedford has done everything that could be expected of him following the discovery of the fraud.

(b) *Trading ban*

[63] Despite Bedford's apparently genuine remorse, the seriousness of his misconduct warrants an order protecting investors from him, both for general and specific deterrent purposes.

[64] Staff correctly submits that participation in the capital markets is a privilege, not a right, but this important principle does not necessarily require that Bedford be denied the access he seeks to the capital markets so that he can provide for his family.

[65] In my view, a proper balance between these two competing considerations dictates that Bedford be allowed to participate in the capital markets in a limited manner that protects investors from misconduct.

(c) *Director or officer*

[66] Similarly, an outright prohibition against Bedford acting as a director or officer of an issuer may well be unnecessarily broad and therefore punitive. Bedford asks that any prohibition against him acting as a director or officer be subject to an exception that allows him to hold one or both of those positions in a corporation of which he and his family are the only shareholders.

[13] *Prydz (Re)* (2000), 23 OSCB 3399.

[67] I consider this to be a reasonable and appropriate request that balances the factors described above.

5. Conclusion

[68] Bedford's misconduct must be condemned. It caused significant harm to a number of innocent investors and it was always open to Bedford to bring the fraud to an end and thereby to limit that harm. Bedford chose not to, until he had no choice. While his reasons for failing to do so are in some sense understandable, they are not excusable.

[69] Having said that, nothing more could have been expected from Bedford once the fraud was discovered. In my view, Bedford deserves credit for his conduct since that time and deserves the opportunity to prove that he has learned his lesson and to work to improve his family's financial security.

[70] I therefore find it to be in the public interest to prohibit Bedford permanently from acting as a registrant, investment fund manager or promoter, and to prohibit him from trading or acquiring securities or derivatives and from acting as a director or officer for ten years, subject to limited exceptions that would allow him to provide for his family.

VI. ORDER

[71] I will therefore issue an order that provides that:

a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, Bedford is prohibited from trading or acquiring any securities or derivatives for ten years, except that during that period he may trade or acquire securities or derivatives:

   i. in any account at a registered dealer in his own name and of which he has the sole beneficial interest; or

   ii. in registered retirement savings plans, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada) in which only he and/or his spouse have a beneficial interest;

b. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Bedford for ten years;

c. pursuant to paragraphs 7, 8, 8.1, 8.2, 8.3 and 8.4 of subsection 127(1) of the Act, Bedford shall resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager, and he shall be prohibited for a period of ten years from holding any such position, except that he may be a director or officer of any issuer:

   i. of which the shareholders are limited to Bedford, his spouse, and any of their children; and

   ii. that does not engage in the business of trading in securities; and

d. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Bedford is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.

Dated at Toronto this 5th day of May, 2016.

"Timothy Moseley"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
3MV Energy Corp.	10 May 2016	
Anterra Energy Inc.	10 May 2016	
Ateba Resources Inc.	06 May 2016	
B&A Fertilizers Limited	05 May 2016	
Canadian Oil Recovery & Remediation Enterprises Ltd.	05 May 2016	06 May 2016
CanAsia Financial Inc.	10 May 2016	
CRS Electronics Inc.	05 May 2016	
Caspian Energy Inc.	10 May 2016	
Emerald Bay Energy Inc.	10 May 2016	
Environmental Waste International Inc.	05 May 2016	06 May 2016
European Metals Corp.	05 May 2016	
Fortaleza Energy Inc.	10 May 2016	
LeoNovus Inc.	05 May 2016	
Lodge at Kananaskis Limited Partnership, The	05 May 2016	
Maudore Minerals Ltd.	10 May 2016	
Mountain Inn at Ribbon Creek Limited Partnership, The	05 May 2016	
Nautor Progressive Corporation	10 May 2016	
Nuinsco Resources Limited	05 May 2016	
Oil Optimization Inc.	10 May 2016	
Pivotal Therapeutics Inc.	05 May 2016	
Pounder Venture Capital Corp.	05 May 2016	
Shoreline Energy Corp.	10 May 2016	
Spot Coffee (Canada) Ltd.	05 May 2016	09 May 2016

Company Name	Date of Order	Date of Revocation
Spyglass Resources Corp.	10 May 2016	
ThermoCeramix Corporation	05 May 2016	
Worldwide Marijuana Inc.	06 May 2016	

4.2.1 Temporary, Permanent & Rescinding Management 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
Axios Mobile Assets Corp.	15 April 2016	27 April 2016	27 April 2016	06 May 2016	
Dynex Power Inc.	05 May 2016	18 May 2016			
Kitrinor Metals Inc.	06 May 2016	18 May 2016			
Red Tiger Mining Inc.	06 May 2016	18 May 2016			
Stompy Bot Corporation	04 May 2016	16 May 2016			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Axios Mobile Assets Corp.	15 April 2016	27 April 2016	27 April 2016	06 May 2016	
Blueocean Nutrasciences Inc.	03 May 2016	16 May 2016			
Dynex Power Inc.	05 May 2016	18 May 2016			
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015		
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
GeneNews Limited	31 March 2016	13 April 2016	13 April 2016		
Golden Leaf Holdings Ltd.	03 May 2016	16 May 2016			
Kitrinor Metals Inc.	06 May 2016	18 May 2016			
Northern Power Systems Corp.	31 March 2016	13 April 2016	13 April 2016		
Red Tiger Mining Inc.	06 May 2016	18 May 2016			
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Stompy Bot Corporation	04 May 2016	16 May 2016			

Chapter 5

Rules and Policies

5.1.1 OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting and Companion Policy 91-507CP to OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting

ONTARIO SECURITIES COMMISSION
NOTICE OF AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

AND

COMPANION POLICY 91-507CP
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) has made amendments to the following instruments:

- OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**); and
- OSC Companion Policy 91-507CP to OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR CP**).

Ministerial approval is required for the amendments to the TR Rule (the **TR Amendments**) to come into force. These amendments were delivered to the Minister of Finance on May 12, 2016. The Minister may approve or reject these amendments or return them for further consideration. If the Minister approves the TR Amendments or does not take any further action by July 28, 2016, the TR Amendments will come into force on July 29, 2016. The TR CP changes become effective on the coming into force of the TR Amendments.

2. Background

On November 14, 2013, the OSC published the TR Rule. The TR Rule became effective on December 31, 2013. Previous amendments to the TR Rule were: (i) published on April 17, 2014 and became effective on July 2, 2014; (ii) published on June 26, 2014 and became effective on September 9, 2014; and (iii) published on February 12, 2015 and became effective on April 30, 2015.

On November 5, 2015, the OSC published proposed amendments to the TR Rule (the **Proposed TR Amendments**) for a 90-day public comment period. Collectively, eight comment letters were received on the Proposed TR Amendments. A list of those who submitted comments and a chart summarizing the comments received and responses to them are attached as Annex A to this Notice. We have reviewed all comment letters on the Proposed TR Amendments in consultation with the Canadian Securities Administrators Derivatives Committee (the **Committee**). The Committee made determinations on harmonized changes to the province specific rules. Based on the feedback received in the comment letters, consultations with and discussion with the Committee and various market participants, the Commission has revised the Proposed TR Amendments in order to more effectively and efficiently promote the underlying policy aims of the TR Rule. The details of the TR Amendments are discussed below.

3. Substance and Purpose of the TR Amendments

The key objectives of the TR Amendments are to:

- clarify the intended application of certain provisions of the TR Rule through non-material drafting revisions;
- alleviate the burden of reporting obligations under the TR Rule for local counterparties who are not derivatives dealers or recognized or exempt clearing agencies (each an **end-user**) engaging in derivatives transactions with their local affiliates that are also local counterparties

- reduce the burden of reporting obligations under the TR Rule for reporting counterparties in respect of derivatives transactions between an end-user local counterparty and its end-user affiliates outside of Canada;

- clarify the requirement for local counterparties, other than individuals, to obtain and maintain a legal entity identifier, if eligible, to promote data standardization; and

- modify the effective date and the requirements for public dissemination of transaction level data in order to promote increased transparency in the Canadian over-the-counter (**OTC**) derivatives market while aiming to preserve the anonymity of counterparties.

The changes to the TR CP correspond to the TR Amendments.

4. Summary of the TR Amendments

(a) Subsection 26(6): duty to report; locations to report data

The Commission has amended the requirement under subsection 26(6) of the TR Rule to provide that all derivatives data in respect of a transaction must be reported to the same designated trade repository but not necessarily to the designated trade repository where the initial report was sent. This amendment is intended to facilitate the porting of derivatives data from one designated trade repository to another.

(b) Section 28: Legal entity identifiers; entity ineligible to receive a legal entity identifier

The Commission has amended section 28 of the TR Rule to provide for situations where a counterparty to a transaction is either an individual or is not eligible to receive a legal entity identifier (**LEI**) as determined by the Global Legal Entity Identifier System (**GLEIS**). Under new subsection 28(4), the reporting counterparty is required to identify such a counterparty with an alternate identifier and new subsection 28(5) requires the designated trade repository to identify the counterparty with the same alternate identifier. These new subsections provide for consistent identification of counterparties who are individuals or that are ineligible to receive an LEI.

(c) Section 28.1: Requirement to obtain a legal entity identifier

The Commission has amended the TR Rule to add section 28.1. This new section obligates each eligible local counterparty to a transaction that is required to be reported under the TR Rule, other than an individual, to obtain, maintain and renew an LEI in accordance with the standards set by GLEIS. Prior to the addition of this requirement, reporting counterparties were responsible for ensuring that the counterparties to a transaction were identified using an LEI. This amendment ensures that all local counterparties to reportable transactions (other than individuals and those not eligible) are under a direct obligation to acquire an LEI.

The identification of counterparties by LEI is an initiative endorsed by G20 nations and provides a globally recognized and standardised identification system of legal entities engaged in financial transactions. LEIs support authorities and market participants in identifying and managing financial risks and simplify reporting and accessing reported data across jurisdictions.

(d) Subsection 39(3) & Appendix C: Data available to public; public dissemination of transaction level data

The Commission has amended subsection 39(3) of the TR Rule to include the data and asset classes required to be publicly disseminated under the TR Rule. The data required to be disseminated and the related asset classes are set out in the new Appendix C to the TR Rule.

The Commission appreciates the importance of maintaining the anonymity of OTC derivative transaction counterparties in the context of public dissemination of market data. We note that publication of transaction level data by designated trade repositories could potentially allow market participants to determine the identity of one or both of the counterparties to specific transactions through, for example, the size and/or underlying interest of a particular transaction. The indirect identification of counterparties to a particular transaction could make hedging the risks of the transaction more difficult and expensive as market participants adjust pricing in anticipation of the derivative counterparties' immediate hedging needs. This is a particularly relevant risk for counterparties engaged in transactions related to asset classes that are relatively illiquid in the context of the OTC derivatives market in Canada.

The Commission has sought to balance the benefits of post-trade transparency against the potential harm that may be caused to market participants' ability to hedge risk. Accordingly, transaction details disseminated to the public under the TR Rule are subject to publication delays and additional anonymity precautions so that market participants may avoid signalling the market.

To effectively protect counterparties and maintain fairness in the market, the Commission has included provisions in the TR Amendments that limit the application of the requirement for public dissemination. The TR Amendments add Appendix C to the TR Rule which sets out the details of the transaction level reports required to be publicly disseminated pursuant to subsection 39(3). Under Appendix C, only transaction level reports for OTC derivatives related to certain asset classes and underlying benchmarks are required to be publicly disseminated. In addition, Appendix C provides for additional anonymising measures such as the rounding and capping of notional amounts to protect counterparty identity without eliminating the value of the published information to the market. Capping levels for each asset class and category were determined by assessing the unique characteristics of each group including the relative size and frequency of trades within each group.

The timing for when transaction level reports must be publicly disseminated is also included in Appendix C. In response to public comments received on the Proposed TR Amendments, the Commission has amended the timing for public dissemination so that it is linked to the execution timestamp of the transaction and provides for a uniform publication delay for all transaction level reports.

Staff intend to proposed further amendments to Appendix C over a series of future phases following additional study of trade repository data and public consultation. The purpose of this study and consultation will be to determine the additional data and product types that are appropriate for public dissemination and to shorten the timing delay for the release of such data to the public. We are particularly interested in the type of post-trade information that can be publicly disseminated for OTC derivative transactions with illiquid underlying assets or that appear infrequently in the Canadian OTC derivatives market.

(e) Section 41.1: Exclusion from requirement to report inter-affiliate transactions

The Commission has added new section 41.1 to the TR Rule which provides an exclusion from the requirement to report derivatives data for all transactions between affiliated companies who are end-users. Transactions between affiliated end-users represent a relatively small portion of the Canadian derivatives market. Commenters to the Proposed TR Amendments indicated that transactions between end-user affiliated companies are done to allocate risk within the corporate group to fulfill internal accounting and risk management practices.

This exclusion applies only to transactions between two end-user affiliates. A transaction between a derivatives dealer and its affiliate, between a recognized or exempt clearing agency and its affiliate, or between companies that are affiliates of a derivatives dealer or a recognized or exempt clearing agency, must still be reported to a designated trade repository.

In the Proposed Amendments, the Commission proposed to amend the requirement under subsection 26(5) of the TR Rule to permit end-user local counterparties who are subject to the reporting obligation under the TR Rule, to benefit from substituted compliance in respect of reportable transactions entered into with their foreign affiliates when the transactions are reported pursuant to the law of a foreign jurisdiction listed in Appendix B to the TR Rule. Based on the public comments received that such a substituted compliance approach would be of limited use, the Commission has revised its approach to the reporting of derivatives data for transactions between end-user local counterparties. Accordingly, the proposed amendment to subsection 26(5) has been withdrawn from the TR Amendments.

Staff recognize that transactions between affiliated companies are typically used for managing risk within a corporate group and that the primary source of market risk to a corporate group related to its derivatives transactions comes from its market-facing transactions. However, reporting of transactions between affiliated companies can provide the Commission with information regarding the redistribution of risk between legal entities, highlighting market activity and trends. Staff intend to study the use of inter-affiliate derivatives transactions as a strategy of corporate group risk distribution and to monitor international regulators' approaches to end-user inter-affiliate trade reporting with a view to amending the TR Rule to require reporting of derivatives data for transactions between end-user affiliated companies involving an affiliated company that is not a local counterparty pursuant to the laws of any jurisdiction of Canada that introduce risk to the Ontario market.

On June 1, 2015, the Commission published OSC Staff Notice 91-703 *Staff recommendation on the reporting of inter-affiliate transactions by end-users under OSC Rule 91-507 Trade repositories and derivatives data reporting* (**Staff Notice 91-703**).[1] Pursuant to Staff Notice 91-703, end-user counterparties to OTC derivative transactions were notified that staff of the OSC (**OSC Staff**) would not enforce compliance with trade reporting requirements for inter-affiliate transactions reportable under the TR Rule until amendments with respect to the reporting of inter-affiliate transactions by end-user counterparties were made to the TR Rule. Section 41.1 represents the amendments to the TR Rule contemplated by Staff Notice 91-703. Therefore, Staff Notice 91-703 is hereby withdrawn.

We acknowledge that the term affiliated companies used in the TR Rule and defined in the *Securities Act* (Ontario) (the **Act**), is not fully harmonized with similar defined terms used to refer to affiliates in the securities legislation of other Canadian

[1] Ontario Securities Commission Staff Notice 91-703 *Staff recommendation on the reporting of inter-affiliate transactions by end-users under OSC Rule 91-507 Trade repositories and derivatives data reporting* (available: http://www.osc.gov.on.ca/documents/en/Securities-Category9/20150601_91-703_trade-derivatives-reporting.pdf).

jurisdictions. The Committee plans to address inconsistencies between the definitions in the future.

(f) Subsection 43(2): Effective date of subsection 39(3), public dissemination of transaction level reports

The Commission has amended subsection 43(2) to revise the effective date of subsection 39(3) from July 29, 2016 to January 16, 2017. Subsection 39(3) requires that designated trade repositories make transaction level reports regarding all transactions reported under the TR Rule available to the public in accordance with the requirements for public reporting in Appendix C to the TR Rule. The Commission received feedback that some designated trade repositories would need additional time to prepare and complete the data processing systems required to comply with the public dissemination requirements in the TR Rule. An effective date of January 16, 2017 for public dissemination of transaction level reporting provides designated trade repositories and market participants with more than eight months to complete any internal systems work that is needed to comply with the public dissemination requirements in the TR Rule, as amended by the TR Amendments.

(g) Appendix A: Minimum data fields required to be reported to a designated trade repository; modification of information required for public dissemination

The Commission amended Appendix A to the TR Rule by deleting the column entitled “Required for Public Dissemination”, which previously set out the derivatives data required to be publicly disseminated on a transaction level basis under s. 39(3). The requirements for transaction level public dissemination are now set out in the new Appendix C to the TR Rule. In addition, the Commission has made some clarifying amendments to the descriptions of the data fields in Appendix A. These changes are reflected in the blackline in Annex C.

(h) TR CP: Update of guidance corresponding to the TR Amendments

The Commission amended the TR CP to provide guidance corresponding to the TR Amendments.

5. Legislative Authority for Rule Making

The Commission has authority to designate trade repositories under section 21.2.2 of the Act. This authority includes the power to impose terms and conditions on the designation and the ability to make any decision with respect to the manner in which a designated trade repository carries on business or any by-law, rule, regulation, policy, procedure, interpretation or practice of a designated trade repository. The Commission's rulemaking authority to regulate designated trade repositories under the TR Rule is provided under paragraph 12 of subsection 143(1) of the Act.

The TR Amendments and the corresponding changes to the TR CP will come into force under the rulemaking authority provided under subparagraphs 35(ii) and 35(vii) of subsection 143(1) of the Act. Subparagraph 35(ii) authorizes the Commission to make rules requiring or respecting record keeping and reporting requirements relating to derivatives. Subparagraph 35(vii) authorizes the Commission to make rules requiring or respecting transparency requirements relating to the public dissemination of, or public access to, transaction level data relating to derivatives.

6. Annexes

Included as part of this Notice are the following Annexes:

- Annex A, which sets out a summary of the written comments received, responses and a list of commenters;
- Annex B, which sets out the TR Amendments;
- Annex C, which is the blackline of the TR Rule corresponding to Annex B; and
- Annex D, in which the TR CP changes are presented by way of blackline.

May 12, 2016

ANNEX A

Summary of comments on the Proposed TR Amendments to
Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*

1. Section Reference	2. Summary of Issues/Comments	3. Response
GENERAL COMMENTS		
General Comments	Three commenters suggested that all trade reporting rules in Canada be harmonized into one national instrument.	No change. Canadian jurisdictions are committed to implementing harmonized trade reporting and trade repository rules. To the extent possible, Canadian jurisdictions will also harmonize implementation timeframes.
	Multiple commenters suggested that the proposed effective date of July 29, 2016 for public dissemination of transaction data would not provide sufficient time for market participants and trade repositories to make and test the changes required to comply with the TR Rule. Several commenters stated that affected market participants, including trade repositories and reporting counterparties, would require six months, at minimum, to comply with the amendments to the TR Rule, with one commenter suggesting that the earliest revised effective date for the TR Rule would be in the first week of November 2016.	Change made. Subsection 43(2) of the TR Rule has been revised and subsection 39(3) will come into force on January 16, 2017.
	One commenter suggested that the term "end-user" be defined in the TR Rule.	No change. While we appreciate all comments received, the term "end-user" is not currently used in the TR Rule. Only comments directly related to the Proposed TR Amendments have been considered at this time.
PART 3: DATA REPORTING		
s. 26 – Duty to report		
General Comments	One commenter requested that the exclusion of exchange traded derivatives from the scope of the TR Rule, including block trades of derivatives entered into on an exchange, be clarified. Additionally, the commenter requested clarification regarding whether alternative trading systems are intended to be excluded from the definition of an exchange.	Language has been added to the TR CP clarifying that the duty to report derivatives does not apply to instruments that are prescribed not to be derivatives under OSC Rule 91-506 *Derivatives: Products Determination*[1] ("**Rule 91-506**").
	One commenter requested that novation or assignment of exchange traded derivatives that occur off-exchange in the event of a merger, acquisition, asset purchase or similar non-reoccurring transaction between entities be excluded from the trade reporting requirements under the TR Rule.	No change. While we appreciate all comments received, please see Rule 91-506 and the guidance in its companion policy for information on the scope of products that are required to be reported under the TR Rule.
	One commenter suggested that all Canadian OTC derivatives regulators should enter into a memorandum of understanding to obtain direct access to relevant derivatives data that has been	No change, However, the OSC is committed to maintaining strong relationships with other regulators and working towards streamlining access to derivatives data amongst regulators.

[1] Ontario Securities Commission, OSC Rule 91-506 *Derivatives: Products Determination* (available at: http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20131114_91-506_91-507_derivatives. htm).

	reported subject to a foreign jurisdiction's requirements. This would eliminate the need for the reporting party to specifically authorise access on a trade-by-trade basis.	
s. 26(5)	Commenters noted that the substituted compliance provided for in paragraph 26(5)(b) is limited because reporting counterparties would not be permitted to report trade data to a trade repository in a permitted substituted compliance jurisdiction that was not also designated by the OSC. It was requested that the TR Rule be modified to include (i) accommodations for majority owned or affiliated entities of a designated trade repository or (ii) a streamlined recognition process for trade repositories that only wish to obtain recognition from the OSC for the purpose of sharing trade data information with the OSC as required by paragraph 26(5)(c). Alternatively, one commenter recommended that the OSC enter into a Memorandum of Understanding with regulators in other substituted compliance jurisdictions to obtain direct access to the trade data reported in compliance with that jurisdiction's regime.	No change. However, revisions have been made to Section 41.1 of the TR Rule exempting all transactions between affiliated companies who are not derivatives dealers or designated or exempt clearing agencies from the obligation to report trade data under the TR Rule.
	One commenter requested revisions to paragraph 26(5)(b) to allow end-user affiliates who are exempt from trade reporting under CFTC No-Action Letter 13-09 to continue to rely on that relief while still qualifying for the exemption under s. 26(5).	No change. However, revisions have been made to Section 41.1 of the TR Rule exempting all transactions between affiliated companies who are not derivatives dealers or designated or exempt clearing agencies from the obligation to report trade data under the TR Rule.
	Citing complexities and incompatibility in the technical processes used in the U.S. and E.U. for trade data reporting as significant hurdles to the substituted compliance provided for by paragraph 26(5)(b), a commenter recommended that paragraphs 26(5)(b) and (c) be removed and the TR Rule be amended to require reporting counterparties to submit trade data to its selected trade repository.	Change made. Paragraph 26(5)(c) has been revised and clarifying language has been added to the TR CP. The transaction data reported to a designated trade repository under paragraph 26(5)(b) may be provided to the Commission in the same form as required to be reported pursuant to the applicable foreign jurisdiction's requirements for reporting transaction data.
s. 26(6)	One commenter suggested that s. 26(6) be clarified to prevent unnecessary complexity in the moving of relevant data between one recognized trade repository and another by making it clear that the relevant data to be held by the successor trade repository will be the current trade state data and all prospective submissions.	Change made. Clarifying language has been added to the TR CP.
s. 28 and s. 28.1 – Legal entity identifiers		
General comments	One commenter expressed concern that, if in the future LEIs were to be issued to individuals, requiring individuals to report their LEI could result in a beach of privacy laws in certain jurisdictions. One commenter requested that due to data protection and privacy obstacles that may prohibit the availability or use of an LEI for some individuals, that the TR Rule allow for continued use of alternate identifiers.	Change made. Section 28.1 of the TR Rule has been revised to exclude individuals who are counterparties to reportable transactions from the requirement to obtain an LEI. An individual must be identified by the reporting counterparty using an alternate identifier.

s. 28(4) and s. 28(5)	One commenter noted that trade repositories already have a system in place for generating identifiers for entities that are not eligible to receive an LEI and suggested that the responsibility for generating uniform alternate entity identifiers should remain with trade repositories rather than have the reporting counterparty undertake this task.	No change. A reporting counterparty is able to delegate this responsibility to its trade repository. For additional guidance, we refer you to Section 23 and subsection 26(3) of the TR Rule and the related guidance in the TR CP.
PART 4: DATA DISSEMINATION AND ACCESS TO DATA		
s. 39 – Data available to public		
General comments	One commenter noted that because of the relatively small market in Canada, the Ontario provincial government may be at risk of being identified as a counterparty when it enters into interest rate swaps at the same time as it issues long terms bonds by matching the maturity date of the interest rate swap with the maturity date of the bond issuance. The commenter requested that the specific maturity date of such an interest rate swap be masked.	Amendments to the *Securities Act* (Ontario) have been passed and are in force that exempt derivatives traded by Her Majesty in right of Ontario or the Ontario Financing Authority from the transparency requirements relating to the public dissemination of, or public access to, transaction-level data under the TR Rule.
PART 5: EXCLUSIONS		
s. 41.1 – Exclusions		
General Comments	Multiple commenters suggested the definition of affiliate be harmonized across all Canadian trade reporting rules to ensure that the inter-affiliate exemption would apply to the same entities in all local jurisdictions.	No change. The TR Rule will continue rely on the applicable definitions and related concepts in the *Securities Act* (Ontario).
	One commenter requested clarity on whether the exemption applied to partnerships, and other unincorporated entities.	The exclusion from reporting for inter-affiliate transactions apply to all entities that fall under the applicable definitions in the *Securities Act* (Ontario) including by principles of statutory interpretation and judicial consideration.
	In light of OSC Staff Notice 91-703,[2] one commenter requested clarification on whether reporting counterparties will need to begin reporting all inter-affiliate transactions not otherwise excluded under s. 41.1 as of the effective date of the TR Rule and that no historical transaction data is required back to the previous effective dates of the TR Rule.	The TR Rule has been revised to exclude all transactions between affiliated companies who are not derivatives dealers or recognized or exempt clearing agencies from the requirement to report derivatives data to a designated trade repository. There is no requirement to report historical transaction data for inter-affiliate transactions entered into prior to the effective date of the TR Amendments that were not reported in reliance on OSC Staff Notice 91-703.
s. 41.1(c)	To harmonize with the CFTC's No-Action Letter 13-09[3], two commenters requested that inter-affiliate swaps between non-financial entities who are end-user affiliates organized in Canada or the U.S. should be exempt from the trade reporting requirements of the TR Rule. One commenter asked that trades between end-	Change made. Section 41.1 has been revised to exclude all transactions between affiliated companies who are not derivatives dealers or recognized or exempt clearing agencies, nor affiliated companies of a derivatives dealer or recognized or exempt clearing agency, from the requirement to report derivatives data to a

[2] Ontario Securities Commission, *Staff Notice 91-703 Staff recommendation on the reporting of inter-affiliate transactions by end-users under OSC Rule 91-507 Trade repositories and derivatives data reporting* (available at: https://www.osc.gov.on.ca/en/sn_20150601_91-703_trade-derivatives-reporting.htm).

[3] U.S. Commodity Futures Trading Commission, *No-Action Relief for Swaps Between Affiliated Counterparties That Are Neither Swap Dealers Nor Major Swap Participants from Certain Swap Data Reporting Requirements Under Parts 45, 46, and Regulation 50.50(b) of the Commission's Regulations* (available at: http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/13-09.pdf).

	users and their affiliates regardless of jurisdiction be exempted from trade reporting requirements of the TR Rule.	designated trade repository. Staff at the OSC are continuing to study the risks associated with inter-affiliate transactions and, in the future, may require reporting of certain transactions between affiliates.
APPENDIX C: REQUIREMENTS FOR THE PUBLIC DISSEMINATION OF TRANSACTION-LEVEL DATA		
Appendix C, s. 2 – Instructions		
General comments	One commenter requested that option transactions on bespoke baskets be expressly excluded from public dissemination.	No change. Public dissemination of this data is not currently required. Any future determination on its public dissemination will be subject to sufficient liquidity in the market.
	One commenter requested that single name OTC option transactions, foreign exchange transactions and OTC derivatives based on commodities not be considered for public dissemination in the future due to the illiquidity of the Canadian market for these products.	No change. Public dissemination of this data is not currently required. Any future determination on its public dissemination will be subject to sufficient liquidity in the market.
Table 1	One commenter expressed concern about the public dissemination of the strike price and option type due to illiquidity in the Canadian market for sub-index transactions and requested that they be excluded from or masked in the data that is publicly disseminated.	No change. Analysis of the reported trade data indicates that there is sufficient liquidity to support the public dissemination of transaction level data for all classes of products currently subject to public dissemination under the TR Rule. In addition, anonymising measures (including rounding and masking) provide protection from identification by reverse engineering.
Appendix C, s. 2 – Exclusions		
General comments	One commenter requested that trades processed by clearing agencies for the purpose of determining the price of certain derivative transactions for which public market prices are not available (known as “firm trades” or “forced trades”) also be excluded from public dissemination. Another commenter noted that a firm trade resulting from a clearing agency’s pricing process and subject to public dissemination under item 7(a) of Appendix C does not have an alpha transaction. Consequently, a firm trade should not be subject to the exclusion from public dissemination in s. 2(c) of Appendix C since it is not the result of a novation by a clearing agency. The commenter also noted that clearing agencies are capable of reporting such firm trades and requested that guidance be added to the TR CP clarifying the obligations with respect to reporting and public dissemination of such firm trades.	No change. Firm trades represent true and accurate pricing information and make up a very small portion of the trades that will be publicly disseminated. There should be no adverse impact on the clearing agencies who conduct firm trades or on market participants, generally, by requiring the reporting and dissemination of firm trades pursuant to the TR Rule. Language clarifying which transactions are required to be publicly disseminated under item 7 of Appendix C has been added to the TR CP.
	In the case of derivatives transactions entered into on behalf of a market participant by its prime broker with an executing dealer that result in two mirror transactions (one between the executive dealer and the prime broker and one between the prime broker and the market participant). One commenter requested that only the trade data associated with the prime broker/executive dealer	No change. At this time, there are no data elements required to be reported that would distinguish which trades are prime broker trades and therefore no effective way to prevent public dissemination of both trades associated with a transaction conducted through a prime broker. Any prime broker transactions that are subject to public dissemination under the TR Rule will be

	trade be publicly disseminated even though both transactions may be reportable to a trade repository.	subject to masking and rounding and to dissemination delays which will minimize any minor differences between the two mirror trades including when each is reported.
	One commenter requested that for situations where an asset manager or investment advisor executes a number of derivatives transactions on behalf and for the benefit of several funds and executes a derivatives transaction for the amalgamated total, then subsequently allocates that derivatives transaction to the funds (known as "bunched orders"), that only the amalgamated total transaction, or the bunched order, be publicly disseminated.	No change. Actual economic activity is represented by the reportable transactions which are the allocated orders between the individual funds and the counterparty. The bunched trades are not reportable transactions under the TR Rule and therefore cannot be contemplated for public dissemination.
s. 2(b)	One commenter requested that the exclusion from public dissemination for transactions resulting from a multilateral compression exercise be extended to include transactions resulting from a bilateral compression exercise.	Change made. Similar to transactions resulting from a multilateral compression exercise, transactions resulting from a bilateral compression exercise will not be required to be publicly disseminated.
Appendix C, s. 3 – Rounding		
Table 3	One commenter requested that transactions be assembled into larger groups and that fewer rounded notational amounts be used in public dissemination to prevent reverse engineering of transactions in an illiquid market.	No change. Based on our analysis, the rounded notional amounts are appropriate for the products for which trade data will be publicly disseminated.
Appendix C, s. 4 – Capping		
General Comments	One commenter requested that the capped rounded notional amount for credit and equity asset classes be reduced to $20 million.	No change. Based on our analysis, the capped rounded notional amounts for credit and equity asset classes are appropriate for the products for which trade data will be publicly disseminated.
Table 4	One commenter requested the addition of a $20 million capped rounded notional amount for any interest rate swap with a maturity date of 20 years or more.	No change. Based on our analysis, the capped rounded notional amounts for interest rate swaps are appropriate for the products for which trade data will be publicly disseminated.
Appendix C, s. 7 – Timing		
General comments	Noting the possibility that public dissemination timelines based on the date of submission of the trade data to the trade repository may incentivise reporting counterparties to delay trade data reporting, multiple commenters requested that the timeframe for public dissemination of trade data be harmonized with the CFTC's execution timestamp approach. The commenters also noted that harmonization would enable trade repositories and reporting counterparties to leverage existing reporting architecture, and reduce barriers to aggregating market surveillance data and compliance with the TR Rule.	Change made. The timeframe for public dissemination of trade data in the TR Rule was revised and is now based on the execution timestamp of the transaction rather than the date it was reported to the designated trade repository.

	Multiple commenters requested that a hold or delay be added between the time the trade is reported to the trade repository and the time it is publicly disseminated, rather than permitting the trade data to be publicly disseminated as soon as it is reported to the trade repository. One commenter requested that the minimum time for such delay should be determined based on the liquidity of the market for the relevant derivatives transaction.	Change made. All derivatives data reported to a designated trade repository that is subject to public dissemination will not be publicly disseminated until 48 hours after the relevant transaction's execution timestamp.
s. 7(a)	One commenter suggested that additional clarification be provided to ensure s. 7(a) is not interpreted to capture beta and gamma transactions entered into by a clearing agency. Rather, this provision is intended to capture only alpha transactions entered into by a clearing agency on its own behalf (e.g. as a result of a clearing default).	Change made. Clarifying language has been added to the TR CP.

List of Commenters:

1. Canadian Life and Health Insurance Association
2. Canadian Market Infrastructure Committee
3. DLA Piper LLP (US)
4. Depository Trust & Clearing Corporation
5. ICE Trade Vault, LLC
6. Global Financial Markets Association, Global Foreign Exchange Division
7. International Swaps and Derivatives Association, Inc.
8. The Canadian Commercial Energy Working Group
9. TMX Group Limited

ANNEX B

Amendments to
Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting*

1. Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting (the "Rule") is amended by this Instrument.

2. Paragraph 26(5)(c) is replaced with the following:

(c) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the data that is reported pursuant to paragraph (b) and otherwise uses its best efforts to provide the Commission with access to such data..

3. Paragraph 26(6)(a) is replaced with the following:

(a) is reported to the same designated trade repository or, if reported to the Commission under subsection (4), to the Commission, and.

4. Section 28 is amended by adding the following subsections (4) and (5):

(4) If a counterparty to a transaction is an individual or is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, the reporting counterparty must identify such a counterparty with an alternate identifier.

(5) If subsection (4) applies, then despite subsection (1), the designated trade repository must identify such a counterparty with the alternate identifier supplied by the reporting counterparty..

5. The Rule is amended by adding the following section 28.1:

28.1 Each local counterparty to a transaction required to be reported under this Rule that is eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, other than an individual, must obtain, maintain and renew a legal entity identifier assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System..

6. Subsection 39(3) is replaced with the following:

(3) For each transaction reported pursuant to this Rule, a designated trade repository must make transaction level reports available to the public at no cost, in accordance with the requirements in Appendix C..

7. Paragraph 40(b) is amended by adding "or a recognized or exempt clearing agency***" after "***dealer***".***

8. Section 41 is amended by adding "reporting***" before "***counterparty***".***

9. The Rule is amended by adding the following section 41.1:

41.1 Despite any other section of this Rule, a reporting counterparty is under no obligation to report derivatives data in relation to a transaction if, at the time the transaction is executed,

(a) the counterparties to the transaction are affiliated companies; and

(b) neither counterparty is one or more of the following:

(i) a derivatives dealer;

(ii) a recognized or exempt clearing agency;

(iii) an affiliate of a person or company referred to in subparagraph (i) or (ii)..

10. Subsection 43(2) is replaced with the following:

(3) Despite subsection (1), subsection 39(3) does not apply until January 16, 2017..

11. Appendix A is replaced with the following:

Appendix A to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Minimum Data Fields Required to be Reported to a Designated Trade Repository

Instructions:

The reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

Data field	Description	Required for Pre-existing Transactions
Transaction identifier	The unique transaction identifier as provided by the designated trade repository or the identifier as identified by the two counterparties, electronic trading venue of execution or clearing agency.	Y
Master agreement type	The type of master agreement, if used for the reported transaction.	N
Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	N
Cleared	Indicate whether the transaction has been cleared by a clearing agency.	Y
Intent to clear	Indicate whether the transaction will be cleared by a clearing agency.	N
Clearing agency	LEI of the clearing agency where the transaction is or will be cleared.	Y
Clearing member	LEI of the clearing member, if the clearing member is not a counterparty.	N
Clearing exemption	Indicate whether one or more of the counterparties to the transaction are exempted from a mandatory clearing requirement.	N
Broker/Clearing intermediary	LEI of the broker acting as an intermediary for the reporting counterparty without becoming a counterparty.	N
Electronic trading venue identifier	LEI of the electronic trading venue where the transaction was executed.	Y
Inter-affiliate	Indicate whether the transaction is between two affiliated companies. (This field is only required to be reported as of April 30, 2015.)	N
Collateralization	Indicate whether the transaction is collateralized. Field Values: • Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.	N
Identifier of reporting counterparty	LEI of the reporting counterparty or, in the case of an individual or counterparty that is not eligible to receive an LEI, its alternate identifier.	Y
Identifier of non-reporting counterparty	LEI of the non-reporting counterparty or, in the case of an individual or counterparty that is not eligible to receive an LEI, its alternate identifier.	Y

Data field	Description	Required for Pre-existing Transactions
Counterparty side	Indicate whether the reporting counterparty was the buyer or seller. In the case of swaps, other than credit default, the buyer will represent the payer of leg 1 and the seller will be the payer of leg 2.	Y
Identifier of agent reporting the transaction	LEI of the agent reporting the transaction if reporting of the transaction has been delegated by the reporting counterparty.	N
Jurisdiction of reporting counterparty	If the reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N
Jurisdiction of non-reporting counterparty	If the non-reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all such jurisdictions.	N
A. Common Data	• These fields are required to be reported for all derivative transactions even if the information may be entered in an Asset field below. • Fields do not have to be reported if the unique product identifier adequately describes those fields.	
Unique product identifier	Unique product identification code based on the taxonomy of the product.	N
Contract or instrument type	The name of the contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).	Y
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.	Y
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.	Y
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).	N
Effective date or start date	The date the transaction becomes effective or starts.	Y
Maturity, termination or end date	The date the transaction expires.	Y
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).	Y
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).	Y
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).	Y
Delivery type	Indicate whether transaction is settled physically or in cash.	Y
Price 1	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y

Data field	Description	Required for Pre-existing Transactions
Price 2	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	Y
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).	Y
Price multiplier	The number of units of the underlying reference entity represented by 1 unit of the transaction.	N
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.	Y
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.	Y
Currency leg 1	Currency(ies) of leg 1.	Y
Currency leg 2	Currency(ies) of leg 2.	Y
Settlement currency	The currency used to determine the cash settlement amount.	Y
Up-front payment	Amount of any up-front payment.	N
Currency or currencies of up-front payment	The currency in which any up-front payment is made by one counterparty to another.	N
Embedded option	Indicate whether the option is an embedded option.	N
B. Additional Asset Information	These additional fields are required to be reported for transactions in the respective types of derivatives set out below, even if the information is entered in a Common Data field above.	
i) Interest rate derivatives		
Fixed rate leg 1	The rate used to determine the payment amount for leg 1 of the transaction.	Y
Fixed rate leg 2	The rate used to determine the payment amount for leg 2 of the transaction.	Y
Floating rate leg 1	The floating rate used to determine the payment amount for leg 1 of the transaction.	Y
Floating rate leg 2	The floating rate used to determine the payment amount for leg 2 of the transaction.	Y
Fixed rate day count convention	Factor used to calculate the fixed payer payments (e.g., 30/360, actual/360).	Y
Fixed leg payment frequency or dates	Frequency or dates of payments for the fixed rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating leg payment frequency or dates	Frequency or dates of payments for the floating rate leg of the transaction (e.g., quarterly, semi-annually, annually).	Y
Floating rate reset frequency or dates	The dates or frequency at which the floating leg of the transaction resets (e.g., quarterly, semi-annually, annually).	Y
ii) Currency derivatives		
Exchange rate	Contractual rate(s) of exchange of the currencies.	Y

Data field	Description	Required for Pre-existing Transactions
iii) Commodity derivatives		
Sub-asset class	Specific information to identify the type of commodity derivative (e.g., Agriculture, Power, Oil, Natural Gas, Freights, Metals, Index, Environmental, Exotic).	Y
Quantity	Total quantity in the unit of measure of an underlying commodity.	Y
Unit of measure	Unit of measure for the quantity of each side of the transaction (e.g., barrels, bushels, etc.).	Y
Grade	Grade of product being delivered (e.g., grade of oil).	Y
Delivery point	The delivery location.	N
Load type	For power, load profile for the delivery.	Y
Transmission days	For power, the delivery days of the week.	Y
Transmission duration	For power, the hours of day transmission starts and ends.	Y
C. Options	These additional fields are required to be reported for options transactions set out below, even if the information is entered in a Common Data field above.	
Option exercise date	The date(s) on which the option may be exercised.	Y
Option premium	Fixed premium paid by the buyer to the seller.	Y
Strike price (cap/floor rate)	The strike price of the option.	Y
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction (e.g., American, European, Bermudan, Asian).	Y
Option type	Put/call.	Y
D. Event Data		
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).	N
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).	Y (If available)
Post-transaction events	Indicate whether the transaction resulted from a post-transaction service (e.g. compression, reconciliation, etc.) or from a lifecycle event (e.g. novation, amendment, etc.).	N
Reporting timestamp	The time and date the transaction was submitted to the trade repository, expressed using UTC.	N
E. Valuation data	These additional fields are required to be reported on a continuing basis for all reported derivative transactions, including reported pre-existing transactions.	
Value of transaction calculated by the reporting counterparty	Mark-to-market valuation of the transaction, or mark-to-model valuation	N
Valuation currency	Indicate the currency used when reporting the value of the transaction.	N

Data field	Description	Required for Pre-existing Transactions
Valuation date	Date of the latest mark-to-market or mark-to-model valuation.	N
F. Other details		
Other details	Where the terms of the transaction cannot be effectively reported in the above prescribed fields, provide any additional information that may be necessary.	Y

12. The Rule is amended by adding the following Appendix C:

Appendix C to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Requirements for the public dissemination of transaction level data

Instructions:

1. A designated trade repository is required to disseminate to the public at no cost the information contained in Table 1 for each of the asset classes and underlying asset identifiers listed in Table 2 for:

   a) a transaction reported to the designated trade repository pursuant to this Rule;

   b) a lifecycle event that changes the pricing of an existing derivative reported to the designated trade repository pursuant to this Rule;

   c) a cancellation or correction of previously disseminated data relating to a transaction referred to in paragraph (a) or a lifecycle event referred to in paragraph (b).

Table 1

Data field	Description
Cleared	Indicate whether the transaction has been cleared by a clearing agency.
Electronic trading venue identifier	Indicate whether the transaction was executed on an electronic trading venue.
Collateralization	Indicate whether the transaction is collateralized.
Unique product identifier	Unique product identification code based on the taxonomy of the product.
Contract or instrument type	The name of the contract of instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).
Effective date or start date	The date the transaction becomes effective or starts.
Maturity, termination or end date	The date the transaction expires.
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).

Data field	Description
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).
Price 1	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price 2	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.
Currency leg 1	Currency(ies) of leg 1.
Currency leg 2	Currency(ies) of leg 2.
Settlement currency	The currency used to determine the cash settlement amount.
Embedded option	Indicate whether the option is an embedded option.
Option exercise date	The date(s) on which the option may be exercised.
Option premium	Fixed premium paid by the buyer to the seller.
Strike price (cap/floor rate)	The strike price of the option.
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction. (e.g., American, European, Bermudan, Asian).
Option type	Put, call.
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).

Table 2

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
	USD-LIBOR-BBA
	EUR-EURIBOR-Reuters
	GBP-LIBOR-BBA
Credit	All Indexes
Equity	All Indexes

Exclusions:

2. Notwithstanding item 1, each of the following is excluded from the requirement to be publicly disseminated:

   a) a transaction in a derivative that requires the exchange of more than one currency;

b) a transaction resulting from a bilateral or multilateral portfolio compression exercise;

c) a transaction resulting from novation by a recognized or exempt clearing agency;

Rounding:

3. A designated trade repository must round the notional amount of a transaction for which it disseminates transaction level data pursuant to this Rule and this Appendix in accordance with the rounding conventions contained in Table 3.

Table 3

Reported Notional Amount Leg 1 or 2	Rounded Notional Amount
< 1,000	Round to nearest 5
≥1,000, <10,000	Round to nearest 100
≥10,000, <100,000	Round to nearest 1,000
≥100,000, <1 million	Round to nearest 10,000
≥1 million, <10 million	Round to nearest 100,000
≥10 million, <50 million	Round to nearest 1 million
≥50 million, <100 million	Round to nearest 10 million
≥100 million, <500 million	Round to nearest 50 million
≥500 million, <1 billion	Round to nearest 100 million
≥1 billion, <100 billion	Round to nearest 500 million
>100 billion	Round to nearest 50 billion

Capping:

4. Where the rounded notional amount of a transaction, as set out in Table 3, would exceed the capped rounded notional amount in CAD of that transaction as set out in Table 4, a designated trade repository must disseminate the capped rounded notional amount for the transaction in place of the rounded notional amount.

5. When disseminating transaction level data pursuant to this Rule and this Appendix, for a transactions to which item 4 applies, a designated trade repository must indicate that the notional amount for a transaction has been capped.

6. For each transaction for which the capped rounded notional amount is disseminated, if the information to be disseminated includes an option premium, a designated trade repository must adjust the option premium in a manner that is consistent and proportionate relative to the capping and rounding of the reported notional amount of the transaction.

Table 4

Asset Class	Maturity Date less Effective Date	Capped Rounded Notional Amount in CAD
Interest Rate	Less than or equal to two years	250 million
Interest Rate	Greater than two years and less than or equal to ten years	100 million
Interest Rate	Greater than ten years	50 million
Credit	All dates	50 million
Equity	All dates	50 million

Timing:

7. A designated trade repository must disseminate the information contained in Table 1 48 hours after the time and date represented by the execution timestamp field of the transaction..

13. This Instrument comes into force on July 29, 2016.

ANNEX C

ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

1. (1) In this Rule

"asset class" means the asset category underlying a derivative and includes interest rate, foreign exchange, credit, equity and commodity;

"board of directors" means, in the case of a designated trade repository that does not have a board of directors, a group of individuals that acts in a capacity similar to a board of directors;

"creation data" means the data in the fields listed in Appendix A;

"derivatives dealer" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of trading in derivatives in Ontario as principal or agent;

"derivatives data" means all data related to a transaction that is required to be reported pursuant to Part 3;

"Global Legal Entity Identifier System" means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee;

"Legal Entity Identifier System Regulatory Oversight Committee" means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012;

"life-cycle event" means an event that results in a change to derivatives data previously reported to a designated trade repository in respect of a transaction;

"life-cycle event data" means changes to creation data resulting from a life-cycle event;

"local counterparty" means a counterparty to a transaction if, at the time of the transaction, one or more of the following apply:

(a) the counterparty is a person or company, other than an individual, organized under the laws of Ontario or that has its head office or principal place of business in Ontario;

(b) the counterparty is registered under Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives;

(c) the counterparty is an affiliate of a person or company described in paragraph (a), and such person or company is responsible for the liabilities of that affiliated party;

"participant" means a person or company that has entered into an agreement with a designated trade repository to access the services of the designated trade repository;

"reporting counterparty" means the counterparty to a transaction as determined under section 25 that is required to report derivatives data under section 26;

"transaction" means entering into, assigning, selling or otherwise acquiring or disposing of a derivative or the novation of a derivative;

"user" means, in respect of a designated trade repository, a counterparty (or delegate of a counterparty) to a transaction reported to that designated trade repository pursuant to this Rule; and

"valuation data" means data that reflects the current value of the transaction and includes the data in the applicable fields listed in Appendix A under the heading "Valuation Data".

(2) In this Rule, each of the following terms has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*: "accounting principles"; "auditing standards"; "publicly accountable enterprise"; "U.S. AICPA GAAS"; "U.S. GAAP"; and "U.S. PCAOB GAAS".

(3) In this Rule, "interim period" has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Trade repository initial filing of information and designation

2. (1) An applicant for designation under section 21.2.2 of the Act must file a completed Form 91-507F1 – *Application For Designation and Trade Repository Information Statement*.

(2) In addition to the requirement set out in subsection (1), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located outside of Ontario must

(a) certify on Form 91-507F1 that it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission,

(b) certify on Form 91-507F1 that it will provide the Commission with an opinion of legal counsel that

(i) the applicant has the power and authority to provide the Commission with access to its books and records, and

(ii) the applicant has the power and authority to submit to onsite inspection and examination by the Commission.

(3) In addition to the requirements set out in subsections (1) and (2), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located in a foreign jurisdiction must file a completed Form 91-507F2 – *Submission to Jurisdiction and Appointment of Agent for Service of Process*.

(4) Within 7 days of becoming aware of an inaccuracy in or making a change to the information provided in Form 91-507F1, an applicant must file an amendment to Form 91-507F1 in the manner set out in that Form.

Change in information

3. (1) Subject to subsection (2), a designated trade repository must not implement a significant change to a matter set out in Form 91-507F1 unless it has filed an amendment to Form 91-507F1 in the manner set out in that Form at least 45 days before implementing the change.

(2) A designated trade repository must file an amendment to the information provided in Exhibit I (Fees) of Form 91-507F1 in the manner set out in the Form at least 15 days before implementing a change to the information provided in the Exhibit.

(3) For a change to a matter set out in Form 91-507F1 other than a change referred to in subsection (1) or (2), a designated trade repository must file an amendment to Form 91-507F1 in the manner set out in that Form by the earlier of

(a) the close of business of the designated trade repository on the 10th day after the end of the month in which the change was made, and

(b) the time the designated trade repository publicly discloses the change.

Filing of initial audited financial statements

4. (1) An applicant must file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation under section 21.2.2 of the Act.

(2) The financial statements referred to in subsection (1) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America,

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements,

(c) disclose the presentation currency, and

(d) be audited in accordance with

(i) Canadian GAAS,

(ii) International Standards on Auditing, or

(iii) U.S. AICPA GAAS or U.S. PCAOB GAAS if the person or company is incorporated or organized under the laws of the United States of America.

(3) The financial statements referred to in subsection (1) must be accompanied by an auditor's report that

(a) expresses an unmodified opinion if the financial statements are audited in accordance with Canadian GAAS or International Standards on Auditing,

(b) expresses an unqualified opinion if the financial statements are audited in accordance with U.S. AICPA GAAS or U.S. PCAOB GAAS,

(c) identifies all financial periods presented for which the auditor's report applies,

(d) identifies the auditing standards used to conduct the audit,

(e) identifies the accounting principles used to prepare the financial statements,

(f) is prepared in accordance with the same auditing standards used to conduct the audit, and

(g) is prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

Filing of annual audited and interim financial statements

5. (1) A designated trade repository must file annual audited financial statements that comply with the requirements in subsections 4(2) and 4(3) with the Commission no later than the 90th day after the end of its financial year.

(2) A designated trade repository must file interim financial statements with the Commission no later than the 45th day after the end of each interim period.

(3) The interim financial statements referred to in subsection (2) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America, and

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements.

Ceasing to carry on business

6. (1) A designated trade repository that intends to cease carrying on business in Ontario as a trade repository must make an application and file a report on Form 91-507F3 – *Cessation of Operations Report For Trade Repository* at least 180 days before the date on which it intends to cease carrying on that business.

(2) A designated trade repository that involuntarily ceases to carry on business in Ontario as a trade repository must file a report on Form 91-507F3 as soon as practicable after it ceases to carry on that business.

Legal framework

7. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities.

(2) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that

(a) such rules, policies and procedures and the contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,

(b) the rights and obligations of a user, owner and regulator with respect to the use of the designated trade repository's information are clear and transparent,

(c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, and

(d) the status of records of contracts in its repository and whether those records of contracts are the legal contracts of record are clearly established.

Governance

8. (1) A designated trade repository must establish, implement and maintain written governance arrangements that

(a) are well-defined, clear and transparent,

(b) set out a clear organizational structure with consistent lines of responsibility,

(c) provide for effective internal controls,

(d) promote the safety and efficiency of the designated trade repository,

(e) ensure effective oversight of the designated trade repository,

(f) support the stability of the broader financial system and other relevant public interest considerations, and

(g) properly balance the interests of relevant stakeholders.

(2) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.

(3) A designated trade repository must publicly disclose on its website

(a) the governance arrangements established in accordance with subsection (1), and

(b) the rules, policies and procedures established in accordance with subsection (2).

Board of directors

9. (1) A designated trade repository must have a board of directors.

(2) The board of directors of a designated trade repository must include

(a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and

(b) appropriate representation by individuals who are independent of the designated trade repository.

(3) The board of directors of a designated trade repository must, in consultation with the chief compliance officer of the designated trade repository, resolve conflicts of interest identified by the chief compliance officer.

(4) The board of directors of a designated trade repository must meet with the chief compliance officer of the designated trade repository on a regular basis.

Management

10. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that

(a) specify the roles and responsibilities of management, and

(b) ensure that management has the experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities.

(2) A designated trade repository must notify the Commission no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.

Chief compliance officer

11. (1) The board of directors of a designated trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity and mix of skills necessary to serve in that capacity.

(2) The chief compliance officer of a designated trade repository must report directly to the board of directors of the designated trade repository or, if so directed by the board of directors, to the chief executive officer of the designated trade repository.

(3) The chief compliance officer of a designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,

(b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the designated trade repository complies with securities legislation,

(c) monitor compliance with the rules, policies and procedures required under paragraphs (a) and (b) on an ongoing basis,

(d) report to the board of directors of the designated trade repository as soon as practicable upon becoming aware of a circumstance indicating that the designated trade repository, or an individual acting on its behalf, is not in compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:

(i) the non-compliance creates a risk of harm to a user;

(ii) the non-compliance creates a risk of harm to the capital markets;

(iii) the non-compliance is part of a pattern of non-compliance;

(iv) the non-compliance may have an impact on the ability of the designated trade repository to carry on business as a trade repository in compliance with securities legislation,

(e) report to the designated trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and

(f) prepare and certify an annual report assessing compliance by the designated trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors.

(4) Concurrently with submitting a report under paragraph (3)(d), (3)(e) or (3)(f), the chief compliance officer must file a copy of the report with the Commission.

Fees

12. All fees and other material costs imposed by a designated trade repository on its participants must be

(a) fairly and equitably allocated among participants, and

(b) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data.

Access to designated trade repository services

13. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.

(2) A designated trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).

(3) A designated trade repository must not do any of the following:

(a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the designated trade repository;

(b) permit unreasonable discrimination among the participants of the designated trade repository;

(c) impose a burden on competition that is not reasonably necessary and appropriate;

(d) require the use or purchase of another service for a person or company to utilize the trade reporting service offered by the designated trade repository.

Acceptance of reporting

14. A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository's designation order.

Communication policies, procedures and standards

15. A designated trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of

(a) its participants,

(b) other trade repositories,

(c) exchanges, clearing agencies, alternative trading systems, and other marketplaces, and

(d) other service providers.

Due process

16. For a decision made by a designated trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the designated trade repository must ensure that

(a) the participant or applicant is given an opportunity to be heard or make representations, and

(b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting, denying or limiting access.

Rules, policies and procedures

17. (1) The rules, policies and procedures of a designated trade repository must

(a) be clear and comprehensive and provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the designated trade repository and the risks, fees, and other material costs they incur by using the services of the designated trade repository,

(b) be reasonably designed to govern all aspects of the services offered by the designated trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and

(c) not be inconsistent with securities legislation.

(2) A designated trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

(3) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.

(4) A designated trade repository must publicly disclose on its website

(a) its rules, policies and procedures referred to in this section, and

(b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.

(5) A designated trade repository must file its proposed new or amended rules, policies and procedures for approval in accordance with the terms and conditions of its designation order, unless the order explicitly exempts the designated trade repository from this requirement.

Records of data reported

18. (1) A designated trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.

(2) A designated trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.

(3) Throughout the period described in subsection (2), a designated trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection (2), in a safe location and in a durable form, separate from the location of the original record.

Comprehensive risk-management framework

19. A designated trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.

General business risk

20. (1) A designated trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.

(2) Without limiting the generality of subsection (1), a designated trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.

(3) For the purposes of subsection (2), a designated trade repository must hold, at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.

(4) A designated trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.

(5) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection (4).

(6) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the

requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the designated trade repository or the wind-down of the designated trade repository's operations.

System and other operational risk requirements

21. (1) A designated trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.

(2) The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the designated trade repository.

(3) Without limiting the generality of subsection (1), a designated trade repository must

(a) develop and maintain

(i) an adequate system of internal controls over its systems, and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the Commission of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide a post-incident report that includes a root-cause analysis as soon as practicable.

(4) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to

(a) achieve prompt recovery of its operations following a disruption,

(b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and

(c) provide for the exercise of authority in the event of an emergency.

(5) A designated trade repository must test its business continuity plans, including disaster recovery plans, at least annually.

(6) For each of its systems for collecting and maintaining reports of derivatives data, a designated trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs (3)(a) and (b) and subsections (4) and (5).

(7) A designated trade repository must provide the report prepared in accordance with subsection (6) to

(a) its board of directors or audit committee promptly upon the completion of the report, and

(b) the Commission not later than the 30th day after providing the report to its board of directors or audit committee.

(8) A designated trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(9) A designated trade repository must make available testing facilities for interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(10) A designated trade repository must not begin operations in Ontario unless it has complied with paragraphs (8)(a) and (9)(a).

(11) Paragraphs (8)(b) and (9)(b) do not apply to a designated trade repository if

(a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,

(b) the designated trade repository immediately notifies the Commission of its intention to make the change to its technology requirements, and

(c) the designated trade repository publicly discloses on its website the changed technology requirements as soon as practicable.

Data security and confidentiality

22. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.

(2) A designated trade repository must not release derivatives data for commercial or business purposes unless

(a) the derivatives data has otherwise been disclosed pursuant to section 39, or

(b) the counterparties to the transaction have provided the designated trade repository with their express written consent to use or release the derivatives data.

Confirmation of data and information

23. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to confirm with each counterparty to a transaction, or agent acting on behalf of such counterparty, that the derivatives data that the designated trade repository receives from a reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Rule, is accurate.

(2) Despite subsection (1), a designated trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the designated trade repository.

Outsourcing

24. If a designated trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the designated trade repository, the designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,

(b) identify any conflicts of interest between the designated trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,

(c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,

(d) maintain access to the books and records of the service provider relating to the outsourced activity,

(e) ensure that the Commission has the same access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that it would have absent the outsourcing arrangement,

(f) ensure that all persons conducting audits or independent reviews of the designated trade repository under this Rule have appropriate access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that such persons would have absent the outsourcing arrangement,

(g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,

(h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of derivatives data and of users' confidential information in accordance with the requirements under section 22, and

(i) establish, implement, maintain and enforce written rules, policies and procedures to regularly review the performance of the service provider under the outsourcing arrangement.

PART 3
DATA REPORTING

Reporting counterparty

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is

(a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,

(b) if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers, the derivatives dealer determined to be the reporting counterparty under the ISDA methodology,

(c) if paragraphs (a) and (b) do not apply to the transaction and the transaction is between two derivatives dealers, each derivatives dealer,

(d) if the transaction is not cleared through a recognized or exempt clearing agency and is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer,

(e) if paragraphs (a) to (d) do not apply to the transaction, the counterparty determined to be the reporting counterparty under the ISDA methodology, and

(f) in any other case, each local counterparty to the transaction.

(2) A party that would not be the reporting counterparty under the ISDA methodology with regard to a transaction required to be reported under this Rule may rely on paragraph (1)(b) or (e) in respect of that transaction only if

(a) each party to the transaction has agreed to the terms of a multilateral agreement

(i) that is administered by and delivered to the International Swaps and Derivatives Association, Inc., and

(ii) under which the process set out in the ISDA methodology is required to be followed by it with respect to each transaction required to be reported under this Rule,

(b) the ISDA methodology process is followed in determining the reporting counterparty in respect of that transaction, and

(c) each party to the transaction consents to the release to the Commission by the International Swaps and Derivatives Association, Inc. of information relevant in determining the applicability of paragraphs (a) and (b) to it.

(3) For the purposes of this section, "ISDA methodology" means the methodology described in the Canadian Transaction Reporting Party Requirements (issued by the International Swaps and Derivatives Association, Inc. and dated April 4, 2014).

Duty to report

26. (1) A reporting counterparty to a transaction involving a local counterparty must report, or cause to be reported, the data required to be reported under this Part to a designated trade repository.

(2) A reporting counterparty in respect of a transaction is responsible for ensuring that all reporting obligations in respect of that transaction have been fulfilled.

(3) A reporting counterparty may delegate its reporting obligations under this Rule, but remains responsible for ensuring the timely and accurate reporting of derivatives data required by this Rule.

(4) Despite subsection (1), if no designated trade repository accepts the data required to be reported by this Part, the reporting counterparty must electronically report the data required to be reported by this Part to the Commission.

(5) A reporting counterparty satisfies the reporting obligation in respect of a transaction required to be reported under subsection (1) if

(a) the transaction is required to be reported solely because a counterparty to the transaction is a local counterparty pursuant to paragraph (b) or (c) of the definition of "local counterparty";

(b) the transaction is reported to a designated trade repository pursuant to

(i) the securities legislation of a province of Canada other than Ontario, or

(ii) the laws of a foreign jurisdiction listed in Appendix B; and

(c) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the ~~derivatives~~ data that ~~it~~ is ~~required to report~~reported pursuant to ~~this Rule~~paragraph (b) and otherwise uses its best efforts to provide the Commission with access to such ~~derivatives~~ data.

(6) A reporting counterparty must ensure that all reported derivatives data relating to a transaction

(a) is reported to the same designated trade repository ~~to which the initial report was made~~ or, if ~~the initial report was made~~reported to the Commission under subsection (4), to the Commission, and

(b) is accurate and contains no misrepresentation.

(7) A reporting counterparty must report an error or omission in the derivatives data as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(8) A local counterparty, other than the reporting counterparty, must notify the reporting counterparty of an error or omission with respect to derivatives data relating to a transaction to which it is a counterparty as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(9) A recognized or exempt clearing agency must report derivatives data to the designated trade repository specified by a local counterparty and may not report derivatives data to another trade repository without the consent of the local counterparty where

(a) the reporting counterparty to a transaction is the recognized or exempt clearing agency, and

(b) the local counterparty to the transaction that is not a recognized or exempt clearing agency has specified a designated trade repository to which derivatives data in respect of that transaction is to be reported.

Identifiers, general

27. A reporting counterparty must include the following in every report required by this Part:

(a) the legal entity identifier of each counterparty to the transaction as set out in section 28;

(b) the unique transaction identifier for the transaction as set out in section 29;

(c) the unique product identifier for the transaction as set out in section 30.

Legal entity identifiers

28. (1) A designated trade repository must identify each counterparty to a transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a single legal entity identifier.

(2) Each of the following rules apply to legal entity identifiers

(a) a legal entity identifier must be a unique identification code assigned to a counterparty in accordance with the standards set by the Global Legal Entity Identifier System, and

(b) a local counterparty must comply with all applicable requirements imposed by the Global Legal Entity Identifier System.

(3) Despite subsection (2), if the Global Legal Entity Identifier System is unavailable to a counterparty to a transaction at the time when a report under this Rule is required to be made, all of the following rules apply

(a) each counterparty to the transaction must obtain a substitute legal entity identifier which complies with the standards established March 8, 2013 by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers,

(b) a local counterparty must use the substitute legal entity identifier until a legal entity identifier is assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), and

(c) after the holder of a substitute legal entity identifier is assigned a legal entity identifier in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), the local counterparty must ensure that it is identified only by the assigned legal entity identifier in all derivatives data reported pursuant to this Rule in respect of transactions to which it is a counterparty.

(4) If a counterparty to a transaction is an individual or is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, the reporting counterparty must identify such a counterparty with an alternate identifier.

(5) If subsection (4) applies, then despite subsection (1), the designated trade repository must identify such a counterparty with the alternate identifier supplied by the reporting counterparty.

28.1 Each local counterparty to a transaction required to be reported under this Rule that is eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, other than an individual, must obtain, maintain and renew a legal entity identifier assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System.

Unique transaction identifiers

29. (1) A designated trade repository must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique transaction identifier.

(2) A designated trade repository must assign a unique transaction identifier to a transaction, using its own methodology or incorporating a unique transaction identifier previously assigned to the transaction.

(3) A designated trade repository must not assign more than one unique transaction identifier to a transaction.

Unique product identifiers

30. (1) For the purposes of this section, a unique product identifier means a code that uniquely identifies a derivative and is assigned in accordance with international or industry standards.

(2) A reporting counterparty must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique product identifier.

(3) A reporting counterparty must not assign more than one unique product identifier to a transaction.

(4) If international or industry standards for a unique product identifier are unavailable for a particular derivative when a report is required to be made to a designated trade repository under this Rule, a reporting counterparty must assign a unique product identifier to the transaction using its own methodology.

Creation data

31. (1) Upon execution of a transaction that is required to be reported under this Rule, a reporting counterparty must report the creation data relating to that transaction to a designated trade repository.

(2) A reporting counterparty in respect of a transaction must report creation data in real time.

(3) If it is not technologically practicable to report creation data in real time, a reporting counterparty must report creation data as soon as technologically practicable and in no event later than the end of the business day following the day on which the data would otherwise be required to be reported.

Life-cycle event data

32. (1) For a transaction that is required to be reported under this Rule, the reporting counterparty must report all life-cycle event data to a designated trade repository by the end of the business day on which the life-cycle event occurs.

(2) If it is not technologically practicable to report life-cycle event data by the end of the business day on which the life-cycle event occurs, the reporting counterparty must report life-cycle event data no later than the end of the business day following the day on which the life-cycle event occurs.

Valuation data

33. (1) For a transaction that is required to be reported under this Rule, a reporting counterparty must report valuation data, based on industry accepted valuation standards, to a designated trade repository

(a) daily, based on relevant closing market data from the previous business day, if the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency , or

(b) quarterly, as of the last day of each calendar quarter, if the reporting counterparty is not a derivatives dealer or a recognized or exempt clearing agency.

(2) Valuation data required to be reported pursuant to paragraph 1(b) must be reported to the designated trade repository no later than 30 days after the end of the calendar quarter.

Pre-existing transactions

34. (1) Despite section 31 and subject to subsection 43(5), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled “Required for Pre-existing Transactions” on or before April 30, 2015 if

(a) the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency,

(b) the transaction was entered into before October 31, 2014, and

(c) there were outstanding contractual obligations with respect to the transaction on October 31, 2014.

(1.1) Despite section 31 and subject to subsection 43(6), a reporting counterparty (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled “Required for Pre-existing Transactions” on or before December 31, 2015 if

(a) the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency,

(b) the transaction was entered into before June 30, 2015, and

(c) there were outstanding contractual obligations with respect to the transaction on June 30, 2015.

(2) Despite section 32, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty’s obligation to report life-cycle event data under section 32 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

(3) Despite section 33, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report valuation data under section 33 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

Timing requirements for reporting data to another designated trade repository

35. Despite the data reporting timing requirements in sections 31, 32, 33 and 34, where a designated trade repository ceases operations or stops accepting derivatives data for a certain asset class of derivatives, the reporting counterparty may fulfill its reporting obligations under this Rule by reporting the derivatives data to another designated trade repository, or the Commission if there is not an available designated trade repository, within a reasonable period of time.

Records of data reported

36. (1) A reporting counterparty must keep transaction records for the life of each transaction and for a further 7 years after the date on which the transaction expires or terminates.

(2) A reporting counterparty must keep records referred to in subsection (1) in a safe location and in a durable form.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) A designated trade repository must, at no cost

(a) provide to the Commission direct, continuous and timely electronic access to such data in the designated trade repository's possession as is required by the Commission in order to carry out the Commission's mandate,

(b) accept and promptly fulfil any data requests from the Commission in order to carry out the Commission's mandate,

(c) create and make available to the Commission aggregate data derived from data in the designated trade repository's possession as required by the Commission in order to carry out the Commission's mandate, and

(d) disclose to the Commission the manner in which the derivatives data provided under paragraph (c) has been aggregated.

(2) A designated trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.

(3) A reporting counterparty must use its best efforts to provide the Commission with access to all derivatives data that it is required to report pursuant to this Rule, including instructing a trade repository to provide the Commission with access to such data.

Data available to counterparties

38. (1) A designated trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the designated trade repository.

(2) A designated trade repository must have appropriate verification and authorization procedures in place to deal with access pursuant to subsection (1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

(3) Each counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Rule.

(4) Subsection (3) applies despite any agreement to the contrary between the counterparties to a transaction.

Data available to public

39. (1) A designated trade repository must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number and, where applicable, price, relating to the transactions reported to it pursuant to this Rule.

(2) The periodic aggregate data made available to the public pursuant to subsection (1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, maturity and whether the transaction is cleared.

(3) ~~A~~For each transaction reported pursuant to this Rule, a designated trade repository must make transaction level reports ~~of the data indicated in the column entitled "Required for Public Dissemination" in Appendix A for each transaction reported pursuant to this Rule~~ available to the public at no cost ~~not later than~~, in accordance with the requirements in Appendix C.

~~(a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer, or~~

~~(b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.~~

(4) In disclosing transaction level reports required by subsection (3), a designated trade repository must not disclose the identity of either counterparty to the transaction.

(5) A designated trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.

(6) Despite subsections (1) to (5), a designated trade repository is not required to make public any derivatives data for transactions entered into between affiliated companies as defined under subsection 1(2) of the Act.

PART 5
EXCLUSIONS

40. Despite any other section of this Rule, a local counterparty is under no obligation to report derivatives data for a transaction if,

(a) the transaction relates to a derivative the asset class of which is a commodity other than cash or currency,

(b) the local counterparty is not a derivatives dealer or a recognized or exempt clearing agency, and

(c) the local counterparty has less than $500,000 aggregate notional value, without netting, under all its outstanding transactions at the time of the transaction including the additional notional value related to that transaction.

41. Despite any other section of this Rule, a reporting counterparty is under no obligation to report derivatives data in relation to a transaction if it is entered into between

(a) Her Majesty in right of Ontario or the Ontario Financing Authority when acting as agent for Her Majesty in right of Ontario, and

(b) an Ontario crown corporation or crown agency that forms part of a consolidated entity with Her Majesty in right of Ontario for accounting purposes.

41.1 Despite any other section of this Rule, a reporting counterparty is under no obligation to report derivatives data in relation to a transaction if, at the time the transaction is executed,

(a) the counterparties to the transaction are affiliated companies; and

(b) neither counterparty is one or more of the following:

(i) a derivatives dealer;

(ii) a recognized or exempt clearing agency;

(iii) an affiliate of a person or company referred to in subparagraph (i) or (ii).

PART 6
EXEMPTIONS

42. A Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 7
EFFECTIVE DATE

Effective date

43. (1) Parts 1, 2, 4, and 6 come into force on December 31, 2013.

(2) Despite subsection (1), subsection 39(3) does not apply until ~~July 29, 2016.~~January 16, 2017.

(3) Parts 3 and 5 come into force October 31, 2014.

(4) Despite subsection (3), Part 3 does not apply so as to require a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency to make any reports under that Part until June 30, 2015.

(5) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before October 31, 2014 that expires or terminates on or before April 30, 2015 if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency.

(6) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before June 30, 2015 that expires or terminates on or before December 31, 2015 if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency.

Appendix A to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Minimum Data Fields Required to be Reported to a Designated Trade Repository

Instructions:

The reporting counterparty is required to provide a response for each of the fields unless the field is not applicable to the transaction.

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Transaction identifier	The unique transaction identifier as provided by the designated trade repository or the identifier as identified by the two counterparties, electronic trading venue of execution or clearing agency.	~~N~~	Y
Master agreement type	The type of master agreement, if used for the reported transaction.	~~N~~	N
Master agreement version	Date of the master agreement version (e.g., 2002, 2006).	~~N~~	N
Cleared	Indicate whether the transaction has been cleared by a clearing agency.	~~Y~~	Y
Intent to clear	Indicate whether the transaction will be cleared by a clearing agency.	~~N~~	N
Clearing agency	LEI of the clearing agency where the transaction is or will be cleared.	~~N~~	Y
Clearing member	LEI of the clearing member, if the clearing member is not a counterparty.	~~N~~	N
Clearing exemption	Indicate whether one or more of the counterparties to the transaction are exempted from a mandatory clearing requirement.	~~Y~~	N
Broker/Clearing intermediary	LEI of the broker acting as an intermediary for the reporting counterparty without becoming a counterparty.	~~N~~	N
Electronic trading venue identifier	LEI of the electronic trading venue where the transaction was executed.	~~Y (Only "Yes" or "No" shall be publicly disseminated)~~	Y
Inter-affiliate	Indicate whether the transaction is between two affiliated ~~entities~~companies. (This field is only required to be reported as of April 30, 2015.)	~~N~~	N
Collateralization	Indicate whether the transaction is collateralized. Field Values:	~~Y~~	N

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
	• Fully (initial and variation margin required to be posted by both parties), • Partially (variation only required to be posted by both parties), • One-way (one party will be required to post some form of collateral), • Uncollateralized.		
Identifier of reporting counterparty	LEI of the reporting counterparty or, in the case of an individual~~, its client code~~ or counterparty that is not eligible to receive an LEI, its alternate identifier.	~~N~~	Y
Identifier of non-reporting counterparty	LEI of the non-reporting counterparty or, in the case of an individual~~, its client code~~ or counterparty that is not eligible to receive an LEI, its alternate identifier.	~~N~~	Y
Counterparty side	Indicate whether the reporting counterparty was the buyer or seller. In the case of swaps, other than credit default, the buyer will represent the payer of leg 1 and the seller will be the payer of leg 2.	~~N~~	Y
Identifier of agent reporting the transaction	LEI of the agent reporting the transaction if reporting of the transaction has been delegated by the reporting counterparty.	~~N~~	N
Jurisdiction of reporting counterparty	If the reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of ~~one or more provinces~~Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada, indicate all ~~of the jurisdictions in which it is a local counterparty~~such jurisdictions.	~~N~~	N
Jurisdiction of non-reporting counterparty	If the non-reporting counterparty is a local counterparty under this Rule or the derivatives data reporting rules of ~~one or more provinces~~Manitoba or Québec, or is a local counterparty under paragraph (a) or (c) of the definition of local counterparty in the derivatives data reporting rules of any other jurisdiction of Canada,	~~N~~	N

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
	indicate all ~~of the jurisdictions in which it is a local counterparty~~such jurisdictions.		
A. Common Data	• These fields are required to be reported for all derivative transactions even if the information may be entered in an Asset field below. • Fields do not have to be reported if the unique product identifier adequately describes those fields.		
Unique product identifier	Unique product identification code based on the taxonomy of the product.	~~Y~~	N
~~Transaction~~Contract or instrument type	The name of the ~~transaction~~contract or instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).	~~Y~~	Y
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.	~~Y~~	Y
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.	~~Y~~	Y
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).	~~Y~~	N
Effective date or start date	The date the transaction becomes effective or starts.	~~Y~~	Y
Maturity, termination or end date	The date the transaction expires.	~~Y~~	Y
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).	~~Y~~	Y
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).	~~Y~~	Y
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).	~~Y~~	Y
Delivery type	Indicate whether transaction is settled physically or in cash.	~~N~~	Y
Price 1	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	~~Y~~	Y

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Price 2	The price, yield, spread, coupon, etc., of the derivative. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.	~~Y~~	Y
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).	~~Y~~	Y
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).	~~Y~~	Y
Price multiplier	The number of units of the underlying reference entity represented by 1 unit of the transaction.	~~N~~	N
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.	~~Y~~	Y
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.	~~Y~~	Y
Currency leg 1	Currency(ies) of leg 1.	~~Y~~	Y
Currency leg 2	Currency(ies) of leg 2.	~~Y~~	Y
Settlement currency	The currency used to determine the cash settlement amount.	~~Y~~	Y
Up-front payment	Amount of any up-front payment.	~~N~~	N
Currency or currencies of up-front payment	The currency in which any up-front payment is made by one counterparty to another.	~~N~~	N
Embedded option	Indicate whether the option is an embedded option.	~~Y~~	N
B. Additional Asset Information	These additional fields are required to be reported for transactions in the respective types of derivatives set out below, even if the information is entered in a Common Data field above.		
i) Interest rate derivatives			
Fixed rate leg 1	The rate used to determine the payment amount for leg 1 of the transaction.	~~N~~	Y
Fixed rate leg 2	The rate used to determine the payment amount for leg 2 of the transaction.	~~N~~	Y
Floating rate leg 1	The floating rate used to determine the payment amount for leg 1 of the transaction.	~~N~~	Y
Floating rate leg 2	The floating rate used to determine the payment amount for leg 2 of the transaction.	~~N~~	Y

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Fixed rate day count convention	Factor used to calculate the fixed payer payments (e.g., 30/360, actual/360).	~~N~~	Y
Fixed leg payment frequency or dates	Frequency or dates of payments for the fixed rate leg of the transaction (e.g., quarterly, semi-annually, annually).	~~N~~	Y
Floating leg payment frequency or dates	Frequency or dates of payments for the floating rate leg of the transaction (e.g., quarterly, semi-annually, annually).	~~N~~	Y
Floating rate reset frequency or dates	The dates or frequency at which the floating leg of the transaction resets (e.g., quarterly, semi-annually, annually).	~~N~~	Y
ii) Currency derivatives			
Exchange rate	Contractual rate(s) of exchange of the currencies.	~~N~~	Y
iii) Commodity derivatives			
Sub-asset class	Specific information to identify the type of commodity derivative (e.g., Agriculture, Power, Oil, Natural Gas, Freights, Metals, Index, Environmental, Exotic).	~~Y~~	Y
Quantity	Total quantity in the unit of measure of an underlying commodity.	~~Y~~	Y
Unit of measure	Unit of measure for the quantity of each side of the transaction (e.g., barrels, bushels, etc.).	~~Y~~	Y
Grade	Grade of product being delivered (e.g., grade of oil).	~~N~~	Y
Delivery point	The delivery location.	~~N~~	N
Load type	For power, load profile for the delivery.	~~N~~	Y
Transmission days	For power, the delivery days of the week.	~~N~~	Y
Transmission duration	For power, the hours of day transmission starts and ends.	~~N~~	Y
C. Options	These additional fields are required to be reported for options transactions set out below, even if the information is entered in a Common Data field above.		
Option exercise date	The date(s) on which the option may be exercised.	~~Y~~	Y
Option premium	Fixed premium paid by the buyer to the seller.	~~Y~~	Y

Data field	Description	~~Required for Public Dissemination~~	Required for Pre-existing Transactions
Strike price (cap/floor rate)	The strike price of the option.	~~Y~~	Y
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction (e.g., American, European, Bermudan, Asian).	~~Y~~	Y
Option type	Put/call.	~~Y~~	Y
D. Event Data			
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).	~~Y~~	N
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).	~~Y~~	Y (If available)
Post-transaction events	Indicate whether the transaction resulted from a post-transaction service (e.g. compression, reconciliation, etc.) or from a lifecycle event (e.g. novation, amendment, etc.).	~~N~~	N
Reporting ~~date~~timestamp	The time and date the transaction was submitted to the trade repository, expressed using UTC.	~~N~~	N
E. Valuation data	These additional fields are required to be reported on a continuing basis for all reported derivative transactions, including reported pre-existing transactions.		
Value of transaction calculated by the reporting counterparty	Mark-to-market valuation of the transaction, or mark-to-model valuation	~~N~~	N
Valuation currency	Indicate the currency used when reporting the value of the transaction.	~~N~~	N
Valuation date	Date of the latest mark-to-market or mark-to-model valuation.	~~N~~	N
F. Other details			
~~F.~~ Other details	Where the terms of the transaction cannot be effectively reported in the above prescribed fields, provide any additional information that may be necessary.	~~N~~	Y

Appendix B to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Equivalent Trade Reporting Laws of Foreign Jurisdictions
Subject to Deemed Compliance Pursuant to Subsection 26(5)

The Commission has determined that the laws and regulations of the following jurisdictions outside of Ontario are equivalent for the purposes of the deemed compliance provision in subsection 26(5).

Jurisdiction	Law, Regulation and/or Instrument
United States of America	*CFTC Real-Time Public Reporting of Swap Transaction Data*, 17 C.F.R. pt. 43 (2013). *CFTC Swap Data Recordkeeping and Reporting Requirements*, 17 C.F.R. pt. 45 (2013). *CFTC Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*, 17 C.F.R. pt. 46 (2013).
European Union	Regulation (EU) 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories Commission Delegated Regulation (EU) No 148/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories

Appendix C to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting
Requirements for the public dissemination of transaction level data

Instructions:

1. A designated trade repository is required to disseminate to the public at no cost the information contained in Table 1 for each of the asset classes and underlying asset identifiers listed in Table 2 for:

   (a) a transaction reported to the designated trade repository pursuant to this Rule;

   (b) a lifecycle event that changes the pricing of an existing derivative reported to the designated trade repository pursuant to this Rule;

   (c) a cancellation or correction of previously disseminated data relating to a transaction referred to in paragraph (a) or a lifecycle event referred to in paragraph (b).

Table 1

Data field	Description
Cleared	Indicate whether the transaction has been cleared by a clearing agency.
Electronic trading venue identifier	Indicate whether the transaction was executed on an electronic trading venue.
Collateralization	Indicate whether the transaction is collateralized.
Unique product identifier	Unique product identification code based on the taxonomy of the product.
Contract or instrument type	The name of the contract of instrument type (e.g., swap, swaption, forwards, options, basis swap, index swap, basket swap, other).
Underlying asset identifier 1	The unique identifier of the asset referenced in the transaction.
Underlying asset identifier 2	The unique identifier of the second asset referenced in the transaction, if more than one. If more than two assets identified in the transaction, report the unique identifiers for those additional underlying assets.
Asset class	Major asset class of the product (e.g., interest rate, credit, commodity, foreign exchange, equity, etc.).
Effective date or start date	The date the transaction becomes effective or starts.
Maturity, termination or end date	The date the transaction expires.
Payment frequency or dates	The dates or frequency the transaction requires payments to be made (e.g., quarterly, monthly).
Reset frequency or dates	The dates or frequency at which the price resets (e.g., quarterly, semi-annually, annually).
Day count convention	Factor used to calculate the payments (e.g., 30/360, actual/360).
Price 1	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price 2	The price, yield, spread, coupon, etc., of the transaction. The price/rate should not include any premiums such as commissions, collateral premiums, accrued interest, etc.
Price notation type 1	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Price notation type 2	The manner in which the price is expressed (e.g., percent, basis points, etc.).
Notional amount leg 1	Total notional amount(s) of leg 1 of the transaction.

Data field	Description
Notional amount leg 2	Total notional amount(s) of leg 2 of the transaction.
Currency leg 1	Currency(ies) of leg 1.
Currency leg 2	Currency(ies) of leg 2.
Settlement currency	The currency used to determine the cash settlement amount.
Embedded option	Indicate whether the option is an embedded option.
Option exercise date	The date(s) on which the option may be exercised.
Option premium	Fixed premium paid by the buyer to the seller.
Strike price (cap/floor rate)	The strike price of the option.
Option style	Indicate whether the option can be exercised on a fixed date or anytime during the life of the transaction. (e.g., American, European, Bermudan, Asian).
Option type	Put, call.
Action	Describes the type of event to the transaction (e.g., new transaction, modification or cancellation of existing transaction, etc.).
Execution timestamp	The time and date of execution or novation of a transaction, expressed using Coordinated Universal Time (UTC).

Table 2

Asset Class	Underlying Asset Identifier
Interest Rate	CAD-BA-CDOR
	USD-LIBOR-BBA
	EUR-EURIBOR-Reuters
	GBP-LIBOR-BBA
Credit	All Indexes
Equity	All Indexes

Exclusions:

2. Notwithstanding item 1, each of the following is excluded from the requirement to be publicly disseminated:

(a) a transaction in a derivative that requires the exchange of more than one currency;

(b) a transaction resulting from a bilateral or multilateral portfolio compression exercise;

(c) a transaction resulting from novation by a recognized or exempt clearing agency;

Rounding:

3. A designated trade repository must round the notional amount of a transaction for which it disseminates transaction level data pursuant to this Rule and this Appendix in accordance with the rounding conventions contained in Table 3.

Table 3

Reported Notional Amount Leg 1 or 2	Rounded Notional Amount
< 1,000	Round to nearest 5
≥1,000, <10,000	Round to nearest 100
≥10,000, <100,000	Round to nearest 1,000
≥100,000, <1 million	Round to nearest 10,000
≥1 million, <10 million	Round to nearest 100,000
≥10 million, <50 million	Round to nearest 1 million
≥50 million, <100 million	Round to nearest 10 million
≥100 million, <500 million	Round to nearest 50 million
≥500 million, <1 billion	Round to nearest 100 million
≥1 billion, <100 billion	Round to nearest 500 million
>100 billion	Round to nearest 50 billion

Capping:

4. Where the rounded notional amount of a transaction, as set out in Table 3, would exceed the capped rounded notional amount in CAD of that transaction as set out in Table 4, a designated trade repository must disseminate the capped rounded notional amount for the transaction in place of the rounded notional amount.

5. When disseminating transaction level data pursuant to this Rule and this Appendix, for a transactions to which item 4 applies, a designated trade repository must indicate that the notional amount for a transaction has been capped.

6. For each transaction for which the capped rounded notional amount is disseminated, if the information to be disseminated includes an option premium, a designated trade repository must adjust the option premium in a manner that is consistent and proportionate relative to the capping and rounding of the reported notional amount of the transaction.

Table 4

Asset Class	Maturity Date less Effective Date	Capped Rounded Notional Amount in CAD
Interest Rate	Less than or equal to two years	250 million
Interest Rate	Greater than two years and less than or equal to ten years	100 million
Interest Rate	Greater than ten years	50 million
Credit	All dates	50 million
Equity	All dates	50 million

Timing:

7. A designated trade repository must disseminate the information contained in Table 1 48 hours after the time and date represented by the execution timestamp field of the transaction.

FORM 91-507F1
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

APPLICATION FOR DESIGNATION
TRADE REPOSITORY
INFORMATION STATEMENT

Filer: ☐ **TRADE REPOSITORY**

Type of Filing: ☐ **INITIAL** ☐ **AMENDMENT**

1. Full name of trade repository:

2. Name(s) under which business is conducted, if different from item 1:

3. If this filing makes a name change on behalf of the trade repository in respect of the name set out in item 1 or item 2, enter the previous name and the new name.

   Previous name:

   New name:

4. Head office

   Address:

   Telephone:

   Facsimile:

5. Mailing address (if different):

6. Other offices

   Address:

   Telephone:

   Facsimile:

7. Website address:

8. Contact employee

   Name and title:

   Telephone number:

   Facsimile:

   E-mail address:

9. Counsel

   Firm name:

   Contact name:

   Telephone number:

   Facsimile:

   E-mail address:

10. Canadian counsel (if applicable)

    Firm name:

    Contact name:

    Telephone number:

    Facsimile:

    E-mail address:

EXHIBITS

File all Exhibits with the Filing. For each Exhibit, include the name of the trade repository, the date of filing of the Exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect shall be furnished instead of such Exhibit.

Except as provided below, if the filer files an amendment to the information provided in its Filing and the information relates to an Exhibit filed with the Filing or a subsequent amendment, the filer must, in order to comply with section 3 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting (the "TR Rule"), provide a description of the change, the expected date of the implementation of the change, and file a complete and updated Exhibit. The filer must provide a clean and blacklined version showing changes from the previous filing.

If the filer has otherwise filed the information required by the previous paragraph pursuant to section 17 of the TR Rule, it is not required to file the information again as an amendment to an Exhibit. However, if supplementary material relating to a filed rule is contained in an Exhibit, an amendment to the Exhibit must also be filed.

Exhibit A – Corporate Governance

1. Legal status:

    ☐ Corporation

    ☐ Partnership

    ☐ Other (specify):

2. Indicate the following:

    1. Date (DD/MM/YYYY) of formation.

    2. Place of formation.

    3. Statute under which trade repository was organized.

    4. Regulatory status in other jurisdictions.

3. Provide a copy of the constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents, and all subsequent amendments.

4. Provide the policies and procedures to address potential conflicts of interest arising from the operation of the trade repository or the services it provides, including those related to the commercial interest of the trade repository, the interests of its owners and its operators, the responsibilities and sound functioning of the trade repository, and those between the operations of the trade repository and its regulatory responsibilities.

5. An applicant that is located outside of Ontario that is applying for designation as a trade repository under section 21.2.2(1) of the Act must additionally provide the following:

    1. An opinion of legal counsel that, as a matter of law the applicant has the power and authority to provide the Commission with prompt access to the applicant's books and records and submit to onsite inspection and examination by the Commission, and

    2. A completed Form 91-507F2, Submission to Jurisdiction and Appointment of Agent for Service.

Exhibit B – Ownership

A list of the registered or beneficial holders of securities of, partnership interests in, or other ownership interests in, the trade repository. For each of the persons listed in the Exhibit, please provide the following:

1. Name.
2. Principal business or occupation and title.
3. Ownership interest.
4. Nature of the ownership interest, including a description of the type of security, partnership interest or other ownership interest.

In the case of a trade repository that is publicly traded, if the trade repository is a corporation, please only provide a list of each shareholder that directly owns five percent or more of a class of a security with voting rights.

Exhibit C – Organization

1. A list of partners, officers, governors, and members of the board of directors and any standing committees of the board, or persons performing similar functions, who presently hold or have held their offices or positions during the previous year, indicating the following for each:
    1. Name.
    2. Principal business or occupation and title.
    3. Dates of commencement and expiry of present term of office or position.
    4. Type of business in which each is primarily engaged and current employer.
    5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
    6. Whether the person is considered to be an independent director.
2. A list of the committees of the board, including their mandates.
3. The name of the trade repository's Chief Compliance Officer.

Exhibit D – Affiliates

1. For each affiliated entity of the trade repository provide the name and head office address and describe the principal business of the affiliate.
2. For each affiliated entity of the trade repository
    (i) to which the trade repository has outsourced any of its key services or systems described in Exhibit E – Operations of the Trade Repository, including business recordkeeping, recordkeeping of trade data, trade data reporting, trade data comparison, data feed, or
    (ii) with which the trade repository has any other material business relationship, including loans, cross-guarantees, etc.,

    provide the following information:
    1. Name and address of the affiliate.
    2. The name and title of the directors and officers, or persons performing similar functions, of the affiliate.
    3. A description of the nature and extent of the contractual and other agreements with the trade repository, and the roles and responsibilities of the affiliate under the arrangement.

4. A copy of each material contract relating to any outsourced functions or other material relationship.

5. Copies of constating documents (including corporate by-laws), shareholder agreements, partnership agreements and other similar documents.

6. For the latest financial year of any affiliated entity that has any outstanding loans or cross-guarantee arrangements with the trade repository, financial statements, which may be unaudited, prepared in accordance with:

    a. Canadian GAAP applicable to publicly accountable enterprises;

    b. IFRS; or

    c. U.S. GAAP where the affiliated entity is incorporated or organized under the laws of the U.S.

Exhibit E – Operations of the Trade Repository

Describe in detail the manner of operation of the trade repository and its associated functions. This should include, but not be limited to, a description of the following:

1. The structure of the trade repository.

2. Means of access by the trade repository's participants and, if applicable, their clients to the trade repository's facilities and services.

3. The hours of operation.

4. A description of the facilities and services offered by the trade repository including, but not limited to, collection and maintenance of derivatives data.

5. A list of the types of derivatives instruments for which data recordkeeping is offered, including, but not limited to, a description of the features and characteristics of the instruments.

6. Procedures regarding the entry, display and reporting of derivatives data.

7. Description of recordkeeping procedures that ensure derivatives data is recorded accurately, completely and on a timely basis.

8. The safeguards and procedures to protect derivatives data of the trade repository's participants, including required policies and procedures reasonably designed to protect the privacy and confidentiality of the data.

9. Training provided to participants and a copy of any materials provided with respect to systems and rules and other requirements of the trade repository.

10. Steps taken to ensure that the trade repository's participants have knowledge of and comply with the requirements of the trade repository.

11. A description of the trade repository's risk management framework for comprehensively managing risks including business, legal, and operational risks.

The filer must provide all policies, procedures and manuals related to the operation of the trade repository.

Exhibit F – Outsourcing

Where the trade repository has outsourced the operation of key services or systems described in Exhibit E – Operations of the Trade Repository to an arms-length third party, including any function associated with the collection and maintenance of derivatives data, provide the following information:

1. Name and address of person or company (including any affiliates of the trade repository) to which the function has been outsourced.

2. A description of the nature and extent of the contractual or other agreement with the trade repository and the roles and responsibilities of the arms-length party under the arrangement.

3. A copy of each material contract relating to any outsourced function.

Exhibit G – Systems and Contingency Planning

For each of the systems for collecting and maintaining reports of derivatives data, describe:

1. Current and future capacity estimates.
2. Procedures for reviewing system capacity.
3. Procedures for reviewing system security.
4. Procedures to conduct stress tests.
5. A description of the filer's business continuity and disaster recovery plans, including any relevant documentation.
6. Procedures to test business continuity and disaster recovery plans.
7. The list of data to be reported by all types of participants.
8. A description of the data format or formats that will be available to the Commission and other persons receiving trade reporting data.

Exhibit H – Access to Services

1. A complete set of all forms, agreements or other materials pertaining to access to the services of the trade repository described in Exhibit E.4.
2. Describe the types of trade repository participants.
3. Describe the trade repository's criteria for access to the services of the trade repository.
4. Describe any differences in access to the services offered by the trade repository to different groups or types of participants.
5. Describe conditions under which the trade repository's participants may be subject to suspension or termination with regard to access to the services of the trade repository.
6. Describe any procedures that will be involved in the suspension or termination of a participant.
7. Describe the trade repository's arrangements for permitting clients of participants to have access to the trade repository. Provide a copy of any agreements or documentation relating to these arrangements.

Exhibit I – Fees

A description of the fee model and all fees charged by the trade repository, or by a party to which services have been directly or indirectly outsourced, including, but not limited to, fees relating to access and the collection and maintenance of derivatives data, how such fees are set, and any fee rebates or discounts and how the rebates and discounts are set.

CERTIFICATE OF TRADE REPOSITORY

The undersigned certifies that the information given in this report is true and correct.

DATED at _____ this _____ day of _____, 20____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

IF APPLICABLE, ADDITIONAL CERTIFICATE OF TRADE REPOSITORY THAT IS LOCATED OUTSIDE OF ONTARIO

The undersigned certifies that

(a) it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission;

(b) as a matter of law, it has the power and authority to

i. provide the Commission with access to its books and records, and

ii. submit to onsite inspection and examination by the Commission.

DATED at _____ this _____ day of _____, 20____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

FORM 91-507F2
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

TRADE REPOSITORY SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

1. Name of trade repository (the "Trade Repository"):

   _____

2. Jurisdiction of incorporation, or equivalent, of Trade Repository:

   _____

3. Address of principal place of business of Trade Repository:

   _____

4. Name of the agent for service of process for the Trade Repository (the "Agent"):

   _____

5. Address of Agent for service of process in Ontario:

   _____

6. The Trade Repository designates and appoints the Agent as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the activities of the Trade Repository in Ontario. The Trade Repository hereby irrevocably waives any right to challenge service upon its Agent as not binding upon the Trade Repository.

7. The Trade Repository agrees to unconditionally and irrevocably attorn to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) any proceeding in any province or territory arising out of, related to, concerning or in any other manner connected with the regulation and oversight of the activities of the Trade Repository in Ontario.

8. The Trade Repository shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before the Trade Repository ceases to be designated or exempted by the Commission, to be in effect for six years from the date it ceases to be designated or exempted unless otherwise amended in accordance with section 9.

9. Until six years after it has ceased to be a designated or exempted by the Commission from the recognition requirement under subsection 21.2.2(1) of the Act, the Trade Repository shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.

10. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of Ontario.

Dated: _____

_____
Signature of the Trade Repository

_____
Print name and title of signing officer of the Trade Repository

AGENT

CONSENT TO ACT AS AGENT FOR SERVICE

I, _____ (name of Agent in full; if Corporation, full Corporate name) of _____(business address), hereby accept the appointment as agent for service of process of _____(insert name of Trade Repository) and hereby consent to act as agent for service pursuant to the terms of the appointment executed by _____ (insert name of Trade Repository) on _____ (insert date).

Dated: _____ _____

Signature of Agent

_____

Print name of person signing and, if Agent is not an individual, the title of the person

FORM 91-507F3
OSC RULE 91-507 – *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

CESSATION OF OPERATIONS REPORT FOR TRADE REPOSITORY

1. Identification:

   A. Full name of the designated trade repository:

   B. Name(s) under which business is conducted, if different from item 1A:

2. Date designated trade repository proposes to cease carrying on business as a trade repository:

3. If cessation of business was involuntary, date trade repository has ceased to carry on business as a trade repository:

Exhibits

File all Exhibits with the Cessation of Operations Report. For each exhibit, include the name of the trade repository, the date of filing of the exhibit and the date as of which the information is accurate (if different from the date of the filing). If any Exhibit required is inapplicable, a statement to that effect shall be furnished instead of such Exhibit.

Exhibit A

The reasons for the designated trade repository ceasing to carry on business as a trade repository.

Exhibit B

A list of all derivatives instruments for which data recordkeeping is offered during the last 30 days prior to ceasing business as a trade repository.

Exhibit C

A list of all participants who are counterparties to a transaction whose derivatives data is required to be reported pursuant to OSC Rule 91-507 – Trade Repositories and Derivatives Data Reporting and for whom the trade repository provided services during the last 30 days prior to ceasing business as a trade repository.

CERTIFICATE OF TRADE REPOSITORY

The undersigned certifies that the information given in this report is true and correct.

DATED at _____ this _____ day of _____ 20 _____

_____
(Name of trade repository)

_____
(Name of director, officer or partner – please type or print)

_____
(Signature of director, officer or partner)

_____
(Official capacity – please type or print)

ANNEX D

COMPANION POLICY 91-507CP
TO ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

TABLE OF CONTENTS

PART 1
GENERAL COMMENTS

Introduction

This companion policy (the "Policy") sets out the views of the Commission ("our" or "we") on various matters relating to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the "Rule") and related securities legislation.

The numbering of Parts, sections and subsections from Part 2 on in this Policy generally corresponds to the numbering in the Rule. Any general guidance for a Part appears immediately after the Part's name. Any specific guidance on a section or subsection follows any general guidance. If there is no guidance for a Part, section or subsection, the numbering in this Policy will skip to the next provision that does have guidance.

Unless defined in the Rule or this Policy, terms used in the Rule and in this Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions* and OSC Rule 14-501 *Definitions*.

Definitions and interpretation

1. (1) In this Policy,

"CPSS" means the Committee on Payment and Settlement Systems,

"FMI" means a financial market infrastructure, as described in the PFMI Report,

"Global LEI System" means the Global Legal Entity Identifier System,

"IOSCO" means the Technical Committee of the International Organization of Securities Commissions,

"LEI" means a legal entity identifier,

"LEI ROC" means the LEI Regulatory Oversight Committee,

"PFMI Report" means the April 2012 final report entitled *Principles for financial market infrastructures* published by CPSS and IOSCO, as amended from time to time,[1] and

"principle" means, unless the context otherwise indicates, a principle set out in the PFMI Report.

[1] The PFMI Report is available on the Bank for International Settlements' website (www.bis.org) and the IOSCO website (www.iosco.org).

(2) A "life-cycle event" is defined in the Rule as an event that results in a change to derivatives data previously reported to a designated trade repository. Where a life-cycle event occurs, the corresponding life-cycle event data must be reported under section 32 of the Rule by the end of the business day on which the life-cycle event occurs. When reporting a life-cycle event, there is no obligation to re-report derivatives data that has not changed – only new data and changes to previously reported data need to be reported. Examples of a life-cycle event would include

- a change to the termination date for the transaction,
- a change in the cash flows, payment frequency, currency, numbering convention, spread, benchmark, reference entity or rates originally reported,
- the availability of a legal entity identifier for a counterparty previously identified by name or by some other identifier,
- a corporate action affecting a security or securities on which the transaction is based (e.g., a merger, dividend, stock split, or bankruptcy),
- a change to the notional amount of a transaction including contractually agreed upon changes (e.g., amortization schedule),
- the exercise of a right or option that is an element of the expired transaction, and
- the satisfaction of a level, event, barrier or other condition contained in the original transaction.

(3) Paragraph (c) of the definition of "local counterparty" captures affiliates of parties mentioned in paragraph (a) of the "local counterparty" definition, provided that such party guarantees the liabilities of the affiliate. It is our view that the guarantee must be for all or substantially all of the affiliate's liabilities.

(4) The term "transaction" is defined in the Rule and used instead of the term "trade", as defined in the Act, in order to reflect the types of activities that require a unique transaction report, as opposed to the modification of an existing transaction report. The primary difference between the two definitions is that unlike the term "transaction", the term "trade" includes material amendments and terminations.

A material amendment is not referred to in the definition of "transaction" but is required to be reported as a life-cycle event in connection with an existing transaction under section 32. ~~A termination is not referred to in the definition of "transaction", as the expiry or termination of a transaction would be reported to a trade repository as a life-cycle event without the requirement for a new transaction record.~~

In addition, unlike the definition of "trade", the definition of "transaction" includes a novation to a clearing agency. Each transaction resulting from a novation of a ~~bi-lateral~~bilateral transaction to a clearing agency is required to be reported as a separate, new transaction with reporting links to the original transaction.

(5) The term "valuation data" is defined in the Rule as data that reflects the current value of a transaction. It is the Commission's view that valuation data can be calculated based upon the use of an industry-accepted methodology such as mark-to-market or mark-to-model, or another valuation method that is in accordance with accounting principles and will result in a reasonable valuation of a transaction.[2] The valuation methodology should be consistent over the entire life of a transaction.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Part 2 contains rules for designation of a trade repository and ongoing requirements for a designated trade repository. To obtain and maintain a designation as a trade repository, a person or entity must comply with these rules and requirements in addition to all of the terms and conditions in the designation order made by the Commission. In order to comply with the reporting obligations contained in Part 3, counterparties must report to a designated trade repository. While there is no prohibition on an undesignated trade repository operating in Ontario, a counterparty that reports a transaction to an undesignated trade repository would not be in compliance with its reporting obligations under this Rule with respect to that transaction.

The legal entity that applies to be a designated trade repository will typically be the entity that operates the facility and collects and maintains records of completed transactions reported to the trade repository by other persons or companies. In some cases, the applicant may operate more than one trade repository facility. In such cases, the trade repository may file separate forms in respect of each trade repository facility, or it may choose to file one form to cover all of the different trade repository facilities. If the latter alternative is chosen, the trade repository must clearly identify the facility to which the information or changes submitted under this Part apply.

[2] For example, see International Financial Reporting Standard 13, *Fair Value Measurement*.

Trade repository initial filing of information and designation

2. (1) In determining whether to designate an applicant as a trade repository under section 21.2.2 of the Act, it is anticipated that the Commission will consider a number of factors, including

- whether it is in the public interest to designate the applicant,
- the manner in which the trade repository proposes to comply with the Rule,
- whether the trade repository has meaningful representation on its governing body,
- whether the trade repository has sufficient financial and operational resources for the proper performance of its functions,
- whether the rules and procedures of the trade repository ensure that its business is conducted in an orderly manner that fosters both fair and efficient capital markets, and improves transparency in the derivatives market,
- whether the trade repository has policies and procedures to effectively identify and manage conflicts of interest arising from its operation or the services it provides,
- whether the requirements of the trade repository relating to access to its services are fair and reasonable,
- whether the trade repository's process for setting fees is fair, transparent and appropriate,
- whether the trade repository's fees are inequitably allocated among the participants, have the effect of creating barriers to access or place an undue burden on any participant or class of participants,
- the manner and process for the Commission and other applicable regulatory agencies to receive or access derivatives data, including the timing, type of reports, and any confidentiality restrictions,
- whether the trade repository has robust and comprehensive policies, procedures, processes and systems to ensure the security and confidentiality of derivatives data, and
- whether the trade repository has entered into a memorandum of understanding with its local securities regulator.

The Commission will examine whether the trade repository has been, or will be, in compliance with securities legislation. This includes compliance with the Rule and any terms and conditions attached to the Commission's designation order in respect of a designated trade repository.

A trade repository that is applying for designation must demonstrate that it has established, implemented, maintained and enforced appropriate written rules, policies and procedures that are in accordance with standards applicable to trade repositories. We consider that these rules, policies and procedures include, but are not limited to, the principles and key considerations and explanatory notes applicable to trade repositories in the PFMI Report. These principles are set out in the following chart, along with the corresponding sections of the Rule the interpretation of which we consider ought to be consistent with the principles:

Principle in the PFMI Report applicable to a trade repository	***Relevant section(s) of the Rule***
Principle 1: Legal Basis	Section 7 – Legal framework Section 17 – Rules (in part)
Principle 2: Governance	Section 8 – Governance Section 9 – Board of directors Section 10 – Management

Principle in the PFMI Report applicable to a trade repository	***Relevant section(s) of the Rule***
Principle 3: Framework for the comprehensive management of risks	Section 19 – Comprehensive risk management framework Section 20 – General business risk (in part)
Principle 15: General business risk	Section 20 – General business risk
Principle 17: Operational risk	Section 21 – System and other operational risk requirements Section 22 – Data security and confidentiality Section 24 – Outsourcing
Principle 18: Access and participation requirements	Section 13 – Access to designated trade repository services Section 16 – Due process (in part) Section 17 – Rules (in part)
Principle 19: Tiered participation arrangements	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 20: FMI links	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 21: Efficiency and effectiveness	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 22: Communication procedures and standards	Section 15 – Communication policies, procedures and standards
Principle 23: Disclosure of rules, key procedures, and market data	Section 17 – Rules (in part)
Principle 24: Disclosure of market data by trade repositories	Sections in Part 4 – Data Dissemination and Access to Data

It is anticipated that the Commission will apply the principles in its oversight activities of designated trade repositories. Therefore, in complying with the Rule, designated trade repositories will be expected to observe the principles.

The forms filed by an applicant or designated trade repository under the Rule will be kept confidential in accordance with the provisions of securities legislation. The Commission is of the view that the forms generally contain proprietary financial, commercial and technical information, and that the cost and potential risks to the filers of disclosure outweigh the benefit of the principle requiring that forms be made available for public inspection. However, the Commission would expect a designated trade repository to publicly disclose its responses to the CPSS-IOSCO consultative report entitled *Disclosure framework for financial market infrastructures*, which is a supplement to the PFMI Report.[3] In addition, much of the information that will be included in the forms that are filed will be required to be made publicly available by a designated trade repository pursuant to the Rule or the terms and conditions of the designation order imposed by the Commission.

While Form 91-507F1 – *Application for Designation and Trade Repository Information Statement* and any amendments to it will be kept generally confidential, if the Commission considers that it is in the public interest to do so, it may require the applicant or designated trade repository to publicly disclose a summary of the information contained in such form, or amendments to it.

Notwithstanding the confidential nature of the forms, an applicant's application itself (excluding forms) will be published for comment for a minimum period of 30 days.

[3] Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

Change in information

3. (1) Under subsection 3(1), a designated trade repository is required to file an amendment to the information provided in Form 91-507F1 at least 45 days prior to implementing a significant change. The Commission considers a change to be significant when it could impact a designated trade repository, its users, participants, market participants, investors, or the capital markets (including derivatives markets and the markets for assets underlying a derivative). The Commission would consider a significant change to include, but not be limited to,

- a change in the structure of the designated trade repository, including procedures governing how derivatives data is collected and maintained (included in any back-up sites), that has or may have a direct impact on users in Ontario,
- a change to the services provided by the designated trade repository, or a change that affects the services provided, including the hours of operation, that has or may have a direct impact on users in Ontario,
- a change to means of access to the designated trade repository's facility and its services, including changes to data formats or protocols, that has or may have a direct impact on users in Ontario,
- a change to the types of derivative asset classes or categories of derivatives that may be reported to the designated trade repository,
- a change to the systems and technology used by the designated trade repository that collect, maintain and disseminate derivatives data, including matters affecting capacity,
- a change to the governance of the designated trade repository, including changes to the structure of its board of directors or board committees and their related mandates,
- a change in control of the designated trade repository,
- a change in affiliates that provide key services or systems to, or on behalf of, the designated trade repository,
- a change to outsourcing arrangements for key services or systems of the designated trade repository,
- a change to fees or the fee structure of the designated trade repository,
- a change in the designated trade repository's policies and procedures relating to risk-management, including relating to business continuity and data security, that has or may have an impact on the designated trade repository's provision of services to its participants,
- the commencement of a new type of business activity, either directly or indirectly through an affiliate, and
- a change in the location of the designated trade repository's head office or primary place of business or the location where the main data servers or contingency sites are housed.

(2) The Commission generally considers a change in a designated trade repository's fees or fee structure to be a significant change. However, the Commission recognizes that designated trade repositories may frequently change their fees or fee structure and may need to implement fee changes within timeframes that are shorter than the 45-day notice period contemplated in subsection (1). To facilitate this process, subsection 3(2) provides that a designated trade repository may provide information that describes the change to fees or fee structure in a shorter timeframe (at least 15 days before the expected implementation date of the change to fees or fee structure). See section 12 of this Policy for guidance with respect to fee requirements applicable to designated trade repositories.

The Commission will make best efforts to review amendments to Form 91-507F1 filed in accordance with subsections 3(1) and 3(2) before the proposed date of implementation of the change. However, where the changes are complex, raise regulatory concerns, or when additional information is required, the Commission's review may exceed these timeframes.

(3) Subsection 3(3) sets out the filing requirements for changes to information provided in a filed Form 91-507F1 other than those described in subsections 3(1) or (2). Such changes to information are not considered significant and include changes that:

- would not have an impact on the designated trade repository's structure or participants, or more broadly on market participants, investors or the capital markets; or

- are administrative changes, such as
    - changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,
    - changes due to standardization of terminology,
    - corrections of spelling or typographical errors,
    - changes to the types of designated trade repository participants in Ontario,
    - necessary changes to conform to applicable regulatory or other legal requirements of Ontario or Canada, and
    - minor system or technology changes that would not significantly impact the system or its capacity.

For the changes referred to in subsection 3(3), the Commission may review these filings to ascertain whether they have been categorized appropriately. If the Commission disagrees with the categorization, the designated trade repository will be notified in writing. Where the Commission determines that changes reported under subsection 3(3) are in fact significant changes under subsection 3(1), the designated trade repository will be required to file an amended Form 91-507F1 that will be subject to review by the Commission.

Ceasing to carry on business

6. (1) In addition to filing a completed Form 91-507F3 – *Cessation of Operations Report for Trade Repository*, a designated trade repository that intends to cease carrying on business in Ontario as a designated trade repository must make an application to voluntarily surrender its designation to the Commission pursuant to securities legislation. The Commission may accept the voluntary surrender subject to terms and conditions.[4]

Legal framework

7. (1) Designated trade repositories are required to have rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions, whether within Canada or any foreign jurisdiction, where they have activities.

Governance

8. Designated trade repositories are required to have in place governance arrangements that meet the minimum requirements and policy objectives set out in subsections 8(1) and 8(2).

(3) Under subsection 8(3), a designated trade repository is required to make the written governance arrangements required under subsections 8(1) and (2) available to the public on its website. The Commission expects that this information will be posted on the trade repository's publicly accessible website and that interested parties will be able to locate the information through a web search or through clearly identified links on the designated trade repository's website.

Board of directors

9. The board of directors of a designated trade repository is subject to various requirements, such as requirements pertaining to board composition and conflicts of interest. To the extent that a designated trade repository is not organized as a corporation, the requirements relating to the board of directors may be fulfilled by a body that performs functions that are equivalent to the functions of a board of directors.

(2) Paragraph 9(2)(a) requires individuals who comprise the board of directors of a designated trade repository to have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations. This would include individuals with experience and skills in areas such as business recovery, contingency planning, financial market systems and data management.

Under paragraph 9(2)(b), the board of directors of a designated trade repository must include individuals who are independent of the designated trade repository. The Commission would view individuals who have no direct or indirect material relationship with the designated trade repository as independent. The Commission would expect that independent directors of a designated trade

[4] Section 21.4 of the Act provides that the Commission may impose terms and conditions on an application for voluntary surrender. The transfer of derivatives data/information can be addressed through the terms and conditions imposed by the Commission on such application.

repository would represent the public interest by ensuring that regulatory and public transparency objectives are fulfilled, and that the interests of participants who are not derivatives dealers are considered.

Chief compliance officer

11. (3) References to harm to the capital markets in subsection 11(3) may be in relation to domestic or international capital markets.

Fees

12. A designated trade repository is responsible for ensuring that the fees it sets are in compliance with section 12. In assessing whether a designated trade repository's fees and costs are fairly and equitably allocated among participants as required under paragraph 12(a), the Commission will consider a number of factors, including

- the number and complexity of the transactions being reported,
- the amount of the fee or cost imposed relative to the cost of providing the services,
- the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- with respect to market data fees and costs, the amount of market data fees charged relative to the market share of the designated trade repository, and
- whether the fees or costs represent a barrier to accessing the services of the designated trade repository for any category of participant.

A designated trade repository should provide clear descriptions of priced services for comparability purposes. Other than fees for individual services, a designated trade repository should also disclose other fees and costs related to connecting to or accessing the trade repository. For example, a designated trade repository should disclose information on the system design, as well as technology and communication procedures, that influence the costs of using the designated trade repository. A designated trade repository is also expected to provide timely notice to participants and the public of any changes to services and fees.

Access to designated trade repository services

13. (3) Under subsection 13(3), a designated trade repository is prohibited from unreasonably limiting access to its services, permitting unreasonable discrimination among its participants, imposing unreasonable burdens on competition or requiring the use or purchase of another service in order for a person or company to utilize its trade reporting service. For example, a designated trade repository should not engage in anti-competitive practices such as setting overly restrictive terms of use or engaging in anti-competitive price discrimination. A designated trade repository should not develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by the designated trade repository.

Acceptance of reporting

14. Section 14 requires that a designated trade repository accept derivatives data for all derivatives of the asset class or classes set out in its designation order. For example, if the designation order of a designated trade repository includes interest rate derivatives, the designated trade repository is required to accept transaction data for all types of interest rate derivatives that are entered into by a local counterparty. It is possible that a designated trade repository may accept derivatives data for only a subset of a class of derivatives if this is indicated in its designation order. For example, there may be designated trade repositories that accept derivatives data for only certain types of commodity derivatives such as energy derivatives.

Communication policies, procedures and standards

15. Section 15 sets out the communication standard required to be used by a designated trade repository in communications with other specified entities. The reference in paragraph 15(d) to "other service providers" could include persons or companies who offer technological or transaction processing or post-transaction services.

Rules, policies and procedures

17. Section 17 requires that the publicly disclosed written rules and procedures of a designated trade repository be clear and comprehensive, and include explanatory material written in plain language so that participants can fully understand the system's

design and operations, their rights and obligations, and the risks of participating in the system. Moreover, a designated trade repository should disclose to its participants and to the public, basic operational information and responses to the CPSS-IOSCO *Disclosure framework for financial market infrastructures*.

(2) Subsection 17(2) requires that a designated trade repository monitor compliance with its rules and procedures. The methodology of monitoring such compliance should be fully documented.

(3) Subsection 17(3) requires a designated trade repository to implement processes for dealing with non-compliance with its rules and procedures. This subsection does not preclude enforcement action by any other person or company, including the Commission or other regulatory body.

(5) Subsection 17(5) requires a designated trade repository to file its rules and procedures with the Commission for approval, in accordance with the terms and conditions of the designation order. Upon designation, the Commission may develop and implement a protocol with the designated trade repository that will set out the procedures to be followed with respect to the review and approval of rules and procedures and any amendments thereto. Generally, such a rule protocol will be appended to and form part of the designation order. Depending on the nature of the changes to the designated trade repository's rules and procedures, such changes may also impact the information contained in Form 91-507F1. In such cases, the designated trade repository will be required to file a revised Form 91-507F1 with the Commission. See section 3 of this Policy for a discussion of the filing requirements.

Records of data reported

18. A designated trade repository is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 18 are in addition to the requirements under securities legislation.

(2) Subsection 18(2) requires that records be maintained for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction.

Comprehensive risk-management framework

19. Requirements for a comprehensive risk-management framework of a designated trade repository are set out in section 19.

Features of framework

A designated trade repository should have a written risk-management framework (including policies, procedures, and systems) that enable it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by, a designated trade repository. A designated trade repository's framework should include the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.

Establishing a framework

A designated trade repository should have comprehensive internal processes to help its board of directors and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes should be fully documented and readily available to the designated trade repository's personnel who are responsible for implementing them.

Maintaining a framework

A designated trade repository should regularly review the material risks it bears from, and poses to, other entities (such as other FMIs, settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develop appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become non-viable.

General business risk

20. (1) Subsection 20(1) requires a designated trade repository to manage its general business risk effectively. General business risk includes any potential impairment of the designated trade repository's financial position (as a business concern) as a consequence of a decline in its revenues or an increase in its expenses, such that expenses exceed revenues and result in a

loss that must be charged against capital or an inadequacy of resources necessary to carry on business as a designated trade repository.

(2) For the purposes of subsection 20(2), the amount of liquid net assets funded by equity that a designated trade repository should hold is to be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services, if such action is taken.

(3) Subsection (3) requires a designated trade repository, for the purposes of subsection (2), to hold liquid net assets funded by equity equal to no less than six months of current operating expenses.

(4) For the purposes of subsections 20(4) and (5), and in connection with developing a comprehensive risk-management framework under section 19, a designated trade repository should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern, and assess the effectiveness of a full range of options for recovery or orderly wind-down. These scenarios should take into account the various independent and related risks to which the designated trade repository is exposed.

Based on the required assessment of scenarios under subsection 20(4) (and taking into account any constraints potentially imposed by legislation), the designated trade repository should prepare appropriate written plans for its recovery or orderly wind-down. The plan should contain, among other elements, a substantive summary of the key recovery or orderly wind-down strategies, the identification of the designated trade repository's critical operations and services, and a description of the measures needed to implement the key strategies. The designated trade repository should maintain the plan on an ongoing basis, to achieve recovery and orderly wind-down, and should hold sufficient liquid net assets funded by equity to implement this plan (see also subsections 20(2) and (3) above). A designated trade repository should also take into consideration the operational, technological, and legal requirements for participants to establish and move to an alternative arrangement in the event of an orderly wind-down.

Systems and other operational risk requirements

21. (1) Subsection 21(1) sets out a general principle concerning the management of operational risk. In interpreting subsection 21(1), the following key considerations should be applied:

- a designated trade repository should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks;
- a designated trade repository should review, audit, and test systems, operational policies, procedures, and controls, periodically and after any significant changes; and
- a designated trade repository should have clearly defined operational-reliability objectives and policies in place that are designed to achieve those objectives.

(2) The board of directors of a designated trade repository should clearly define the roles and responsibilities for addressing operational risk and approve the designated trade repository's operational risk-management framework.

(3) Paragraph 21(3)(a) requires a designated trade repository to develop and maintain an adequate system of internal control over its systems as well as adequate general information-technology controls. The latter controls are implemented to support information technology planning, acquisition, development and maintenance, computer operations, information systems support, and security. Recommended Canadian guides as to what constitutes adequate information technology controls include '*Information Technology Control Guidelines*' from the Canadian Institute of Chartered Accountants and '*COBIT*' from the IT Governance Institute. A designated trade repository should ensure that its information-technology controls address the integrity of the data that it maintains, by protecting all derivatives data submitted from corruption, loss, improper disclosure, unauthorized access and other processing risks.

Paragraph 21(3)(b) requires a designated trade repository to thoroughly assess future needs and make systems capacity and performance estimates in a method consistent with prudent business practice at least once a year. The paragraph also imposes an annual requirement for designated trade repositories to conduct periodic capacity stress tests. Continual changes in technology, risk management requirements and competitive pressures will often result in these activities or tests being carried out more frequently.

Paragraph 21(3)(c) requires a designated trade repository to notify the Commission of any material systems failure. The Commission would consider a failure, malfunction, delay or other disruptive incident to be "material" if the designated trade repository would in the normal course of its operations escalate the incident to, or inform, its senior management that is responsible for technology, or the incident would have an impact on participants. The Commission also expects that, as part of

this notification, the designated trade repository will provide updates on the status of the failure, the resumption of service, and the results of its internal review of the failure.

(4) Subsection 21(4) requires that a designated trade repository establish, implement, maintain and enforce business continuity plans, including disaster recovery plans. The Commission believes that these plans should allow the designated trade repository to provide continuous and undisrupted service, as back-up systems ideally should commence processing immediately. Where a disruption is unavoidable, a designated trade repository is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event. Under paragraph 21(4)(c), an emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption.

(5) Subsection 21(5) requires a designated trade repository to test its business continuity plans at least once a year. The expectation is that the designated trade repository would engage relevant industry participants, as necessary, in tests of its business continuity plans, including testing of back-up facilities for both the designated trade repository and its participants.

(6) Subsection 21(6) requires a designated trade repository to engage a qualified party to conduct an annual independent assessment of the internal controls referred to in paragraphs 21(3)(a) and (b) and subsections 21(4) and (5). A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. The Commission is of the view that this obligation may also be satisfied by an independent assessment by an internal audit department that is compliant with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Audit. Before engaging a qualified party, the designated trade repository should notify the Commission.

(8) Subsection 21(8) requires designated trade repositories to make public all material changes to technology requirements to allow participants a reasonable period to make system modifications and test their modified systems. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

(9) Subsection 21(9) requires designated trade repositories to make available testing facilities in advance of material changes to technology requirements to allow participants a reasonable period to test their modified systems and interfaces with the designated trade repository. In determining what a reasonable period is, the Commission is of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Data security and confidentiality

22. (1) Subsection 22(1) provides that a designated trade repository must establish policies and procedures to ensure the safety, privacy and confidentiality of derivatives data to be reported to it under the Rule. The policies must include limitations on access to confidential trade repository data and safeguards to protect against persons and companies affiliated with the designated trade repository from using trade repository data for their personal benefit or the benefit of others.

(2) Subsection 22(2) prohibits a designated trade repository from releasing reported derivatives data, for a commercial or business purpose, that is not required to be publicly disclosed under section 39 without the express written consent of the counterparties to the transaction or transactions to which the derivatives data relates. The purpose of this provision is to ensure that users of the designated trade repository have some measure of control over their derivatives data.

Confirmation of data and information

23. Subsection 23(1) requires a designated trade repository to have and follow written policies and procedures for confirming the accuracy of the derivatives data received from a reporting counterparty. A designated trade repository must confirm the accuracy of the derivatives data with each counterparty to a reported transaction provided that the non-reporting counterparty is a participant of the trade repository. Where the non-reporting counterparty is not a participant of the trade repository, there is no obligation to confirm with such non-reporting counterparty.

The purpose of the confirmation requirement in subsection 23(1) is to ensure that the reported information is agreed to by both counterparties. However, in cases where a non-reporting counterparty is not a participant of the relevant designated trade repository, the designated trade repository would not be in a position to confirm the accuracy of the derivatives data with such counterparty. As such, under subsection 23(2) a designated trade repository will not be obligated to confirm the accuracy of the

derivatives data with a counterparty that is not a participant of the designated trade repository. Additionally, similar to the reporting obligations in section 26, confirmation under subsection 23(1) can be delegated under section 26(3) to a third-party representative.

A trade repository may satisfy its obligation under section 23 to confirm the derivatives data reported for a transaction by notice to each counterparty to the transaction that is a participant of the designated trade repository, or its delegated third-party representative where applicable, that a report has been made naming the participant as a counterparty to a transaction, accompanied by a means of accessing a report of the derivatives data submitted. The policies and procedures of the designated trade repository may provide that if the designated trade repository does not receive a response from a counterparty within 48 hours, the counterparty is deemed to confirm the derivatives data as reported.

Outsourcing

24. Section 24 sets out requirements applicable to a designated trade repository that outsources any of its key services or systems to a service provider. Generally, a designated trade repository must establish policies and procedures to evaluate and approve these outsourcing arrangements. Such policies and procedures include assessing the suitability of potential service providers and the ability of the designated trade repository to continue to comply with securities legislation in the event of bankruptcy, insolvency or the termination of business of the service provider. A designated trade repository is also required to monitor the ongoing performance of a service provider to which it outsources a key service, system or facility. The requirements under section 24 apply regardless of whether the outsourcing arrangements are with third-party service providers or affiliates of the designated trade repository. A designated trade repository that outsources its services or systems remains responsible for those services or systems and for compliance with securities legislation.

PART 3
DATA REPORTING

Part 3 deals with reporting obligations for transactions and includes a description of the counterparties that will be subject to the duty to report, requirements as to the timing of reports and a description of the data that is required to be reported.

Reporting counterparty

25. Section 25 outlines how the counterparty required to report derivatives data and fulfil the ongoing reporting obligations under the Rule is determined. Reporting obligations on derivatives dealers apply irrespective of whether the derivatives dealer is a registrant.

(1) Subsection 25(1) outlines a hierarchy for determining which counterparty to a transaction will be required to report the transaction based on the counterparty to the transaction that is best suited to fulfill the reporting obligation. For example, for transactions that are cleared through a recognized or exempt clearing agency, the clearing agency is best positioned to report derivatives data and is therefore required to act as reporting counterparty

Although there may be situations in which the reporting obligation falls on both counterparties to a transaction, it is the Commission's view that in such cases the counterparties should select one counterparty to fulfill the reporting obligation to avoid duplicative reporting. For example, if a transaction required to be reported is between two dealers, each dealer has an obligation to report under paragraph 25(1)(c). Similarly, if a transaction is between two local counterparties that are not dealers, both local counterparties have an obligation to report under paragraph 25(1)(f). However, because a reporting counterparty may delegate its reporting obligations under subsection 26(3), the Commission expects that the practical outcome is that one counterparty will delegate its reporting obligation to the other (or a mutually agreed upon third party) and only one report will be filed in respect of the transaction. Therefore, although both counterparties to the transaction examples described above ultimately have the reporting obligation, they may institute contracts, systems and practices to agree to delegate the reporting function to one party. The intention of these provisions is to facilitate one counterparty reporting through delegation while requiring both counterparties to have procedures or contractual arrangements in place to ensure that reporting occurs.

Subsections 25(1)(b) and (e) also provide for an alternate reporting option for situations in which the reporting obligation falls on both counterparties to a transaction. For example, pursuant to subsection 25(1)(b) the reporting counterparty for a transaction involving two derivatives dealers may, subject to certain preconditions, be determined in accordance with the ISDA methodology. This option is also available for two non-dealers pursuant to 25(1)(e). The ISDA methodology is ~~publically~~publicly available at www.ISDA.com. It has been developed in order to facilitate one-sided transaction reporting and provides a consistent method for determining the party required to act as reporting counterparty. The non-reporting counterparty as determined under the ISDA Methodology is not a reporting counterparty for the purposes of the TR Rule in respect of a transaction in which the parties have chosen to use the ISDA Methodology. There is no requirement for counterparties to a transaction to use the ISDA Methodology. Further, the ISDA Methodology is not available in respect of transactions between a dealer and non-dealer; such transactions are always required to be reported by the dealer.

(2) Subsection 25(2) prescribes the conditions under which the ISDA Methodology can be used. Paragraphs 25(1)(b) and (e) are only available where both counterparties to the transaction have agreed in advance to the terms of the multilateral ISDA agreement which incorporates the process for determining a reporting counterparty in accordance with ISDA methodology. This is done through the execution and delivery to ISDA of the ISDA Representation Letter that includes an agreement to follow the ISDA Methodology for determining the reporting counterparty. The ISDA Representation Letter is available at www.ISDA.com.

Paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction if the parties to the transaction have executed and delivered the ISDA Representation Letter to ISDA and have agreed to follow the ISDA Methodology for that transaction. In situations where both counterparties to a transaction have executed and delivered the ISDA Representation Letter but agree to report using a different method, paragraphs 25(1)(b) and (e) would not be applicable. Further, paragraphs 25(1)(b) and (e) are only available in respect of a reportable transaction where the parties to that transaction have consented to ISDA's release to the Commission of information which indicates that the parties have signed the ISDA Representation Letter.

Duty to report

26. Section 26 outlines the duty to report derivatives data. For certainty, the duty to report derivatives data does not apply to contracts or instruments prescribed not to be derivatives by OSC Rule 91-506 *Derivatives: Product Determination*.

(1) Subsection 26(1) requires that, subject to sections 40, 41, 41.1, 42 and 43, derivatives data for each transaction to which one or more counterparties is a local counterparty be reported to a designated trade repository. The counterparty required to report the derivatives data is the reporting counterparty as determined under section 25.

(2) Under subsection 26(2), the reporting counterparty for a transaction must ensure that all reporting obligations are fulfilled. This includes ongoing requirements such as the reporting of life-cycle event data and valuation data.

(3) Subsection 26(3) permits the delegation of all reporting obligations of a reporting counterparty. This includes reporting of initial creation data, life-cycle event data and valuation data. For example, some or all of the reporting obligations may be delegated to a third-party service provider. However, the reporting counterparty remains responsible for ensuring that the derivatives data is accurate and reported within the timeframes required under the Rule.

(4) With respect to subsection 26(4), prior to the reporting rules in Part 3 coming into force, the Commission will provide public guidance on how reports for transactions that are not accepted for reporting by any designated trade repository should be electronically submitted to the Commission.

(5) Subsection 26(5) provides for limited substituted compliance with this Rule where a transaction has been reported to a designated trade repository pursuant to the law of a province of Canada other than Ontario or of a foreign jurisdiction listed in Appendix B, provided that the additional conditions set out in paragraphs (a) and (c) are satisfied. ~~(6) Paragraph 26(6)(a) requires that all derivatives~~ The transaction data reported ~~for a given transaction be reported to the same~~to a designated trade repository ~~to which the initial report is submitted or, with respect to transactions reported under section 26(4), to the Commission. For a bi-lateral transaction that is assumed by a clearing agency (novation), the designated trade repository to which all derivatives data for the assumed transactions must be reported is the designated trade repository to which the original bi-lateral transaction was reported~~ under paragraph (b) may be provided to the Commission under paragraph (c) in the same form as required to be reported pursuant to the applicable foreign jurisdiction's requirements for reporting transaction data.

(6) The purpose of ~~this requirement~~subsection 26(6) is to ensure the Commission has access to all ~~reported~~ derivatives data reported to a designated trade repository for a particular transaction ~~from the same entity~~(from the initial submission to the designated trade repository through all life-cycle events to termination or maturity) from one designated trade repository. It is not intended to restrict counterparties' ability to report to multiple trade repositories or from choosing to report derivatives data to a new designated trade repository. Should a reporting counterparty begin reporting its data to a new designated trade repository, all derivatives data relevant to open transactions need to be transferred to the new designated trade repository. Where the entity to which the transaction was originally reported is no longer a designated trade repository, all derivatives data relevant to that transaction should be reported to another designated trade repository as otherwise required by the Rule.

For a bilateral transaction that is assumed by a clearing agency (novation), the designated trade repository to which all derivatives data for the assumed transactions must be reported is the designated trade repository holding the derivatives data reported in respect of the original bilateral transaction.

(7) The Commission interprets the requirement in subsection 26(7) to report errors or omissions in derivatives data "as soon as technologically practicable" after it is discovered, to mean upon discovery and in any case no later than the end of the business day following the day on which the error or omission is discovered.

(8) Under subsection 26(8), where a local counterparty that is not a reporting counterparty discovers an error or omission in respect of derivatives data that is reported to a designated trade repository, such local counterparty has an obligation to report

the error or omission to the reporting counterparty. Once the error or omission is reported to the reporting counterparty, the reporting counterparty then has an obligation under subsection 26(7) to report the error or omission to the designated trade repository or to the Commission in accordance with subsection 26(6). The Commission interprets the requirement in subsection 26(8) to notify the reporting counterparty of errors or omissions in derivatives data to mean upon discovery and in any case no later than the end of the business day following the day on which the error or omission is discovered.

Legal entity identifiers

28. (1) Subsection 28(1) requires that a designated trade repository identify all counterparties to a transaction by a legal entity identifier. It is envisioned that this identifier be ~~a~~an LEI under the Global LEI System. The Global LEI System is a G20 endorsed initiative[5] that will uniquely identify parties to transactions. It is currently being designed and implemented under the direction of the LEI ROC, a governance body endorsed by the G20.

(2) The "Global Legal Entity Identifier System" referred to in subsection 28(2) means the G20 endorsed system that will serve as a public-good utility responsible for overseeing the issuance of legal entity identifiers globally to counterparties who enter into transactions.

(3) If the Global LEI System is not available at the time counterparties are required to report their LEI under the Rule, they must use a substitute legal entity identifier. The substitute legal entity identifier must be in accordance with the standards established by the LEI ROC for pre-LEI identifiers. At the time the Global LEI System is operational; counterparties must cease using their substitute LEI and commence reporting their LEI. The substitute LEI and LEI could be identical.

(4) Some counterparties to a reportable transaction are not eligible to receive an LEI. In such cases, the reporting counterparty must use an alternate identifier to identify each counterparty that is ineligible for an LEI when reporting derivatives data to a designated trade repository. An individual is not required to obtain an LEI and the reporting counterparty must use an alternate identifier to identify each counterparty that is an individual when reporting derivatives data to a designated trade repository.

28.1 Section 28.1 requires that each local counterparty, other than an individual and those not eligible to receive an LEI, that is party to a transaction that is required to be reported to a designated trade repository obtain, maintain and renew an LEI, regardless of whether the local counterparty is the reporting counterparty.

Maintenance of an LEI means ensuring that the reference data associated with the LEI assigned to the local counterparty is updated with all relevant and accurate information in a timely manner.

Renewal of an LEI means providing the associated Local Operating Unit with acknowledgement that the reference data associated with the LEI assigned to the local counterparty is accurate.

Unique transaction identifier

29. A unique transaction identifier will be assigned by the designated trade repository to each transaction which has been submitted to it. The designated trade repository may utilize its own methodology or incorporate a previously assigned identifier that has been assigned by, for example, a clearing agency, trading platform, or third-party service provider. However, the designated trade repository must ensure that no other transaction shares the same identifier.

A transaction in this context means a transaction from the perspective of all counterparties to the transaction. For example, both counterparties to a single swap transaction would identify the transaction by the same single identifier. For a ~~bi-lateral~~bilateral transaction that is novated to a clearing agency, the reporting of the novated transactions should reference the unique transaction identifier of the original ~~bi-lateral~~bilateral transaction.

Unique product identifier

30. Section 30 requires that a reporting counterparty identify each transaction that is subject to the reporting obligation under the Rule by means of a unique product identifier. There is currently a system of product taxonomy that may be used for this purpose.[6] To the extent that a unique product identifier is not available for a particular transaction type, a reporting counterparty would be required to create one using an alternative methodology.

Creation data

31. Subsection 31(2) requires that reporting of creation data be made in real time, which means that creation data should be reported as soon as technologically practicable after the execution of a transaction. In evaluating what will be considered to be "technological practicable", the Commission will take into account the prevalence of implementation and use of technology by

[5] See http://www.financialstabilityboard.org/~~list/fsb_publications/tid_156/index.htm~~policy_area/lei/ for more information.
[6] See http://www2.isda.org/identifiers-and-otc-taxonomies/ for more information.

comparable counterparties located in Canada and in foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of reporting technology.

(3) Subsection 31(3) is intended to take into account the fact that not all counterparties will have the same technological capabilities. For example, counterparties that do not regularly engage in transactions would, at least in the near term, likely not be as well situated to achieve real-time reporting. Further, for certain post-transaction operations, such as trade compressions involving numerous transactions, real time reporting may not currently be practicable. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction.

Life-cycle event data

32. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository ~~to which the initial report was made,~~ or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).

(1) Life-cycle event data is not required to be reported in real time but rather at the end of the business day on which the life-cycle event occurs. The end of business day report may include multiple life-cycle events that occurred on that day.

Valuation data

33. Valuation data with respect to a transaction that is subject to the reporting obligations under the Rule is required to be reported by the reporting counterparty. For both cleared and uncleared transactions, counterparties may, as described in subsection 26(3), delegate the reporting of valuation data to a third party, but such counterparties remain ultimately responsible for ensuring the timely and accurate reporting of this data. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository ~~to which the initial report was made,~~ or to the Commission for transactions for which ~~the initial report~~derivatives data was ~~made~~reported to the Commission in accordance with subsection 26(4).

(1) Subsection 33(1) provides for differing frequency of valuation data reporting based on the type of entity that is the reporting counterparty.

Pre-existing derivatives

34. Section 34 outlines reporting obligations in relation to transactions that were entered into prior to the commencement of the reporting obligations. Where the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency, subsection 34(1) requires that pre-existing transactions that were entered into before October 31, 2014 and that will not expire or terminate on or before April 30, 2015 to be reported to a designated trade repository no later than April 30, 2015. Similarly, where the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency, subsection 34(1.1) requires that pre-existing transactions that were entered into before June 30, 2015 and that will not expire or terminate on or before December 31, 2015 to be reported to a designated trade repository no later than December 31, 2015. In addition, only the data indicated in the column entitled “Required for Pre-existing Transactions” in Appendix A will be required to be reported for pre-existing transactions.

Transactions that are entered into before October 31, 2014 and that expire or terminate on or before April 30, 2015 will not be subject to the reporting obligation, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency. Similarly, transactions for which the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency will not be subject to the reporting obligation if they are entered into before June 30, 2015 but will expire or terminate on or before December 31, 2015. These transactions are exempted from the reporting obligation in the Rule, to relieve some of the reporting burden for counterparties and because they would provide marginal utility to the Commission due to their imminent termination or expiry.

The derivatives data required to be reported for pre-existing transactions under section 34 is substantively the same as the requirement under CFTC Rule 17 CFR Part 46 – *Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*. Therefore, to the extent that a reporting counterparty has reported pre-existing transaction derivatives data required by the CFTC rule, this would meet the derivatives data reporting requirements under section 34. This interpretation applies only to pre-existing transactions.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) Subsection 37(1) requires designated trade repositories to, at no cost to the Commission: (a) provide to the Commission continuous and timely electronic access to derivatives data; (b) promptly fulfill data requests from the Commission; (c) provide aggregate derivatives data; and (d) disclose how data has been aggregated. Electronic access includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.

The derivatives data covered by this subsection are data necessary to carry out the Commission's mandate to protect against unfair, improper or fraudulent practices, to foster fair and efficient capital markets, to promote confidence in the capital markets, and to address systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact Ontario's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Ontario or Canada can impact Ontario's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the Commission has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Rule, but is held by a designated trade repository.

(2) Subsection 37(2) requires a designated trade repository to conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPSS and IOSCO. It is expected that all designated trade repositories will comply with the access recommendations in CPSS-IOSCO's final report.[7]

(3) The Commission interprets the requirement for a reporting counterparty to use best efforts to provide the Commission with access to derivatives data to mean, at a minimum, instructing the designated trade repository to release derivative data to the Commission.

Data available to counterparties

38. Section 38 is intended to ensure that each counterparty, and any person acting on behalf of a counterparty, has access to all derivatives data relating to its transaction(s) in a timely manner. The Commission is of the view that where a counterparty has provided consent to a trade repository to grant access to data to a third-party service provider, the trade repository shall grant such access on the terms consented to.

Data available to public

39. (1) Subsection 39(1) requires a designated trade repository to make available to the public, free of charge, certain aggregate data for all transactions reported to it under the Rule (including open positions, volume, number of transactions, and price). It is expected that a designated trade repository will provide aggregate data by notional amounts outstanding and level of activity. Such aggregate data is expected to be available on the designated trade repository's website.

(2) Subsection 39(2) requires that the aggregate data that is disclosed under subsection 39(1), be broken down into various categories of information. The following are examples of the aggregate data required under subsection 39(2):

- currency of denomination (the currency in which the derivative is denominated);
- geographic location of the underlying reference entity (e.g., Canada for derivatives which reference the TSX60 index);
- asset class of reference entity (e.g., fixed income, credit, or equity);
- product type (e.g., options, forwards, or swaps);
- cleared or uncleared;
- maturity (broken down into maturity ranges, such as less than one year, 1-2 years, 2-3 years).

~~(3) Subsection 39(3) requires a designated trade repository to publicly report the data indicated in the column entitled "Required for public dissemination" in Appendix A of the Rule. For transactions where at least one counterparty is a derivatives dealer,~~

[7] See report entitled "Authorities' Access to TR Data" available at http://www.bis.org/publ/cpss110.htm.

~~paragraph 39(3)(a) requires that such data be publicly disseminated by the end of the day following the day on which the designated trade repository receives the data. For transactions where neither counterparty is a derivatives dealer, paragraph 39(3)(b) requires that such data be publicly disseminated by the end of the second day following the day on which the designated trade repository receives the data. The purpose of the public reporting delays is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. These time delays apply to all transactions, regardless of transaction size.~~

(4) Subsection 39(4) provides that a designated trade repository must not disclose the identity of either counterparty to the transaction. This means that published data must be anonymized and the names or legal entity identifiers of counterparties must not be published. This provision is not intended to create a requirement for a designated trade repository to determine whether anonymized published data could reveal the identity of a counterparty based on the terms of the transaction.

PART 5
EXCLUSIONS

40. Section 40 provides that the reporting obligation for a physical commodity transaction entered into between two non-derivatives dealers does not apply in certain limited circumstances. This exclusion only applies if a local counterparty to a transaction has less than $500,000 aggregate notional value under all outstanding derivatives transactions, including the additional notional value related to that transaction. In calculating this exposure, the notional value of all outstanding transactions, including transactions from all asset classes and with all counterparties, domestic and foreign, should be included. The notional value of a physical commodity transaction would be calculated by multiplying the quantity of the physical commodity by the price for that commodity. A counterparty that is above the $500,000 threshold is required to act as reporting counterparty for a transaction involving a party that is exempt from the reporting obligation under section 40. In a situation where both counterparties to a transaction qualify for this exclusion, it would not be necessary to determine a reporting counterparty in accordance with section 25.

This relief applies to physical commodity transactions that are not excluded derivatives for the purpose of the reporting obligation in paragraph 2(d) of OSC Rule 91-506 *Derivatives: Product Determination*. An example of a physical commodity transaction that is required to be reported (and therefore could benefit from this relief) is a physical commodity contract that allows for cash settlement in place of delivery.

41.1 Section 41.1 provides an exclusion from the reporting requirement for all transactions between counterparties that are affiliated companies and that are not derivatives dealers or recognized or exempt clearing agencies nor affiliated companies of a derivatives dealer or a recognized or exempt clearing agency. For example, a derivatives dealer (or its affiliate) and a non-dealer are counterparties to a transaction, the transaction must still be required to be reported to a designated trade repository.

PART 7
EFFECTIVE DATE

Effective date

43. (2) The requirement under subsection 39(3) to make transaction level data reports available to the public does not apply until ~~April 30, 2015.~~January 16, 2017.

(3) Where the counterparty is a derivatives dealer or recognized or ~~exempted~~exempt clearing agency, subsection ~~42~~43(3) provides that no reporting is required until October 31, 2014.

(4) Where neither of the counterparties is a derivatives dealer or a recognized or ~~exempted~~exempt clearing agency, subsection ~~42~~43(4) provides that no reporting is required until June 30, 2015. ~~This provision only applies where the reporting counterparty is a neither a derivatives dealer nor a clearing agency. For example, where the counterparties to a transaction are a dealer and a non-dealer, the derivatives dealer will be required to report according to the timing outlined in subsection 42(3).~~

(5) Subsection 43(5) provides that, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before April 30, 2015.

(6) Subsection 43(6) provides that, if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before December 31, 2015.

APPENDIX C

Instructions

(1) The instructions provided at item 1 of Appendix C describe the types of transactions that must be publicly disseminated by the designated trade repository.

Public dissemination is not required for life-cycle events that do not contain new price information compared to the derivatives data reported initially reported for the transaction.

Table 1

Table 1 lists the transaction related information that must be publicly disseminated. Table 1 is a subset of the information that the trade repository is required to submit to the regulator and does not include all the fields required to be reported to a designated trade repository pursuant to Appendix A. For example, valuation data fields are not required to be publicly disseminated.

Table 2

Only those transactions with the Asset Class and Underlying Asset Identifiers fields listed in Table 2 are subject to the public dissemination requirement under section 39 of the Rule.

For further clarification, the identifiers listed under the Underlying Asset Identifier for the Interest Rate Asset Class in Table 2 refer to the following:

"CAD-BA-CDOR" means all tenors of the Canadian Dollar Offered Rate (CDOR). CDOR is a financial benchmark for bankers' acceptances with a term to maturity of one year or less currently calculated and administered by Thomson Reuters.

"USD-LIBOR-BBA" means all tenors of the U.S. Dollar ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration and provides an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

"EUR-EURIBOR-Reuters" means all tenors of the Euro Interbank Offered Rate (Euribor). Euribor is a reference rate published by the European Banking Authority based on the average interest rates at which selected European prime banks borrow funds from one another.

"GBP-LIBOR-BBA" means all tenors of the GBP Pound Sterling ICE LIBOR. ICE LIBOR is a benchmark currently administered by ICE Benchmark Administration providing an indication of the average rate at which a contributor bank can obtain unsecured funding in the London interbank market for a given period, in a given currency.

For further clarification, the identifiers listed under the Underlying Asset Identifier for the Credit and Equity Asset Classes in Table 2 refer to the following:

"All Indexes" means any statistical measure of a group of assets that is administered by an organization that is not affiliated with the counterparties and whose value and calculation methodologies are publicly available. Examples of indexes that would satisfy this meaning are underlying assets that would be included in ISDA's Unique Product Identifier Taxonomy[8] under the categories of (i) Index and Index Tranche for credit products and (ii) the Single Index category for equity products.

Exclusions

(2) Item 2 of Appendix C specifies certain types of transactions that are excluded from the public dissemination requirement of Section 39 of the Rule. An example of a transaction excluded under item 2(a) is cross currency swaps. The types of transactions excluded under item 2(b) result from portfolio compression activity which occurs whenever a transaction is amended or entered into in order to reduce the gross notional exposure of an outstanding transaction or group of transactions without impacting the net exposure. Under item 2(c), transactions resulting from novation on the part of a recognized or exempt clearing agency when facilitating the clearing of a transaction between counterparties are excluded from public dissemination. As a result, with respect to transactions involving a recognized or exempt clearing agency, the public dissemination requirements under paragraph 7 apply only to transactions entered into by the recognized or exempt clearing agency on its own behalf.

[8] ISDA's Unique Product Identifier Taxonomy can be found at http://www2.isda.org/functional-areas/technology-infrastructure/data-and-reporting/identifiers/

Rounding

(3) The rounding thresholds are to be applied to the notional amount of a transaction in the currency of the transaction. For example, a transaction denominated in US dollars would be rounded and disseminated in US dollars and not the CAD equivalent.

Capping

(4) For transactions denominated in a non-CAD currency, item 4 of Appendix C requires the designated trade repository to compare the rounded notional amount of the transaction in a non-CAD currency to the capped rounded notional amount in CAD that corresponds to the asset class and tenor of that transaction. Therefore, the designated trade repository must convert the non-CAD currency into CAD in order to determine whether it would be above the capping threshold. The designated trade repository must utilise a transparent and consistent methodology for converting to and from CAD for the purposes of comparing and publishing the capped notional amount.

For example, in order to compare the rounded notional amount of a transaction denominated in GBP to the thresholds in Table 4, the recognized trade repository must convert this amount to a CAD equivalent amount. If the CAD equivalent notional amount of the GBP denominated transaction is above the capping threshold, the designated trade repository must disseminate the capped rounded notional amount converted back to the currency of the transaction using a consistent and transparent process.

(6) Item 6 of Appendix C requires the designated trade repository to adjust the option premium field in a consistent and proportionate manner if the transaction's rounded notional amount is greater than the capped rounded notional amount. The option premium field adjustment should be proportionate to the size of the capped rounded notional amount compared to the rounded notional amount.

Timing

(7) Item 7 of Appendix C sets out when the designated trade repository must publicly disseminate the required information from Table 1. The purpose of the public reporting delay is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. The time delay applies to all transactions, regardless of transaction size.

Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Agrium Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated May 5, 2016
NP 11-202 Receipt dated on May 5, 2016
Offering Price and Description:
U.S.$2,500,000,000.00
Common Shares
Preferred Shares
Subscription Receipts
Debt Securities
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2480253

Issuer Name:
Continental Gold Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 9, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
$25,000,000.00 - 10,000,000 Units
Price: $2.50 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Clarus Securities Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Dundee Securities Ltd.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #2479256

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 4, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
$6,000,000,000.00
Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #2480165

Issuer Name:
CU Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated May 5, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
$1,500,000,000.00 - Debentures (Unsecured)
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
Promoter(s):
-
Project #2480350

Issuer Name:
Freegold Ventures Limited
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated May 5, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
Minimum: $3,000,000.00 - 16,666,667 Units
Maximum: $10,000,000.00 - 55,555,555 Units
Price: $0.18 per Unit
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
-
Project #2478467

Issuer Name:
Freehold Royalties Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 6, 2016
NP 11-202 Receipt dated May 6, 2016
Offering Price and Description:
$165,003,300.00 - 14,286,000 Common Shares
Price: $11.55 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Altacorp Capital Inc.
National Bank Financial Inc.
Dundee Securities Ltd.
Macquarie Capital Markets Canada Ltd.
Barclays Capital Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2478604

Issuer Name:
Kew Media Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 4, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
$70,000,000.00 - 7,000,000 Class A Restricted Voting Units
Price: $10.00 per Class A Restricted Voting Unit
Underwriter(s) or Distributor(s):
TD Securities Inc..
Cantor Fitzgerald Canada Corporation
National Bank Financial Inc.
Cormark Securities Inc..
GMP Securities L.P.
Promoter(s):
KMG Entertainment LP
Project #2479750

Issuer Name:
Kew Media Group Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated May 9, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
$70,000,000.00 - 7,000,000 Class A Restricted Voting Units
Price: $10.00 per Class A Restricted Voting Unit
Underwriter(s) or Distributor(s):
TD Securities Inc..
Cantor Fitzgerald Canada Corporation
National Bank Financial Inc.
Cormark Securities Inc..
GMP Securities L.P.
Promoter(s):
KMG Entertainment LP
Project #2479750

Issuer Name:
Open Text Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 2, 2016
NP 11-202 Receipt dated May 3, 2016
Offering Price and Description:
U.S. $1,000,000,000.00
Common Shares
Preference Shares
Debt Securities
Depositary Shares
Warrants
Purchase Contracts
Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2478650

Issuer Name:
Peyto Exploration & Development Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2016
NP 11-202 Receipt dated May 4, 2016
Offering Price and Description:
$150,000,000.00 - 4,687,500 Common Shares
Price: $32.00 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
FirstEnergy Capital Corp.
RBC Dominion Securities Inc.
Peters & Co. Limited
Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Haywood Securities Inc.
Promoter(s):
-
Project #2475868

Issuer Name:
Platinum Group Metals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 5, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
US$* - * Common Shares
Price: US$* per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
MacQuarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #2480433

Issuer Name:
Platinum Group Metals Ltd.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated May 6, 2016
NP 11-202 Receipt dated May 6, 2016
Offering Price and Description:
US$33,000,000.00 - 11,000,000 Common Shares
Price: US$3.00 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
MacQuarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #2480433

Issuer Name:
Pretium Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated May 2, 2016
NP 11-202 Receipt dated May 3, 2016
Offering Price and Description:
US$600,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Units
Warrants
Share Purchase Contracts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2478699

Issuer Name:
Royal Nickel Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 9, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
$8,700,600.00 - 17,060,000 Common Shares
Price: $0.51 per Offered shares
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Beacon Securities Limited
Promoter(s):
-
Project #2479069

Issuer Name:
Sabina Gold & Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 6, 2016
NP 11-202 Receipt dated May 6, 2016
Offering Price and Description:
$30,008,300.00 - 18,410,000 Common Shares
Price: $1.63 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Cormack Securities Inc.
RBC Dominion Securities Inc.
Dundee Securities Ltd.
Haywood Securities Inc.
National Bank Financial Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #2481045

Issuer Name:
BMO Private Canadian Money Market Portfolio
BMO Private Canadian Short-Term Bond Portfolio
BMO Private Canadian Mid-Term Bond Portfolio
BMO Private Canadian Corporate Bond Portfolio
BMO Private Diversified Yield Portfolio
BMO Private Canadian Income Equity Portfolio
BMO Private Canadian Conservative Equity Portfolio
BMO Private Canadian Growth Equity Portfolio
BMO Private Canadian Special Equity Portfolio
BMO Private U.S. Equity Portfolio
BMO Private U.S. Growth Equity Portfolio
BMO Private U.S. Special Equity Portfolio
BMO Private International Equity Portfolio
BMO Private Emerging Markets Equity Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 6, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
units
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
BMO Private Investment Counsel Inc.
Project #2466889

Issuer Name:
Capital Power Corporation
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated May 3, 2016
NP 11-202 Receipt dated May 3, 2016
Offering Price and Description:
$3,000,000,000.00
Common Shares
Preference Shares
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2473342

Issuer Name:
EdgePoint Canadian Growth & Income Portfolio
EdgePoint Canadian Portfolio
EdgePoint Global Growth & Income Portfolio
EdgePoint Global Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 6, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
Series A Units, Series B Units, Series F Units, Series I Units, Series O Units, Series A(N) Units, Series B(N) Units and Series F(N) Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
EdgePoint Wealth Management Inc.
Project #2467073

Issuer Name:
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5,
Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5, Series S8 and Series E5 units of
Fidelity American Equity Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5,
Series F, Series P1, Series P2, Series P3, Series P4, Series P5, Series F5,
Series P1T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5
and Series S8 units of
Fidelity Small Cap America Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5,
Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5 and Series S8 units of
Fidelity U.S. Dividend Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4,
Series F, Series P1, Series P2 and Series O units of
Fidelity Emerging Markets Fund
Series A, Series B, Series E1, Series E2, Series F, Series P1,
Series P2, Series P3 and Series O units of
Fidelity Global Small Cap Fund
Series A, Series B, Series E1, Series E2, Series E3, Series F,
Series P1, Series P2, Series O, Series P3, Series P4 and Series P5 units of
Fidelity Global Natural Resources Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5,
Series F, Series P1, Series P2, Series P3, Series P4, Series F5, Series P1T5,
Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5, Series S8 and Series P5 units of
Fidelity Canadian Balanced Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5,
Series F, Series P1, Series P2, Series P3, Series P4, Series F5, Series P1T5,
Series P2T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5, Series E3T5, Series E4T5, Series S8 and Series P3T5 units of
Fidelity Monthly Income Fund
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2,
Series F5, Series F8, Series O, Series T5, Series T8, Series S5,
Series E1T5, Series S8, Series E4 and Series P3 units of
Fidelity Global Asset Allocation Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5,
Series P2T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5, Series S8 and Series E5 units of
Fidelity Global Monthly Income Fund
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2,
Series P3, Series F5, Series F8, Series O, Series T5, Series T8, Series S5,
Series E1T5, Series S8 and Series E3 units of
Fidelity Tactical Strategies Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5,
Series P2T5, Series F8, Series O, Series T5, Series T8, Series S5,
Series E1T5, Series S8 and Series E5 units of
Fidelity Tactical High Income Fund
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series P3,
Series F5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series S8,
Series E3, Series E4, Series E5, Series P4 and Series P5 units of
Fidelity Tactical High Income Currency Neutral Fund
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series F5,
Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series S8,
Series E3, Series E4, Series E5, Series P3, Series P4, and Series P2T5 units of
Fidelity NorthStar Balanced Currency Neutral Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5,
Series P2T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5, Series S8 and Series E5 units of
Fidelity American Balanced Fund
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,

Series P1, Series P2, Series P3, Series P4, Series F5, Series P1T5, Series F8,
Series O, Series T5, Series T8, Series S5, Series S8 and Series E1T5 units of
Fidelity Conservative Income Fund
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series P3, Series F5, Series F8, Series O, Series T5, Series T8,
Series S5, Series E1T5, Series S8 and Series E4 units of
Fidelity Global Growth Portfolio
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series O,
Series T5, Series T8, Series S5, Series E1T5, Series S8 and Series E3 units of
Fidelity ClearPath 2005 Portfolio
Series A, Series B, Series E1, Series E2, Series F,
Series P1, Series P2, Series O, Series E3 and Series P3 units of
Fidelity ClearPath 2030 Portfolio
Series A, Series B, Series E1, Series E2, Series E3,
Series F, Series P1, Series O, Series P2 and Series P3 units of
Fidelity ClearPath 2035 Portfolio
Series A, Series B, Series E1, Series F, Series P1,
Series O, Series E2 and Series E3 units of
Fidelity ClearPath 2055 Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series O and Series E5 units of
Fidelity Strategic Income Fund
Series A, Series B, Series E1, Series E2, Series F,
Series P1, Series O and Series P2 units of
Fidelity Global Bond Currency Neutral Fund
Principal Regulator - Ontario

Type and Date:
Amendment No. 3 dated April 27, 2016 to the Amended and Restated Simplified Prospectuses dated December 16, 2015 (SP amendment no. 3) and Amendment No. 4 dated April 27, 2016 (together with SP amendment no. 3, "Amendment no. 4") to the Amended and Restated Annual Information Form dated December 16, 2015, amending and restating the Simplified Prospectuses and Annual Information Form dated October 29, 2015
NP 11-202 Receipt dated May 5, 2016

Offering Price and Description:
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5, Series E4T5 and Series S8 units @ Net Asset Value

Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Fidelity Investments Canadaz ULC
Fidelity Investments Canada Limited
Fidelity Investments Canada ULC

Promoter(s):
FIDELITY INVESTMENTS CANADA ULC

Project #2399033

Issuer Name:
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1,
Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5,
Series S8, Series F5, Series P1T5, Series P2T5, Series F8 and Series P4 shares of
Fidelity Canadian Large Cap Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series T5, Series T8, Series S5,
Series E1T5, Series S8, Series F5, Series P1T5 and Series F8 shares of
Fidelity Special Situations Class
Series A, Series B, Series E1, Series F, Series P1, Series P2, Series T5, Series T8,
Series S5, Series S8, Series F5, Series P1T5, Series F8, Series E2, Series E3 and Series P3 shares of
Fidelity North American Equity Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2,
Series P3, Series T5, Series T8, Series S5, Series S8, Series F5, Series F8 and Series E3 shares
of
Fidelity American Disciplined Equity Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series P4, Series T5, Series T8, Series S5,
Series S8, Series F5, Series F8, Series E1T5 and Series E2T5 shares of
Fidelity Small Cap America Currency Neutral Class
Series A, Series B, Series E1, Series F, Series P1, Series T5, Series T8, Series S5,
Series S8, Series F5, Series F8, Series E2, Series E3 and Series P2 shares of
Fidelity U.S. All Cap Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series T5, Series T8, Series S5,
Series E1T5, Series E2T5, Series S8, Series F5, Series P1T5 and Series F8 shares of
Fidelity American Equity Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series T5, Series T8, Series S5, Series S8,
Series F5, Series F8 and Series E1T5 shares of
Fidelity American Equity Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5,
Series S8, Series F5, Series F8 and Series E4 shares of
Fidelity Event Driven Opportunities Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4,
Series F, Series P1, Series P2 and P3 shares of
Fidelity AsiaStar Class

Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2,
Series P3, Series T5, Series T8, Series S5, Series E1T5, Series S8 and Series P4 shares of
Fidelity Global Disciplined Equity Class
Series A, Series B, Series E1, Series F, Series P1, Series T5, Series T8,
Series S5, Series S8, Series P2, Series P3 and Series P4 shares of
Fidelity Global Large Cap Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F,
Series P1, Series P2, Series P3, Series P4, Series P5, Series T5, Series T8, Series S5,
Series E1T5, Series E2T5, Series E3T5, Series S8, Series F5, Series P1T5,
Series P2T5 and Series F8 shares of
Fidelity NorthStar Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2,
Series P3, Series P4, Series T5, Series T8, Series S5, Series E1T5, Series S8, Series F5,
Series F8, Series E4 and Series P1T5 shares of
Fidelity NorthStar Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1,
Series T5, Series T8, Series S5, Series S8, Series F5,
Series F8 and Series P2 shares of
Fidelity International Growth Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series P3, Series P4, Series P5, Series T5, Series T8, Series S5,
Series E1T5, Series S8, Series F5, Series P1T5, Series P2T5, Series F8 and Series E4 shares of
Fidelity Global Intrinsic Value Class
Series A, Series B, Series E1, Series F, Series P1, Series T5, Series T8,
Series S5, Series S8, Series F5, Series P1T5, Series F8, Series E2,
Series E3, Series P2, Series P2T5 and Series P3T5 shares of
Fidelity Global Intrinsic Value Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series F, Series P1,
Series P2, Series P3 and Series E3 shares of
Fidelity Global Technology Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5, Series E2T5,
Series S8, Series F5, Series P1T5 and Series F8 shares of
Fidelity Income Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5, Series E2T5,
Series S8, Series F5, Series P1T5, Series F8 and Series P4 shares of
Fidelity Balanced Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5, Series S8, Series F5, Series P1T5, Series P2T5 and Series F8 shares of
Fidelity Global Balanced Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1,
Series P2, Series T5, Series T8, Series S5, Series E1T5, Series S8, Series F5
and Series F8 shares of
Fidelity Growth Class Portfolio
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2,
Series P3, Series T5, Series T8, Series S5, Series E1T5, Series S8, Series F5,
Series P1T5, Series F8 and Series E3 shares of
Fidelity Global Growth Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F,
Series P1, Series P2, Series T5, Series S5, Series E1T5, Series F5, Series P1T5, Series P3 and Series P4 shares of
Fidelity Corporate Bond Class
Principal Regulator - Ontario

Type and Date:
Amendment #1 dated April 27, 2016 to the Simplified Prospectuses and Annual Information Form dated March 28, 2016
NP 11-202 Receipt dated May 5, 2016

Offering Price and Description:
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1, Series P2, Series P3, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5, Series S8, Series F5, Series P1T5, Series P2T5 and Series F8 shares @ Net Asset Value

Underwriter(s) or Distributor(s):
-

Promoter(s):
FIDELITY INVESTMENTS CANADA ULC

Project #2446109

Issuer Name:
Fidelity Balanced Income Currency Neutral Private Pool
Fidelity Balanced Currency Neutral Private Pool
Fidelity Asset Allocation Currency Neutral Private Pool
Principal Regulator - Ontario

Type and Date:
Amendment #2 dated April 28, 2016 to the Simplified Prospectuses and Annual Information Form dated September 29, 2015
NP 11-202 Receipt dated May 4, 2016

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC

Promoter(s):
Fidelity Investments Canada ULC

Project #2383714

Issuer Name:
First Asset Long Duration Fixed Income ETF
First Asset Preferred Share ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 4, 2016
NP 11-202 Receipt dated May 5, 2016
Offering Price and Description:
Exchange traded securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
FIRST ASSET INVESTMENT MANAGEMENT INC.
Project #2466671

Issuer Name:
First Trust AlphaDEX Canadian Dividend ETF
First Trust AlphaDEX Emerging Market Dividend ETF (CAD-Hedged)
First Trust AlphaDEX U.S. Dividend ETF (CAD-Hedged)
First Trust Senior Loan ETF (CAD-Hedged)
First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 28, 2016
NP 11-202 Receipt dated May 3, 2016
Offering Price and Description:
Exchange Traded Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2458075

Issuer Name:
Mettrum Health Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 3, 2016
NP 11-202 Receipt dated May 4, 2016
Offering Price and Description:
$7,500,000.00 - 5,000,000 Common Shares
Price: $1.50 per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Mackie Research Capital Corporation
Canaccord Genuity Corp.
GMP Securities L.P.
Promoter(s):
-
Project #2470703

Issuer Name:
MM Fund
(Series A, Series D and Series F Units)
Type and Date:
Final Simplified Prospectus dated May 5, 2016
Receipted on May 6, 2016
Offering Price and Description:
Series A, Series D and Series F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Spartan Fund Management Inc.
Promoter(s):
Spartan Fund Management Inc.
Project #2465562

Issuer Name:
Purpose Core Dividend Fund
(ETF shares, Series A shares, Series F shares, Series I shares, Series D shares,
Series XA shares, Series XF shares, Series XUA shares and Series XUF shares)
Purpose Tactical Hedged Equity Fund
(ETF shares, ETF non-currency hedged shares, Series A shares, Series A non-currency
hedged shares, Series F shares, Series F non-currency hedged shares, Series I shares,
Series I non-currency hedged shares, Series D shares, Series XA shares, Series XA
non-currency
hedged shares, Series XF shares and Series XF non-currency hedged shares)
Purpose Monthly Income Fund
(ETF shares, Series A shares, Series F shares, Series I shares,
Series D shares, Series XA shares and Series XF shares)
Purpose Total Return Bond Fund
(ETF shares, Series A shares, Series F shares, Series I shares,
Series D shares, Series XA shares and Series XF shares)
Purpose Best Ideas Fund
(ETF shares, ETF non-currency hedged shares, Series A shares, Series A non-currency
hedged shares, Series F shares, Series F non-currency hedged shares, Series I shares, Series I
non-currency hedged shares, Series D shares, Series XA shares, Series XA non-currency
hedged shares, Series XF shares, Series XF non-currency hedged shares, Series XUA shares,
Series XUA non-currency hedged shares, Series XUF shares
and Series XUF non-currency hedged shares)
Purpose Duration Hedged Real Estate Fund
(ETF shares, Series A shares, Series F shares, Series I shares,
Series D shares, Series XA shares and Series XF shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 5, 2016
NP 11-202 Receipt dated May 9, 2016
Offering Price and Description:
ETF shares, ETF non-currency hedged shares, Series A shares, Series A non-currency hedged shares, Series F shares, Series F non-currency hedged shares, Series I

shares, Series I non-currency hedged shares, Series D shares, Series XA shares, Series XA non-currency hedged shares, Series XF shares, Series XF non-currency hedged shares, Series XUA shares, Series XUA non-currency hedged shares, Series XUF shares and Series XUF non-currency hedged shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Purpose Investments Inc.
Project #2458982

Issuer Name:
Kew Media Group Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 5, 2015 and
Amended and Restated Preliminary Long Form Prospectus dated February 3, 2016
Closed on May 5, 2016
Offering Price and Description:
$70,000,000.00 - 7,000,000 Class A Restricted Voting Units
Price: $10.00 per Class A Restricted Voting Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Cantor Fitzgerald Canada Corporation
National Bank Financial Inc.
Promoter(s):
KMG ENTERTAINMENT LP
Project #2412860

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	T.E. Investment Counsel Inc., Fit Private Investment Counsel Inc. and Leon Frazer & Associates Inc. To form: iA Investment Counsel Inc.	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	May 1, 2016
Voluntary Surrender	Cornerstone Asset Management L.P.	Exempt Market Dealer and Commodity Trading Manager	May 3, 2016
Consent to Suspension (Pending Surrender)	Aberdeen Asset Management Asia Limited	Portfolio Manager	May 5, 2016
New Registration	Rigel Mercantile Limited	Commodity Trading Manager	May 5, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TriAct Canada Marketplace LP – Change to the MATCHNow trading system – Notice of Approval of Proposed Change

TRIACT CANADA MARKETPLACE LP

NOTICE OF APPROVAL OF PROPOSED CHANGE

On May 2, 2016, the Ontario Securities Commission (OSC) approved amendments proposed by TriAct Canada Marketplace LP (TriAct) to Form 21-101F2. TriAct proposed the following change to the MATCHNow trading system:

- Modify the timing of MATCHNow's call auction, which currently searches for matches among Liquidity Providing (LP) buy/sell orders at the midpoint every 5 seconds (randomized with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), to a new range of between 1 and 3 seconds, which will also apply on a randomized basis.

In accordance with the OSC's "Process for the Review and Approval of the Information Contained in Form 21-101F2 and Exhibits Thereto", a notice outlining and requesting feedback on these proposed changes was published in the OSC Bulletin on March 24, 2016 at (2016), 39 OSCB 2911. No comment letters were received.

TriAct will publish a notice indicating the date of implementation of the approved changes.

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Chapter 25

Other Information

25.1 Consents

25.1.1 Mason Graphite Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Canada Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O 1990, REGULATION 289/00, AS AMENDED
(the "Regulation") MADE UNDER
THE BUSINESS CORPORATIONS ACT (ONTARIO), R.S.O. 1990, c. B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
MASON GRAPHITE INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the "**Application**") of Mason Graphite Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission, pursuant to subsection 4(b) of the Regulation, for the Applicant to continue in another jurisdiction pursuant to Section 181 of the OBCA (the "**Continuance**");

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON the Applicant representing to the Commission that:

1. On June 3, 2013 Mason Graphite Inc. and Mason Holdings Corp. amalgamated pursuant to s. 177 of the OBCA. The surviving company was named Mason Graphite Inc.

2. The Applicant has no subsidiaries.

3. The Applicant's registered and head offices are located at 3030, Boul. Le Carrefour, Suite 600, Laval, Quebec, H7T 2P5.

4. The authorized capital of the Applicant consists of an unlimited number of common shares ("**Common Shares**"), of which 86,537,790 were issued and outstanding as of February 3, 2016. All of the issued and outstanding Common Shares are listed for trading on the TSX Venture Exchange ("**TSX-V**") under the symbol "LLG" and on the OTCQX under the symbol "MGPHF". As of November 11, 2015, being the date of the Applicant's Circular for the Meeting (as defined below), there was an aggregate of 7,970,000 stock options ("**Options**") outstanding under the Applicant's stock option plan. The Options are not listed for trading on any stock exchange. The Applicant does not have any securities listed on any other exchanges.

5. The Applicant is engaged in the evaluation, exploration and development of its 100% owned Lac Guéret natural graphite deposit located in northeastern Québec. Substantially all of the Applicant's efforts are devoted to financing and developing this property.

6. The Applicant intends to apply to the Director under the OBCA pursuant to Section 181 of the OBCA for authorization to continue as a corporation under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the "**CBCA**") under its name "Mason Graphite Inc." The Applicant has a Federal Reservation Report in the name of "Mason Graphite Inc." under name reservation number 117295040.

7. Pursuant to subsection 4(b) of the Regulation, an application for authorization to continue in another jurisdiction under Section 181 of the OBCA must, in the case of an "offering corporation" (as that term is defined in the OBCA), be accompanied by a consent from the Commission.

8. The Applicant is an "offering corporation" under the OBCA and is a reporting issuer under the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended (the "**Act**"), and the securities legislation of each of British Columbia, Alberta and Quebec. The Applicant is not a reporting issuer or equivalent in any other jurisdiction. Quebec is currently the Applicant's principal regulator.

9. The Applicant is not in default under any provision of the OBCA and the Act, or any of the regulations or rules made under the OBCA and the Act or under the securities legislations of any other jurisdiction in which it is a reporting issuer, or any rules, regulations or policies of the TSX-V or the OTCQX.

10. The Applicant is not a party to any proceeding or, to the best of its information, knowledge or belief, any pending proceeding under the OBCA and the Act or under the securities legislation of any other jurisdiction where it is a reporting issuer.

11. A summary of the material provisions respecting the proposed Continuance was provided to the shareholders of the Applicant in the management information circular of the Applicant dated November 11, 2015 (the "**Circular**") in respect of the Applicant's annual and special meeting of shareholders which was held on December 15, 2015 (the "**Meeting**"). The Circular includes full disclosure of the reasons for, and the implications of, the proposed Continuance and a summary of the material differences between the OBCA and the CBCA. The Circular was mailed on November 23, 2015 to shareholders of record at the close of business on November 10, 2015 and was filed on November 24, 2015 on the System for Electronic Document Analysis and Retrieval.

12. In accordance with the OBCA and the Applicant's constating documents, the special resolution of shareholders (the "**Continuance Resolution**") to be obtained at the Meeting in connection with the proposed Continuance required the approval of not less than two-thirds of the aggregate votes cast by the shareholders present in person or represented by proxy at the Meeting. Each shareholder was entitled to one vote for each Common Share held.

13. The Applicant's shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.

14. The Continuance Resolution was approved at the Meeting by 100% of the votes cast by the shareholders of the Applicant. None of the shareholders of the Applicant exercised dissent rights pursuant to Subsection 185 of the OBCA at the Meeting.

15. The Continuance is proposed to be made in order to enable the Applicant to more efficiently manage its business and affairs given that the head office, management and sole asset of the Applicant are located in Quebec.

16. Following the Continuance:

    a. the Applicant's head and registered office will remain to be located at 3030, Boul. Le Carrefour, Suite 600, Laval, Quebec, H7T 2P5;

    b. the Applicant intends to remain a reporting issuer in Ontario and in each of the other jurisdictions where it is currently a reporting issuer; and

    c. Quebec will remain as the Applicant's principal regulator.

17. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the CBCA.

DATED at Toronto, Ontario this 19th day of February, 2016.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

25.1.2 Tawsho Mining Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O 1990, REGULATION 289/00, AS AMENDED
(the "Regulation") MADE UNDER
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c.B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
TAWSHO MINING INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application (the "**Application**") of Tawsho Mining Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission, pursuant to subsection 4(b) of the Regulation, for the Applicant to continue into the Province of British Columbia, (the "**Continuance**") pursuant to Section 181 of the OBCA;

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a result of the amalgamation, on May 31, 2008, of Tawsho Mining Inc., a private company incorporated in Ontario on November 28, 2006, and Jardincap Inc., an Alberta corporation incorporated May 23, 2006.

2. The Applicant has no subsidiaries.

3. The Applicant's head and registered office is located at 255 Duncan Mill Rd., Suite 408, Toronto, Ontario, M3B 3H9.

4. The authorized capital of the Applicant consists of an unlimited number of common shares ("**Common Shares**"), and an unlimited number of preferred shares ("**Preferred Shares**"), of which there are currently 35,543,549 Common Shares and no Preferred Shares issued and outstanding. The Common Shares are listed for trading on the TSX Venture Exchange ("**TSX-V**") under the symbol "TAW". The Applicant has 1,670,000 stock options and 6,291,700 warrants outstanding (exercisable for 1,670,000 Common Shares and 6,219,700 Common Shares, respectively), neither of which are listed for trading on any exchange. The Applicant does not have any securities listed on any exchange other than the TSX-V.

5. The general nature of the Applicant's business is that of a junior mineral exploration company.

6. The Applicant has made an application to the Director under the OBCA pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue into the Province of British Columbia under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**").

7. The Applicant intends to continue using its current name until it amalgamates with 1057643 B.C. Ltd. ("**SubCo**"), after which the name of the amalgamated company will be Chevrier Metals Corp. Name reservations for both names have been secured in British Columbia.

8. Pursuant to subsection 4(b) of the Regulation, the Application for Continuance must, in the case of an "offering corporation" (as defined in the OBCA), be accompanied by a consent from the Commission.

9. The Applicant is an "offering corporation" under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) R.S.O. 1990, c. S.5 as amended (the "**Act**"), and is also a reporting issuer under the securities legislation of British Columbia, Alberta and Manitoba. The Applicant is not a reporting issuer or the equivalent in any other jurisdiction. The Commission is currently the Applicant's principal regulator.

10. The Continuance has been proposed in connection with a proposed plan of arrangement of the Applicant (the "**Plan of Arrangement**") with Entourage Metals Ltd. ("**Entourage**") pursuant to an arrangement agreement between the Applicant and Entourage dated November 4, 2015 (the "**Arrangement Agreement**"). Entourage was incorporated under the BCBCA on April 26, 2010. SubCo is a wholly owned subsidiary of Entourage incorporated under the BCBCA on December 7, 2015. The details of the Plan of Arrangement are further described in the Circular (as defined below).

11. The Arrangement Agreement provides for among other things: (i) the consolidation of the common shares of Entourage on a one to 1.5 basis; (ii) an acquisition of all of the issued and outstanding Common Shares by Entourage from holders of Common Shares ("**Applicant Shareholders**") with the Applicant Shareholders receiving approximately 0.2297 of a common share of Entourage for each Common Share held, subject to adjustment in accordance with the terms of the Arrangement Agreement with the maximum number of common shares of Entourage, on a post-consolidation basis, to be issued to the Applicant Shareholders pursuant to the arrangement to not exceed 8,166,666; and (iii) the amalgamation of the Applicant and SubCo.

12. Pursuant to the Plan of Arrangement, immediately following the Continuance, the Applicant and SubCo will amalgamate to form a corporation to be named Chevrier Metals Corp. which will be a corporation existing under the BCBCA.

13. The Continuance is required in order to facilitate the amalgamation with SubCo under the Plan of Arrangement and must be completed before the Plan of Arrangement can become effective.

14. The Applicant is not in default under any provision of the OBCA and the Act, or any of the regulations or rules made under the OBCA and the Act or under the securities legislations of any other jurisdiction in which it is a reporting issuer, or any rules, regulations or policies of the TSX-V.

15. The Applicant is not a party to any proceeding or, to the best of its information, knowledge or belief, any pending proceeding under the OBCA and the Act or under the securities legislation of any other jurisdiction where it is a reporting issuer.

16. The notice of meeting and management information circular dated January 15, 2016 (the "**Circular**") for the annual and special meeting of the Applicant Shareholders which was held on February 16, 2016 (the "**Meeting**") provided information regarding the Continuance including full disclosure of the reasons for, and the implications of, the proposed Continuance, including a summary of the material differences between the OBCA and the applicable provisions of the BCBCA. This Circular was mailed on January 20, 2016 to the Applicant Shareholders of record at the close of business on January 5, 2016, and was filed on SEDAR on January 20, 2016.

17. In accordance with the OBCA, the Act and the Applicant's constating documents, the special resolution of shareholders to be obtained at the Meeting in connection with the proposed Continuance (the "**Continuance Resolution**") required the approval of a minimum majority of 66 2/3% of the aggregate votes cast by the shareholders present in person or by proxy at the Meeting. Each shareholder is entitled to one vote for each Common Share held.

18. The Applicant Shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.

19. The Continuance Resolution was approved at the Meeting by 99.18% of the Applicant's voting shareholders. None of the Applicant Shareholders exercised dissent rights pursuant to section 185 of the OBCA.

20. All four of the Applicant's directors are resident in Ontario.

21. Following the Continuance and the pending completion of the arrangement:

    a. the Applicant will surrender its reporting issuer status;

    b. the registered and head office of the resulting issuer will be located in British Columbia; and

c. the British Columbia Securities Commission will be the principal regulator of the resulting issuer.

22. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

23. The Applicant anticipates that the Common Shares will be de-listed from the TSX-V on or following the effective date of the arrangement.

24. As soon as practicable following completion of the arrangement, it is anticipated that the Applicant will apply to cease being a reporting issuer under the Act and in British Columbia, Alberta, and Manitoba.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto, Ontario this 19th day of February, 2016.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

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