

The Ontario Securities Commission

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Table of Contents

<p>Chapter 1 Notices 7783</p> <p>1.1 Notices (nil)</p> <p>1.2 Notices of Hearing..... (nil)</p> <p>1.3 Notices of Hearing with Related Statements of Allegations (nil)</p> <p>1.4 Notices from the Office of the Secretary 7783</p> <p>1.4.1 Sentry Investments Inc. and Sean Driscoll 7783</p> <p>1.4.2 Sean Daley et al. 7783</p> <p>1.5 Notices from the Office of the Secretary with Related Statements of Allegations (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings 7785</p> <p>2.1 Decisions 7785</p> <p>2.1.1 Mackenzie Financial Corporation and Mackenzie China Bond Fund 7785</p> <p>2.1.2 Ninepoint Partners LP 7789</p> <p>2.1.3 Emera Incorporated et al. 7793</p> <p>2.1.4 Digital Consumer Dividend Fund 7799</p> <p>2.1.5 Royal Bank of Canada..... 7802</p> <p>2.2 Orders..... 7809</p> <p>2.2.1 Sentry Investments Inc. and Sean Driscoll – s. 144 7809</p> <p>2.2.2 Sean Daley et al. – ss. 127(8), 127(1)..... 7810</p> <p>2.3 Orders with Related Settlement Agreements..... (nil)</p> <p>2.4 Rulings (nil)</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions..... (nil)</p> <p>3.2 Director’s Decisions..... (nil)</p> <p>Chapter 4 Cease Trading Orders 7811</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders 7811</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 7811</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 7811</p> <p>Chapter 5 Rules and Policies..... (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting..... 7813</p> <p>Chapter 9 Legislation (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings 7877</p> <p>Chapter 12 Registrations 7883</p> <p>12.1.1 Registrants 7883</p>	<p>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories 7885</p> <p>13.1 SROs 7885</p> <p>13.1.1 MFDA – Continuing Education Requirements for MFDA Members and their Approved Persons – Notice of Commission Approval.... 7885</p> <p>13.2 Marketplaces 7886</p> <p>13.2.1 Canadian Securities Exchange – System Functionality – Closing Price Session – Notice of Approval 7886</p> <p>13.3 Clearing Agencies (nil)</p> <p>13.4 Trade Repositories (nil)</p> <p>Chapter 25 Other Information (nil)</p> <p>Index..... 7887</p>
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Chapter 1

Notices

1.4 Notices from the Office of the Secretary

1.4.1 Sentry Investments Inc. and Sean Driscoll

FOR IMMEDIATE RELEASE
September 23, 2019

**SENTRY INVESTMENTS INC. and
SEAN DRISCOLL,
File No. 2019-33**

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

A copy of the Order dated September 20, 2019 is available at www.osc.gov.on.ca.

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SECRETARY TO THE COMMISSION

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1.4.2 Sean Daley et al.

FOR IMMEDIATE RELEASE
September 24, 2019

**SEAN DALEY; and
SEAN DALEY carrying on business as
the ASCENSION FOUNDATION,
OTO.Money,
SilentVault, and
CryptoWealth;
WEALTH DISTRIBUTED CORP.;
CYBERVISION MMX INC.;
KEVIN WILKERSON; and
AUG ENTERPRISES INC.,
File No. 2019-28**

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

A copy of the Order dated September 24, 2019 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Mackenzie Financial Corporation and Mackenzie China Bond Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to permit a Canadian exchange-traded mutual fund to invest in an underlying fund based in Hong Kong whose securities would meet the definition of index participation unit in NI 81-102, but for the fact that they are listed on the Stock Exchange of Hong Kong – relief is subject to certain conditions and requirements including the underlying fund is not a synthetic ETF – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.5(2)(a) and (c), 19.1.

September 18, 2019

**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
MACKENZIE FINANCIAL CORPORATION
(the Filer)**

AND

**IN THE MATTER OF
MACKENZIE CHINA BOND FUND
(The Proposed Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for

an exemption, pursuant to section 19.1 of National Instrument 81-102 *Investment Funds (NI 81-102)* from subsection 2.1(1) and paragraphs 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit the Proposed Fund to purchase securities of the Underlying ETF (as defined below) (the **Requested Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; 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, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Nunavut and Yukon (the **Other Jurisdictions**).

Interpretation

Terms defined in NI 81-102, 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:

1. The Filer is a corporation amalgamated under the laws of Ontario with its head office in Toronto, Ontario.
2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in all other Canadian provinces and territories and as an investment fund manager in Newfoundland and Labrador and Québec.
3. The Filer will be the manager and trustee of the Proposed Fund.
4. The Proposed Fund will be (i) an open-ended mutual fund trust established under the laws of the province of Ontario, (ii) a reporting issuer under the laws of all of the Jurisdictions, and (iii) governed by NI 81-102, subject to exemptive relief granted by the securities regulatory authorities.
5. Securities of the Proposed Fund will be qualified

for distribution in all of the provinces and territories in Canada under a simplified prospectus filed in accordance with NI 81-101 and, accordingly, the Proposed Fund will be a reporting issuer in one or more provinces and territories of Canada.

6. The Filer is not in default of securities legislation in any jurisdiction of Canada.
7. The investment objective of the Proposed Fund is expected to be substantially as follows: "Mackenzie China Bond Fund seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Bloomberg Barclays Treasury + Policy Bank Total Return Index (the **Index**), or any successor thereto, by investing directly in the constituent securities of the Index, or indirectly through China AMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF (the **Underlying ETF**) or other exchange-traded funds that track the Bloomberg Barclays China Treasury + Policy Bank Total Return Index. Mackenzie China Bond Fund has significant exposure to Chinese issuers."
8. In order to achieve its investment objective, the Proposed Fund will invest primarily in units of the Underlying ETF. The Underlying ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the Index.

The Underlying Manager

9. China Asset Management (Hong Kong) Limited (the **Underlying Manager**) is the manager of the Underlying ETF.
10. The Underlying Manager was incorporated in 2008 under the laws of Hong Kong and is a fully-owned subsidiary of China Asset Management Co., Ltd (**China AMC**).
11. The Underlying Manager is licensed by the Hong Kong Securities and Futures Commission (the **HK Commission**) to carry on three regulated activities under the Securities and Futures Ordinance (**SFO**): (i) dealing in securities; (ii) advising on securities; and (iii) asset management. The HK Commission is an Ordinary Member of the International Organization of Securities Commissions (**IOSCO**).
12. As of June 30, 2019, (i) the Filer owns a 13.9% interest in China AMC; and (ii) Power Corporation of Canada, the ultimate parent company of the Filer, owns a 13.9% interest in China AMC.

The Underlying ETF

13. The Underlying ETF is a sub-fund of the ChinaAMC Global ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed between the Underlying Manager, as

manager, and HSBC Institutional Trust Services (Asia) Limited, as trustee.

14. The Underlying ETF was established on June 6, 2018 and commenced trading on the Stock Exchange of Hong Kong Limited (the **SEHK**) pursuant to a prospectus dated February 2018 (the **HK Prospectus**).
15. As at July 19, 2019, the Underlying ETF held RMB67,657,147.42 (approximately equal to C\$12,761,788.26 based on the Bank of Canada exchange rate as at August 6, 2019) in assets under management.
16. It is the Filer's understanding that the HK Prospectus complies with the Rules Governing the Listing of Securities on the SEHK, the Code on Unit Trusts and Mutual Funds and the "Overarching Principles" of the Securities and Futures Commission Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the securities of the Underlying ETF.
17. The Underlying ETF is a "mutual fund" within the meaning of applicable Canadian securities legislation.
18. The investment objective of the Underlying ETF is to seek to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. The Underlying Manager seeks to achieve its investment objective by primarily investing in securities comprising the Index.
19. The Underlying ETF employs a passive investment strategy.
20. HSBC Institutional Trust Services (Asia) Limited is the trustee and registrar of the Underlying ETF.
21. The Hongkong and Shanghai Banking Corporation Limited is the custodian of the Underlying ETF.

The Index

22. The Index was launched on January 1, 2004 and is calculated and maintained by Bloomberg Index Services Limited.
23. The Filer and the Underlying Manager are independent of Bloomberg Index Services Limited.
24. The Index includes all securities that are constituent securities of the Bloomberg Barclays China Aggregate Index Treasury Bonds and Policy Bank Bonds. Eligible constituent securities of the Bloomberg Barclays China Aggregate Index are RMB-denominated debt securities listed on the PRC inter-bank bond market that fulfill certain disclosed criteria, including that the bonds must

have at least one year until final maturity, must carry a fixed rate coupon and must have a par value of at least RMB5 billion for treasury and government-related securities (including policy banks). The number of constituent securities is variable and there is no limit to the number of constituents.

25. The Index is a total return index. A total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested.
26. The methodology for the selection and weighting of the Index constituents, including the names of the issuers included in the Index, is publicly available and updated from time to time. The Index information is widely quoted and broadly disseminated by major market data vendors, including Bloomberg and Reuters.

Reasons for the Requested Relief

27. But for the requirement in the definition of “index participation unit” that a security be traded on a stock exchange in Canada or the United States, securities of the Underlying ETF would be “index participation units”.
28. The Proposed Fund seeks to obtain indirect exposure to the securities of the Index, including through the Underlying ETF, on the same basis as would be permitted under subsection 2.1(1) and paragraphs 2.5(2)(a) and 2.5(2)(c) of NI 81-102, as if the securities of the Underlying ETF were listed on a stock exchange in Canada or the United States and were, as a result, index participation units.
29. The investment objectives and strategies of the Underlying ETF are such that the Underlying ETF will invest in a manner that is consistent with the investment restrictions within NI 81-102.
30. Given that the Principal Regulator and the HK Commission are both members of IOSCO, the Filer submits that the regulatory regime applicable to the Underlying ETF and Proposed Fund have demonstrated their commitment to developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors and maintain fair, efficient and transparent markets.
31. No management fees or incentive fees will be payable by the Proposed Fund that, to a reasonable person, would duplicate a fee payable by such Underlying ETF for the same service.
32. The regulatory regime, administration, operation, investment objectives and restrictions applicable to the Underlying ETF are comparable to those applicable to the Proposed Fund and therefore

make securities of the Underlying ETF an appropriate investment for the Proposed Fund.

33. As the Underlying Manager is subject to the laws of Hong Kong and licensed to carry on three regulated activities: (i) to deal in securities, (ii) advise in securities, and (iii) asset management, by the HK Commission, the Underlying Manager is subject to similar regulatory oversight as the Filer, which is primarily regulated by the Principal Regulator.
34. The SEHK is subject to similar regulatory oversight to securities exchanges in Canada and the United States and therefore the listing requirements and regulatory oversight of the SEHK should be recognized as providing an appropriate trading platform for securities purchased, directly or indirectly, by the Proposed Fund on an equivalent basis to the way in which the listing requirements and regulatory oversight of securities exchanges in Canada and the United States are so recognized.
35. The Underlying ETF is subject to the following regulatory requirements:
- a. The Underlying ETF is required to prepare a prospectus that discloses material facts similar to the disclosure requirements under Form 41-101F2 *Information Required in an Investment Fund Prospectus*.
 - b. The Underlying ETF prepares fact sheets and/or key investor information documents which, taken together, provide disclosure that is similar to ETF Facts Document prescribed by Form 41-101F4 *Information Required in an ETF Facts Document*.
 - c. The Underlying ETF is subject to continuous disclosure obligations which are substantially similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*.
 - d. The Underlying ETF is required to update information of material significance in the prospectus and to prepare semi-annual (unaudited) and annual financial statements (audited).
 - e. The Underlying ETF is subject to investment restrictions concerning the Underlying ETF's portfolio concentration, ability to control issuers in its portfolio, the liquidity of its portfolio securities, investments in other investment funds, investments in real estate, short selling, writing of call options, and securities lending.

f. The Underlying ETF is generally not permitted to invest more than 10% of its net asset value in securities of any single issuer or to hold more than 10% of a class of securities of any single issuer, except for securities of issuers that are constituents of the Index which account for more than 10% of the weighting of the Index and the Underlying Fund's holding of any such constituent securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature, or otherwise approved by the Hong Kong Securities Clearing Company Limited and the HK Commission.

g. The Underlying ETF does not invest in financial derivatives instruments (and has not adopted a synthetic replication strategy) and does not intend to engage in securities lending or repurchase transactions in respect of its portfolio.

36. In the absence of the Requested Relief:

a. the Proposed Fund would not be able to rely on the exemption available for "index participation units" in paragraph 2.1(2) because index participation units are currently defined to be securities that are traded in Canada or the United States only, and accordingly, the Proposed Fund would be prohibited from purchasing or holding units of the Underlying ETF if, immediately after any such purchase, more than 10% of the net asset value Proposed Fund would be invested in units of the Underlying ETF.

b. The Proposed Fund would not be able to rely on the exemption available for "index participation units" in paragraph 2.5(3) because index participation units are currently defined to be securities that are traded in Canada or the United States only, and accordingly, the Proposed Fund would be prohibited from purchasing or holding units of the Underlying ETF.

principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of the Index;

2. the prospectus of the Proposed Fund discloses the fact that the Proposed Fund has obtained relief to invest in the Underlying ETF;
3. the investment objective of the Proposed Fund names the Underlying ETF;
4. the investment objective of the Proposed Fund will state that the Proposed Fund will seek to replicate, to the extent possible, the performance of the Index; and
5. in the event that the regulatory regime applicable to the Underlying ETF is changed in any material way, the Proposed Fund does not acquire any additional securities of the Underlying ETF, and disposes of any securities of the Underlying ETF then held, within six months.

The Requested Relief will terminate six months after the coming into force of any amendments to paragraphs 2.5(a) or (c) of NI 81-102 that restrict or regulate the Proposed Fund's ability to invest in the Underlying ETF.

"Darren McKall"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

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 Underlying ETF is not a "synthetic ETF", meaning that the Underlying ETF will not

2.1.2 Ninepoint Partners LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from short selling restrictions in NI 81-102 to permit a alternative mutual funds to short sell “government securities”, as defined in NI 81-102, up to 300% of NAV – relief also granted from the requirement in section 6.1 of NI 81-102 in order to deposit with the Prime Broker, excluding the value of the proceeds from collateral, additional collateral subject to limits of, in the case of an Alternative Fund, 25% of the net asset value.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds – ss. 2.6.1(1)(c)(v), 2.6.2, 6.1, 6.8.1, and 19.1.

September 18, 2019

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
NINEPOINT PARTNERS LP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Ninepoint Alternative Credit Opportunities Fund (the **Existing Fund**), and any alternative mutual fund established in the future and managed by the Filer or an affiliate of the Filer (each, a **Future Fund** and, together with the Existing Fund, the **Funds**), for a decision under the securities legislation of the principal regulator (the **Legislation**) exempting the Funds from:

- i. the following provisions of National Instrument 81-102 *Investment Funds (NI 81-102)* in order to permit each Fund to short sell “government securities” (as defined in NI 81-102) up to a maximum of 300% of a Fund’s net asset value (**NAV**):
 - a) subparagraph 2.6.1(1)(c)(v), which restricts a Fund from selling a security

short if, at the time, the aggregate market value of the securities sold short by the Fund exceeds 50% of the Fund’s NAV; and

- b) section 2.6.2, which states that a Fund may not borrow cash or sell securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund would exceed 50% of the Fund’s NAV.

(together, the **Short Selling Limits**)

- ii. the requirement set out in section 6.1(1) of 81-102 that provides that, except as provided in section 6.8, 6.8.1 and 6.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 6.2 in order to permit the following:

- a) unless the borrowing agent is the Fund’s custodian or sub-custodian, if a Fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the aggregate market value of portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, must not in the case of an alternative mutual fund, exceed 25% of the net asset value of the alternative mutual fund at the time of deposit.

(the **Short Selling Collateral Limit**)

(collectively, 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 the 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 all of the provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Prime Broker means any entity that acts as, among other things, a borrowing agent to one or more investments funds.

Representations

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

The Filer and the Funds

1. The Filer is a limited partnership formed and organized under the laws of the Province of Ontario. The general partner of the Filer is Ninepoint Partners GP Inc., a corporation incorporated under the laws of the Province of Ontario. The head office of the Filer is located in Ontario.
2. The Filer is registered as (i) an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, (ii) a portfolio manager in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador, and (iii) an exempt market dealer in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador and Quebec.
3. The Filer is, or will be, the investment fund manager of each of the Funds.
4. The Filer will be appointed as the manager of each Fund pursuant to a management agreement.
5. The Existing Fund is an alternative mutual fund established under the laws of Ontario that operates under the provisions of NI 81-102 applicable to alternative mutual funds. Each Future Fund will be an alternative mutual fund under NI 81-102.
6. Each Fund is, or will be, a reporting issuer in one or more Jurisdictions.
7. The securities of each Fund will be qualified for distribution to the public in some or all of the Jurisdictions pursuant to a simplified prospectus, annual information form and fund facts prepared and filed in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*. Each Fund will be, governed by NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

8. Neither the Filer nor the Existing Fund is in default of securities legislation in any Jurisdiction.
9. The investment objective of Ninepoint Alternative Credit Opportunities Fund is to provide investors with income and capital appreciation. The Fund will seek to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain.

Short Selling Limits

10. An important investment strategy expected to be used by the Funds will be to enter into long positions in corporate bonds while hedging the interest rate risk of those bonds by taking short positions in government bonds. The short positions in the government bonds can be achieved either through short selling government bonds or by entering into short positions in government bond futures.
11. The Short Selling Limits would restrict the Funds to short selling government securities to no more than 50% of the Fund's NAV.
12. NI 81-102 otherwise permits the Funds to obtain the additional leveraged short exposure through the use of specified derivatives, up to an aggregate exposure of 300% of the Fund's NAV.
13. The Filer is of the view, that it would be in the Funds' best interest to permit the Funds to physically short sell government securities up to 300% of the Fund's NAV, instead of being limited to achieve the same degree of leverage through either specified derivatives alone, or a combination of physical short selling and specified derivatives, for the following reasons:
 - (a) While derivatives can be used to create similar investment exposure as short selling up to 300% of each Fund's NAV, the use of derivatives is more complex, more expensive and riskier than short selling. Implementing derivatives necessitates incremental transactional steps and expense to each of the Funds.
 - (b) There is a potential mismatch between the corporate bond and government security futures contract, which makes the use of derivatives less efficient than short selling government securities. The futures contract has standard terms set by the exchange on which it trades and is not directly linked to one particular government security. This makes it more difficult to determine whether the interest rate exposure of the government security futures contract is a good match for the interest rate exposure of the corporate

bond it is meant to hedge. On the other hand, the short position in a government security that the market pairs with a corporate bond has been selected due to its proven effectiveness in hedging the interest rate exposure of the corresponding corporate bond.

14. The only securities sold short by the Funds in excess of 50% of a Fund's NAV will be "government securities" as such term is defined in NI 81-102. The Funds will otherwise comply with the provisions governing short selling by an alternative mutual fund under sections 2.6.1 and 2.6.2 of NI 81-102.
15. Each Fund's aggregate exposure to short selling, cash borrowing and specified derivatives transactions will not exceed 300% of the Fund's NAV, in compliance with subsection 2.9.1 of NI 81-102 (the **Aggregate Exposure Limit**).
16. Each Fund will implement the following controls when conducting a short sale:
 - (a) The Fund will assume the obligation to return to the Borrowing Agent (as defined in NI 81-102) the securities borrowed to effect the short sale;
 - (b) The Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
 - (c) The Filer will monitor the short positions of the Fund at least as frequently as daily;
 - (d) The security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with section 6.8.1 of NI 81-102 and will otherwise be made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transaction;
 - (e) The Fund will maintain appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and
 - (f) The Filer and the Fund will keep proper books and records of short sales and all of its assets deposited with Borrowing Agents as security.

17. Each Fund's prospectus (the **Prospectus**) will contain adequate disclosure of the Fund's short selling activities, including material terms of the Short Selling Limits.

Short Selling Collateral Limit

18. In connection with, among other things, the short sale of securities that the Funds will or may engage in, each Fund is permitted to grant a security interest in favour of, and deposit pledged portfolio assets with, its Prime Broker. If a Fund engages as its Prime Broker an entity that is not its custodian or sub-custodian, then a Fund may, as an alternative mutual fund, under section 6.8.1 of NI 81-102, only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 25% of the NAV of such Fund at the time of deposit.
19. A Prime Broker may not act as borrowing agent for an alternative mutual fund that wants to sell short securities having an aggregate market value of up to 50% of such fund's NAV if the Prime Broker is only permitted to hold, as security for such transaction, portfolio assets, including the proceeds from the short sale, having an aggregate market value that is not in excess of 25% of the NAV of the fund.
20. Effective as of January 3, 2019, NI 81-102 was amended to include alternative mutual funds. Prior to and since that date, a number of investment fund managers have either launched alternative mutual funds or are planning to do so. The ability of alternative mutual funds to borrow cash and to sell short securities more extensively than other investment funds governed by NI 81-102 has led to the increased involvement of Prime Brokers in the operations of these alternative mutual funds. While the prime brokerage model works well in the exempt investment fund space, the prime brokerage community and investment fund managers are experiencing greater difficulties in applying that model to alternative mutual funds and other investment funds under NI 81-102.
21. The prime brokerage operational and pricing models in the context of short selling are premised on the ability of the Prime Broker to retain, as collateral for the obligations of the applicable Fund, the proceeds from the sale of the short sales, whether such proceeds are cash or are used by the Fund to purchase other portfolio assets. These models are also based on the ability of the Prime Broker to hold additional assets of the Fund as collateral for those obligations.
22. Given the collateral requirements that Prime Brokers impose on their customers that engage in the short sale of securities, if the 25% of NAV limitations set out in subsection 6.8.1 of NI 81-102

apply, then the Funds will need to retain two, or more, Prime Brokers in order to sell short securities to the extent permitted under section 2.6.1 of NI 81-102. This would result in inefficiencies for the Funds and would increase their costs of operations.

23. The requirement for additional Prime Brokers increases costs for the Fund, which will reduce returns and negatively impact investors.
24. The Filer represents that it would not be prejudicial to the public interest to grant the Exemption Sought from the Short Selling Collateral Limit.

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.

1. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Short Selling Limits is granted provided that:
 - a) The only securities which a Fund will sell short in an amount that exceeds 50% of the Fund's NAV will be securities that meet the definition of "government security" as such term is defined in NI 81-102.
 - b) Each short sale by a Fund will comply with all of the short sale requirements applicable to alternative mutual funds in sections 2.6.1 and 2.6.2 of NI 81-102.
 - c) A Fund's aggregate exposure to short selling, cash borrowing and specified derivatives will not exceed the Aggregate Exposure Limit.
 - d) Each short sale will be made consistent with a Fund's investment objectives and investment strategies.
 - e) A Fund's Prospectus will disclose that the Fund is able to short sell "government securities" (as defined in NI 81-102) in an amount up to 300% of the Fund's NAV, including the material terms of this decision.
2. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Short Selling Collateral Limit is granted provided that the Funds otherwise comply with subsections 6.8.1(2) and (3) of NI 81-102.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 Emera Incorporated et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into an equity distribution agreement to make “at the market” (ATM) distributions of common shares over the facilities of the TSX – ATM distribution to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus. Decision and application also held in confidence by decision makers until the earlier of the public announcement of the ATM offering by the issuer, the entering into of an equity distribution agreement, waiver of confidentiality or 90 days from the date of the decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 71 and 147.

Applicable Rules

National Instrument 44-101 Short Form Prospectus Distributions, Part 8 and Item 20 of Form 44-101F1.
National Instrument 44-102 Shelf Distributions, ss. 6.3 and 6.7, Part 9 and ss. 2.1 and 2.2 of Appendix A.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

June 25, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
NOVA SCOTIA AND ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
EMERA INCORPORATED (THE ISSUER),
SCOTIA CAPITAL INC.,
RBC DOMINION SECURITIES INC. AND
J.P. MORGAN SECURITIES CANADA INC.
(collectively, the Agents and together with the Issuer, the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**), has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for the following relief (the **Exemptions Sought**):

- (a) that the requirement that a dealer, not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply

to the Agents or any other TSX participating organization or other marketplace participant acting as selling agent for the Agents (each, a **Selling Agent**) in connection with any at-the-market distribution (each, an **ATM Distribution** and collectively, the **ATM Offering**), as defined in National Instrument 44-102 – *Shelf Distributions (NI 44-102)* of common shares (**Common Shares**) of the Issuer pursuant to an equity distribution agreement (the **Equity Distribution Agreement**) to be entered into between the Issuer and the Agents; and

- (b) that the requirements to include in a base shelf prospectus or prospectus supplement or an amendment thereto:
 - (i) a forward-looking issuer certificate of the Issuer in the form specified in section 2.1 or section 2.4, as applicable, of Appendix A to NI 44-102;
 - (ii) a forward-looking underwriter certificate in the form specified by section 2.2 or section 2.4, as applicable, of Appendix A to NI 44-102; and
 - (iii) a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 – *Short Form Prospectus*;

(collectively, the **Prospectus Form Requirements**) do not apply to the Shelf Prospectus (as defined below), the Prospectus Supplement (as defined below) or an amendment thereto provided that the Issuer include in the Prospectus Supplement or an amendment thereto the form of issuer certificate and form of underwriter certificate and include in the Prospectus Supplement or an amendment thereto the revised description of a purchaser's statutory rights of withdrawal and remedies for rescission or damages described below, in each case (other than with respect to the underwriter certificate) superseding and replacing the corresponding language in the Shelf Prospectus solely with regards to the ATM Offering.

The Decision Makers have also received a request from the Filers for a decision that the Application and this decision (together, the **Confidential Material**) be kept confidential and not be made public until the earliest of: (a) the date on which the Filers publicly announce the ATM Offering, (b) the date on which the Filers first enter into an Equity Distribution Agreement; (b) the date any of the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (c) the date that is 90 days after the date of this decision (the **Confidentiality Relief**).

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

- (a) the Nova Scotia Securities Commission is the principal regulator for this Application;
- (b) the Filers have 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, Quebec, New Brunswick, Prince Edward Island and Newfoundland and Labrador (collectively the **Passport Jurisdictions** and together with the Jurisdictions, the **Reporting Jurisdictions**); and
- (c) the decision is the decision of the principal regulator and evidences the decision of the Ontario Securities Commission.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*, in MI 11-102 or in NI 44-102 have the same meaning if used in this decision, unless otherwise defined herein. All dollar figures in this decision refer to Canadian dollars.

Representations

This decision is based on the following facts represented by the Filers.

The Issuer

1. The Issuer is a company incorporated under the *Companies Act* (Nova Scotia). The head office of the Issuer is located at 5151 Terminal Road, Halifax, Nova Scotia, B3J 1A1.
2. The Issuer is a reporting issuer in each province of Canada and is not in default of securities legislation in any of the jurisdictions of Canada.
3. The Common Shares are listed on the Toronto Stock Exchange (the **TSX**).

4. The Issuer currently intends to file a short form base shelf prospectus (a **Shelf Prospectus**) to provide for the distribution from time to time of Common Shares, and to the extent the Equity Distribution Agreement is entered into among the Issuer and the Agents, a prospectus supplement in each of the provinces of Canada to qualify the distribution of Common Shares in connection with the ATM Offering.

The Agents

5. Scotia Capital Inc. is a corporation incorporated under the laws of the Province of Ontario with its head office in Toronto, Ontario.
6. RBC Dominion Securities Inc. is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.
7. J.P. Morgan Securities Canada Inc is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.
8. Each of the Agents is registered as an investment dealer under the securities legislation in each province of Canada, is a member of the Investment Industry Regulatory Organization of Canada and is a participating organization of the TSX.
9. None of the Agents are in default of any requirements under applicable securities legislation in any of the jurisdictions of Canada.

Proposed ATM Distribution

10. Subject to mutual agreement on terms and conditions, the Filers propose to enter into the Equity Distribution Agreement for the purpose of the ATM Offering involving the periodic sale of Common Shares by the Issuer through the Agents, as agents, under the shelf prospectus procedures prescribed by Part 9 of NI 44-102.
11. If the Equity Distribution Agreement is entered into, the Issuer will immediately do both of the following:
 - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing the Equity Distribution Agreement and indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and specifying where and how purchasers of Common Shares under the ATM Offering may obtain copies; and
 - (b) file the Equity Distribution Agreement on SEDAR.
12. Prior to making an ATM Distribution, the Issuer will have filed, in each province of Canada, the Shelf Prospectus and will have received a receipt for the Shelf Prospectus from the Decision Makers. Shortly thereafter, the Issuer will file, in each province of Canada, a prospectus supplement describing the terms of the ATM Offering, including the terms of the Equity Distribution Agreement and otherwise supplementing the disclosure in the Shelf Prospectus (the **Prospectus Supplement**).
13. Under the proposed Equity Distribution Agreement, the Issuer may conduct one or more ATM Distributions subject to the 10% limitation set out in subsection 9.1(1) of NI 44-102.
14. The Issuer will not, during the period that the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made.
15. The Issuer will conduct ATM Distributions only through one or more of the Agents (as agent) directly or via a Selling Agent, and only through (a) the TSX or (b) another marketplace (as defined in National Instrument 21-101 – *Marketplace Operation*) upon which the Common Shares are listed, quoted or otherwise traded (each, a **Marketplace**).
16. The Agents will act as the sole agents of the Issuer in connection with an ATM Distribution directly or through one or more Selling Agents on the TSX or any other Marketplace, and will be paid an agency fee or commission by the Issuer in connection with such sales. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Agents. The Agents will each sign an agent's certificate, in the form set out in paragraph 33 below, in the Prospectus Supplement.

17. A purchaser's rights and remedies under applicable securities legislation against the Agents, as agents of an ATM Distribution through a Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.
18. The aggregate number of Common Shares sold on one or more Marketplaces pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on all Marketplaces on that day.
19. The Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agents that the Shelf Prospectus, as supplemented by the Prospectus Supplement, including the documents incorporated by reference in the Shelf Prospectus (which shall include any news release that has been designated and filed as a Designated News Release (as defined below)) and any subsequent amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed. The Issuer will, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Common Shares.
20. During the period after the date of the Prospectus Supplement and before the termination of any ATM Distribution, if the Issuer disseminates a news release disclosing information that, in the Issuer's determination, constitutes a "material fact" (as such term is defined in the Legislation), the Issuer will identify such news release as a "designated news release" for the purposes of the Prospectus. This designation will be made on the face page of the version of such news release filed on SEDAR (any such news release, a **Designated News Release**). The Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be used to update disclosure in the Prospectus by the Issuer in the event of a "material change" (as such term is defined in the Legislation).
21. If, after the Issuer delivers a sell notice to the Agents directing the Agents to sell Common Shares on the Issuer's behalf pursuant to the Equity Distribution Agreement (a **Sell Notice**), the sale of the Common Shares specified in the Sell Notice, taking into consideration prior sales under the ATM Offering, would constitute a material fact or material change, the Issuer will suspend sales under the Equity Distribution Agreement until either: (a) it has filed a Designated News Release or material change report, as applicable, or amended the Prospectus; or (b) circumstances have changed such that a sale would no longer constitute a material fact or material change.
22. In determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation:
 - (a) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution;
 - (b) the percentage of the outstanding Common Shares that the number of Common Shares proposed to be sold pursuant to the Sell Notice represents;
 - (c) sales under earlier Sell Notices;
 - (d) trading volume and volatility of the Common Shares;
 - (e) recent developments in the business, operations or capital of the Issuer; and
 - (f) prevailing market conditions generally.
23. It is in the interest of the Issuer and the Agents to minimize the market impact of sales under an ATM Distribution. Therefore, the Agents will closely monitor the market's reaction to trades made on any Marketplace pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agents have experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agents have concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agents will recommend against effecting the trades pursuant to the sell order at that time.

Disclosure of Common Shares Sold in ATM Offering

24. The Issuer will disclose the number and average price of Common Shares sold pursuant to ATM Distributions, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

25. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
26. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution, because neither the Agents nor a Selling Agent effecting the trade will know the identity of the purchasers.
27. The Prospectus will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 11 above, the Issuer will issue a news release that specifies where and how copies of the Prospectus may be obtained.
28. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission, without regard to whether or not the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

29. Pursuant to the Legislation, an agreement to purchase a security in respect of a distribution to which the prospectus requirement applies is not binding upon the purchaser if the dealer from whom the purchaser purchases the security receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing evidencing the intention of the purchaser not to be bound by the agreement of purchase and sale (the **Withdrawal Right**).
30. Pursuant to the Legislation, a purchaser of securities to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).
31. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of the ATM Offering because of the impracticability of delivering the Prospectus to a purchaser of Common Shares thereunder.

Modified Certificates and Statements

32. To reflect the fact that the ATM Offering is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate to be included in the Shelf Prospectus solely with regard to the ATM Offering:

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

33. The Prospectus Supplement and any amendment thereto will include the following underwriter certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102):

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

34. A different statement of purchasers' rights than that required by the Legislation is necessary so that the Prospectus Supplement will accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or

damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus supplement, the accompanying prospectus and any amendment thereto relating to Common Shares purchased by such purchaser because the prospectus supplement, the accompanying prospectus and any amendment thereto relating to the Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated • 2019 and granted pursuant to National Policy 11-203 - Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus supplement, the accompanying prospectus and any amendment thereto relating to securities purchased by a purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery and the decision referred to above.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province and the decision referred to above for the particulars of these rights or consult with a legal adviser.

35. The Prospectus Supplement will disclose that, solely with regards to the ATM Offering, the statement prescribed in paragraph 34 above supersedes and replaces the statement of purchasers' rights to be included in the Shelf Prospectus.

Decision

The Decision Makers are satisfied that this decision satisfies the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptions Sought are granted, provided:

- (a) during the 60-day period ending not earlier than 10 days prior to the commencement of an ATM Distribution, the Common Shares have traded, in total, on one or more Marketplaces, as reported on a consolidated market display:
 - (i) an average of at least 100 times per trading day, and
 - (ii) with an average trading value of at least \$1,000,000 per trading day;
- (b) the Issuer does not, during the period that the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made;
- (c) the Issuer complies with the disclosure requirements set out in paragraphs 24, 32 through 35 above; and
- (d) the Issuer and Agents respectively comply with the representations made in paragraphs 11, 15, 16 and 18 through 23 above.

This decision will terminate on the date that is 25 months from the date on which the receipt for the Shelf Prospectus is issued.

"Paul E. Radford"
Q.C., Chair
Nova Scotia Securities Commission

"Shirley P. Lee"
Q.C., Vice-chair
Nova Scotia Securities Commission

2.1.4 Digital Consumer Dividend Fund

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Closed-end investment trust exempt from the prospectus requirement in connection with the sale of units redeemed or purchased from existing security holders pursuant to purchase or redemption programs, subject to conditions.

Applicable Legislative Provisions

Securities Act, RSO 1900, c S-5, ss. 110 and 144.

August 27, 2019

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
DIGITAL CONSUMER DIVIDEND FUND
(the Filer)

DECISION

Background

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

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 section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut and Yukon; 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*, National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Alberta.
2. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.
3. The Filer is a reporting issuer in each province of Canada and is not in default of securities legislation in any jurisdiction of Canada.
4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of June 27, 2019, the Filer had 6,000,000 Units issued and outstanding.
5. Middlefield Limited (the **Manager**) is incorporated under the *Business Corporations Act* (Alberta) and is the manager and the trustee of the Filer.
6. The Manager currently intends that on or about November 15, 2021, the Trust will be merged on a tax-deferred basis into an exchange-traded mutual fund, open-end mutual fund, alternative mutual fund or other non-redeemable investment fund, in each case managed by the Manager (or an affiliate) which the Manager determines has substantially similar investment objectives (any such transaction being referred to herein as the **Conversion**).

Mandatory Purchase Program

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

Discretionary Purchase Program

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

Monthly Redemptions

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the second last business day of each month in order to be redeemed at a redemption price per Unit equal to the Monthly Redemption Price per Unit (as defined in the Filer's long form prospectus dated May 24, 2019 (the **Prospectus**)).

NAV Redemption

10. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **NAV Redemption Program**) on the second last business day of November 2020 at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Prospectus).

Additional Redemptions

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

Resale of Repurchased Units or Redeemed Units

12. Purchases of Units made by the Filer under the Repurchase Programs or Redemption Programs will be made pursuant to exemptions from the issuer bid requirements of applicable securities legislation.
13. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the Exchange, the Units repurchased by the Filer pursuant to the Repurchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).
14. All Repurchased Units and Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.
15. The resale of Repurchased Units and Redeemed Units will be effected in such a manner as not to have a significant impact on the market price of the Units.
16. Repurchased Units and Redeemed Units that the Filer does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Filer.
17. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.
18. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.
19. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

Decision

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

For the Commission:

"Stan Magidson"
Chair and CEO

"Kari Horn"
Vice-Chair

2.1.5 Royal Bank of Canada

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Plan Sponsors, CAP Members and service provider exempted from the prospectus requirements in the Legislation in respect of trades in securities of mutual funds to tax-assisted capital accumulation plans, subject to certain terms and conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 25, 53, 74(1).

Rules Cited

National Instrument 81-102 – Investment Funds.
National Instrument 45-106 – Prospectus and Registration Exemptions.

Published Documents Cited

Amendments to NI 45-106 – Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.
Guidelines for Capital Accumulation Plans – Joint Forum of Financial Market Regulators, May 28, 2004.

TRANSLATION

March 15, 2019

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
ROYAL BANK OF CANADA
(the Filer)

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer on behalf of the Filer (including its directors, officers, representatives, employees and agents), any Plan Sponsor (as defined herein) and any Fund (as defined herein), for a decision under the securities legislation of the Jurisdictions (the Legislation) that

- (a) the dealer registration requirements of the Legislation will not apply to the Filer (including the directors, officers, employees, representatives and agents of the Filer, when acting on behalf of the Filer) in respect of trades in the securities of a Fund to a Plan (as defined herein), sponsored by the Plan Sponsor, subject to certain terms and conditions (the **Filer Dealer Registration Relief**);
- (b) the dealer registration requirements of the Legislation will not apply to the Plan Sponsor in respect of trades in the securities of a Fund to a Plan, sponsored by the Plan Sponsor, subject to certain terms and conditions (the **Plan Sponsor Dealer Registration Relief** and together with the Filer Dealer Registration Relief, the **Dealer Registration Relief**); and

- (c) the prospectus requirements of the Legislation will not apply in respect of the distribution of securities of Funds to a Plan, sponsored by the Plan Sponsor, subject to certain terms and conditions (the **Prospectus Relief**);

(collectively, 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*, CQLR, c. V-1.1, r. 1 ("**Regulation 11-102**") is intended to be relied upon:
- (i) in Newfoundland and Labrador, Nunavut and Yukon in respect of a trade to a CAP (as defined herein);
 - (ii) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, Yukon, and the Northwest Territories in respect of a trade to a Non-Tax Assisted Plan;
 - (iii) in Newfoundland and Labrador, Nunavut and Yukon in respect of the distribution of securities of Funds to a Plan; and
- (c) the decision in respect of the Plan Sponsor Dealer Registration Relief and the Prospectus Relief is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Definitions and Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3, *Regulation 11-102* and *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations*, CQLR, c. V-1.1, r.10, have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

"CAP" has the meaning given to the term "capital accumulation plan" in section 1.1. of the CAP Guidelines, namely, a tax assisted investment or savings plan that permits the members of the plan to make investment decisions among two or more options offered within the plan. The term CAP includes a defined contribution registered pension plan (**DCPP**), a group registered retirement savings plan (**RRSP**), a group registered education savings plan, a group tax-free savings plan, and a deferred profit sharing plan (**DPSP**) and in Quebec and Manitoba, includes a simplified pension plan;

"CAP Blanket Exemption" means blanket exemptions in the form of the Proposed CAP Exemption adopted in all jurisdictions of Canada other than the Non-Blanket Order Jurisdictions;

"CAP Guidelines" means the *Guidelines for Capital Accumulation Plans* published in May 2004 by the Joint Forum of Financial Market Regulators;

"Fund" means a mutual fund as defined in section 1 of the *Securities Act* (Québec), CQLR, c. V-1.1, whether offered by prospectus or pursuant to prospectus exemptions in the Legislation, and which in both cases, comply with Part 2 of *Regulation 81-102 respecting Investment Funds*, CQLR, c. V-1.1, r. 39 (**Regulation 81-102**);

"Member" means a current or former employee of an employer, or a person who belongs, or did belong, to a trade union or association or:

- (a) his or her spouse;
- (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or
- (c) his or her holding entity, or a holding entity of his or her spouse,

that has assets in a Plan, and includes a person that is eligible to participate in a Plan;

“**Non-Blanket Order Jurisdictions**” means Québec, Ontario, Newfoundland and Labrador, Nunavut and the Yukon;

“**Non-Tax Assisted Plan**” means an investment or savings plan that meets the definition of a CAP in the CAP Guidelines and that is administered in accordance with the CAP Guidelines, but for the fact that it is non-tax assisted;

“**Plan Sponsor**” means any employer, board of trustees, trade union or association that has established a Plan or the administrator or a service provider that has been appointed to administer a Plan or any combination of these entities, which uses the services of the Filer in respect of such Plan;

“**Plans**” means, depending on the context in which it is used, collectively, CAPs, Non-Tax Assisted Plans or both, and a “**Plan**” means any one of them; and

“**Proposed CAP Exemption**” means exemptions relating to CAPs which were published by the Canadian Securities Administrators (the “**CSA**”) on October 21, 2005 in proposed amendments to *Regulation 45-106 respecting Prospectus Exemptions*, CQLR, V-1.1, r. 21 (formerly *Regulation 45-106 respecting Prospectus and Registration Exemptions*).

Representations

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

General

1. The Filer is a Schedule I Canadian chartered bank incorporated under the *Bank Act* (Canada) S.C. 1991, c.46 (the **Bank Act**). The head office of the Filer is located in Montreal, Quebec. The Filer is not registered as a dealer, advisor or investment fund manager under the securities legislation of any jurisdiction or province or territory of Canada.
2. The Filer is not in default of any of the requirements of the Legislation.
3. The Filer proposes to launch a service offering which provides an integrated, digital solution to sponsors of defined contribution pension plans and other types of retirement plans and their members (collectively, **RBC Group Advantage Plan Services**).
4. RBC Group Advantage Plan Services will enable Plan Sponsors to design Plans which offer Members the opportunity to invest in one or more Funds. The Funds may include exchange-traded funds, conventional mutual funds which are qualified by prospectus for distribution to the public and private mutual funds which are offered pursuant to exemptions from the prospectus requirement, provided that such private mutual funds comply with the investment restrictions set out in Part 2 of Regulation 81-102. Initially, the Filer expects that all Funds offered to Members will be managed by a registered affiliate of the Filer; however, Funds managed by registered unaffiliated managers may be offered in the future.
5. RBC Group Advantage Plan Services will offer recordkeeping of Member data, as well as transaction processing in respect of Member accounts, production and delivery of Member statements as required under pension standards legislation and/or the applicable recordkeeping agreement, services for processing changes to Member accounts such as termination, death, retirement or a change in marital status and related services.
6. The Filer will not be primarily responsible for the design of any particular Plan. However, RBC Group Advantage Plan Services will make document templates available to Plan Sponsors which have been pre-approved by the Canada Revenue Agency to assist Plan Sponsors with Plan design.
7. The Filer will not provide investment advice to Plan Sponsors or select investments for Plans. The Filer will provide information to Plan Sponsors about the group of Funds which the Plan Sponsor may make available for investment through its Plan. Each Plan Sponsor will ultimately decide whether to offer the Funds for investment through its Plan.
8. Generally, Members will enrol in Plans/open accounts and select Funds for investment through an online portal provided by RBC Group Advantage Plan Services (each, a **Portal**). On the Portal, investment decision-making tools will be available to Members to assist them to select Funds and make related investment decisions within the Plan, including, but not limited to, generic asset allocation models, retirement planning tools, calculators and projection tools to help Member determine contribution levels and project future balances.

9. The Filer will provide trade execution services in respect of the Funds through its executing agent, The Royal Trust Company.
10. The Filer will be a selling agent of all Funds offered through RBC Group Advantage Plan Services.
11. The Filer is permitted to trade in the securities of the Funds with Plans and their Members under the *Securities Dealing Restrictions (Banks) Regulations* made under section 415 of the Bank Act.
12. The Filer will not provide investment advice to Members or engage in discretionary decision making for Member accounts.
13. Once a Member has selected one or more Funds for investment on the Portal, order instructions will be transmitted automatically to the Filer, and the Filer or its affiliate will execute such instructions directly with the Funds (which would include the execution of orders on the relevant stock exchange for Funds that are exchange traded).

Proposed CAP Exemption and CAP Blanket Exemption

14. The Filer has not applied for the Filer Dealer Registration Relief in Ontario because it is exempt from the registration requirement pursuant to subsection 35.1(1) of the *Securities Act* (Ontario). As a result, the Filer will not be receiving a decision about the Filer Dealer Registration Relief from the regulator in Ontario.
15. The Filer, the Plan Sponsors and the Funds intend to trade within Plans and/or to Members in accordance with the conditions set out in the Proposed CAP Exemption and adopted in the form of the CAP Blanket Exemption in all jurisdictions of Canada, other than the Non-Blanket Order Jurisdictions. The Proposed CAP Exemption and the CAP Blanket Exemption contemplate both dealer registration and prospectus exemptions, where required.
16. Though no equivalent to the CAP Blanket Exemption has been adopted in the Non-Blanket Order Jurisdictions, CSA Notice Request for Comment on Proposed Exemptions for Certain Capital Accumulation Plans published on October 21, 2005 (*Supplément du Bulletin de l'Autorité des marchés financiers*, vol. 2, no 42) states that, in Ontario and Quebec, the conditions described in the Proposed CAP Exemption will be used as template of standard conditions and terms of relief for applicants who apply for an exemption from the registration or prospectus requirements in connection with trades in mutual fund securities to a CAP.

Non-Tax Assisted Plan Exemption

17. The Filer desires to provide similar services to Plan Sponsors in respect of Non-Tax Assisted CAPs, to those it provides to Plan Sponsors in respect of CAPs, including trading in the Funds as part of its administrative services.
18. Some Plan Sponsors seek to offer Members the opportunity to invest in Non-Tax Assisted Plans that would not constitute CAPs, as defined in the CAP Guidelines, the Proposed CAP Exemption or the CAP Blanket Exemption. Such Non-Tax Assisted Plans may include non-registered employee saving plans, which are non-registered savings plans to which excess contributions to a CAP are directed, and certain other non-registered accounts.
19. Non-Tax Assisted Plans are often established in conjunction with CAPs because Canadian tax legislation imposes a limit on the amounts that may be contributed to a CAP. The benefit formula under a Plan Sponsor's benefit program sometimes results in contributions that exceed that tax limit. Non-Tax Assisted Plans allow for those excess contributions to be invested in the same manner as the tax assisted contributions. These excess contributions are not expected to be significant and will be limited by the calculation set out in Condition 1.U) of this decision and subject to the remaining conditions set out in this decision.
20. Non-Tax Assisted Plans operate in the same manner as tax assisted CAPs in terms of the relationship between Members and Plan Sponsors, and the duties, rights and responsibilities of Members and Plan Sponsors and the services that the Filer will provide. The only significant difference between the two types of Plans is the tax assisted nature of one and not the other.
21. Each Member of a Non-Tax Assisted Plan of a Plan Sponsor that is serviced by the Filer will also be a member of the Plan Sponsor's CAP.
22. The Filer will provide services to the Non-Tax Assisted Plans in accordance with the CAP Guidelines and, in a

similar manner to the related CAPs for the applicable Members. The Filer will provide services to only those Non-Tax Assisted Plans which originate out of Plan Sponsor's CAPs for which the Filer provides services.

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:

1. for the Dealer Registration Relief:
 - (a) the Plan Sponsor selects the Funds that Members will be able to invest in under the Plans;
 - (b) the Plan Sponsor establishes a policy, and provides Members with a copy of the policy and any amendments to it, describing what happens if a Member does not select a Fund;
 - (c) in addition to any other information that the Plan Sponsor believes is reasonably necessary for a Member to make an investment decision within the Plan, and unless that information has previously been provided, the Plan Sponsor provides the Member with the following information about each Fund the Member may invest in:
 - (i) the name of the Fund;
 - (ii) the name of the manager of the Fund and its portfolio adviser;
 - (iii) the fundamental investment objective of the Fund;
 - (iv) the investment strategies of the Fund or the types of investments the Fund may hold;
 - (v) a description of the risks associated with investing in the Fund;
 - (vi) where a Member can obtain more information about each Fund's portfolio holdings; and
 - (vii) where a Member can obtain more information generally about each Fund, including any continuous disclosure;
 - (d) the Plan Sponsor provides Members with a description and amount of any fees, expenses and penalties relating to the Plan that are borne by Members, including:
 - (i) any costs that must be paid when a Fund is bought or sold;
 - (ii) costs associated with accessing or using any of the investment information and decision-making tools provided by the Plan Sponsor;
 - (iii) the management fees paid by the Funds, if any;
 - (iv) the operating expenses paid by the Funds;
 - (v) recordkeeping fees;
 - (vi) any costs for transferring among investment options, including penalties, book and market value adjustments and tax consequences;
 - (vii) account fees; and
 - (viii) fees for services provided by the Filer, or other service providers;
- which fees, penalties and expenses may be disclosed on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Member;
- (e) the Plan Sponsor has, within the past year, provided the Members with performance information

about each Fund or class or series of Fund securities the Members may invest in, including:

- (i) the name of the Fund for which the performance is being reported;
 - (ii) the performance of the mutual fund, including historical performance for one, three, five and ten years if available;
 - (iii) a performance calculation that is net of investment management fees and Fund expenses;
 - (iv) the method used to calculate the Fund's performance return calculation, and information about where a Member could obtain a more detailed explanation of that method;
 - (v) the name and description of a broad-based securities market index, selected in accordance with *Regulation 81-106 respecting Investment Fund Continuous Disclosure*, CQLR, c. V-1.1, r. 42, for the Fund, and corresponding performance information for that index; and
 - (vi) a statement that past performance of the Fund is not necessarily an indication of future performance;
- (f) the Plan Sponsor has, within the past year, informed Members if there were any changes in the choice of mutual funds that Members could invest in and where there was a change, provided information about what Members needed to do to change their investment decision, or make a new investment;
- (g) the Plan Sponsor provides Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the Plan;
- (h) the Plan Sponsor must provide the information required by paragraphs (b), (c), (d) and (g) prior to the Member making an investment decision under the Plan;
- (i) if the Plan Sponsor makes investment advice from a registrant available to Members, the Plan Sponsor must provide Members with information about how they can contact the registrant; and
- (j) the maximum amount that may be contributed in respect of a Member to a Non-Tax- Assisted Plan in a given year is limited to any positive difference between:
- (i) the maximum amount contributable for that year to the applicable CAP under its terms; and
 - (ii) the maximum dollar limit provided in the *Income Tax Act (Canada)* (the **ITA**) for the applicable CAP,

provided that this maximum amount that may be contributed in respect of a Member to the Non-Tax-Assisted Plan in a given year shall not exceed an amount equal to the "money purchase limit", as defined in the ITA, for the year.

In this paragraph j), the amount determined under subparagraph (i) shall be no more than 18% of the Member's "earned income" as defined in the ITA.

In this paragraph j), the "maximum dollar limit" means each of the following:

- (A) the "money purchase limit" as defined in the ITA (in the case where the applicable CAP is a DCPP);
- (B) the "RRSP dollar limit" as defined in the ITA (in the case where the applicable CAP is an RRSP);
- (C) one-half of the "money purchase limit" (in the case where the applicable CAP is a DPSP); and
- (D) any applicable maximum fixed dollar contribution prescribed under the ITA (in the case of any other type of CAP);

2. for the Prospectus Relief:
 - (a) the conditions set forth in condition 1 above are met;
 - (b) each of the Funds complies with Part 2 of Regulation 81-102; and
 - (c) where a Member chooses to invest in a Fund offered by prospectus selected by the Plan Sponsor as an investment option for a Non-Tax-Assisted Plan, one or more of the following, as applicable, will be made available upon demand to the Member:
 - (i) the current prospectus of the Fund;
 - (ii) Fund Facts document; or
 - (iii) a summary disclosure document or exchange-traded mutual fund facts document;
3. before a Fund first relies on this decision, the Fund must file a notice in the form found in Appendix C of the Proposed CAP Exemption in each jurisdiction or province or territory of Canada in which the Fund expects to distribute its securities;
4. this Decision, as it relates to the Dealer Registration Relief will terminate upon the coming into force in the securities legislation of an exemption from the dealer registration requirement for trades in a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to create such an exemption;
5. this Decision, as it relates to the Prospectus Relief will terminate upon the coming into force in securities legislation of an exemption from the prospectus requirement for the distribution of a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to create such an exemption.

Hugo Lacroix
Superintendent (interim)
Securities Markets

2.2 Orders

2.2.1 Sentry Investments Inc. and Sean Driscoll – s. 144

File No. 2019-33

IN THE MATTER OF
SENTRY INVESTMENTS INC. and
SEAN DRISCOLL

Lawrence P. Haber, Commissioner and Chair of the Panel

September 20, 2019

ORDER
Section 144 of the *Securities Act*, RSO 1990, c. S.5

WHEREAS the Ontario Securities Commission held a hearing in writing to consider an application made by CI Investments Inc. (CI), to vary the terms of an order issued by the Commission on April 5, 2017 (the **Order**) relating to a Settlement Agreement entered into on March 31, 2017, among the parties to this matter (the **Application**);

ON READING the Application dated August 23, 2019, and considering the Affidavit of Anne Ramsay dated August 22, 2019, including that Sentry was amalgamated with CI on June 1, 2018, and on reading that Staff of the Commission consents to the Application and Sean Driscoll does not oppose the Application;

IT IS ORDERED THAT:

1. paragraph 3(a) of the Order is removed; and
2. clauses are added at the end of the Order to read:
 5. CI Investments Inc. (“CI”) shall:
 - a. cause the Consultant to submit by December 31, 2019 a letter (the “Attestation Letter”), expressing its conclusions on whether the revised internal controls, policies and procedures relating to sales practices set out in the Plan (as have now been incorporated into CI’s internal controls, policies and procedures) were working appropriately and adequately followed, administered and enforced for the 9-month period commencing July 1, 2018;
 - b. cause the Consultant to submit by December 31, 2019, a letter (the “Transition Letter”) expressing its conclusions on whether the transition of the Sentry Funds to CI occurred without error and whether the functions related to transfer agency, fund accounting and trust accounting have been fully integrated into CI;
 - c. cause the Consultant to include with the Attestation Letter and the Transition Letter (collectively, the “Letters”) a description of the testing performed to support the conclusions contained in each of the respective Letters;
 - d. cause the Consultant to submit such additional reports as may be requested by the OSC Manager for the purpose of satisfying the OSC Manager that the conclusions expressed in the Letters are valid; and
 - e. provide the Consultant with reasonable access to all of CI’s books and records necessary to complete its mandates and shall require its officers, directors and employees to cooperate fully with the Consultant with respect to its work.
 6. CI authorizes the Consultant to communicate with Staff about its work in relation to the Letters without restriction.

“Lawrence P. Haber”

2.2.2 Sean Daley et al. – ss. 127(8), 127(1)

FILE NO.: 2019-28

**IN THE MATTER OF
SEAN DALEY; and
SEAN DALEY carrying on business as
the ASCENSION FOUNDATION,
OTO.Money, SilentVault, and
CryptoWealth;
WEALTH DISTRIBUTED CORP.;
CYBERVISION MMX INC.;
KEVIN WILKERSON; and
AUG ENTERPRISES INC.**

D. Grant Vingoe, Vice-Chair and Chair of the Panel

September 24, 2019

**ORDER
(Subsection 127(8) and 127(1) of *Securities Act*, RSO 1990 c. S.5)**

WHEREAS the Ontario Securities Commission held a hearing on September 24, 2019 to consider a motion by staff of the Commission (**Staff**) to further extend a temporary order dated August 6, 2019 (the **Temporary Order**) against Sean Daley; Sean Daley carrying on business as Ascension Foundation, OTO.Money, SilentVault and Cryptowealth; Wealth Distributed Corp.; Cybervision MMX Inc.; Kevin Wilkerson or Aug Enterprises Inc. (together, the **Respondents**);

ON READING the motion filed by Staff, and on hearing the submissions of the representatives for Staff and Sean Daley appearing on his own behalf, and no one appearing on behalf of the remaining Respondents, although properly served, and on considering the consent of Sean Daley to extend the Temporary Order;

IT IS ORDERED that the Temporary Order is extended until November 8, 2019.

“D. Grant Vingoe

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
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Beleave Inc.	06 August 2019	
CannTrust Holdings Inc.	15 August 2019	
BetterU Education Corp.	02 August 2019	

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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

INVESTMENT FUNDS

Issuer Name:

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated September 18, 2019
Received on September 19, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

N/A

Project #2889290

Issuer Name:

IPC ESG Balanced Essentials Portfolio (formerly, Counsel Balanced Growth Portfolio)
Counsel High Income Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #5 to Final Simplified Prospectus dated September 13, 2019
NP 11-202 Receipt dated September 18, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2818942

Issuer Name:

First Trust Short Duration High Yield Bond ETF (CAD-Hedged)
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated September 18, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

N/A

Project #2889290

Issuer Name:

iShares Core S&P 500 Index ETF
iShares Core S&P U.S. Total Market Index ETF
iShares Core MSCI EAFE IMI Index ETF
iShares Core MSCI Emerging Markets IMI Index ETF
iShares Core MSCI All Country World ex Canada Index ETF
iShares Core MSCI US Quality Dividend Index ETF
iShares Core MSCI Global Quality Dividend Index ETF
iShares S&P U.S. Mid-Cap Index ETF
iShares Edge MSCI Min Vol USA Index ETF
iShares Edge MSCI Multifactor USA Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated September 16, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BlackRock Asset Management Canada Limited

Promoter(s):

N/A

Project #2878215

Issuer Name:

TD Active Global Income ETF
TD Active Global Real Estate Equity ETF
TD Active U.S. High Yield Bond ETF
TD Canadian Long Term Federal Bond ETF
TD Income Builder ETF
TD Q Canadian Dividend ETF
TD Q Global Dividend ETF
TD Q Global Multifactor ETF
TD Q U.S. Small-Mid-Cap Equity ETF
TD U.S. Long Term Treasury Bond ETF
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated Sep 19, 2019
NP 11-202 Preliminary Receipt dated Sep 19, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2968330

Issuer Name:

Counsel Balanced Growth Portfolio
IPC Balanced Essentials Portfolio
IPC Growth Essentials Portfolio
IPC Income Essentials Portfolio
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified
Prospectus dated Sep 17, 2019
NP 11-202 Final Receipt dated Sep 23, 2019

Offering Price and Description:

Series F Securities, Series A Securities and Series I
Securities

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2949063

Issuer Name:

Mulvihill Premium Yield Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus, Annual Information
Form and Fund Facts (NI 81-101) dated Sep 18, 2019
NP 11-202 Final Receipt dated Sep 20, 2019

Offering Price and Description:

Class UF mutual fund units, Class F mutual fund units,
Class A mutual fund units and Class UA mutual fund units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2934060

Issuer Name:

DFA World Equity Portfolio
Principal Regulator – British Columbia

Type and Date:

Preliminary Simplified Prospectus dated Sep 19, 2019
NP 11-202 Preliminary Receipt dated Sep 19, 2019

Offering Price and Description:

Class F Units, Class I Units and Class A Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2968387

Issuer Name:

CI Lawrence Park Alternative Investment Grade Credit
Fund
CI Marret Alternative Absolute Return Bond Fund
CI Munro Alternative Global Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to the Simplified Prospectus dated
September 17, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

Class A units, Class AH units, Class F units, Class FH
units, Class I units, Class IH Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2899088

Issuer Name:

Mackenzie Canadian Aggregate Bond Index ETF
Mackenzie Canadian All Corporate Bond Index ETF
Mackenzie Canadian Equity Index ETF
Mackenzie Canadian Large Cap Equity Index ETF
Mackenzie Canadian Short-Term Bond Index ETF
Mackenzie China A-Shares CSI 300 Index ETF
Mackenzie International Equity Index ETF
Mackenzie International Equity Index ETF
Mackenzie US High Yield Bond Index ETF
Mackenzie US Investment Grade Corporate Bond Index
ETF
Mackenzie US Large Cap Equity Index ETF
Mackenzie US Large Cap Equity Index ETF
Mackenzie US TIPS Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to the Long Form Prospectus dated
September 20, 2019
NP 11-202 Receipt dated September 23, 2019

Offering Price and Description:

CAD-Hedged

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2922728

Issuer Name:

IA Clarington Floating Rate Income Fund
IA Clarington Strategic Income Fund
IA Clarington Focused Canadian Equity Class
IA Clarington Strategic Equity Income Class
IA Clarington Global Allocation Fund
IA Clarington Global Allocation Class
IA Clarington Balanced Portfolio
IA Clarington Conservative Portfolio
IA Clarington Growth Portfolio
IA Clarington Maximum Growth Portfolio
IA Clarington Moderate Portfolio
Principal Regulator - Quebec

Type and Date:

Amendment #1 to the Simplified Prospectus dated
September 9, 2019
NP 11-202 Receipt dated September 17, 2019

Offering Price and Description:

Series A, B, B5, E, E5, E6, EF, EX, EX5, EX6, F, F5, F6,
F8, I, L, L5, L6, L8, O, P, P5, P6, T5, T6, T8, Y and Series
ETF

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2911271

NON-INVESTMENT FUNDS

Issuer Name:

AltaGas Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Shelf Prospectus dated September 18, 2019
NP 11-202 Receipt dated September 19, 2019

Offering Price and Description:

\$2,000,000,000.00 - Common Shares, Preferred Shares,
Subscription Receipts, Debt Securities, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2968229

Issuer Name:

AMV Capital Corporation
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated September 13, 2019
NP 11-202 Receipt dated September 17, 2019

Offering Price and Description:

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

Price Per Share: \$0.10

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation

Promoter(s):

Qiang Sean Wang

Project #2950107

Issuer Name:

Antalis Ventures Corp.
Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated September 17, 2019
NP 11-202 Receipt dated September 18, 2019

Offering Price and Description:

\$300,000.00 - 3,000,000 OFFERED SHARES

Price: \$0.10 per Offered Share

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.

Promoter(s):

-

Project #2964359

Issuer Name:

Appili Therapeutics Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Shelf Prospectus dated September 19, 2019
NP 11-202 Receipt dated September 19, 2019

Offering Price and Description:

\$50,000,000.00 - Class A Common Shares, Class B
Common Shares, Preferred Shares, Warrants, Units,
Subscription Receipts, Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2966189

Issuer Name:

Cenovus Energy Inc.
Principal Regulator - Alberta

Type and Date:

Final Shelf Prospectus dated September 19, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

US\$5,000,000,000

Debt Securities

Common Shares

Preferred Shares

Subscription Receipts

Warrants

Share Purchase Contracts

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2966244

Issuer Name:

Chemtrade Logistics Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 23, 2019
NP 11-202 Receipt dated September 23, 2019

Offering Price and Description:

\$100,000,000.00 - 6.50% Convertible Unsecured
Subordinated Debentures

Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

RBC DOMINION SECURITIES INC.

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

TD SECURITIES INC.

DESJARDINS SECURITIES INC.

RAYMOND JAMES LTD.

Promoter(s):

-

Project #2966211

Issuer Name:

Evergold Corp.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 16, 2019
NP 11-202 Receipt dated September 19, 2019

Offering Price and Description:

Minimum Public Offering of 13,304,370 Offered Units for
Gross Proceeds of \$2,660,874
Maximum Public Offering of 15,000,000 Offered Units for
Gross Proceeds of \$3,000,000
Price: \$0.20 per Unit

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.

Promoter(s):

Kevin M. Keough
Charles J. Greig
P. Alexander Walcott
Project #2939482

Issuer Name:

First Responder Technologies Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated September 18,
2019

NP 11-202 Preliminary Receipt dated September 19, 2019

Offering Price and Description:

Minimum Public Offering: \$3,500,000.00 / 10,000,000 Units
Maximum Public Offering: \$7,000,000.00 / 20,000,000
Units

Price: C\$0.35 per Unit

Underwriter(s) or Distributor(s):

PI FINANCIAL CORP.

Promoter(s):

Kulwant Malhi
Project #2968468

Issuer Name:

Franchise Holdings International, Inc.

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated September 23, 2019

(Preliminary) Receipted on September 23, 2019

Offering Price and Description:

No securities are being offered pursuant to this amended
and restated preliminary prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Steven Rossi
Project #2934087

Issuer Name:

Harte Gold Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 17,
2019

NP 11-202 Preliminary Receipt dated September 17, 2019

Offering Price and Description:

\$6,000,000.00 - 20,000,000 Flow-Through Shares
Price: C\$0.30 per Flow-Through Share

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.

Promoter(s):

-

Project #2967781

Issuer Name:

Loblaw Companies Limited
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated September 19, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

\$2,000,000,000.00 - Debentures (unsecured) Second
Preferred Shares, Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2963827

Issuer Name:

Martello Technologies Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 20, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

\$3,999,999.90.00 - 13,333,333 Common Shares

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

CIBC World Markets Inc.

PI Financial Corp.

Promoter(s):

-

Project #2966765

Issuer Name:

Northview Apartment Real Estate Investment Trust
Principal Regulator - Alberta

Type and Date:

Final Shelf Prospectus dated September 20, 2019
NP 11-202 Receipt dated September 20, 2019

Offering Price and Description:

\$750,000,000.00 - Units, Debt Securities, Subscription
Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2966752

Issuer Name:

Royal Nickel Corporation dba as RNC Minerals
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 17, 2019
NP 11-202 Receipt dated September 17, 2019

Offering Price and Description:

\$18,000,000.00 - 45,000,000 Units
Price: C\$0.40 per Offered Unit

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.
CIBC WORLD MARKETS INC.

Promoter(s):

-

Project #2956735

Issuer Name:

Titan Medical Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 23, 2019
NP 11-202 Preliminary Receipt dated September 23, 2019

Offering Price and Description:

Minimum: US \$18,000,000.00 ([*] Units)
Maximum: US \$22,000,000.00 ([*] Units)
Price: US \$[*.*] per Unit

Underwriter(s) or Distributor(s):

BLOOM BURTON SECURITIES INC.

Promoter(s):

-

Project #2969015

Issuer Name:

Trisura Group Ltd.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 18, 2019
NP 11-202 Receipt dated September 18, 2019

Offering Price and Description:

\$40,022,400.00 - 1,516,000 Common Shares
Price: \$26.40 per Offered Share

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.
BMO NESBITT BURNS INC
CIBC WORLD MARKETS INC.
GMP SECURITIES L.P.
TD SECURITIES INC.
BFIN SECURITIES LP
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.

Promoter(s):

-

Project #2964797

Issuer Name:

WeedMD Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 18, 2019
NP 11-202 Receipt dated September 18, 2019

Offering Price and Description:

\$12,000,000 8.5% Unsecured Convertible Debenture Units
PRICE: \$1,000 per Convertible Debenture Unit

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION
HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #2966106

Issuer Name:

Wikileaf Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 16, 2019
NP 11-202 Receipt dated September 19, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Daniel Nelson
Manoj Hippola
Charles Rifici
Project #2922728

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
THERE IS NOTHING TO REPORT THIS WEEK.			

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 MFDA – Continuing Education Requirements for MFDA Members and their Approved Persons – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

CONTINUING EDUCATION REQUIREMENTS FOR MFDA MEMBERS AND THEIR APPROVED PERSONS

The Ontario Securities Commission (**Commission**) has approved proposed MFDA Rules 1.2 (Definitions) and 1.2.6 (Continuing Education), and proposed MFDA Policy No. 9 – *Continuing Education (CE) Requirements*. The rules and policy establish continuing education (**CE**) requirements for MFDA members and their approved persons, and minimum standards for complying with these requirements to assist approved persons with maintaining high standards of professionalism, and keeping their industry knowledge current.

The proposed rules and policy were published for public comment on March 22, 2018. Fifteen comment letters were received. The MFDA has made non-substantive changes to the rules and policy as published in 2018 in response to the comments received. A summary of the public comments and the MFDA's responses, as well as a blacklined copy of the proposed rules and policy showing changes made to the version published for comment can be found at <http://osc.gov.on.ca>. The rules and policy will be effective on a date to be subsequently determined by the MFDA.

Pursuant to Schedule A, section 12(H) of the MFDA's current recognition order, the Commission will require that the MFDA provide the following additional reporting relating to the MFDA's CE Reporting and Tracking System (**Tracking System**):

- (1) Prompt notification if and when it becomes evident that the development costs of the Tracking System will materially exceed the budgeted amount approved by the MFDA's Board of Directors.
- (2) Prompt notification if and when it becomes evident that the Tracking System will not become available to intended end users within the timeline approved by the MFDA's Board of Directors.
- (3) On a quarterly basis, details of any outreach which the MFDA has conducted with intended end users (including, but not limited to, accreditation providers) in regard to the development of the Tracking System.
- (4) On a biennial basis, a report prepared by a qualified party in accordance with established audit standards which provides details of a review designed to ensure that the Tracking System has an adequate system of internal controls (including, but not limited to, integration into the MFDA business continuity and disaster recovery plans). The MFDA shall discuss the choice of the qualified party and scope of the review with the Commission before finalizing any engagement.

In addition, the British Columbia Securities Commission; the Alberta Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Nova Scotia Securities Commission; the Office of the Superintendent of Securities, Service Newfoundland and Labrador; and the Prince Edward Island Office of the Superintendent of Securities Office have either not objected to or have approved the rules and policy.

13.2 Marketplaces

13.2.1 Canadian Securities Exchange – System Functionality – Closing Price Session – Notice of Approval

CANADIAN SECURITIES EXCHANGE

NOTICE OF APPROVAL

SYSTEM FUNCTIONALITY – CLOSING PRICE SESSION

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, CNSX Markets Inc. ("CSE") has proposed, and the Ontario Securities Commission has approved significant changes to the CSE trading system.

On August 8th, 2019 the CSE published *Notice 2019-003 – Amendments to Trading System Functionality & Features – Request for Comment* with respect to the introduction of a closing price trading session on the CSE and a related order type, the Closing Price Session Cross.

The comment period expired September 10, 2019. CSE did not receive any public comments regarding these proposed changes.

IMPLEMENTATION

The Closing Price Session will be launched during Q1 2020.

Questions about this notice may be directed to:

Mark Faulkner, Vice President Listings & Regulation,
Mark.Faulkner@thecse.com, or 416-367-7341

Index

Ascension Foundation	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
AUG Enterprises Inc.	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Beleave Inc.	
Cease Trading Order	7811
BetterU Education Corp.	
Cease Trading Order	7811
Canadian Securities Exchange	
Marketplaces – System Functionality – Closing Price Session – Notice of Approval	7886
CannTrust Holdings Inc.	
Cease Trading Order	7811
CryptoWealth	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Cybervision MMX Inc.	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Daley, Sean	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Digital Consumer Dividend Fund	
Decision	7799
Driscoll, Sean	
Notice from the Office of the Secretary	7783
Order – s. 144	7809
Emera Incorporated	
Decision	7793
J.P. Morgan Securities Canada Inc.	
Decision	7793
Mackenzie China Bond Fund	
Decision	7785
Mackenzie Financial Corporation	
Decision	7785
MFDA	
SROs – Continuing Education Requirements for MFDA Members and their Approved Persons – Notice of Commission Approval	7885
Ninepoint Partners LP	
Decision	7789
OTO.Money	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Performance Sports Group Ltd.	
Cease Trading Order	7811
RBC Dominion Securities Inc.	
Decision	7793
Royal Bank of Canada	
Decision	7802
Scotia Capital Inc.	
Decision	7793
Sentry Investments Inc.	
Notice from the Office of the Secretary	7783
Order – s. 144	7809
SilentVault	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Wealth Distributed Corp.	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810
Wilkerson, Kevin	
Notice from the Office of the Secretary	7783
Temporary Order – ss. 127(8), 127(1)	7810

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