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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Chapter 1

Notices / News Releases

1.2 Notices of Hearing

1.2.1 Ronald James Ovenden et al. – s. 127

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

AND

IN THE MATTER OF
RONALD JAMES OVENDEN,
NEW SOLUTIONS CAPITAL INC., NEW SOLUTIONS FINANCIAL CORPORATION AND NEW SOLUTIONS FINANCIAL (II) CORPORATION

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE COMMISSION, RONALD JAMES OVENDEN AND NEW SOLUTIONS CAPITAL INC.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto on the 25th day of April, 2014 at 11:00 a.m., or as soon thereafter as the hearing can be held.

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest to approve the settlement agreement dated April 2, 2014 between Staff of the Commission ("Staff"), Ronald James Ovenden and New Solutions Capital Inc.;

BY REASON OF the allegations as set out in the Statement of Allegations of Staff dated March 28, 2013 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 9th day of April, 2014.

"Josée Turcotte"
Acting Secretary to the Commission

1.2.2 Issam El-Bouji et al. – ss. 127 and 127.1

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

AND

IN THE MATTER OF
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Wednesday, April 16, 2014 at 2:30 p.m., or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether: (a) it is in the public interest to approve the settlement agreement between Staff of the Commission and the Respondents Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh (the "Respondents"); and (b) make such other order as the Commission may consider appropriate;

BY REASON OF the allegations as set out in the Statement of Allegations dated January 10, 2013 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing; and

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceedings.

DATED at Toronto this 15th day of April, 2014.

"Josée Turcotte"
Acting Secretary to the Commission

TO: Issam El-Bouji,
Global RESP Corporation,
Global Growth Assets Inc.,
Global Educational Trust Foundation
Margaret Singh

c/o Counsel for the Respondents
Robert Brush
Crawley, MacKewn, Brush LLP
Suite 800
179 John Street
Toronto, ON
M5T 1X4

1.4 Notices from the Office of the Secretary

1.4.1 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
April 9, 2014

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

AND

IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING,
SANTO IACONO, JOSEPHINE RAPONI,
KIMBERLEY STEPHANY, HENRY FIORILLO,
GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA,
IAN TELFER, JACOB GORNITZKI AND
POLLEN SERVICES LIMITED

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. The Respondents' written closing submissions for the Merits Hearing shall be filed and served electronically by April 15, 2014 at 4:00 p.m.;

2. Staff is permitted to electronically serve and file a version of their written closing submissions that is hyper-linked directly to the evidentiary record and that makes minor corrections, by April 15, 2014 at 4:00 p.m.; and

3. Staff shall serve and file a black-lined copy of their written closing submissions, which indicates the minor corrections made to their original submissions, by April 15, 2014 at 4:00 p.m.

A copy of the Order dated April 9, 2014 is available at www.osc.gov.on.ca.

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1.4.2 Global RESP Corporation and Global Growth Assets Inc.

FOR IMMEDIATE RELEASE
April 9, 2014

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

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.

TORONTO – The Commission issued an Order in the above named matter pursuant to section 127 of the Act which provides that the hearing is adjourned to April 24, 2014 at 9:00 a.m.

A copy of the Order dated April 7, 2014 is available at www.osc.gov.on.ca.

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1.4.3 Ronald James Ovenden et al.

FOR IMMEDIATE RELEASE
April 9, 2014

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

AND

IN THE MATTER OF
RONALD JAMES OVENDEN,
NEW SOLUTIONS CAPITAL INC.,
NEW SOLUTIONS FINANCIAL CORPORATION AND
NEW SOLUTIONS FINANCIAL (II) CORPORATION

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE COMMISSION,
RONALD JAMES OVENDEN AND
NEW SOLUTIONS CAPITAL INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff of the Commission, Ronald James Ovenden and New Solutions Capital Inc. in the above named matter.

The hearing will be held on April 25, 2014 at 11:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 9, 2014 is available at www.osc.gov.on.ca.

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1.4.4 Issam El-Bouji et al.

FOR IMMEDIATE RELEASE
April 11, 2014

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

AND

IN THE MATTER OF
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing dates scheduled for April 14, 15, 16 and 17, 2014 be vacated and that the hearing in this matter shall commence on April 21, 2014 at 10:00 a.m. and shall continue on April 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.

A copy of the Order dated April 11, 2014 is available at www.osc.gov.on.ca.

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1.4.5 Fawad Ul Haq Khan and Khan Trading Associates Inc. c.o.b. as Money Plus

FOR IMMEDIATE RELEASE
April 14, 2014

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED

AND

IN THE MATTER OF
FAWAD UL HAQ KHAN AND
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS

TORONTO – The Commission issued an Order in the above named matter with certain provisions. The Hearing on the Merits is scheduled to commence on May 5, 2014.

A copy of the Order dated April 10, 2014 is available at www.osc.gov.on.ca.

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1.4.6 Issam El-Bouji et al.

FOR IMMEDIATE RELEASE
April 15, 2014

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

AND

IN THE MATTER OF
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff of the Commission and the Respondents Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh in the above named matter.

The hearing will be held on April 16, 2014 at 2:30 p.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 15, 2014 is available at www.osc.gov.on.ca.

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1.4.7 Pro-Financial Asset Management Inc.

FOR IMMEDIATE RELEASE
April 14, 2014

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.

TORONTO – The Commission issued an Order in the above named matter with certain provisions. The Temporary Order is extended to April 21, 2014. The hearing is adjourned to April 17, 2014 at 11:00 a.m. to argue the Third Lapse Date Extension Request.

A copy of the Order dated April 14, 2014 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 et al.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from section 2.1(1) of National Instrument 81-102 – Mutual Funds to permit global bond mutual funds to invest more than 10 percent of net assets in debt securities issued by a foreign government or supranational agency subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 – Mutual Funds, sections 2.1(1) and 19.1.

April 3, 2014

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 GLOBAL TACTICAL BOND FUND AND
MACKENZIE GLOBAL DIVERSIFIED INCOME FUND
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption (the **Requested Relief**), pursuant to section 19.1 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) from subsection 2.1(1) of NI 81-102 (the **Concentration Restriction**) to permit each Fund to invest up to:

(a) 20% of the Fund's net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America and are rated “AA” by Standard & Poor’s (**S&P**), or have an equivalent rating by one or more other designated rating organizations; and

(b) 35% of the Fund's net asset value at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or

governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America and are rated "AAA" by S&P, or have an equivalent rating by one or more other designated rating organizations.

(such evidences of indebtedness are collectively referred to as **Foreign Government Securities**)

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 is, or will be, the manager, trustee and portfolio manager of the Funds

4. Each Fund is, or will be, an open-ended mutual fund trust established under the laws of Ontario.

5. Securities of the Funds are, or will be, offered by simplified prospectus filed in all of the provinces and territories in Canada and, accordingly each Fund is, or will be, a reporting issuer in one or more provinces and territories of Canada, In the case of Mackenzie Global Tactical Bond Fund, a preliminary simplified prospectus was filed for the Fund via SEDAR in all the provinces and territories on March 5, 2014 (the **"Tactical Bond Simplified Prospectus"**).

6. The Filer and the Funds are not in default of securities legislation in any jurisdiction of Canada.

7. Mackenzie Global Tactical Bond Fund's investment objective is expected to be substantially as follows: "The Fund aims to generate income by investing primarily in a diversified portfolio of fixed-income securities issued by companies or governments of any size, anywhere in the world. The Fund also seeks to achieve long-term capital growth by investing in fixed-income securities and other investments."

8. To achieve the investment objective of Mackenzie Global Tactical Bond Fund, it is expected that the investment team will employ a flexible approach, allocating assets across credit quality, structures, sectors, currencies and countries. The Fund can invest in all types of fixed-income securities from around the world.

9. As part of its investment strategies, Mackenzie Global Tactical Bond Fund's portfolio managers would like to invest a portion of its assets in Foreign Government Securities.

10. Mackenzie Global Diversified Income Fund is holding an investor meeting on or about April 29, 2014 to consider and approve proposed changes to the investment objective of the Fund. The current investment objectives of the Fund provide investors with a diversified portfolio designed to provide regular cash flows and, secondarily, growth of capital over the longer term. In addition, the Fund invests primarily in securities of other mutual funds; however, it may also invest directly in securities. The investment objectives are proposed to be changed to substantially the following: "The Fund seeks income with the potential for long-term capital growth by investing primarily in fixed income and/or income-oriented equity securities of issuers anywhere in the world" (the **New Investment Objectives**). If investor approval is obtained, the effective date for the New Investment Objectives will be on or about April 30, 2014.

11. The investment strategies of Mackenzie Global Diversified Income Fund as well as the name of the Fund are also expected to change if investor approval is obtained.
12. As part of Mackenzie Global Diversified Income Fund's new investment strategies (the **New Investment Strategies**), the Fund's portfolio managers would like to invest a portion of its assets in Foreign Government Securities.

13. If investor approval is obtained, the simplified prospectus for Mackenzie Global Diversified Income Fund (the **Diversified Income Simplified Prospectus** and together with the Tactical Bond Simplified Prospectus the **Simplified Prospectuses**) will be amended on or around April 30, 2014 to reflect the New Investment Objectives, New Investment Strategies and name change of the Fund.

14. Section 2.1(1) of NI 81-102 prohibits the Funds from purchasing a security of an issuer, other than a "government security" as defined in NI 81-102, if immediately after the purchase more than 10% of the net asset value of the fund, taken at market value at the time of the purchase, would be invested in securities of the issuer.

15. The Foreign Government Securities are not within the meaning of "government securities" as such term is defined in NI 81-102.

16. In Companion Policy 81-102CP (the **Companion Policy**), the Canadian Securities Administrators state their views on various matters relating to NI 81-102. Subsection 3.1(4) of the Companion Policy indicates that relief from paragraph 2.04(1)(a) of National Policy 39, which was replaced by the Concentration Restriction, has been provided to mutual funds generally under the following circumstances:

    a. the mutual fund has been permitted to invest up to 20% of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AA" by S&P, or have an equivalent rating by one or more other approved credit rating organizations; and

    b. the mutual fund has been permitted to invest up to 35% of its net assets, taken at market value at the time of purchase in evidences of indebtedness of any one issuer, if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction, or the government of the United States of America and are rated "AAA" by S&P, or have an equivalent rating by one or more other approved credit rating organizations.

17. Any security that may be purchased under the Requested Relief is traded on a mature and liquid market.

18. The Simplified Prospectuses for the Funds will disclose the risks associated with concentration of net assets of the Fund in securities of a limited number of issuers.

19. The Funds seek the Requested Relief to enhance their ability to pursue and achieve their investment objectives, and in the case of Mackenzie Global Diversified Income Fund its New Investment Objectives.

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. Paragraphs (a) and (b) of the Requested Relief cannot be combined for any one issuer;

2. In the case of Mackenzie Global Diversified Income Fund, the Requested Relief is conditional on investors approving the New Investment Objectives for the Fund and the Filer implementing the New Investment Objectives;

3. Any security that may be purchased under the Requested Relief is traded on a mature and liquid market;

4. The acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objectives of Mackenzie Global Tactical Bond Fund and the New Investment Objectives of Mackenzie Global Diversified Income Fund;

5. The Simplified Prospectuses of the Funds disclose the additional risks associated with the concentration of the net assets of the Funds in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Funds have so invested and the risks, including foreign exchange risks, of investing in the country in which the issuer is located; and

6. The Simplified Prospectuses of the Funds will include a summary of the nature and terms of the Requested Relied under the investment strategies section along with the conditions imposed and the type of securities covered by this Decision.

"Vera Nunes"
Manager, Investment Funds Branch, Ontario Securities Commission

2.1.2 AGF Investments

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization – Approval required because mergers do not meet the criteria for pre-approval – Funds have differing investment objectives and fees, and mergers conducted on a taxable basis – Securityholders provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1)(a), 5.6(1)(b).

April 9, 2014

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

AND

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

AND

IN THE MATTER OF
AGF INVESTMENTS INC.
(AGF)

AND

IN THE MATTER OF
THE MERGING FUNDS
(as hereinafter defined)

AND

IN THE MATTER OF
THE CONTINUING FUNDS
(as hereinafter defined)

DECISION

Background

The principal regulator in the Principal Jurisdiction has received an application (the **Application**) from AGF, the manager of each of the funds discussed below (AGF, together with the funds discussed below are hereinafter referred to as the **Filers**) for a decision under the securities legislation of the Principal Jurisdiction (the **Legislation**) for merger approvals (**Merger Approval**) pursuant to clause 5.5(1)(b) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) and an exemption pursuant to National Policy 11-203 – *Process for Exemptive relief Applications in Multiple Jurisdictions* (**NP 11-203**).

The funds (each a Fund and collectively, the Funds) proposed to be merged (the Proposed Mergers) are set forth below:

MERGING FUND	CONTINUING FUND
Proposed Corporate Fund Merger	
AGF High Income Class	AGF Diversified Income Class
Proposed Trust Fund Mergers	
AGF Social Values Equity Fund	AGF Global Equity Fund
AGF Social Values Balanced Fund	AGF Traditional Income Fund
AGF Global Government Bond Fund	AGF Global Aggregate Bond Fund

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 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, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, The Northwest Territories, Yukon and Nunavut.

Interpretation

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

The following terms shall have the following meanings:

AGF AIF	refers to the AGF funds' annual information form dated April 19, 2013, as amended
AGF SP	refers to the AGF funds' simplified prospectus dated April 19, 2013, as amended
AWTAG	refers to AGF All World Tax Advantage Group Limited
Circular	refers to the management information circular described in this Application
Continuing Trust Funds	refers, collectively, to AGF Global Equity Fund, AGF Traditional Income Fund and AGF Global Aggregate Bond Fund
Corporate Funds	refers to AGF High Income Class and AGF Diversified Income Class
Corporate Fund Merger Effective Date	refers to May 23, 2014 – the expected date for effecting the Proposed Corporate Fund Merger
IRC	refers to the independent review committee of a Fund or Funds
Merging Trust Funds	refers, collectively, to AGF Social Values Equity Fund, AGF Social Values Balanced Fund and AGF Global Aggregate Bond Fund

OBCA	refers to the *Business Corporations Act* (Ontario)
Tax Act	refers to the *Income Tax Act* (Canada)
Trust Fund Mergers Effective Date	refers to May 23, 2014 – the expected date for effecting the Proposed Trust Fund Mergers
Trust Funds	refers, collectively, to the Merging Trust Funds and the Continuing Trust Funds

Representations

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

The Filers

1. The head office of each of the Filers is located in Toronto, Ontario. The Filers are not in default of securities legislation in any jurisdiction of Canada.

2. AWTAG is a multi-class mutual fund corporation incorporated under the laws of Ontario. AWTAG offers both AGF High Income Class and AGF Diversified Income Class.

3. Each of the Trust Funds is an open-end mutual fund trust established under the laws of Ontario by a declaration of trust pursuant to which AGF is the trustee.

4. AGF is the manager and trustee of each of the Trust Funds and the manager of each of the Corporate Funds.

5. Each of the Trust Funds and Corporate Funds is a reporting issuer under the applicable securities legislation of each jurisdiction in Canada.

6. Meetings of securityholders of all of the Merging Funds will be held on April 9, 2014. All other approvals required by the OBCA in connection with the Proposed Corporate Fund Merger will also be sought.

7. AGF will be responsible for all the costs associated with Mergers.

8. There will be no sales charges payable in connection with the acquisition by a Continuing Fund of the investment portfolio of the corresponding Merging Fund.

9. AGF is not entitled to seek the approval of the respective IRCs for the Proposed Mergers due to the fact that one or more conditions of section 5.6 of NI 81-102 will not be met as required by section 5.3(2)(c) of NI 81-102.

10. Pursuant to NI 81-107 – *Independent Review Committee for Investment Funds*, the IRCs have reviewed the Proposed Mergers on behalf of the Merging Funds and the Continuing Funds and the process to be followed in connection with the Proposed Mergers, and have advised AGF that in the IRCs' opinion, having reviewed each of the Proposed Mergers as a potential conflict of interest, following the process proposed, each of the Proposed Mergers achieves a fair and reasonable result for each of the Merging Funds and the Continuing Funds.

11. The relevant notices of the meetings and Circular have been mailed to securityholders of the relevant Funds and filed on SEDAR in accordance with applicable securities legislation.

12. The Circular describes all relevant facts concerning the Proposed Mergers, including information regarding fees, expenses, investment objectives, investment strategies, income tax implications of the mergers, as well as the IRCs recommendation of the Proposed Mergers. The Circular also includes disclosure where securityholders can obtain the most recent continuous disclosure documents of the Merging Funds and the Continuing Funds.

The Proposed Corporate Fund Merger

13. AGF proposes that AGF High Income Class be merged into AGF Diversified Income Class.

14. The Filers currently propose to effect the Proposed Corporate Fund Merger on or about May 23, 2014 (the **Corporate Fund Merger Effective Date**).

15. AGF has determined that the Proposed Corporate Fund Merger will not be a material change to AGF Diversified Income Class due to the small size of AGF High Income Class relative to AGF Diversified Income Class.

16. Shareholders of AGF Diversified Income Class will be permitted to dissent from the Proposed Corporate Fund Merger pursuant to the provisions of the OBCA.

17. Securityholders of AGF High Income Class will continue to have the right to redeem securities of AGF High Income Class at any time up to the close of business immediately before the Corporate Fund Merger Effective Date.

The Proposed Trust Fund Mergers

18. AGF is proposing that there be mergers of the Merging Trust Funds with the relevant Continuing Trust Funds.

19. The Filers currently propose to effect the Proposed Trust Fund Mergers of the Merging Trust Funds and Continuing Trust Funds on or about May 23, 2014 (the **Trust Fund Mergers Effective Date**).

20. AGF has determined that the Proposed Trust Fund Mergers will not be a material change to each of the Continuing Trust Funds due to the small size of the Merging Trust Funds relative to the applicable Continuing Trust Funds.

21. Securityholders of the Merging Trust Funds will continue to have the right to redeem securities of the Merging Trust Funds at any time up to the close of business immediately before the Trust Fund Mergers Effective Date.

Reasons for Merger Approval

22. The Filers require Merger Approval in connection with one or more Proposed Mergers and cannot rely on section 5.6(1) of NI 81-102 for the following reasons:

    (a) the investment objectives of some of the Merging Funds with its corresponding Continuing Fund are not substantially similar;

    (b) the merger of AGF Social Values Equity Fund into AGF Global Equity Fund will not be done on a tax deferred basis;

    (c) certain of the Merging Funds do not have the same fees as the relevant Continuing Funds; and

    (d) the investment objectives and implementation of AGF High Income Class are not substantially similar with those of AGF Diversified Income Class.

23. Although the investment objectives of some Merging Funds may not be substantially similar to the relevant Continuing Funds, they are nevertheless complementary.

24. The merger of AGF Social Values Equity Fund into AGF Global Equity Fund would cause AGF Global Equity Fund to lose its material loss carry forwards if done on a tax deferred basis.

25. To the extent that the fees of certain Merging Funds are lower than those of the Continuing Funds, former holders of the Merging Funds will receive management fee distributions or rebates such that there will not be an increase in management fees borne by such holders.

26. AGF believes that each Proposed Merger satisfies all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6(1) of NI 81-102, except as follows:

PROPOSED MERGER	REASONS FOR NON-COMPLIANCE WITH NI 81-102
AGF High Income Class merging into AGF Diversified Income Class	• Different investment objectives and implementation of investment objectives • Different fees
AGF Social Values Equity Fund merging into AGF Global Equity Fund	• Different investment objectives • Not tax deferred merger
AGF Social Values Balanced Fund merging into AGF Traditional Income Fund	• Different investment objectives
AGF Global Government Bond Fund merging into AGF Global Aggregate Bond Fund	• Different investment objectives • Different fees

27. AGF believes that the Mergers will be beneficial to securityholders of each Fund for the following reasons:

(a) it is expected that each Proposed Merger will reduce duplication and create operational efficiencies;

(b) following the Proposed Mergers, each Continuing Fund will have more assets, thereby allowing for increased portfolio diversification opportunities; and

(c) each Continuing Fund will benefit from its larger profile in the marketplace.

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 Merger Approval is granted.

Raymond Chan
Manager, Investment Funds
Ontario Securities Commission

2.1.3 Fidelity Investments Canada ULC et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to certain three-tier structures from multi-layering prohibition in paragraph 2.5(2)(b) of NI 81-102 to permit top funds to invest in funds-of-funds, which are more than 10% invested in underlying funds – The three-tier fund structure is analogous to the current multi-layering exception in NI 81-102 – Transparent investment portfolio and accountability for portfolio management – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(b) and 19.1.

April 3, 2014

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
FIDELITY INVESTMENTS CANADA ULC (THE FILER),
FIDELITY NORTHSTAR BALANCED CURRENCY NEUTRAL FUND
AND FIDELITY U.S. MONTHLY INCOME CURRENCY
NEUTRAL FUND
(the Proposed Top Funds)

AND

ALL FUTURE MUTUAL FUNDS
MANAGED BY THE FILER THAT ARE SIMILAR TO
A PROPOSED TOP FUND
(Together With The Proposed Top Funds, The Top Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Top Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) pursuant to section 19.1 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) exempting the Top Funds from clause 2.5(2)(b) of NI 81-102 to permit each Top Fund, whether directly or through one or more derivative instruments, to invest in and/or obtain exposure to another mutual fund subject to NI 81-102 that is, or will be, managed by the Filer (a **Reference Fund**), which Reference Fund, either directly or through one or more derivative instruments, holds or obtains exposure to, or will hold or obtain exposure to, securities of one or more other mutual funds (each, a Third Tier Fund) subject to NI 81-102 that are, or will be, managed by the Filer, which securities represent more than 10% of the Reference Fund's net asset value (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, 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.

Representations

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

The Filer

1. The Filer is an unlimited liability company continued under the laws of Alberta. The Filer is, or will be, the manager of each Top Fund, Reference Fund and Third Tier Fund. The Filer or an affiliate of the Filer is, or will be, the portfolio adviser of each Top Fund, Reference Fund and Third Tier Fund.

2. The Filer is registered in Ontario in the category of investment fund manager. The Filer is also registered as a portfolio manager and mutual fund dealer in each of the provinces and territories of Canada and is registered under the Commodity Futures Act (Ontario) in the category of commodity trading manager. The head office of the Filer is in Toronto, Ontario.

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

The Top Funds, Reference Funds and Third Tier Funds

4. Each Top Fund will be and each Reference Fund and Third Tier Fund is, or will be, either an open-end mutual fund trust that has been or will be created under the laws of the Province of Ontario or a class of a mutual fund corporation.

5. Each Top Fund will be and each Reference Fund and Third Tier Fund is, or will be, a reporting issuer under the laws of some or all of the provinces and territories of Canada and subject to NI 81-102. The securities of each Top Fund will be and the securities of each Reference Fund and Third Tier Fund are, or will be, qualified for distribution pursuant to a simplified prospectus, annual information form and fund facts that have been, or will be, prepared and filed in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*.

6. Each Top Fund is intended to provide a currency neutral version of a Reference Fund by attempting to hedge its currency risk. Each Top Fund seeks, or will seek, a similar return to that of the corresponding Reference Fund (except for the impact of different movements in currency) by investing, either directly or through one or more derivative instruments, all or substantially all of its assets in a Reference Fund that has the same investment objective as the Top Fund, except that the Top Fund uses, or will use, one or more derivative instruments to hedge its currency risk.

7. Each Reference Fund is, or will be, a fund of funds that invests, or will invest, either directly or through one or more derivative instruments in one or more Third Tier Funds and that may also invest in other portfolio securities. At least a portion of the portfolio of each Reference Fund is, or will be, made up of investments that are denominated in foreign currencies, and as such, each Reference Fund is, or will be, subject to currency risk.

8. Each Third Tier Fund primarily invests, or will invest, directly in a portfolio of securities and/or other assets.

9. No existing Reference Fund or Third Tier Fund is in default of securities legislation in any of the Jurisdictions.

Three-Tier Fund Structure

10. For purposes of section 2.5 of NI 81-102, each Top Fund will be considered to be holding securities of its Reference Fund either because it will hold such securities directly or because it will enter into one or more derivative instruments the underlying interest of which will be securities of the Reference Fund. Accordingly, each Top Fund's holdings in its Reference Fund or its use of derivative instruments to gain exposure to its Reference Fund will result in a three-tier fund of fund structure. This multi-tiered fund structure is contrary to the multi-layering prohibition in clause 2.5(2)(b) of NI 81-102 and does not fit within the exceptions to clause 2.5(2)(b) found in subsection 2.5(4) of NI 81-102.

11. The name of each Top Fund will include part of the name of its Reference Fund and the investment objectives of each Top Fund, as stated in the simplified prospectus of each Top Fund, will specify the name of its Reference Fund.

12. The investment objectives, as stated in the simplified prospectus of each Top Fund, will disclose that the Top Fund seeks to provide a return that is similar to its Reference Fund, which, in turn, invests in Third Tier Funds. The

disclosure in the simplified prospectus of each Top Fund will disclose in the investment strategies the investment strategies of its Reference Fund.

13. The simplified prospectus of each Top Fund will disclose to investors that the accountability for portfolio management is (a) at the level of the Reference Fund with respect to the selection of Third Tier Funds to be purchased by the Reference Fund and with respect to the purchase and sale of any other portfolio securities held by the Reference Fund and (b) at the level of the applicable Third Tier Fund with respect to the purchase and sale of portfolio securities and other assets held by that Third Tier Fund.

14. Each Top Fund will comply with the requirements under National Instrument 81-106 – *Investment Fund Continuous Disclosure* relating to top 25 positions portfolio holdings disclosure in its management reports of fund performance and the requirements of Form 81-101F3 – *Contents of Fund Facts Document* relating to top 10 position portfolio holdings disclosure in its Fund Facts as if the Top Fund were investing directly in the Third Tier Funds.

15. An investment by a Top Fund in securities of its Reference Fund will be made in accordance with the provisions of section 2.5 of NI 81-102, except for the requirements of clause 2.5(2)(b). An investment by a Reference Fund in securities of one or more Third Tier Funds is, and will be, made in accordance with the provisions of section 2.5 of NI 81-102.

16. There will be no duplication of fees between each tier of the multi-tier structure. The simplified prospectus for each Top Fund and Reference Fund discloses, or will disclose, that fees and expenses will not be duplicated as a result of investments in underlying funds.

17. The Exemption Sought, which will result in a Top Fund investing directly or indirectly in its Reference Fund, which in turn invests in one or more Third Tier Funds, is akin to, and no more complex than, the three-tier structure currently permitted under clause 2.5(4)(a) of NI 81-102.

18. The Filer has determined that it would be more efficient and cost effective for each Top Fund if the Top Fund achieves its investment objectives by investing all or substantially all of its assets in securities of its corresponding Reference Fund instead of investing directly in the same securities and in the same proportion in which the Reference Fund invests. The Filer has also determined that it will reduce tracking error if exposure to a Third Tier Fund occurs at the Third Tier Fund level. Any adjustment made by a Reference Fund to its Third Tier Funds is made by simply acquiring or redeeming securities of the Third Tier Fund in the ordinary course and automatically results in a corresponding indirect adjustment to the Top Fund's exposure to that Third Tier Fund.

19. An investment by a Top Fund in its Reference Fund and by a Reference Fund in each of its Third Tier Funds represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund or the Reference Fund, as the case may be.

20. The Filer has determined that it would be in the best interests of the Top Funds and not prejudicial to the public interest to receive the Exemption Sought.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that (i) the investment objectives of each Top Fund as stated in the simplified prospectus state the name of its Reference Fund and (ii) the proposed investment of each Top Fund in its Reference Fund is otherwise made in compliance with all other requirements of section 2.5 of NI 81-102, except to the extent that discretionary relief has been granted from any such requirement.

"Vera Nunes
Manager, Investment Funds
Ontario Securities Commission

2.1.4 Blumont Capital Corporation et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of manager of mutual funds for the purpose of 5.5(1)(a) – change of manager is not detrimental to investors or the public.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(a), 5.3, 5.7 and 19.1.

March 31, 2014

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
BLUMONT CAPITAL CORPORATION
(BCC or the Current Manager)

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT LP
(SAM or the Proposed Manager)
(BCC and SAM, collectively, the Filers)

AND

IN THE MATTER OF
EXEMPLAR GLOBAL INFRASTRUCTURE FUND,
EXEMPLAR TIMBER FUND
AND EXEMPLAR GLOBAL AGRICULTURE FUND
(collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for approval of the change of manager of the Funds from the Current Manager (the Change of Manager) to the Proposed Manager in accordance with sections 5.5(1)(a) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) (the **Approval Sought**).

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

(a) the Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**); and

(b) the Filers have provided notice that section 4.7 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, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, and Yukon (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

The Current Manager

1. BCC is a privately-owned corporation existing under the *Business Corporations Act* (Ontario) and a wholly-owned subsidiary of Arrow Capital Management Inc. (**Arrow**), a private company based in Toronto. Arrow and BCC will amalgamate on April 1, 2014, with the amalgamated company continuing under the name "Arrow Capital Management Inc."

2. BCC is the manager and trustee of the Funds. BCC is registered in certain of the Jurisdictions indicated below:

   (a) Ontario: Portfolio Manager (**PM**), Mutual Fund Dealer, Investment Fund Manager (**IFM**) and Exempt Market Dealer (**EMD**);

   (b) Alberta: EMD;

   (c) British Columbia: EMD;

   (d) Quebec: IFM; and

   (e) Newfoundland and Labrador: IFM.

3. BCC's head office is located at 36 Toronto Street – Suite 750, Toronto, Ontario M5C 2C5.

4. BCC is not in default of any requirements under applicable securities legislation.

The Funds

5. Each Fund is an open-ended mutual fund trust established under the laws of the Province of Ontario by an amended and restated declaration of trust, as amended.

6. Securities of the Funds are distributed in each of the Jurisdictions under an amended and restated simplified prospectus, annual information form and fund facts each dated December 11, 2013, as amended, prepared in accordance with the requirements of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

7. The portfolio manager of the Funds is BCC. BCC has engaged Capital Innovations, LLC as the sub-advisor of the Funds.

8. Each Fund is a reporting issuer under the applicable securities legislation of the Jurisdictions.

9. The Funds are not in default of applicable securities legislation in any of the Jurisdictions.

Details of the Proposed Transaction

10. On February 18, 2014, Arrow announced that BCC and SAM, acting through its general partner, Sprott Asset Management GP Inc. (the **GP**), entered into a definitive purchase agreement (the **Purchase Agreement**) pursuant to which SAM will acquire the rights of BCC to manage the Funds (the **Proposed Transaction**). Under the terms of the Purchase Agreement, the Proposed Transaction will be completed on the fifth business day after the later of receipt of unitholder approval and all necessary approvals of applicable securities regulatory authorities or such other date as BCC and SAM agrees to, but in any event no later than May 31, 2014 (the **Closing**).

11. In accordance with section 5.1(b) of NI 81-102, special meetings of the unitholders of the Funds were held on March 25, 2014 (the **Meetings**). At the Meetings the unitholders of the Funds approved the Change of Manager. In respect of the Meetings, the notice of Meetings and the management information circular in respect of the Meetings (the **Circular**) were mailed to unitholders of the Funds and copies thereof were filed on SEDAR in accordance with applicable securities legislation. The Circular contained sufficient information regarding the business, management and operations

of SAM, including details of its officers and directors, and all information necessary to allow unitholders to make an informed decision about the Proposed Transaction. All other information and documents necessary to comply with applicable proxy solicitation requirements of securities legislation for the Meeting were mailed to unitholders of the Funds.

12. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, a press release announcing the Proposed Transaction was issued on February 18, 2014 and subsequently the press release and material change report were filed on SEDAR. In addition, amendments to the simplified prospectus, the annual information form and the fund facts of the Funds describing the Proposed Transaction were filed in each of the Jurisdictions, and the Commission issued a receipt in respect of the same on March 21, 2014.

13. It is intended that the Proposed Transaction will result in the Change of Manager and a change of trustee of the Funds from BCC to RBC Investor Services Trust (**RBC IST**).

14. Following completion of the Proposed Transaction, it is proposed that:

    (a) SAM will be the successor manager of the Funds;

    (b) RBC IST will remain as the custodian of the Funds;

    (c) RBC IST will be appointed as the successor trustee of the Funds; and

    (d) Capital Innovations, LLC will remain as the sub-advisor of the Funds.

15. The Current Manager has determined that the Proposed Transaction is not a conflict of interest matter pursuant to section 5.1 of National Instrument 81-107 Independent Review Committee for Investment Funds (**NI 81-107**) and that, as a result, the Proposed Transaction did not require the approval or recommendation of the Independent Review Committee (**IRC**) of the Funds. The Manager has, however, provided information relating to the Proposed Transaction and the Change of Manager to the IRC.

16. Upon the Closing, the members of the Current Manager's IRC will cease to be members of the IRC of the Funds by operation of section 3.10(1)(b) of NI 81-107. Immediately following the Closing, the IRC of the Funds will be reconstituted. SAM has confirmed to the Current Manager that it is anticipated that the new members of the Funds' IRC will be the same individuals that currently comprise the IRC for the Sprott Funds (as defined herein) being: Lawrence A. Ward (chair), W. William Woods and Eamonn McConnell.

The Change of Manager

17. SAM is a limited partnership established under the laws of the Province of Ontario. The GP, the general partner of SAM, is a wholly-owned subsidiary of Sprott Inc., a public company incorporated under the laws of the Province of Ontario and listed on the Toronto Stock Exchange.

18. SAM is registered in the following categories in certain of the Jurisdictions indicated below:

    (a) Ontario: PM, IFM, EMD and Commodity Trading Manager

    (b) Alberta: PM and EMD

    (c) British Columbia: PM and EMD

    (d) Saskatchewan: PM and EMD

    (e) Manitoba: PM and EMD

    (f) Nova Scotia: PM and EMD

    (g) New Brunswick: PM and EMD

    (h) Newfoundland and Labrador: PM, IFM and EMD

    (i) Quebec: IFM

19. SAM's head office is located at the Royal Bank Plaza, 200 Bay Street, Suite 2700, Toronto, Ontario M5J 2J1.

20. Upon the completion of the Proposed Transaction, SAM will be the IFM of the Funds.

21. SAM is not in default of any requirements under applicable securities legislation.

22. SAM is currently the manager of 22 mutual funds, which are offered for distribution in all of the provinces and territories of Canada (the **Sprott Funds**), which as of December 31, 2013, represented $1.5 billion of SAM's assets under management. The Sprott Funds include 11 corporate mutual funds each representing a class of shares of Sprott Corporate Class Inc.

23. SAM and BCC are not related parties. Except pursuant to the Purchase Agreement, there are currently no relationships between BCC and SAM (or its affiliates).

24. The experience and integrity of each of the members of the SAM management team is apparent by their education and years of experience in the investment industry, and was described in the Circular.

25. The Closing is not expected to have any material impact on the business, operations or affairs of the Funds or the securityholders of the Funds.

26. SAM intends to manage and administer the Funds in a similar manner as BCC. It is not expected that there will be any change to the sub-advisor of the Funds. There is therefore no intention to change the investment objectives, investment strategies or fees and expenses of the Funds.

27. All material agreements regarding the administration of the Funds will either be amended and restated by SAM and RBC IST or SAM will enter into new agreements as required. Subject to unitholder approval and the necessary approvals being obtained, RBC IST will become the successor trustee of the Funds.

28. The Closing will not adversely affect the Proposed Manager's financial position or its ability to fulfill its regulatory obligations.

29. Within 10 days of the completion of the Change of Manager, it is the intention of the Proposed Manager to file amendments to the applicable offering documents of the Funds to disclose the closing of the Proposed Transaction and the matters relating thereto.

30. The Funds will not bear any of the costs and expenses associated with the Change of Manager. Such costs will be borne by the Current Manager or the Proposed Manager. These costs may include legal and accounting fees, proxy solicitation, printing and mailing costs and regulatory fees.

31. The Approval Sought will not be detrimental to the protection of investors in the Funds or prejudicial to the public interest.

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 Approval Sought is granted.

"Vera Nunes"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.5 Fidelity Investments Canada ULC

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Mutual fund manager granted exemption from subsection 5.1(a) of NI 81-105 to allow mutual fund manager to pay a participating dealer direct costs incurred relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer which has a primary purpose of providing educational information on financial planning matters.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.1(a) and 9.1.

April 4, 2014

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
FIDELITY INVESTMENTS CANADA ULC
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") for relief from subsection 5.1(a) of National Instrument 81-105 *Mutual Fund Sales Practices* **("NI 81-105")** to permit the Filer to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer (collectively, the **"Cooperative Marketing Initiatives"** and each a **"Cooperative Marketing Initiative"**) if the primary purpose of the Cooperative Marketing Initiative is to provide educational information concerning financial planning matters (the **"Exemption Sought"**).

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

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

(b) the Filer has provided notice that 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, Northwest Territories, Yukon and Nunavut (the **"Passport Jurisdictions"**)

Interpretation

Defined terms in National Instrument 14-101 *Definitions*, MI 11-102 or NI 81-105 have the same meaning in this Decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation continued under the laws of Alberta with its head office based in Toronto, Ontario.

2. The Filer is not in default of the securities legislation of any jurisdiction of Canada.

3. The Filer manufactures and manages a number of retail mutual funds (the **"Funds")** that are qualified for distribution to investors in each province and territory of Canada. The securities of the Funds are distributed by participating dealers in the Jurisdiction and Passport Jurisdictions.

4. The Filer is a "member of the organization" (as that term is defined in NI 81-105) of the Funds as it is the manager of the Funds.

5. The Filer complies with NI 81-105, including Part 5 of NI 81-105, in respect of its marketing and educational practices.

6. Under subsection 5.1(a) of NI 81-105, the Filer is permitted to pay a participating dealer direct costs incurred by the participating dealer relating to a Cooperative Marketing Initiative if the primary purpose of the Cooperative Marketing Initiative is to promote, or provide educational information concerning a mutual fund, the mutual fund family of which the mutual fund is a member, or mutual funds generally.

7. Subsection 5.1(a) of NI 81-105 prohibits the Filer from paying to a participating dealer the direct costs incurred by it relating to a Cooperative Marketing Initiative where the primary purpose is to provide educational information about financial planning matters. Consequently, the Filer is not permitted to sponsor the cost of sales communications, investor seminars or investor conferences prepared or presented by participating dealers where the main topics discussed include investment planning, retirement

planning, tax planning and estate planning, each of which are aspects of financial planning.

8. The Filer has expertise in financial planning matters, including investment, retirement, tax and estate planning, or may retain others with such expertise. In addition to the topics currently permitted under subsection 5.1(a) of NI 81-105, the Filer wishes to sponsor Cooperative Marketing Initiatives whose primary purpose is to provide educational information concerning financial planning, including such topics as investment, retirement, tax and estate planning. The Filer will otherwise comply with subsections 5.1(b) through (e) of NI 81-105 in respect of the Cooperative Marketing Initiatives it sponsors.

9. The Filer submits that as mutual funds typically form only a portion of an investor's portfolio, mutual funds should be considered in the broader context of an investor's financial planning, including investment, retirement, tax and estate planning. Allowing the Filer to sponsor Cooperative Marketing Initiatives on financial planning matters will benefit investors as it will facilitate and potentially increase investors' access to educational information on such matters, which will better equip them to make financial decisions that involve mutual funds.

10. Under sections 5.2 and 5.5 of NI 81-105, the Filer is permitted to sponsor the costs incurred by participating dealers in attending or organizing and presenting at conferences where the primary purpose is the provision of educational information on, among other things, financial planning. Specifically, under subsection 5.2(a) of NI-81-105, the Filer is permitted to provide a non-monetary benefit to a representative of a participating dealer by allowing him or her to attend a conference or seminar organized and presented by the Filer where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters. Similarly, under subsection 5.5(a) of NI 81-105, the Filer is permitted to pay to a participating dealer part of the direct costs the participating dealer incurs in organizing or presenting at a conference or seminar that is not an investor conference or investor seminar referred to in section 5.1, where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters.

11. The Filer will not require participating dealers to sell any of its Funds or other financial products to investors as a condition of the Filer's sponsorship of a Cooperative Marketing Initiative.

12. The Filer will pay for its sponsorship of a Cooperative Marketing Initiative out of its normal sources of revenue. Accordingly, the sponsorship cost will not be borne by the Funds.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that in respect of a Cooperative Marketing Initiative whose primary purpose is to provide educational information concerning financial planning matters:

(i) the Filer otherwise complies with the requirements of subsections 5.1(b) through (e) of NI 81-105;

(ii) the Filer does not require any participating dealer to sell any of its Funds or other financial products to investors;

(iii) other than as permitted by NI 81-105, the Filer does not provide participating dealers and their representatives with any financial or other incentives for recommending any of its Funds to investors;

(iv) the materials presented in a Cooperative Marketing Initiative concerning financial planning matters, including investment, retirement, tax and estate planning matters, contain only general educational information about such matters;

(v) the Filer prepares or approves the content of the general educational information about financial planning matters presented in a Cooperative Marketing Initiative and selects or approves an appropriately qualified speaker for each presentation about financial planning matters delivered in a Cooperative Marketing Initiative;

(vi) any general educational information about financial planning matters presented in a Cooperative Marketing Initiative contains an express statement that the content presented is for information purposes only, and is not providing advice to the attendees of the investor conference or investor seminar or the recipients of the sales communication, as applicable; and

(vii) any general educational information about financial planning matters presented in a Cooperative Marketing Initiative contains an indication of the

types of professionals who may generally be qualified to provide advice on the subject matter of the information presented.

"Judith Robertson"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Eda Marie Agueci et al. – Rule 1.4(2) of the OSC Rules of Procedure

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

AND

**IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING,
SANTO IACONO, JOSEPHINE RAPONI,
KIMBERLEY STEPHANY, HENRY FIORILLO,
GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA,
IAN TELFER, JACOB GORNITZKI AND
POLLEN SERVICES LIMITED**

**ORDER
(Rules 1.4(2) of the Commission's Rules of Procedure (2012), 35 O.S.C.B. 10071)**

WHEREAS the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on February 7, 2012 against Eda Marie Agueci ("Agueci") , Dennis Wing ("Wing"), Santo Iacono ("Iacono"), Josephine Raponi ("Raponi"), Kimberley Stephany ("Stephany"), Henry Fiorillo ("Fiorillo"), Giuseppe (Joseph) Fiorini ("Fiorini"), John Serpa ("Serpa"), Jacob Gorntizki ("Gornitzki") (collectively, the "Individual Respondents"), Pollen Services Limited (together with the Individual Respondents, the "Respondents") and Ian Telfer;

AND WHEREAS on September 20, 2013, the Commission approved a settlement agreement between Staff and Ian Telfer;

AND WHEREAS on September 26, 2013, Staff filed an Amended Statement of Allegations against the Respondents;

AND WHEREAS the merits hearing commenced on September 30, 2013 (the "Merits Hearing");

AND WHEREAS on November 1, 2013, Staff and counsel from various firms acting on behalf of Gornitzki, Wing, Iacono, Fiorillo and Fiorini, respectively, appeared and made submissions on further dates required for the Merits Hearing;

AND WHEREAS on November 1, 2013, counsel from various firms acting on behalf of Raponi, Stephany and Serpa, respectively, participated via teleconference and made submissions on further dates required for the Merits Hearing and counsel for Raponi advised the panel of availability for counsel acting on behalf of Agueci;

AND WHEREAS on November 8, 2013, the Commission ordered, among other things, that:

1. Staff's written closing submissions for the Merits Hearing shall be filed and served electronically by March 25, 2014 at 4:00 p.m.;

2. The Respondents' written closing submissions for the Merits Hearing shall be filed and served electronically by April 11, 2014 at 4:00 p.m.; and

3. The panel shall hear oral closing submissions of all participating parties in the Merits Hearing on April 28, 29 and 30, 2014 from 10:00 a.m. to 4:30 p.m.

(the "Scheduling Order")

AND WHEREAS on April 7, 2014, the counsel for Fiorillo, on behalf of all the Respondents and with the consent of Staff, requested a variance of the Scheduling Order including: (a) a brief extension of the deadline for the Respondents to deliver written closing submissions on Tuesday, April 15, 2014 at 4:00 p.m.; and (b) permitting Staff to serve and file on Tuesday, April 15, 2014 at 4:00 p.m. a version of their closing submissions that is hyper-linked directly to the evidentiary record and making minor corrections;

AND WHEREAS the Commission is of the opinion that it is in the public interest to issue this order;

IT IS HEREBY ORDERED that the Scheduling Order is varied such that:

1. The Respondents' written closing submissions for the Merits Hearing shall be filed and served electronically by April 15, 2014 at 4:00 p.m.;

2. Staff is permitted to electronically serve and file a version of their written closing submissions that is hyper-linked directly to the evidentiary record and that makes minor corrections, by April 15, 2014 at 4:00 p.m.; and

3. Staff shall serve and file a black-lined copy of their written closing submissions, which indicates the minor corrections made to their original submissions, by April 15, 2014 at 4:00 p.m.

DATED at Toronto this 9th day of April, 2014.

"Edward P. Kerwin"

AnneMarie Ryan"

"Deborah Leckman"

2.2.2 Global RESP Corporation and Global Growth Assets Inc. – s. 127(1)

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

AND

IN THE MATTER OF
GLOBAL RESP CORPORATION AND
GLOBAL GROWTH ASSETS INC.

ORDER
(Subsection 127(1))

WHEREAS on July 26, 2012, the Ontario Securities Commission ("the "Commission") ordered pursuant to subsections 127(1) and (5) that the terms and conditions ("Terms and Conditions") set out in schedules "A" and "B" of the Commission order be imposed on Global RESP Corporation ("Global RESP") and Global Growth Assets Inc. ("GGAI") (the "Temporary Order");

AND WHEREAS on August 10, 2012, the Commission extended the Temporary Order against Global RESP and GGAI until such further Order of the Commission and adjourned the hearing until November 8, 2012;

AND WHEREAS the Terms and Conditions required Global RESP and GGAI to retain a consultant (the "Consultant") to prepare and assist them in implementing plans to strengthen their compliance systems and require Global RESP to retain a monitor (the "Monitor") to contact all new clients as defined and set out in the Terms and Conditions ("New Clients');

AND WHEREAS Global RESP retained Sutton Boyce Gilkes Regulatory Consulting Group Inc. as its Consultant and Monitor;

AND WHEREAS on November 2, 2013, the Commission heard Global RESP's motion to vary the Terms and Conditions imposed on Global RESP on July 26, 2012;

AND WHEREAS on November 7, 2012, the Commission ordered: (i) paragraphs 5, 6 and 7 of the Terms and Conditions deleted and replaced with new terms; (ii) the hearing be adjourned to December 13, 2012 at 10:00 a.m.; and (iii) the appearance date on November 8, 2012 be vacated;

AND WHEREAS on December 13, 2012, Staff filed the Affidavit of Lina Creta sworn December 13, 2012 and counsel for the Respondents filed the Affidavit of Clarke Tedesco sworn December 12, 2012 and the Commission adjourned the Hearing to January 14, 2013 at 9:00 a.m.;

AND WHEREAS on January 14, 2013, Staff filed the Affidavit of Lina Creta sworn January 11, 2013 and counsel for the Respondents filed the affidavits of Clarke Tedesco sworn January 11 and 14, 2013;

AND WHEREAS on January 22, 2013, the Commission ordered that the hearing be adjourned to February 6, 2013;

AND WHEREAS on February 6, 2013, Staff filed the Affidavit of Lina Creta sworn February 6, 2013 and counsel for the Respondents filed the affidavits of Clarke Tedesco sworn February 4 and 6, 2013;

AND WHEREAS on February 13, 2013, the Commission ordered that the hearing be adjourned to February 25, 2013 for the purpose of allowing the parties to make submissions on: (i) whether it is appropriate for the Commission to approve the plan submitted by the Consultant; and (ii) if it is appropriate, for the Commission to approve any terms of the plan not agreed to by Staff and the Commission ordered that the hearing on February 25, 2013 only proceed if the plan to be submitted by the Consultant had not been approved by Staff;

AND WHEREAS on February 22, 2013, Staff of the Commission approved the plans submitted by the Consultant for Global RESP and GGAI subject to an amendment being made to the Global RESP plan, which amendment was subsequently made on February 22, 2013;

AND WHEREAS on October 22, 2013, the Respondents brought a motion seeking to remove the Terms and Conditions and filed the affidavits of Natalia Vandervoort sworn October 22, 2013 and November 8, 2013 and Staff filed the Affidavit of Lina Creta sworn November 19, 2013 updating the Commission on Staff's dealings with the Monitor and the Consultant;

AND WHEREAS the Consultant provided a letter to Staff stating that the Consultant saw no reason for continuing the role of the Monitor;

AND WHEREAS on November 20, 2013, the Commission ordered that:

1. For all New Clients who invested on or before November 20, 2013, paragraphs 4, 5.1, 5.2, 5.3, 6.1, 6.2, 7 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 continue to apply;

2. For all New Clients who invest after November 20, 2013, the role and activities of the Monitor as set out in paragraphs 4, 5.2, 5.3, 6.2 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012, and the activity of Global RESP as set out in paragraph 7 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 are suspended;

3. Further to paragraph 9 of the Terms and Conditions, the resumption of any future monitoring or any subsequent changes to that monitoring in furtherance of the implementation of the Global RESP Plan, if any, shall take place on the recommendation of the Consultant and with the agreement of the OSC Manager and the parties may seek the direction from the Commission in the event that the parties are unable to agree on any future possible monitoring; and

4. The hearing be adjourned to December 13, 2013 at 2:00 p.m.;

AND WHEREAS on December 13, 2013, counsel for the Respondents and Staff updated the Commission on the status of Staff's dealings with the Consultant and the Commission ordered the hearing adjourned to January 9, 2014 at 10:30 a.m.;

AND WHEREAS on January 9, 2014, counsel for the Respondents and Staff updated the Commission on the status of Staff's dealings with the Consultant in relation to the ongoing implementation of the Plan and the Commission ordered the hearing adjourned to January 29, 2014 at 2:00 p.m.;

AND WHEREAS Staff filed the Affidavit of Lina Creta sworn January 27, 2014 updating the Commission on Staff's dealings with the Monitor and the Consultant;

AND WHEREAS on January 29, 2014, counsel for the Respondents and Staff updated the Commission on the status of the Plan and advised that there are three remaining steps that need to be completed for the Plan to be fully implemented:

1. The following programs which have been completed by the Consultant still need to be rolled out:

   a. Global RESP's new risk assessment system (i.e. the new audit process) for both branches and Dealing Representatives;

   b. Global RESP's new suitability policies and procedures, including the use of a new affordability worksheet;

2. The Consultant needs to provide a letter to Staff that attests that:

   a. Global RESP and GGAI have implemented the procedures and controls recommended by the Consultant that address each of the deficiencies identified in Compliance Report and that strengthen the compliance system, including that each of Global RESP and GGAI have implemented an adequate compliance and supervisory structure tailored to their business;

   b. Global RESP and GGAI are complying with the new procedures and controls;

   c. in his capacity as Consultant, the Consultant has tested the procedures and they are working effectively and are being enforced; and

3. The Consultant needs to provide a final summary report to Staff that provides an overview for each action step listed in the amended compliance plans dated January 28, 2013 and January 30, 2013 submitted on behalf of Global RESP and GGAI of the key controls, policies and procedures in place for the implemented actions that support the conclusions drawn in the above-referenced letter;

AND WHEREAS on January 29, 2014, the Commission ordered that the hearing be adjourned to March 6, 2014 at 11:00 a.m.;

AND WHEREAS on March 6, 2014, Staff and counsel for the Respondents updated the Commission on the status of the three remaining steps and the Commission ordered the hearing adjourned to March 31, 2014 at 10:00 a.m.;

AND WHEREAS on March 31, 2014, Staff and counsel for the Respondents updated the Commission on the status of the communications between Staff and the Consultant since March 6, 2014 and the Commission ordered that the matter be adjourned to April 7, 2014 at 2:30 p.m.;

AND WHEREAS on April 7, 2014, Staff and counsel for the Respondents updated the Commission on the status of the communications between Staff and the Consultant since March 31, 2014 and requested that the matter be adjourned to April 24, 2014 to allow additional time for the parties to discuss any issues regarding the remaining steps to be completed by the Consultant;

AND WHEREAS the Commission considers that it is in the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to section 127 of the Act that the hearing is adjourned to April 24, 2014 at 9:00 a.m.

Dated at Toronto this 7th day of April, 2014

James E. A. Turner”

2.2.3 Consolidated Tanager Limited – s.144

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
CONSOLIDATED TANAGER LIMITED

ORDER
(Section 144)

WHEREAS the securities of Consolidated Tanager Limited (the **"Applicant"**) are subject to a temporary cease trade order dated November 7, 2013 issued by the Director of the Ontario Securities Commission (the **"Commission"**), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order dated November 20, 2013 issued by the Director pursuant to paragraph 2 of subsection 127(1) of the Act (collectively, the **"Ontario Cease Trade Order"**), ordering that all trading in the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

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

AND WHEREAS the Applicant has applied to the Commission for a full revocation of the Ontario Cease Trade Order (the **"Application"**) pursuant to section 144 of the Act;

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant was incorporated in the Province of Ontario on May 1, 1987, under the name of 716206 Ontario Limited. On October 7, 1987, the Applicant changed its name to Tanager Resources Limited, and on December 7, 1992, it changed its name to Consolidated Tanager Limited. The Applicant is currently governed by the *Business Corporations Act* (Ontario). The Applicant's head and registered offices are located in the city of Toronto, Ontario.

2. The Applicant is a reporting issuer in the provinces of Ontario, Alberta and British Columbia and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

3. The authorized capital of the Applicant consists of an unlimited number of common shares without par value (**"Common Shares"**). As of February 11, 2014, the Applicant has 5,372,350 Common Shares issued and outstanding. Other than its Common Shares, the Applicant has no securities, including debt securities, outstanding.

4. No securities of the Applicant are listed or traded on any stock exchange or market in Canada or elsewhere.

5. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file with the Commission its audited annual financial statements for the year ended June 30, 2013, the management's discussion and analysis relating to the audited annual financial statements for the year ended June 30, 2013 as well as the certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (**"NI 52-109"**) for the corresponding period (collectively, the **"2013 Annual Filings"**).

6. Subsequent to the issuance of the Ontario Cease Trade Order, the Applicant also failed to file with the Commission, within the timeframe stipulated by the applicable legislation, its interim financial statements for the period ended September 30, 2013, the management's discussion and analysis relating to the interim financial statements for the period ended September 30, 2013 as well as the certification of the foregoing filings as required by NI 52-109 for the corresponding period (collectively, the **"Q1 2014 Interim Filings"**).

7. The Applicant is also subject to a temporary cease trade order dated November 7, 2013 issued by the British Columbia Securities Commission (the **"B.C. Cease Trade Order"**).

8. On January 13, 2014, the Applicant filed on the System for Electronic Document Analysis and Retrieval (**"SEDAR"**) the 2013 Annual Filings and the Q1 2014 Interim Filings.

9. Pursuant to Part 2 of NP 12-202, because the B.C. Cease Trade Order was in effect for 90 days or less at the time of the filing of the 2013 Annual Filings and the Q1 2014 Interim Filings, such filing is deemed to constitute the application for an order revoking the B.C. Cease Trade Order.

10. As a result of deficiencies in the Applicant's continuous disclosure filings, the Applicant was required to revise and re-file its condensed interim financial statements for the six months ended December 31, 2013 as well as the certification of the foregoing filings as required by NI 52-109 for the corresponding period (the **"Q2 2014 Interim Filings"**) as well as the notes to the condensed interim financial statements for the nine months ended March 31, 2013 (the **"Q3 2013 Notes"**).

11. On April 2, 2014 the Applicant filed on SEDAR the revised Q2 2014 Interim Filings and Q3 2013 Notes.

12. The Applicant has paid all outstanding participation fees, filing fees and late fees owing to the Commission, the British Columbia Securities Commission and the Alberta Securities Commission.

13. The Applicant's SEDAR and SEDI profiles are up to date.

14. Other than the Ontario Cease Trade Order and the B.C. Cease Trade Order, the Applicant is not in default of its continuous disclosure obligations under Ontario, Alberta or British Columbia securities laws.

15. In connection with the Application the Applicant has given the Commission a written undertaking (the **"Undertaking"**) to the following effects:

    a) that the Applicant will hold an annual meeting of shareholders within three months after the date on which the Ontario Cease Trade Order is revoked; and,

    b) that the Applicant will not complete

        (i) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

        (ii) a reverse take-over with a reverse take-over acquirer that has direct or indirect, existing or proposed, material underlying business which is not located in Canada, or

        (iii) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

        unless,

        (i) the Applicant files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Securities Act (Ontario),

        (ii) the Applicant files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-101 *General Prospectus Requirements* (**"NI 41-101"**) including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director, executive officer and promoter of the Applicant, and

(iii) the preliminary prospectus and the final prospectus contain the information required by the applicable securities legislation, including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable);

16. Upon the issuance of this revocation order, the Applicant will issue a news release and file a material change report on SEDAR to announce the revocation of the Ontario Cease Trade Order, which news release will also disclose a description of the aforementioned Undertaking.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

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

DATED at Toronto, Ontario on this 9th day of April, 2014.

"Shannon O'Hearn"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.4 Canadian Derivatives Clearing Corporation – s. 21.2(0.1)

Headnote

Application under section 21.2 of the Securities Act (Ontario) (Act) by Canadian Derivatives Clearing Corporation to be recognized as a clearing agency.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 21.2.

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

AND

IN THE MATTER OF
THE CANADIAN DERIVATIVES
CLEARING CORPORATION

ORDER
(Subsection 21.2(0.1) of the Act)

WHEREAS the Canadian Derivatives Clearing Corporation ("CDCC") has filed an application ("Application") with the Ontario Securities Commission ("Commission") requesting an order pursuant to subsection 21.2(0.1) of the Act recognizing CDCC as a clearing agency in Ontario;

AND WHEREAS on February 15, 2011, the Commission issued an order ("Temporary Exemption Order"), pursuant to section 147 of the Act, temporarily exempting CDCC from the requirement in subsection 21.2(0.1) of the Act to be recognized as a clearing agency;

AND WHEREAS on February 14, 2012, February 26, 2013, June 7, 2013, October 8, 2013 and February 11, 2014, the Commission issued orders to vary the Temporary Exemption Order, pursuant to Section 144 of the Act, to, among other things, extend the date of expiration of the Temporary Exemption Order;

AND WHEREAS the Temporary Exemption Order, as varied, provides that CDCC is exempted from the recognition requirement until the earlier of (i) the date the Commission renders a subsequent order recognizing CDCC as a clearing agency under subsection 21.2(0.1) of the Act or exempting it from the requirement to be recognized as a clearing agency under section 147 of the Act, and (ii) May 30, 2014, subject to the terms and conditions set forth in Schedule "A" of the Temporary Exemption Order, as varied;

AND WHEREAS the Temporary Exemption Order, as varied, will be replaced by this order and therefore be automatically revoked upon issuance of this order;

AND WHEREAS CDCC has represented the following facts to the Commission:

1. CDCC is incorporated under the *Canada Business Corporations Act* and has its registered office in Montréal, Québec;

2. Originating in 1975 as the clearing facility for the first Canadian equity options market, CDCC expanded its service offerings to the Canadian derivatives marketplace over time and acquired its current name in 1996;

3. CDCC currently offers central counterparty ("CCP") clearing services in Canada for:

    a. financially or physically settled interest rate and equity futures and options traded on the Bourse de Montréal Inc. (the "Bourse");

    b. financially or physically settled over-the-counter equity options; and

    c. fixed income transactions (the "Fixed Income CCP Service");

4. CDCC is wholly-owned by the Bourse;

5. The Bourse, in turn, is an indirect wholly-owned subsidiary of TMX Group Limited, a public company, the common shares of which are listed on Toronto Stock Exchange;

6. TMX Group Limited is formerly known as Maple Group Acquisition Corporation, which completed in September 2012 a multi-step transaction (the "Maple Transactions") to acquire all of the issued and outstanding voting securities of TMX Group Inc. and other entities operating marketplaces and clearing agencies in Canada;

7. As a result of the Maple Transactions, TMX Group Limited wholly owns indirectly both CDCC and CDS Clearing and Depository Services Inc. ("CDS"), a recognized clearing agency that operates the securities settlement system and central securities depository in Canada;

8. The Fixed Income CCP Service is a clearing service that was launched by CDCC on February 21, 2012;

9. The Fixed Income CCP Service currently provides CCP clearing services for bilaterally-traded repurchase ("repo") transactions of Canadian and provincial government securities entered into among approved fixed income CDCC clearing members, and includes blind repo trades introduced by inter-dealer brokers;

10. On March 11, 2013, CDCC expanded the scope of the Fixed Income CCP Service to provide CCP clearing services for cash buy or sell trades of such government securities;

11. CDCC intends to further expand the scope of the Fixed Income CCP Service to provide CCP clearing services for so-called "general collateral" repo transactions, whereby the underlying securities of a repo transaction consists of a "basket" of acceptable government securities instead of an individual security;

12. To operate the Fixed Income CCP Service, CDCC has a link with CDS, which (i) facilitates the entering and transmission to CDCC of all necessary information relating to fixed income transactions that are to be novated and netted by CDCC and (ii) settles by book-entry on a delivery-versus-payment basis the transactions that are novated and netted by CDCC, with CDCC being on one side of all the cleared transactions in its capacity as the CCP and a participant of CDS being on the other side;

13. To manage counterparty credit risk, and protect CDCC, its clearing members and, indirectly, their clients, against extreme but plausible market events, CDCC has implemented risk management procedures, including: (i) maintaining minimum membership standards, (ii) assessing market exposure and requiring margin to cover such exposure from its clearing members, (iii) monitoring the capital margin ratio of each clearing member, (iv) collecting and holding clearing fund contributions from its clearing members, (v) accepting highly liquid assets as collateral, and (vi) having a default management process in place;

14. CDCC manages liquidity risk through a calibration of its collateral policy as well as commercial bank liquidity facilities, and regularly reviews its liquidity exposures;

15. CDCC has committed five million dollars in capital to the default management waterfall that would be applied to a suffered loss prior to applying the clearing fund assets of the non-defaulting clearing members;

16. To measure and monitor the adequacy of its financial resources and identify any shortcomings in its overall financial risk model, CDCC performs daily stress testing that simulates eighteen market events on open clearing member positions, as well as daily backtesting of open clearing member positions at both the product and portfolio levels;

17. CDCC's board of directors receives advice and non-binding recommendations with respect to CDCC risk management issues from, among others, a Risk Management Advisory Committee, whose members must have a requisite level of expertise and be familiar with the risk management objectives of clearing agencies that settle and guarantee derivative instruments;

18. CDCC has been regulated and overseen by the Autorité des marchés financiers ("AMF") in Québec since 1987, and currently is recognized by the AMF as a clearinghouse under section 12 of the *Derivatives Act* (Québec) ("QDA") pursuant to decision No. 2012-PDG-0078 dated May 2, 2012, as amended by decision No. 2012-PDG-0146 dated July 4, 2012, which are set out in Schedule "B" to this order (the "AMF Decisions"), and is exempt by the AMF from obtaining recognition as a clearing house under the *Securities Act* (Québec) ("QSA") pursuant to the AMF Decisions;

19. The Bourse is also subject to the regulatory oversight of the AMF, which acts as lead regulator of the Bourse in Canada;

20. Effective April 30, 2012, the Governor of the Bank of Canada ("BOC") designated CDCC's clearing and settlement system, the Canadian Derivatives Clearing Service ("CDCS"), pursuant to subsection 4(1) of the *Payment Clearing and*

Settlement Act (Canada) (the "PCSA"); as a consequence of this designation, CDCS is subject to Part I – *Clearing and Settlement System Regulation* – of the PCSA and the BOC's regulatory oversight;

21. Amendments to CDCC's rules and procedures are generally:

    a. subject to review by the AMF and implemented by CDCC by way of a self-certification process in accordance with the QDA regulations,

    b. subject to review and prior approval by the BOC in accordance with a regulatory oversight agreement;

AND WHEREAS the Commission considers the proper operation of a clearing agency as essential to investor protection and maintaining a fair and efficient capital market, and the Commission may recognise a clearing agency, pursuant to section 21.2 of the Act, if it is satisfied that it is in the public interest to do so;

AND WHEREAS the Commission considers the operation of a clearing agency in the public interest to include, among other things, appropriate governance arrangements, fair access and services to all market participants, adequate management of risk, including systemic risk, and operational reliability, fair and non-discriminatory fees, and appropriate rules and procedures that do not impose a burden on competition in the Canadian financial markets;

AND WHEREAS the Commission considers certain aspects of CDCC's activities, particularly the Fixed-Income CCP Service and any potential expansion of CCP clearing of derivatives transactions, to be important to Ontario's capital markets, and therefore proposes to recognize CDCC and regulate it in coordination and cooperation with the regulatory oversight undertaken by the BOC and AMF;

AND WHEREAS the Bourse has been exempted by the Commission since 2004 from the requirement to be recognized as an exchange under section 21 of the Act and from registration as a commodity futures exchange under section 15 of the *Commodity Futures Act* (Ontario) ("CFA"), subject to certain terms and conditions;

AND WHEREAS the current terms and conditions of the Commission's exemption order granted to the Bourse include requirements that, to the extent that CDCC is recognized by the Commission as a clearing agency under the Act or a clearing house under the CFA, or is exempted from any requirement to be recognized, the Bourse shall cause CDCC to:

(a) carry out its activities as a clearing agency recognized or exempted from recognition under section 21.2 of the Act and in compliance with Ontario securities law, as and where applicable, and

(b) comply with any terms and conditions imposed on CDCC through any order recognizing it as a clearing agency, or exempting it from recognition as a clearing agency, under section 21.2 of the Act;

AND WHEREAS the Commission considers that reliance on the AMF's regulatory oversight of CDCC's activities relating to the clearing of trades in Bourse listed or traded products would generally be appropriate;

AND WHEREAS CDCC has agreed to the respective terms and conditions as set out in Schedule "C" to this order;

AND WHEREAS based on the Application and the representations that CDCC has made to the Commission, the Commission has determined that:

(a) CDCC satisfies the applicable criteria for recognition set out in Schedule "A" to this order; and

(b) it is in the public interest to recognize CDCC as a clearing agency pursuant to section 21.2 of the Act, subject to terms and conditions that are set out in Schedule "C" to this order;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and CDCC's activities on an ongoing basis to determine whether the terms and conditions in this order continue to be appropriate;

IT IS HEREBY ORDERED that pursuant to subsection 21.2(0.1) of the Act, CDCC is recognized as a clearing agency, provided CDCC complies with the terms and conditions set out in Schedule "C".

DATED this 8th day of April, 2014 and effective immediately.

"James Turner"

"James D. Carnwath"

SCHEDULE "A" – CRITERIA FOR RECOGNITION

PART 1 GOVERNANCE

1.1 The governance structure and governance arrangements of the clearing agency ensures:

(a) effective oversight of the clearing agency;

(b) the clearing agency's activities are in keeping with its public interest mandate;

(c) fair, meaningful and diverse representation on the governing body (Board) and any committees of the Board, including a reasonable proportion of independent directors;

(d) a proper balance among the interests of the owners and the different entities seeking access (participants) to the clearing, settlement and depository services and facilities (settlement services) of the clearing agency;

(e) the clearing agency has policies and procedures to appropriately identify and manage conflicts of interest;

(f) each director or officer of the clearing agency, and each person or company that owns or controls, directly or indirectly, more than 10 percent of the clearing agency, is a fit and proper person; and

(g) there are appropriate qualifications, limitation of liability and indemnity provisions for directors and officers of the clearing agency.

PART 2 FEES

2.1 All fees imposed by the clearing agency are equitably allocated. The fees do not have the effect of creating unreasonable barriers to access.

2.2 The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 3 ACCESS

3.1 The clearing agency has appropriate written standards for access to its services.

3.2 The access standards and the process for obtaining, limiting and denying access are fair and transparent. A clearing agency keeps records of:

(a) each grant of access including, for each participant, the reasons for granting such access; and

(b) each denial or limitation of access, including the reasons for denying or limiting access to an applicant.

PART 4 RULES AND RULEMAKING

4.1 The clearing agency's rules are designed to govern all aspects of the settlement services offered by the clearing agency, and

(a) are not inconsistent with securities legislation;

(b) do not permit unreasonable discrimination among participants; and

(c) do not impose any burden on competition that is not necessary or appropriate.

4.2 The clearing agency's rules and the process for adopting new rules or amending existing rules should be transparent to participants and the general public.

4.3 The clearing agency monitors participants' activities to ensure compliance with the rules.

4.4 The rules set out appropriate sanctions in the event of non-compliance by participants.

PART 5 DUE PROCESS

5.1 For any decision made by the clearing agency that affects an applicant or a participant, including a decision in relation to access, the clearing agency ensures that:

(a) an applicant or a participant is given an opportunity to be heard or make representations; and

(b) the clearing agency keeps a record of, gives reasons for, and provides for appeals or reviews of, its decisions.

PART 6 RISK MANAGEMENT

6.1 The clearing agency's settlement services are designed to minimize systemic risk.

6.2 The clearing agency has appropriate risk management policies and procedures and internal controls in place.

6.3 Without limiting the generality of the foregoing, the clearing agency's services or functions are designed to achieve the following objectives:

1. Where the clearing agency acts as a central counterparty, it rigorously controls the risks it assumes.

2. The clearing agency minimizes principal risk by linking securities transfers to funds transfers in a way that achieves delivery versus payment.

3. Final settlement occurs no later than the end of the settlement day. Intraday or real-time finality is provided where necessary to reduce risks.

4. Where the clearing agency extends intraday credit to participants, including a clearing agency that operates net settlement systems, it institutes risk controls that, at a minimum, ensure timely settlement in the event that the participant with the largest payment obligation is unable to settle.

5. Assets used to settle the ultimate payment obligations arising from securities transactions carry little or no credit or liquidity risk. If central bank money is not used, steps are to be taken to protect participants in settlement services from potential losses and liquidity pressures arising from the failure of the cash settlement agent whose assets are used for that purpose.

6. If the clearing agency establishes links to settle cross-border trades, it designs and operates such links to reduce effectively the risks associated with cross-border settlements.

6.4 The clearing agency engaging in activities not related to settlement services carries on such activities in a manner that prevents the spillover of risk to the clearing agency that might affect its financial viability or negatively impact any of the participants in the settlement service.

PART 7 SYSTEMS AND TECHNOLOGY

7.1 For its settlement services systems, the clearing agency:

(a) develops and maintains,

(i) reasonable business continuity and disaster recovery plans,

(ii) an adequate system of internal control,

(iii) adequate information technology general controls, including controls relating to information systems operations, information security, change management, problem management, network support, and system software support;

(b) on a reasonably frequent basis, and in any event, at least annually, and in a manner that is consistent with prudent business practice,

(i) makes reasonable current and future capacity estimates,

(ii) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner,

(iii) tests its business continuity and disaster recovery plans; and

(c) promptly notifies the regulator of any material systems failures.

7.2 The clearing agency annually engages a qualified party to conduct an independent systems review and prepare a report in accordance with established audit standards regarding its compliance with paragraph 7.1(a).

PART 8 FINANCIAL VIABILITY AND REPORTING

8.1 The clearing agency has sufficient financial resources for the proper performance of its functions and to meet its responsibilities and allocates sufficient financial and staff resources to carry out its functions as a clearing agency in a manner that is consistent with any regulatory requirements.

PART 9 OPERATIONAL RELIABILITY

9.1 The clearing agency has procedures and processes to ensure the provision of accurate and reliable settlement services to participants.

PART 10 PROTECTION OF ASSETS

10.1 The clearing agency has established accounting practices, internal controls, and safekeeping and segregation procedures to protect the assets that are held by the clearing agency.

PART 11 OUTSOURCING

11.1 Where the clearing agency has outsourced any of its key functions, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices. The outsourcing arrangement provides regulatory authorities with access to all data, information, and systems maintained by the third party service provider required for the purposes of regulatory oversight of the agency.

PART 12 INFORMATION SHARING AND REGULATORY COOPERATION

12.1 The clearing agency cooperates by sharing information or otherwise with the Commission and its staff, self-regulatory organizations, exchanges, quotation and trade reporting systems, alternative trading systems, other clearing agencies, investor protection funds, and other appropriate regulatory bodies.

SCHEDULE "B" – AMF DECISIONS

[Note from Bulletin Editor: The AMF Decisions are not reproduced in the Bulletin. Both the official French version and translated English version of the AMF Decisions are accessible from the OSC's Website at www.osc.gov.on.ca. The AMF Decisions are also accessible from the AMF's Website at www.lautorite.qc.ca.]

SCHEDULE "C" – TERMS AND CONDITIONS

Part I – Definitions

For the purposes of this Schedule "C":

"financial risk model" means the mechanisms adopted by CDCC to manage the risk of potential loss in the provision of clearing services for securities and derivatives transactions due to the failure of a Clearing Member to fulfill its obligations, and for greater certainty:

(i) includes margin and clearing fund calculation models, stress and backtesting policies and procedures for determining the adequacy of CDCC's total financial resources, collateral and treasury management policies and procedures, and other tools to manage CDCC's credit and liquidity risk, but

(ii) does not include mechanisms to manage business or operational risk;

"FMI Principles" means the international standards for financial market infrastructures established by the Committee on Payment and Settlement Systems (CPSS) and Technical Committee of the International Organization of Securities Commissions (IOSCO) in their April 2012 report *Principles for financial market infrastructures;*

"IT Systems" means CDCC's information technology systems supporting the services or the business operations of CDCC;

"Clearing Member" means a clearing member that uses the services offered by CDCC which are governed by the CDCC's Rules;

"Ontario securities law" has the meaning ascribed to it in subsection 1(1) of the Act; and

"Rule" has the meaning ascribed to it in section 2 of the Rule Protocol at Appendix "A" to this schedule.

Unless the context otherwise requires, other terms used in this Schedule "C" have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this recognition order).

Part 2 – Terms and Conditions

1 REGULATION OF CDCC

1.1 CDCC shall continue to be a recognized clearinghouse under the QDA and an exempt clearing house under the QSA and be subject to the AMF's regulatory oversight.

1.2 CDCC shall continue to meet the terms and conditions set out in Part IV of the AMF Decisions (except terms and condition II(b)(iv), III and IV thereof).

1.3 CDCS shall continue to be designated by the BOC under the PCSA and be subject to the BOC's regulatory oversight.

1.4 CDCC shall inform the Commission in writing, promptly upon becoming aware, of any proposed change to the AMF's recognition of CDCC or the BOC's designation of the CDCS, including any proposed change to the terms and conditions of recognition as a clearinghouse under the QDA or exemption from recognition as a clearing house under the QSA and to the respective regulatory oversight of the AMF and BOC.

1.5 CDCC shall continue to meet the criteria for recognition in Schedule "A" to this order, as applicable.

2 OWNERSHIP OF CDCC

2.1 CDCC shall inform the Commission in writing, promptly upon becoming aware, of any (i) change in ownership of its share capital or (ii) agreement governing the exercise of voting rights attached to any class or series of its voting shares.

3 PUBLIC INTEREST RESPONSIBILITY

3.1 CDCC's board of directors shall provide a written report to the Commission at least annually, or as required by the Commission, describing how CDCC is meeting its public interest responsibility.

4 GOVERNANCE

4.1 CDCC shall promote within CDCC a governance structure that minimizes the potential for any conflict of interest between CDCC and its shareholder(s) that could adversely affect the clearing of products cleared by CDCC or the effectiveness of CDCC's risk management policies, controls and standards.

5 ACCESS

5.1 With respect to the Fixed Income CCP Service or any other CCP service for transactions in the cash markets and only for as long as CDCC offers such services:

(a) CDCC shall allow any person or company, including other third party post-trade service providers, that meets CDCC's minimum operational requirements, to interface or connect to any of its services or systems on a commercially reasonable basis;

(b) the Rules or any other arrangements between CDCC and its Clearing Members or between CDCC and a cash marketplace shall:

(i) be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to remove impediments to the prompt and accurate clearance and settlement of securities transactions;

(ii) not unreasonably create an impediment to competition including in respect of securities trades that are executed on marketplaces, or processed by third party post-trade service providers, not owned or controlled by TMX Group Limited; and

(iii) without limiting the generality of the foregoing, not unreasonably prohibit, limit or impede, directly or indirectly, the ability of Clearing Members to engage other third party post-trade service providers or use the provision of their services.

6 FEES

6.1 CDCC shall provide timely notice to its Clearing Members, the public and its regulators of any changes to fees charged by CDCC for its services.

6.2 CDCC shall file concurrently with the Commission all the reports filed with other regulatory authorities regarding the review of the fees and fee models related to clearing or other services of CDCC and any of its affiliates.

6.3 If the Commission considers that it would be in the public interest, it may, within 10 business days of receipt of the filing under paragraph 6.1 of a new or changed fee, object to such new or changed fee. In the event that the Commission so objects, CDCC shall withdraw the new or changed fee.

6.4 CDCC's process for setting fees for any of its services shall provide for meaningful input from the risk and audit committee of its board of directors.

7 CPSS-IOSCO STANDARDS

7.1 CDCC shall conduct a self-assessment against the FMI Principles as and when required by CDCC's regulators, and prepare a written report on the findings, conclusions and recommendations for addressing any gaps. CDCC shall provide the report to its board of directors promptly after the report's completion and then to the Commission within 30 days of providing it to its board of directors.

8 RISK CONTROLS

8.1 CDCC's financial risk model shall be reviewed every four years, or at other times required by the Commission, by an independent qualified party, acceptable to the Commission; the independent qualified party shall prepare a written report of its review and provide the report to CDCC's board of directors promptly after the report's completion and then to the Commission within 30 days of providing it to its board of directors.

9 ACCESS TO INFORMATION AND CONFIDENTIALITY OF INFORMATION

9.1 CDCC shall make available to the Commission, on request, all the data and information in CDCC's possession and which the Commission may need (i) to evaluate CDCC's performance of its clearing activities and its compliance with

the terms and conditions of this order, or (ii) generally in order to carry out its mandate. Without limiting the generality of the foregoing, CDCC shall provide the data and information described in Appendix "C" to this Schedule "C" on an ongoing basis at the intervals indicated therein.

9.2 The disclosure or sharing of information by CDCC or any of its affiliates pursuant to this order is subject to any confidentiality provisions contained in agreements entered into between CDCC and the BOC pertaining to information received from the BOC.

9.3 CDCC shall not release Clearing Members' confidential information to a person or company other than CDCC's affiliates, the Clearing Member, CDCC's regulators, other securities regulatory authorities, or regulation services providers unless:

(a) the Clearing Member has consented in writing to the release of the information;

(b) the release of the information is required by Ontario securities law or other applicable law; or

(c) the information has been publicly disclosed by another person or company, and CDCC reasonably believes that the disclosure was lawful.

9.4 CDCC shall implement reasonable safeguards and procedures to protect Clearing Members' information, including limiting access to such Clearing Member information to CDCC's affiliates and employees, or persons or companies retained by CDCC to operate the system.

9.5 CDCC shall implement adequate oversight procedures to ensure that the safeguards and procedures established under paragraph 9.4 are followed.

10 RULES

10.1 CDCC shall file with the Commission all Rules and amendments to Rules subject to and in accordance with the Rule Protocol attached as Appendix "A" to this Schedule, as amended from time to time.

11 FINANCIAL VIABILITY

11.1 CDCC shall file with the Commission unaudited quarterly financial statements, without notes, within 60 days of the end of quarters one through three and audited annual financial statements within 90 days of each fiscal year end, all prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises. The quarterly and annual financial statements of CDCC shall be provided on a separate and consolidated basis (if CDCC has one or more subsidiaries). Any annual report provided to CDCC's shareholder(s) shall be concurrently filed by CDCC with the Commission.

11.2 CDCC shall file with the Commission its annual budget, accompanied by the underlying assumptions, approved by its board of directors. The annual and quarterly financial statements of CDCC shall include a budget analysis of the results of the relevant period, as well as a comparative analysis of the results in relation to the corresponding period of the previous fiscal year.

11.3 CDCC shall meet the financial ratios and related threshold tests that may be agreed upon from time to time between CDCC and Commission staff, and shall file on a quarterly basis the calculations of such ratios together with the financial statements required under this section.

11.4 CDCC shall promptly notify the Commission upon becoming aware that it is no longer or will no longer meet one or more of the tests described in paragraph 11.3 or otherwise be able to maintain sufficient financial or other resources it needs to ensure its financial viability and the performance of its clearing functions, in a manner that is consistent with the public interest and in accordance with the terms and conditions of this decision.

12 SYSTEMS CAPACITY, INTEGRITY AND SECURITY

12.1 CDCC shall promptly notify the Commission of any material systems failure or other major operating delay or failure affecting its IT Systems, including any communication failure with the systems.

12.2 Before implementing a significant change affecting its IT Systems, CDCC shall file a written description of the change at least 45 days in advance with the Commission.

12.3 For any change to its IT Systems other than a change contemplated in paragraph 12.2, CDCC shall file a description of the change with the Commission, within a time limit of 30 days following the end of the calendar quarter during which the change occurred.

12.4 CDCC shall provide at least 30 days prior notice to the Commission before finalizing the scope of the review required under criteria for recognition 7.2 and the Commission may request amendments to the scope. CDCC shall file the report of the review with the Commission within 30 days after the presentation of the report to CDCC's board of directors or to the board's risk and audit committee.

13 REPORTING OBLIGATIONS

13.1 CDCC shall comply with Appendix "B" and Appendix "C" to this Schedule "C" setting out the reporting obligations, as amended from time to time, regarding the reporting of information to the Commission.

Appendix "A" to Schedule "C"

Rule Protocol

RULE PROTOCOL REGARDING THE REVIEW AND, WHERE APPROPRIATE, APPROVAL AND PUBLICATION BY THE ONTARIO SECURITIES COMMISSION OF RULES OF THE CANADIAN DERIVATIVES CLEARING CORPORATION

1. Purpose of the Protocol

On April 8, 2014, the Commission issued a recognition order ("Recognition Order") with terms and conditions governing the recognition of CDCC as a clearing agency pursuant to subsection 21.2(0.1) of the Act. In accordance with the Recognition Order, CDCC will file, among other things, its Rules with the Commission for review and, where appropriate, approval and publication. This protocol ("Protocol") sets out the procedures for the submission of a Rule by CDCC for the review and, where appropriate, approval and publication of the Rule by the Commission.

2. Definitions

(a) In addition to terms defined elsewhere in the Recognition Order, in this Protocol:

"MOU" means a memorandum of understanding among CDCC's Canadian regulators respecting the regulatory oversight of certain commonly regulated clearing and settlement systems, including CDCC, as amended from time to time, which is expected to be published by the regulators on April 10, 2014;

"Proposed Rule Implementation Date" means the date determined by CDCC pursuant to the QDA Rule Self-certification Process to be the date when a Rule is proposed to come into effect as a binding and enforceable Rule;

"QDA Regulation" means the *Derivatives Regulation* made in the Province of Québec under the QDA, as amended from time to time;

"QDA Rule Self-certification Process" means, in relation to a proposed Rule, the process by which the Rule is to be implemented in the Province of Québec pursuant to the QDA Regulation;

"Rule" means any provision or other requirement in CDCC's rulebook, operating procedures or manuals, user guides, or similar documents governing rights and obligations between CDCC and the Clearing Members or among the Clearing Members; and includes for the purposes of this Protocol, any proposed new Rule or amendment to or deletion of an existing Rule.

(b) Unless the context otherwise requires, other terms used in this Protocol have the respective meanings ascribed to them in:

(i) Ontario securities law, as defined in the Act; or

(ii) Ontario commodity futures law, as defined in the *Commodity Futures Act* (Ontario).

3. Classification of Rules

(a) Initial classification

CDCC will present a Rule change as a "Rule Change Requiring Approval in Ontario" or a "Rule Change Not Requiring Approval in Ontario" for the purposes of this Protocol.

(b) Rule Change Requiring Approval in Ontario

For the purpose of this Protocol, a Rule will be classified as a Rule Change Requiring Approval in Ontario if it meets the following two conditions:

(i) the Rule is required to be subject to public consultation under the QDA Rule Self-certification Process; and

(ii) it pertains to the Fixed Income CCP Service or any CCP service for the clearing and settlement of derivatives trades.

(c) Rule Change Not Requiring Approval in Ontario

For the purpose of this Protocol, a Rule will be classified as a Rule Change Not Requiring Approval in Ontario if it is not a Rule Change Requiring Approval in Ontario.

(d) Disagreement with Classification

Where Commission staff disagree with classification of a Rule as a Rule Change Not Requiring Approval in Ontario, the following process will apply:

(i) Commission staff will provide a written explanation to CDCC (with copy to CDCC's other regulators in accordance with the terms of the MOU) of its reasons for disagreeing with the classification of the Rule within the following timelines:

(A) within five (5) business days of receipt of CDCC's filing where CDCC has classified the Rule as a Rule Change Not Requiring Approval in Ontario because it is of the opinion that an emergency situation so requires in accordance with the QDA Regulation; and

(B) within twenty-one (21) business days of receipt of CDCC's filing in all other cases;

(ii) Commission staff will use its best efforts to coordinate and consult with CDCC's other regulators in accordance with the MOU to seek consensus as to the classification of the Rule;

(iii) following receipt of Commission staff's written explanation and confirmation that staff have consulted with CDCC's other regulators in accordance with the MOU regarding the disagreement, CDCC will suspend the operation of the Rule; CDCC may also, if it so chooses, reclassify the Rule as a Rule Requiring Approval in Ontario and resubmit it in accordance with the rule submission procedures set out in Section 4, with necessary modifications;

(iv) the operation of the Rule will be suspended until such time as the disagreement on the classification of the Rule has been resolved or the Commission approves the Rule.

(e) Power to Reclassify a New Derivative Rule

Notwithstanding any other provision of this Protocol, where a Rule pertains to a new derivative pursuant to the QDA Regulation, Commission staff may require within 30 days of receipt of CDCC's filing of the Rule that it be immediately withdrawn and re-submitted as a Rule Change Requiring Approval in Ontario if, further to analysis, Commission staff has concerns with the potential impact of such Rule on Ontario's capital markets.

4. Rule Submission Procedures for a Rule Change Requiring Approval in Ontario

Prior to implementing a Rule Change Requiring Approval in Ontario, CDCC will obtain the Commission's approval of the Rule in accordance with this Section 4.

(a) Documents to be Filed

CDCC will file with the Commission, by electronic means all the documents that it is required to file with the AMF in respect of the Rule under the QDA Rule Self-certification Process. Where public consultation is required under the QDA Rule Self-certification Process, CDCC will disclose in its notice of publication the classification of the Rule under this Protocol and the rationale for that classification, and will include a statement that the Rule is not, in CDCC's opinion, contrary to the public interest.

(b) Confirmation of Receipt

Commission staff will endeavour to send to CDCC, within five (5) business days of receipt of the documents filed under subsection (a), a confirmation of receipt of such documents.

(c) Consultation Process

Where public consultation is required under the QDA Rule Self-certification Process, Commission staff will use its best efforts to coordinate with the AMF to publish in Ontario simultaneously the notice and text of the Rule filed by CDCC under subsection (a). The notice and Rule will be subject to public comment for a period of not less than 30 days in accordance with the QDA Rule

Self-certification Process. The notice will contain a statement that all comments should be sent to CDCC's counsel with a copy to the Commission.

(d) Review by Commission Staff

Commission staff will use its best efforts to conduct its review of the Rule Change Requiring Approval in Ontario and provide comments to CDCC during the public comment period or, if there is no public consultation process, within 30 days of receipt of the documents filed under subsection (a) ("Review Period"). Commission staff will concurrently provide to CDCC's other regulators copies of the Commission staff's comments provided to CDCC and any responses on such comments received from CDCC. If, at any time during the Review Period, Commission staff determines that it has further comments or requires further information from CDCC in respect of the Rule to adequately advise or prepare materials for the Commission, the Commission staff may extend the deadline for its reply by an additional period of 30 days or such other period as agreed upon by CDCC and the Commission staff, in consultation with CDCC's other regulators ("Extended Reply Deadline").

(e) CDCC Responses to Commission Staff's Comments

CDCC will respond to any comments on the Rule received from Commission staff in writing and, where applicable, provide all public comments received. In addition, CDCC will provide general responses to the key issues raised by the public comments or confirmation that it has not received public comments, as the case may be.

(f) Decision by the Commission

Commission staff will use its best efforts to prepare and submit the Rule Change Requiring Approval in Ontario for the Commission's consideration and decision prior to the Proposed Rule Implementation Date. In any event, the Commission will endeavour to render its decision in respect of the Rule within 15 days of the AMF having stated that it does not object to CDCC proceeding with self-certification of the Rule and will, in accordance with the MOU, endeavour to consult and coordinate with CDCC's other regulators in respect of the identification and resolution of any material issue arising from the proposed Rule.

(g) Publication of Notice of Decision

Commission staff will prepare and publish a short notice of the Commission's decision in respect of the Rule Change Requiring Approval in Ontario as soon as practical after notifying CDCC of the Commission's decision. Upon obtaining the Commission's approval and satisfying other regulatory requirements, as applicable, CDCC will publish a notice of coming into effect of the Rule. At a minimum, the notice of coming into effect of the Rule must contain the following information:

(i) the approved text of the Rule;

(ii) where applicable, a summary of all public comments made in the course of the consultation process and CDCC's general responses to the key issues raised by the public comments; and

(iii) if changes were made to the version published for public comment, a blacklined copy of the revised Rule.

(h) Effective Date of a Rule Change Requiring Approval in Ontario

A Rule Change Requiring Approval in Ontario will be effective as of the Proposed Rule Implementation Date (or such deferred date as may result following the Extended Reply Deadline), provided that the Commission has approved the Rule Change Requiring Approval in Ontario and all other regulatory requirements have been satisfied (including requirements under the QDA).

(i) Significant Revisions to a Rule Change Requiring Approval in Ontario

Any significant revisions to a Rule Change Requiring Approval in Ontario following its publication for comment pursuant to the QDA Rule Self-certification Process, and before its approval by regulators, will be deemed to be a new Rule for the purposes of this Protocol.

(j) Withdrawal of a Rule Change Requiring Approval in Ontario

If CDCC withdraws a Rule Change Requiring Approval in Ontario that was submitted for public comment, then it will provide a notice of withdrawal to the Commission staff. The Commission staff shall publish a notice of withdrawal as soon as practicable.

5. Rule Submission Procedures for Rule Change Not Requiring Approval in Ontario

(a) Documents to be Filed

For a Rule Change Not Requiring Approval in Ontario, CDCC will file concurrently with the Commission, by electronic means, any documents that it files with the AMF related to the Rule in accordance with the QDA Rule Self-certification Process. CDCC will also indicate the classification of the Rule for the purpose of this Protocol and the rationale for that classification, including a statement that the Rule is not, in CDCC's opinion, contrary to the public interest. Where CDCC has classified the Rule as a Rule Change Not Requiring Approval in Ontario because it pertains to a new derivative pursuant to the QDA Regulation, CDCC will provide Commission staff with a clear description of the attributes of the new product or products and their underlying interests. Where CDCC has classified the Rule as a Rule Change Not Requiring Approval in Ontario because it is being made for the purpose of harmonization or compliance with the QDA or other legislation enacted by another province or territory in Canada or by a foreign jurisdiction, CDCC will provide to Commission staff a written description or relevant extract of such legislation. Where CDCC has classified the Rule as a Rule Change Not Requiring Approval in Ontario because it is of the opinion that an emergency situation so requires in accordance with the QDA Regulation, CDCC will, no later than the business day following the effective date of the emergency rule, provide to Commission staff a written explanation of the need for the emergency rule.

(b) Confirmation of Receipt

Commission staff will endeavour to send to CDCC, within five (5) business days of receipt of the documents filed under subsection (a), a confirmation of receipt of such documents.

(c) Effective Date of Rule Change Not Requiring Approval in Ontario

The Rule will become effective on the Proposed Rule Implementation Date, provided that CDCC does not receive any communication of disagreement with the classification from Commission staff in accordance with Section 3.

6. Miscellaneous Provisions

(a) Waiving Provisions of the Protocol

Commission staff may waive any provision of this Protocol upon request from CDCC in respect of a particular Rule filed with the Commission. Such a waiver will be granted in writing by Commission staff. Any such waiver by Commission staff under this Protocol shall not be construed as a waiver of the provision itself.

(b) Amendments

This Protocol and any provision hereof may be amended at any time or times by written agreement between the Commission and CDCC.

Appendix "B" to Schedule "C"

Other reports and documents to be submitted by CDCC to the Commission

In addition to the notification, reporting and filing obligations set out in Schedule "C" to the Recognition Order, CDCC shall also comply with the reporting obligations set out below.

1. Prior Notification

1.1 CDCC shall provide to Commission staff prior notification of:

(a) any proposed change to CDCC's corporate governance structure (eg., changes to the structure of its board of directors, and changes to the structure of any of its board committees and their mandates, and changes to the structure of any of its user groups and their mandates);

(b) a decision to enter into an agreement, memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organization, clearing agency, stock exchange, other marketplace or market;

(c) a decision by CDCC to engage, either directly or through an affiliate, in a new material business activity or to cease to carry on a material business activity operated by CDCC at that time; and

(d) the establishment of any link with another clearing agency or trade repository.

2. Immediate Notification

2.1 CDCC shall inform the Commission, promptly upon becoming aware, of any event or occurrence that has caused or could reasonably be expected to cause a significant risk to; an adverse material effect on; or a significant or potential disruption to CDCC, its Clearing Members, any of its services or the Canadian financial markets, including, but not limited to, a Clearing Member being declared a "non-conforming Member" or otherwise being considered in default; fraudulent activity; or a significant breach of CDCC's rules by a Clearing Member.

2.2 CDCC shall provide to the Commission immediate notice of:

(a) the appointment of any new director or officer, including a description of the individual's employment history; and

(b) the receipt of notice of resignation from, or the resignation of a director or officer or the auditors of CDCC, including a statement of the reasons for the resignation.

2.3 CDCC shall immediately notify the Commission if it becomes:

(a) the subject of any order, directive or other similar action of a governmental or regulatory authority; or

(b) aware that it is the subject of a criminal or regulatory investigation or of a material lawsuit.

2.4 CDCC shall immediately file with the Commission copies of all notices, bulletins and similar forms of communication that CDCC sends its Clearing Members.

2.5 CDCC shall immediately file with the Commission any minutes of the board of directors, board committees, management committees and user groups promptly after their approval.

3. Quarterly Reporting

3.1 CDCC shall file quarterly with the Commission a list of the internal audit reports and risk management reports issued in the previous quarter.

4. Annual Reporting

4.1 CDCC shall provide to the Commission annually:

(a) a list of the directors and officers of CDCC;

(b) a list of the committees of the CDCC board of directors, setting out the members, mandate and responsibilities of each of the committees;

(c) a list of all Clearing Members as well as a list of Clearing Members using the Fixed Income CCP Service;

(d) CDCC's strategic plan; and

(e) CDCC's assessment of the risks it faces and the plans for addressing the risks.

Appendix "C" to Schedule "C"

Data and other information to be submitted by CDCC to the Commission

(Note: reporting requirements are considered met if the information items described below are emailed to Commission staff or are made available on CDCC's regulatory extranet system.)

Definitions

1. In this Appendix "C" to Schedule "C" of the Recognition Order,

   (a) "new OTC derivatives" means derivatives, within the meaning of the Act, that are not currently cleared by CDCC on the effective date of this Recognition Order; and

   (b) "Ontario-based Member" means a Clearing Member that has a head office or principal place of business in Ontario.

Quarterly Reporting

2. CDCC will maintain the following updated information and submit such information to the Commission in a manner and form acceptable to the Commission on a quarterly basis (by the end of the month following the end of the calendar quarter), and at any time promptly upon the request of staff of the Commission:

   (a) statistical information in respect of fixed income transactions cleared and settled through the Fixed Income CCP Service;

      1) total number of transactions and net settlement value by category (blind, bilateral and cash)

      2) total net settlement value of unsettled / failed CCP repo transactions divided by ISIN

      3) total number and dollar value of all net settlement positions for future dated end leg transactions, separated into the following buckets:

         (i) value date being less than or equal to T+1

         (ii) value date greater than T+1 and less than or equal to T+7

         (iii) value date greater than T+7 and less than or equal to T+29

         (iv) value date greater than T+29 and less than or equal to T+90

         (v) value date being after T+90

   (b) aggregate volume of Bourse-traded products cleared by CDCC by asset class during the quarter for each Ontario-based Member;

   (c) aggregate notional values of new OTC derivatives cleared by CDCC by asset class during the quarter, as well as total notional values of new OTC derivatives cleared by CDCC by asset class during the quarter for each Ontario-based Member;

   (d) the aggregate total margin amount (initial and variation) and clearing fund contributions required by CDCC ending on the last trading day during the quarter, as well as the total margin amount (initial and variation), and clearing fund contributions for each Ontario-based Member that clears fixed income transactions and / or new OTC derivatives at CDCC;

   (e) a list of Ontario-based Members who have received permission or approval by CDCC during the quarter to perform client clearing at CDCC for new OTC derivatives;

   (f) to the extent CDCC becomes aware of the offering of client clearing for new OTC derivatives to Ontario residents by a Clearing Member, the identity of such Clearing Member and its jurisdiction of incorporation (including that of its ultimate parent) that provides such client clearing services to Ontario residents including, where known,

1) the name of each of the Ontario residents receiving such services; and

2) the notional value of new OTC derivatives cleared by asset class during the quarter for and on behalf of each Ontario resident;

(g) a summary of risk management analysis related to the adequacy of required margin (initial and variation) and the level of the clearing funds, including but not limited to stress testing and back testing results;

(h) any other information in relation to a new OTC derivative cleared by CDCC for Clearing Members as may be required by the Commission from time to time in order to carry out the Commission's mandate.

2.2.5 Issam El-Bouji et al. – Rule 9 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,
GLOBAL GROWTH ASSETS INC.,
GLOBAL EDUCATIONAL TRUST FOUNDATION
AND MARGARET SINGH

ORDER
(Rule 9 of the Commission's Rules of Procedure (2012), 35 O.S.C.B. 10071)

WHEREAS on January 10, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c S.5, as amended (the "Act"), accompanied by a Statement of Allegations dated January 10, 2013 (the "Statement of Allegations") filed by Staff of the Commission ("Staff") against Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh (collectively the "Respondents");

AND WHEREAS on January 28, 2013, the Commission ordered that the hearing be adjourned to February 27, 2013 at 11:00 a.m.;

AND WHEREAS on February 27, 2013, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on June 19, 2013 at 10:00 a.m. and that June 5, 2013 at 10:00 a.m. be reserved for a potential disclosure motion to be brought by the Respondents;

AND WHEREAS on May 22, 2013, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on July 5, 2013 and that June 19, 2013 be reserved for a potential disclosure motion to be brought by the Respondents;

AND WHEREAS the Respondents withdrew their disclosure motion and on June 6, 2013, the Commission ordered that the date for the potential disclosure motion to be brought by the Respondents be vacated;

AND WHEREAS on July 5, 2013, the parties attended a confidential pre-hearing conference in this matter;

AND WHEREAS on July 5, 2013, the Commission adjourned the matter to a further confidential pre-hearing conference to be held on March 3, 2014 and ordered that the hearing on the merits in this matter take place on March 31, 2014 at 10:00 a.m. and continue on April 1, 2, 3, 4, 7, 9, 10, 11, 14, 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.;

AND WHEREAS on March 3, 2014, upon being advised at a confidential pre-hearing conference in this matter that the parties requested additional time to discuss settlement of certain of the allegations contained in the Statement of Allegations, the Commission ordered that the hearing dates scheduled for March 31, April 1, 2, 3, 4 and 7, 2014 be vacated and that the hearing in this matter commence on April 9, 2014 at 10:00 a.m. and continue on April 10, 11, 14, 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.;

AND WHEREAS on April 7, 2014, upon being advised that the parties requested additional time to continue settlement discussions in this matter, the Commission ordered that the hearing dates of April 9, 10 and 11, 2014 be vacated and that the hearing in this matter commence on April 14, 2014 at 10:00 a.m. and continue on April 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.;

AND WHEREAS on April 11, 2014, the parties requested that the hearing dates of April 14, 15, 16 and 17 be vacated to allow the parties additional time to continue settlement discussions in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that the hearing dates scheduled for April 14, 15, 16 and 17, 2014 be vacated and that the hearing in this matter shall commence on April 21, 2014 at 10:00 a.m. and shall continue on April 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.

DATED at Toronto this 11th day of April, 2014.

"James E. A. Turner"

2.2.6 Fawad Ul Haq Khan and Khan Trading Associates Inc. c.o.b. as Money Plus – Rules 1.6(2), 4.5(2) and 10.5 of the OSC Rules of Procedure

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED**

AND

**IN THE MATTER OF
FAWAD UL HAQ KHAN AND
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS**

**ORDER
(Rules 1.6(2), 4.5(2) and 10.5 of the Commission's Rules of Procedure (2012), 35 O.S.C.B. 10071)**

WHEREAS on December 20, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 60 and 60.1 of the *Commodity Futures Act*, R.S.O. 1990, c. C.20, as amended (the "CFA"), in relation to a Statement of Allegations filed on December 19, 2012, in respect of Fawad Ul Haq Khan ("Khan") and Khan Trading Associates Inc. carrying on business as Money Plus (collectively, the "Respondents");

AND WHEREAS on February 5, 2013, Staff of the Commission ("Staff") and the Respondents attended before the Commission and agreed to attend a confidential pre-hearing conference on April 23, 2013;

AND WHEREAS on February 5, 2013, the Commission ordered that this matter be adjourned to a confidential pre-hearing conference on April 23, 2013 at 3:30 p.m.;

AND WHEREAS on April 26, 2013, the Commission issued a Notice of Hearing providing notice that the Commission would hold a hearing on June 24, 2013 to hear a motion application by the Respondents and the Commission would hold a further hearing on August 14, 2013 to hear a motion application by the Respondents;

AND WHEREAS on June 24, 2013, Staff attended the hearing in person, the Respondents attended the hearing via teleconference and the parties made submissions regarding the Respondents' request to have Staff's electronic disclosure provided in printed form;

AND WHEREAS on June 24, 2013, the Commission ordered that:

1. Staff shall provide one full hard copy of its disclosure documents to the Respondents by July 10, 2013; and

2. Khan shall be responsible to make arrangements to pick up the disclosure documents from Staff on the day they become available;

AND WHEREAS on August 14, 2013, Staff and the Respondents attended a hearing before the Commission, the parties made submissions regarding the Respondents' motion with respect to witnesses (the "Witness Motion") and the Panel reserved its decision on the Witness Motion;

AND WHEREAS on August 27, 2013, Staff and the Respondents confirmed their availability to attend a confidential pre-hearing conference on October 1, 2013 at 11:30 a.m.;

AND WHEREAS on August 29, 2013, the Commission ordered that a confidential pre-hearing conference shall take place on October 1, 2013 at 11:30 a.m.;

AND WHEREAS on September 25, 2013, at the request of the Commission, Staff and the Respondents confirmed their availability to attend a confidential pre-hearing conference on October 30, 2013 at 11:30 a.m.;

AND WHEREAS on September 27, 2013, the Commission ordered that the confidential pre-hearing conference scheduled to take place on October 1, 2013 be adjourned to October 30, 2013 at 11:30 a.m.;

AND WHEREAS on October 23, 2013, the Panel delivered its Reasons for Decision on the Witness Motion (the "Witness Motion Decision");

AND WHEREAS on October 30, 2013, Staff and the Respondents attended before the Commission and made submissions;

AND WHEREAS on October 30, 2013, the Commission ordered that:

1. a motion requested by the Respondents will be heard on December 16, 2013 at 11:00 a.m., and in accordance with Rule 3.2 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*"), the Respondents shall serve and file a motion record, including any affidavits to be relied upon, by December 6, 2013 at 4:30 p.m.;

2. any expert report to be relied on by the Respondents shall be served to Staff by March 6, 2014 at 4:30 p.m., in accordance with Rule 4.6 of the *Rules of Procedure*;

3. a further confidential pre-hearing conference shall take place on February 3, 2014 at 10:00 a.m.; and

4. the hearing on the merits shall commence on May 5, 2014 and shall continue until June 12, 2014, save and

except for May 6, 19 and 20 and June 3, 2014 (the "Merits Hearing");

AND WHEREAS on December 16, 2013, Staff and the Respondents attended a hearing before the Commission to consider the Respondents' motion requesting: (a) the dismissal of the proceeding against them; (b) the revocation or variation of the Witness Motion Decision; and (c) that the proceeding be heard by another panel member based on a claim of bias (the "Dismissal, Reconsideration and Bias Motion") and the Panel reserved its decision;

AND WHEREAS on January 17, 2014, the Panel delivered its Reasons and Decision on the Dismissal, Reconsideration and Bias Motion;

AND WHEREAS on January 28, 2014, Staff filed an Amended Statement of Allegations;

AND WHEREAS on February 3, 2014, Staff, counsel for the Respondents and the Respondents attended a confidential pre-hearing conference before the Commission and made submissions;

AND WHEREAS on February 3, 2014, the Commission ordered that:

1. Staff shall provide to the Respondents the addresses of the Respondents' witnesses, in Staff's possession, by February 7, 2014;

2. the Respondents shall initiate an application with the Superior Court of Justice, pursuant to subsection 84(1) of the CFA, with respect to summonsing witnesses from outside Ontario as soon as possible after receiving from Staff the addresses of the Respondents' witnesses;

3. Staff shall provide to the Respondents a draft index of the documents in the proposed joint hearing brief by February 14, 2014, the Respondents shall provide to Staff any documents for inclusion in the proposed joint hearing brief by February 24, 2014 and Staff shall provide a printed copy of the joint hearing brief to the Respondents by March 5, 2014;

4. the Respondents shall make best efforts to provide Staff with any additional documents they intend to rely on at the Merits Hearing by March 28, 2014;

5. Staff shall provide a draft (or, if possible, a final version) of Staff's analysis of trading in brokerage accounts (the "Analysis") to the Respondents by March 5, 2014 and Staff shall provide Staff's witness summary, including a final version of the Analysis, to the Respondents by March 28, 2014;

6. the Respondents shall make best efforts to provide their witness summaries to Staff by March 28, 2014;

7. the Respondents shall advise Staff if they intend to object to the authenticity or admissibility of any of Staff's documentary evidence by April 7, 2014; and

8. a further confidential pre-hearing conference shall take place on April 10, 2014 at 2:00 p.m.;

AND WHEREAS on April 10, 2014, Staff, counsel for the Respondents and the Respondents attended a confidential pre-hearing conference before the Commission and made submissions;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that:

1. the Respondents shall provide to Staff the witness summaries of the Respondents' witnesses, who reside in Ontario, by April 21, 2014; and

2. if the Respondents require an interpreter for a language other than English or French, the Respondents shall notify the Secretary to the Commission by April 28, 2014, pursuant to Rule 10.5 of the *Rules of Procedure*.

DATED at Toronto this 10th day of April, 2014.

"Alan J. Lenczner"

2.2.7 Investment Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada – s. 21.4 and s. 19 of the CFA

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

AND

IN THE MATTER OF THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
THE INVESTMENT DEALERS ASSOCIATION OF CANADA
(IDA)

AND

IN THE MATTER OF
THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
(IIROC)

VOLUNTARY SURRENDER ORDER
(Section 21.4 of the Act and section 19 of the CFA)

WHEREAS the Ontario Securities Commission (the Commission) issued orders on June 15, 1984 recognizing the Investment Dealers Association (IDA) as a self-regulatory organization pursuant to section 15 [now 16] of the CFA (CFA Order) and on October 27, 1995 recognizing the IDA as a self-regulatory organization pursuant to section 21.1 of the OSA (OSA Order);

AND WHEREAS effective June 1, 2008 (the Effective Date), the IDA combined its operations (the Combination) with Market Regulation Services Inc. (RS) thereby becoming the Investment Industry Regulatory Organization of Canada (IIROC). The Commission issued an order dated May 16, 2008 and effective on June 1, 2008 recognizing IIROC as a self-regulatory organization pursuant to subsection 21.1(1) of the Act and subsection 16(1) of the CFA.

AND WHEREAS in 2008, the Commission varied and restated the OSA Order in order to reflect that, subsequent to the Effective Date, the IDA would continue to operate as a self-regulatory organization for a period of time, contemplated to be 5 years, to perform limited complaint handling, investigations and enforcement functions;

AND WHEREAS the above referenced period of time has now lapsed and no circumstances have been brought to the Commission's attention that would warrant a continuation of the regulatory authority of the IDA as a recognized self-regulatory organization;

AND WHEREAS the IDA has now applied to the Commission by written submission dated February 25, 2014, for the Commission to accept the voluntary surrender of the recognition of the IDA as a self-regulatory organization under the CFA Order and the OSA Order, as varied and restated;

AND WHEREAS IIROC, on behalf of the IDA, has made the following representations:

1. The continued recognition of the IDA after the Combination was intended to provide added assurance regarding its continued authority over persons subject to its authority and their conduct occurring prior to the Effective Date;

2. An IIROC staff review of the outstanding and potential investigation and enforcement activity involving conduct prior to the Effective Date was carried out, and it was determined that the risk of a possible challenge to its authority is low, thus there is no longer a material need for such added assurance;

3. IIROC has no knowledge of any threatened, pending or actual claims against the IDA; and

4. IIROC has previously agreed to discharge, perform and fulfill all of the obligations and liabilities of the IDA arising before, on or after the Effective Date, and undertakes to continue to do so following the Commission's acceptance of the voluntary surrender of the recognition of the IDA as a self-regulatory organization.

AND WHEREAS the Commission has determined that acceptance of the voluntary surrender of the recognition of the IDA as a self-regulatory organization would not be prejudicial to the public interest;

THE COMMISSION hereby accepts, pursuant to section 21.4 of the Act and section 19 of the CFA, the voluntary surrender of the recognition of the IDA as a self-regulatory organization.

Dated March 11, 2014 and effective April 17, 2014.

"Sarah B. Kavanagh"

"James D. Carnwath"

2.2.8 Market Regulation Services Inc. and the Investment Industry Regulatory Organization of Canada – s. 21.4

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

AND
IN THE MATTER OF
MARKET REGULATION SERVICES INC. (RS)

AND

IN THE MATTER OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA
(IIROC)

VOLUNTARY SURRENDER ORDER
(Section 21.4 of the Act)

WHEREAS the Ontario Securities Commission (the Commission) issued an order on January 29, 2002, recognizing Market Regulation Services Inc. (RS) as a self-regulatory organization pursuant to section 21.1 of the Act (the Order);

AND WHEREAS effective June 1, 2008 (the Effective Date), RS combined its operations (the Combination) with the Investment Dealers Association of Canada (IDA) thereby becoming the Investment Industry Regulatory Organization of Canada (IIROC). The Commission issued an order dated May 16, 2008 and effective on June 1, 2008 recognizing IIROC as a self-regulatory organization pursuant to subsection 21.1(1) of the Act and subsection 16(1) of the Commodity Futures Act.

AND WHEREAS in 2008, the Commission to varied and restated the Order in order to reflect that, subsequent to the Effective Date, RS would continue to operate as a self-regulatory organization for a period of time, contemplated to be 5 years, to perform limited complaint handling, investigations and enforcement functions;

AND WHEREAS the above referenced period of time has now lapsed and no circumstances have been brought to the Commission's attention that would warrant a continuation of the regulatory authority of RS as a recognized self-regulatory organization;

AND WHEREAS RS has now applied to the Commission by written submission dated February 25, 2014, for the Commission to accept the voluntary surrender of the recognition of the RS as a self-regulatory organization under the Order, as varied and restated;

AND WHEREAS IIROC, on behalf of RS, has made the following representations:

1. The continued recognition of RS after the Combination was intended to provide added assurance regarding its continued authority over persons subject to its authority and their conduct occurring prior to the Effective Date;

2. An IIROC staff review of the outstanding and potential investigation and enforcement activity involving conduct prior to the Effective Date was carried out, and it was determined that the risk of a possible challenge to its authority is low, thus there is no longer a material need for such added assurance;

3. IIROC has no knowledge of any threatened, pending or actual claims against RS; and

4. IIROC has previously agreed to discharge, perform and fulfill all of the obligations and liabilities of RS arising before, on or after the Effective Date, and undertakes to continue to do so following the Commission's acceptance of the voluntary surrender of the recognition of RS as a self-regulatory organization.

AND WHEREAS the Commission has determined that acceptance of the voluntary surrender of the recognition of RS as a self-regulatory organization would not be prejudicial to the public interest;

THE COMMISSION hereby accepts, pursuant to section 21.4 of the Act, the voluntary surrender of the recognition of RS as a self-regulatory organization.

Dated March 11, 2014 and effective April 17, 2014.

“Sarah B. Kavanagh”

“James D. Carnwath”

2.2.9 Pro-Financial Asset Management Inc.

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.

ORDER

WHEREAS on May 17, 2013, the Commission issued a temporary order (the "Temporary Order") with respect to Pro-Financial Asset Management Inc. ("PFAM") pursuant to subsections 127(1) and (5) of the *Securities Act,* R.S.O. 1990, c. S.5, as amended (the "Act") ordering that:

(i) pursuant to paragraph 1 of subsection 127(1) of the Act, the registration of PFAM as a dealer in the category of exempt market dealer be suspended and the following terms and conditions apply to the registration of PFAM as an adviser in the category of portfolio manager ("PM") and to its operation as an investment fund manager ("IFM"):

a. PFAM's activities as a PM and IFM shall be applied exclusively to the Managed Accounts (as defined in the Temporary Order) and to the Pro-Hedge Funds and Pro-Index Funds (as defined in the Temporary Order); and

b. PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts;

(ii) pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on May 28, 2013, the Commission ordered: (i) the Temporary Order be extended to June 27, 2013; (ii) the hearing to consider whether to further extend the terms of the Temporary Order and/or to make any further order as to PFAM's registration proceed on June 26, 2013 at 10:00 a.m.;

AND WHEREAS on June 26, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 15, 2013; and (ii) the affidavit of Michael Denyszyn sworn May 24, 2013 not be marked as an exhibit until the next appearance in the absence of a Commission order to the contrary; and the hearing to consider this matter proceed on July 12, 2012;

AND WHEREAS on July 11, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 22, 2013; (ii) the hearing be adjourned to July 18, 2013 at 11:00 a.m.; and (iii) the hearing date of July 12, 2013 at 10:00 a.m. be vacated;

AND WHEREAS on July 18, 2013, PFAM brought a motion (the "First PFAM Motion") that the hearing be held *in camera* and that the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013 and the affidavit of Michael Ho sworn July 17, 2013 (collectively the "Staff Affidavits") either not be admitted as evidence or else be treated as confidential documents and the parties agreed that the motion should be heard *in camera*;

AND WHEREAS on July 18, 2013, PFAM's counsel filed supporting documents (the "PFAM Materials") in support of the First PFAM Motion and counsel for PFAM and Staff made oral submissions and filed written submissions;

AND WHEREAS on July 22, 2013, the Commission ordered:

(i) the Temporary Order be extended to August 26, 2013;

(ii) leave be granted to the parties to file written submissions in respect of the First PFAM Motion;

(iii) the Staff Affidavits, the transcript of the PFAM motion, the PFAM Materials, written submissions filed by Staff and PFAM and other documents presented during the course of the First PFAM Motion shall be treated as confidential documents until further direction or order of the Commission; and

(iv) the hearing be adjourned to August 23, 2013 at 10:00 a.m.;

AND WHEREAS on August 23, 2013, Staff filed with the Commission the affidavit of Michael Ho sworn August 22, 2013 and PFAM's counsel filed the affidavit of Stuart McKinnon dated August 23, 2013 but the parties did not seek to mark these affidavits as exhibits;

AND WHEREAS on August 23, 2013, Staff and counsel for PFAM advised the Commission that the parties had agreed on the terms of a draft order;

AND WHEREAS on August 23, 2013, PFAM requested that the hearing be held *in camera* so PFAM's submissions on certain confidentiality issues could be heard and Staff did not oppose PFAM's request;

AND WHEREAS on August 27, 2013, the Commission ordered:

(i) the Temporary Order be extended to October 11, 2013;

(ii) the affidavit of Michael Ho sworn August 22, 2013 and the affidavit of Stuart McKinnon sworn August 23, 2013 be treated as confidential documents until further order of the Commission;

(iii) PFAM will deliver to Staff the final PPN reconciliation report by 4:30 p.m. on September 30, 2013; and

(iv) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, proceed on October 9, 2013 at 11:00 a.m.;

AND WHEREAS on October 9, 2013, PFAM brought a second motion (the "Second PFAM Motion") for an order that the hearing be held *in camera* and for a confidentiality order treating as confidential documents: (i) the Staff and PFAM affidavits; (ii) all facta and correspondence exchanged by Staff and PFAM; and (iii) any transcript of this and prior *in camera* proceedings;

AND WHEREAS on October 9, 2013, PFAM's counsel filed written submissions dated October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013 and the affidavit of Kenneth White sworn October 7, 2013 in support of the Second PFAM Motion and Staff filed written submissions dated October 9, 2013 and the affidavit of Michael Ho sworn October 8, 2013 and opposed the request for an *in camera* hearing and for the confidentiality order;

AND WHEREAS on October 9, 2013, the Commission heard submissions from counsel on the Second PFAM Motion *in camera* and the Commission requested the parties to prepare a draft order that, among other matters, addressed the confidentiality of documents filed with the Commission and permitted BNP Paribas Canada and Société Générale Canada (the "Banks") to review certain documents attached to Staff affidavits dealing substantively with the PPN reconciliation process, provided the Banks treated such documents as confidential;

AND WHEREAS on October 11, 2013, the Commission ordered that:

(i) the Temporary Order be extended to December 15, 2013;

(ii) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 be treated as confidential documents until further order of the Commission; and

(iii) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, shall proceed on December 12, 2013 at 10:00 a.m.;

AND WHEREAS on October 17, 2013, the Commission ordered (the "October 17, 2013 Order") that:

(i) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 be treated as confidential documents until further order of the Commission;

(ii) the previous orders as to confidentiality made by the Commission on July 22, 2013 and August 27, 2013 remain in force until further order or direction of the Commission; and

(iii) documents related to the PPN reconciliation process listed on Schedule "A" to the October 17, 2013 Order be provided to counsel for the Banks on condition that the Banks treat those documents as confidential documents and not provide copies to any third party without further direction or order of the Commission;

AND WHEREAS on September 30, 2013, PFAM agreed to sell to another portfolio manager (the "Purchaser") PFAM's interest in all of the investment management contracts for the Pro-Index Funds and the Managed Accounts (the "First Transaction"). In a second transaction, an investor agreed to purchase through a corporation (the "Investor") all of the shares of the Purchaser (the "Second Transaction"):

AND WHEREAS on October 22, 2013, the Purchaser and PFAM filed a notification letter providing Compliance and Registrant Regulation Branch ("CRR Branch") Staff with notice ("Notice") of the application filed under section 11.9 and 11.10 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant* Obligations ("NI 31-103") relating to the First Transaction and the Second Transaction (collectively, the "Transactions");

AND WHEREAS on November 5, 2013, the staff member of the CRR Branch conducting the review of the Notice requested copies of the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013, the affidavits of Michael Ho sworn July 17, August 22 and October 8, 2013, the affidavits of Stuart McKinnon sworn July 17, August 23 and October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the submissions of Staff and Pro-Financial Asset Management Inc. ("PFAM") (collectively, the "Confidential Documents");

AND WHEREAS on November 12, 2013, PFAM filed an application with the Investment Funds Branch ("IF Branch") of the Commission for an order under section 5.5 of National Instrument 81-102 – *Mutual Funds* ("NI 81-102") for approval of the Purchaser as investment fund manager of the Pro-Index Funds and the Purchaser applied on October 24, 2013 for registration in the investment fund manager category for this purpose;

AND WHEREAS on November 13, 2013, Staff filed a Notice of Motion returnable on a date to be determined by the Secretary's office seeking an Order that Staff of the Enforcement Branch be permitted to provide some or all of the Confidential Documents to certain staff members of the CRR Branch and the IF Branch;

AND WHEREAS on November 25, 2013, the Commission ordered that:

(i) Staff of the Enforcement Branch be permitted to provide the Confidential Documents to the following persons:

a. the staff members of the CRR Branch assigned to review the Notice;

b. the staff member who has been designated to act in the capacity of the Director on behalf of the CRR Branch for the purposes of deciding whether to object to the Notice;

c. the staff members of the IF Branch who have been assigned to review the application made by PFAM or the Purchaser under section 5.5 of NI 81-102; and

d. the staff member who has been designated to act in the capacity of the "Director" for the purposes of deciding whether to approve the application under section 5.5 of NI 81-102;

(ii) The CRR staff members assigned to review the Notice be permitted to provide relevant information derived from the Confidential Documents ("Relevant Information") to PFAM, the Purchaser and their counsel involved in the Notice as part of the CRR staff members' review and analysis of the Notice on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;

(iii) The IF staff members assigned to review the application for change of fund manager be permitted to provide Relevant Information to PFAM, the Purchaser and their counsel involved in the application filed under NI 81-102 as part of the Investment Funds staff members' review and analysis of the application on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;

(iv) The CRR staff members assigned to review the Notice be permitted to provide Relevant Information to the Investor or its counsel with the consent of PFAM; and

(v) The parties may seek direction from the Commission in the event that the CRR staff members and PFAM cannot agree on whether Relevant Information should be provided to the Investor or its counsel;

AND WHEREAS Staff has filed an affidavit of Michael Ho sworn December 10, 2013 attaching a letter from counsel to Investment Administration Solution Inc. ("IAS"), PFAM's recordkeeper for the PPNs, requesting a copy of the PPN reconciliation report submitted by PFAM to Staff;

AND WHEREAS PFAM's counsel provided to Staff and to the Commission and made submissions based on an affidavit of Stuart McKinnon sworn December 11, 2013 which was not marked as an exhibit on December 12, 2013 at the Commission hearing held that day;

AND WHEREAS on December 12, 2013, Staff and counsel for PFAM appeared before the Commission and made submissions on: (i) the appropriate form of order to govern the provision of the Confidential Documents to other members of Staff of the Commission; and (ii) whether IAS should receive copies of the PPN reconciliation reports submitted by PFAM to Staff;

AND WHEREAS by Commission Order dated December 13, 2013, the Commission ordered that:

(i) the Confidential Documents may be provided to any member of Staff of the Commission, as necessary in the course of their duties;

(ii) the Temporary Order be extended to January 24, 2014;

(iii) the hearing be adjourned to January 21, 2014 at 11:00 a.m.; and

(iv) Staff shall be entitled to provide a copy of each document relating to the PPN reconciliation process listed on Schedule "A" of the October 13, 2013 order to counsel for IAS on the conditions that: (a) IAS treat those documents as confidential and not provide them to any third party without further direction or order of the Commission; and (b) IAS may use the documents for the purpose of assisting Staff in resolving the PPN discrepancy, and for no other purpose;

AND WHEREAS on January 15, 2014, PFAM's counsel advised Staff that the prospectus for the distribution of securities of the Pro- Index Funds had passed its lapse date on January 14, 2014 and PFAM's counsel requested a lapse date extension of 40 days from Staff;

AND WHEREAS on January 17, 2014, PFAM's counsel filed a pre-hearing conference memorandum ("PFAM's Pre-Hearing Memorandum") with the Secretary's office to discuss various issues and seek an Order granting an extension to the lapse date for the Pro-Index Funds under subsection 62(5) of the Act (the "Lapse Date Relief");

AND WHEREAS PFAM filed the affidavit of Stuart McKinnon sworn January 19, 2014 with the Secretary's office and Staff filed the affidavit of Susan Thomas sworn January 20, 2014 with the Secretary's office but neither party marked either affidavit as an exhibit at the appearance on January 21, 2014;

AND WHEREAS on January 21, 2014, Staff and PFAM's counsel appeared before the Commission and Staff advised the Commission that: (i) Staff's review of the Notice was expected to take another three to four weeks; (ii) the parties agreed that the prior confidentiality orders should be revised to permit Staff to provide the Confidential Documents or excerpts therefrom to the Purchaser, the Investor and their counsel as Staff determines necessary in the course of their duties and on the condition that the recipients treat such documents as confidential and not disclose them to any third party without further direction or order of the Commission; and (iii) the parties agreed that the Temporary Order should be extended;

AND WHEREAS on January 21, 2014, PFAM's counsel requested that submissions relating to the issues raised in PFAM's Pre-Hearing Memorandum be made *in camera* pursuant to Rule 6 of the Commission's Rules of Procedure, Staff opposed PFAM's request, and the Commission directed and the parties made submissions *in camera* on the Lapse Date Relief;

AND WHEREAS on January 21, 2014, the Commission ordered that: (i) the Temporary Order be extended to February 24, 2014; (ii) the hearing be adjourned to February 21, 2014 at 2:00 p.m.; (iii) Staff who have received the Confidential Documents be permitted to provide the Confidential Documents or an excerpt of the Confidential Documents to the Purchaser, the Investor and their counsel as set out in the Order; and (iv) PFAM be granted the Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to February 24, 2014 on the conditions set out in the Order;

AND WHEREAS on February 14, 2014, PFAM's counsel served on Staff and filed a pre-hearing conference memorandum with the Secretary's office and requested a confidential pre-hearing conference during the week of February 24, 2014;

AND WHEREAS on February 21, 2014, PFAM's counsel was unavailable to attend before the Commission so the Commission ordered: (i) the Temporary Order be extended to March 6, 2014; (ii) the hearing be adjourned to March 3, 2014 at 11:00 a.m.; and (iii) a confidential pre-hearing conference proceed on February 25, 2014 at 3:30 p.m.;

AND WHEREAS PFAM's counsel requested in his prehearing conference memorandum an extension to the lapse date for the Pro-Index Funds which was previously extended to February 24, 2014 by Commission order dated January 21, 2014 (the "Further Lapse Date Relief");

AND WHEREAS in connection with a confidential pre-hearing conference on February 25, 2014 and the appearance on March 3, 2014, Staff filed the affidavit of Michael Ho sworn February 24, 2014 and written submissions dated February 28, 2014 to oppose the request for the Further Lapse Date Relief and PFAM's counsel filed the affidavits of Stuart McKinnon sworn February 21, 2014 and March 3, 2014 and a factum dated March 3, 2014 in support of the Further Lapse Date Relief;

AND WHEREAS on March 3, 2014, counsel for PFAM requested that submissions relating to the Further Lapse Date Relief be heard *in camera* and the Commission agreed to this request and the parties made oral submissions *in camera* on the issue of whether the Commission should grant the Further Lapse Date Relief;

AND WHEREAS on March 3, 2014, the Commission ordered that the Further Lapse Date Relief would be granted until April 7, 2014 subject to: (i) PFAM issuing a news release, in a form satisfactory to Staff, to ensure that investors receive full disclosure of the matters identified by Staff as set out below; and (ii) PFAM only being permitted to distribute securities of the Pro-Index Funds to existing securityholders of the Pro-Index Funds;

AND WHEREAS on March 3, 2014, the Commission advised, in the public portion of the hearing, that there had been two Director decisions recently made affecting PFAM (the "Director Decisions") and PFAM's counsel advised that the affected parties would seek a hearing and review under subsection 8(2) of the Act of both of the Director Decisions on an expedited basis;

AND WHEREAS on March 4, 2014, the Commission ordered: (i) the terms and conditions imposed on PFAM's registration by the Temporary Order be deleted and replaced with new terms and conditions which provided that PFAM shall not accept any new clients or open any new client accounts of any kind in respect of its Managed Accounts and that PFAM may only distribute securities of the Pro-Index Funds to existing securityholders of the Pro-Index Funds (the "Distribution Restriction"); (ii) PFAM be granted the Further Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to April 7, 2014 subject to the conditions that: (a) PFAM issue a news release by March 6, 2014, in a form satisfactory to Staff, providing disclosure about the specific items set out in the March 4, 2014 order; and (b) PFAM comply with the terms of the March 4, 2014 order; (iii) the hearing be adjourned to April 7, 2014 at 10:00 a.m.; and (iv) the Temporary Order be extended to April 10, 2014;

AND WHEREAS on March 6, 2014, a confidential prehearing conference was held to consider a motion by counsel to the Purchaser and the Investor to vary the Distribution Restriction imposed by the Commission in the March 4, 2014 order, so that PFAM could continue distributing securities until April 7, 2014 to new investors after issuing the press release provided for in the March 4 order (the "Variation Motion");

AND WHEREAS on March 6, 2014, the Commission was of the view that the hearing of the Variation Motion should proceed only after a notice of the Variation Motion has been filed with the Secretary's office so that the public could be advised of the hearing;

AND WHEREAS on March 6, 2014, the Commission ordered that: (i) portions of the Commission decision of March 3, 2014 imposing the Distribution Restriction and deleting and replacing the terms and conditions on PFAM's registration and operation be stayed until March 11, 2014; (ii) PFAM be granted lapse date relief to extend the lapse date for the Pro-Index Funds to March 11, 2014; (iii) the Purchaser and the Investor file notice of the Variation Motion with the Secretary's office; and (iv) the Variation Motion be adjourned to March 11, 2014 at 1:00 p.m.;

AND WHEREAS the Purchaser and Investor's counsel filed the affidavit of Diego Beltran sworn March 5, 2014, the affidavit of Stuart McKinnon sworn March 11, 2014 and written submissions dated March 6, 2014 in support of the Variation Motion and Staff filed the affidavit of Michael Ho sworn March 10, 2014 and written submissions dated March 10, 2014 to oppose the Variation Motion;

AND WHEREAS on March 11, 2014, the Purchaser and the Investor's counsel made a request that the hearing of the Variation Motion proceed *in camera* and Staff opposed the request and the Purchaser and Investor's counsel and Staff made oral submissions and the Commission denied the request that the hearing proceed *in camera*;

AND WHEREAS on March 11, 2014, Staff opposed the Variation Motion and the Purchaser and Investor's counsel and Staff made oral submissions on the Variation Motion and Staff advised that a separate order will be required to cease the distribution of securities of the Pro-Index Funds to new investors as of March 11, 2014 if the Variation Motion is dismissed;

AND WHEREAS on March 11, 2014, the Commission ordered that: (i) the Variation Motion be dismissed; and (ii) the distribution of securities of the Pro-Index Funds to new investors be ceased as of the end of the day on March 11, 2014;

AND WHEREAS PFAM filed the affidavit of Stuart McKinnon sworn April 4, 2014 in support of its request for a further lapse date extension ("PFAM's Third Lapse Date Extension Request") and requested that the affidavit be treated on a confidential basis and Staff filed an affidavit of Mostafa Asadi sworn April 4, 2014 and opposed PFAM's Third Lapse Date Extension Request on the basis that PFAM has not filed the annual audited financial statements or the annual management reports of fund performance for the Pro-Index Funds due on March 31, 2014;

AND WHEREAS on April 7, 2014, PFAM's counsel requested that the submissions of the parties be heard *in camera* and Staff opposed the request and the Commission directed PFAM's counsel and Staff to make oral submissions *in camera*;

AND WHEREAS on April 7, 2014, Staff requested permission to provide a copy of the affidavit of Stuart McKinnon sworn April 4, 2014 to IAS or its legal counsel prior to the argument of PFAM's Third Lapse Date Request and PFAM's counsel opposed Staff's request;

AND WHEREAS the parties made submissions *in camera* and the Commission directed that the affidavit of Stuart McKinnon sworn April 4, 2014 shall not be received on a confidential basis and directed that the correspondence between Staff and PFAM's counsel be treated as confidential;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. The lapse date for the Pro-Index Funds is extended to April 21, 2014.

2. The affidavit of Stuart McKinnon sworn April 4, 2014 shall appear on the public record except for exhibits containing the correspondence between Staff and PFAM's counsel, including enclosures.

3. Staff shall be entitled to provide a copy of the affidavit of Stuart McKinnon sworn April 4, 2014 to IAS or IAS' legal counsel on the condition that IAS shall treat as confidential all correspondence between PFAM and Staff forming part of the affidavit and IAS shall only use the affidavit of Stuart McKinnon sworn April 4, 2014 to assist Staff in the ongoing PFAM proceedings and for no other purpose.

4. The Temporary Order is extended to April 21, 2014.

5. The hearing is adjourned to April 17, 2014 at 11:00 a.m. (to be confirmed by Secretary's office) to argue the Third Lapse Date Extension Request.

DATED at Toronto this 14th day of April, 2014.

"James E. A. Turner"

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
Movarie Capital Ltd.	14 April 14	25 April 14		
Stealth Minerals Limited	15 April 14	28 April 14		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Carpathian Gold Inc.	4 April 14	16 April 14			
Mediterranean Resources Ltd.	8 April 14	21 April 14			

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
Carpathian Gold Inc.	4 April 14	16 April 14			
Mediterranean Resources Ltd.	08 April 14	21 April 14			
NTG Clarity Networks Inc.	14 Feb 14	26 Feb 14	26 Feb 14		

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Chapter 5

Rules and Policies

5.1.1 OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting and Companion Policy 91-507CP

ONTARIO SECURITIES COMMISSION
NOTICE OF AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

AND

COMPANION POLICY 91-507CP
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

1. Introduction

The Ontario Securities Commission (the **OSC**, the **Commission** or **we**) has made amendments to the following instruments:

- OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the **TR Rule**), and
- OSC Companion Policy 91-507CP *Trade Repositories and Derivatives Data Reporting* (the **TR CP**)

Ministerial approval is required for the TR Rule amendments to come into force. These amendments were delivered to the Minister of Finance on April 17, 2014. The Minister may approve or reject these amendments or return them for further consideration. If the Minister approves the TR Rule amendments or does not take any further action by June 16, 2014, the TR Rule amendments will come into force on July 2, 2014. The TR CP changes become effective on the coming into force of the TR Rule amendments.

2. Background

On November 14, 2013 the OSC published *OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting* and *OSC Companion Policy 91-507CP Trade Repositories and Derivatives Data Reporting*. The TR Rule and TR CP became effective on December 31, 2013. Based on consultations with and feedback from various market participants, and in order to more effectively and efficiently promote the underlying policy aims, the Commission has amended the TR Rule and TR CP. Details of the amendments are discussed further below.

3. Substance and Purpose of the Amendments

The key objectives of the TR Rule amendments are to:

- delay the effective date of reporting obligations under the TR Rule as a consequence of the unavailability of the necessary market infrastructure; and
- lessen the burden of reporting obligations on local end-user counterparties under the TR Rule.

The TR CP changes simply correspond to the TR Rule amendments.

The Commission believes that each of the TR Rule amendments is not required to be published for comment on the basis that:

- it grants an exemption or removes a restriction and is not likely to have a substantial effect on the interests of market participants other than those who benefit from it, and/or
- it does not represent a material change to the Rule, in part because it represents a logical outgrowth of the consultation process and comments received on the proposed rules prior to the December 31, 2013 enactment of the TR Rule.

Given that the TR CP changes merely correspond to the TR Rule amendments, the TR CP changes would not be considered to represent a material substantive change and, consequently, do not need to be published for comment.

4. Summary of the TR Rule Amendments

(a) Subsections 25(2) and 31(4): repeal of the local counterparty fall-back

The Commission has repealed subsections 25(2) and 31(4) to alleviate the transaction report monitoring burden on non-dealer local counterparties. These subsections established a fall-back mechanism requiring an Ontario non-dealer counterparty to monitor the transaction reporting of a foreign dealer reporting counterparty. Through consultations with the public, the Commission has learned that a significant number of non-dealer local counterparties would have significant resource and technological difficulty developing systems to monitor their counterparties' reporting.

This amendment relieves a significant burden on local end-user counterparties, and is consistent with the original intention and aim of single-sided reporting under the TR Rule.

(b) Section 43: delay of reporting obligations

The Commission has amended the effective date of reporting obligations under the TR Rule for all reporting counterparties. The effective date of the reporting obligation for derivatives dealers and recognized or exempt clearing agencies has been changed from July 2, 2014 to October 31, 2014. The effective date of the reporting obligation for all other reporting counterparties has been changed from September 30, 2014 to June 30, 2015. The Commission has learned that, due to practical difficulties in establishing the necessary systems infrastructure, no trade repository accepting all OTC derivative asset classes, will be in a position to be designated within the required timeframe for the commencement of trade reporting obligations. As a result, the Commission is amending the TR Rule to delay reporting obligations. This will provide additional time for trade repositories going through the designation process, to accept market participants onto their systems and develop the reporting infrastructure necessary to comply with provincial trade reporting rules. Further, as a consequence of this amendment, a corresponding change has been made to subsection 43(2) delaying the public dissemination of transaction-level reports from December 31, 2014 to April 30, 2015.

These amendments provide an implementation delay for trade reporting to allow for the necessary systems infrastructure to be put in place. The Commission stresses the importance for market participants, including trade repositories, to take all necessary steps to ensure full compliance with the TR Rule on the new reporting commencement dates.

(c) Subsection 43(4): timing of clearing agency reporting

The Commission has amended subsection 43(4) of the TR Rule to clarify that all transactions involving a recognized or exempt clearing agency will be required to be reported as of October 31, 2014. The intention of the TR Rule is that all transactions involving a recognized or exempt clearing agency or a derivatives dealer will be required to be reported beginning on the same date. However, the term "recognized or exempt clearing agency" was unintentionally omitted from subsection 43(4).

(d) Section 34: pre-existing transactions

As a consequence of the amendment and delay of the general reporting obligations in section 43 of the TR Rule, the Commission has also made corresponding changes to the timing of reporting obligations in respect of pre-existing transactions. Where the reporting counterparty to a transaction is a derivatives dealer or a recognized or exempt clearing agency, a pre-existing transaction is one which has outstanding contractual obligations as of October 31, 2014 and must be reported to a designated trade repository no later than April 30, 2015. Where the reporting counterparty to a transaction is neither a derivatives dealer nor a recognized or exempt clearing agency, a pre-existing transaction is one which has outstanding contractual obligations as of June 30, 2015 and must be reported to a designated trade repository no later than December 31, 2015. Pre-existing transactions will not be required to be reported if they expire or terminate prior to the applicable time of the reporting obligation.

5. Legislative Authority for Rule Making

The TR Rule amendments will come into force under the rulemaking authority provided under subparagraph 35(ii) of subsection 143(1) of the Act. Subparagraph 35(ii) authorizes the Commission to make rules requiring or respecting record keeping, reporting and transparency relating to derivatives.

6. Annexes

Appended as part this Notice are the following Annexes:

- Annex A, which sets out the TR Rule amendments;
- Annex B, which is the blackline corresponding to Annex A; and
- Annex C, in which the TR CP changes are presented by way of blackline.

April 17, 2014

ANNEX A

Amendments to
Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting

1. Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting is amended by this Instrument.

2. Subsection 25(2) is revoked.

3. Subsection 31(4) is revoked.

4. Subsection 34(1) is replaced by the following:

Pre-existing transactions

34.(1) Despite section 31 and subject to subsection 43(5), a reporting party (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before April 30, 2015 if

(a) the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency,

(b) the transaction was entered into before October 31, 2014, and

(c) there were outstanding contractual obligations with respect to the transaction on October 31, 2014.

(1.1) Despite section 31 and subject to subsection 43(6), a reporting party (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before December 31, 2015 if

(a) the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency,

(b) the transaction was entered into before June 30, 2015, and

(c) there were outstanding contractual obligations with respect to the transaction on June 30, 2015.

5. Subsections 34(2) and (3) are each amended by replacing "subsection (1)***" with "***subsection (1) or (1.1)***".***

6. Section 43 is amended

(a) in subsection (2) by replacing "December 31, 2014***" with "***April 30, 2015***"***

(b) in subsection (3) by replacing "July 2***" with "***October 31***";***

(c) in subsection (4)

(i) by adding "or a recognized or exempt clearing agency***" after "***derivatives dealer***", and***

(ii) by replacing "September 30, 2014***" with "***June 30, 2015***"; and***

(d) by replacing subsection (5) with the following:

(5) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before October 31, 2014 that expires or terminates on or before April 30, 2015 if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency.

(6) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before June 30, 2015 that expires or terminates on or before December 31, 2015 if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency. **.**

7. This Instrument comes into force on July 2, 2014.

ANNEX B

Note: This blackline is provided for convenience and does not include Appendices A and B of OSC Rule 91-507, which have not been amended.

ONTARIO SECURITIES COMMISSION RULE 91-507
TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

1. (1) In this Rule

"asset class" means the asset category underlying a derivative and includes interest rate, foreign exchange, credit, equity and commodity;

"board of directors" means, in the case of a designated trade repository that does not have a board of directors, a group of individuals that acts in a capacity similar to a board of directors;

"creation data" means the data in the fields listed in Appendix A;

"derivatives dealer" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of trading in derivatives in Ontario as principal or agent;

"derivatives data" means all data related to a transaction that is required to be reported pursuant to Part 3;

"Global Legal Entity Identifier System" means the system for unique identification of parties to financial transactions developed by the Legal Entity Identifier System Regulatory Oversight Committee;

"Legal Entity Identifier System Regulatory Oversight Committee" means the international working group established by the Finance Ministers and the Central Bank Governors of the Group of Twenty nations and the Financial Stability Board, under the Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System dated November 5, 2012;

"life-cycle event" means an event that results in a change to derivatives data previously reported to a designated trade repository in respect of a transaction;

"life-cycle event data" means changes to creation data resulting from a life-cycle event;

"local counterparty" means a counterparty to a transaction if, at the time of the transaction, one or more of the following apply:

(a) the counterparty is a person or company, other than an individual, organized under the laws of Ontario or that has its head office or principal place of business in Ontario;

(b) the counterparty is registered under Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives;

(c) the counterparty is an affiliate of a person or company described in paragraph (a), and such person or company is responsible for the liabilities of that affiliated party;

"participant" means a person or company that has entered into an agreement with a designated trade repository to access the services of the designated trade repository;

"reporting counterparty" means the counterparty to a transaction as determined under section 25 that is required to report derivatives data under section 26;

"transaction" means entering into, assigning, selling or otherwise acquiring or disposing of a derivative or the novation of a derivative;

"user" means, in respect of a designated trade repository, a counterparty (or delegate of a counterparty) to a transaction reported to that designated trade repository pursuant to this Rule; and

"valuation data" means data that reflects the current value of the transaction and includes the data in the applicable fields listed in Appendix A under the heading "Valuation Data".

(2) In this Rule, each of the following terms has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*: "accounting principles"; "auditing standards"; "publicly accountable enterprise"; "U.S. AICPA GAAS"; "U.S. GAAP"; and "U.S. PCAOB GAAS".

(3) In this Rule, "interim period" has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Trade repository initial filing of information and designation

2. (1) An applicant for designation under section 21.2.2 of the Act must file a completed Form 91-507F1 – *Application For Designation and Trade Repository Information Statement*.

(2) In addition to the requirement set out in subsection (1), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located outside of Ontario must

(a) certify on Form 91-507F1 that it will provide the Commission with access to its books and records and will submit to onsite inspection and examination by the Commission,

(b) certify on Form 91-507F1 that it will provide the Commission with an opinion of legal counsel that

(i) the applicant has the power and authority to provide the Commission with access to its books and records, and

(ii) the applicant has the power and authority to submit to onsite inspection and examination by the Commission.

(3) In addition to the requirements set out in subsections (1) and (2), an applicant for designation under section 21.2.2 of the Act whose head office or principal place of business is located in a foreign jurisdiction must file a completed Form 91-507F2 – *Submission to Jurisdiction and Appointment of Agent for Service of Process*.

(4) Within 7 days of becoming aware of an inaccuracy in or making a change to the information provided in Form 91-507F1, an applicant must file an amendment to Form 91-507F1 in the manner set out in that Form.

Change in information

3. (1) Subject to subsection (2), a designated trade repository must not implement a significant change to a matter set out in Form 91-507F1 unless it has filed an amendment to Form 91-507F1 in the manner set out in that Form at least 45 days before implementing the change.

(2) A designated trade repository must file an amendment to the information provided in Exhibit I (Fees) of Form 91-507F1 in the manner set out in the Form at least 15 days before implementing a change to the information provided in the Exhibit.

(3) For a change to a matter set out in Form 91-507F1 other than a change referred to in subsection (1) or (2), a designated trade repository must file an amendment to Form 91-507F1 in the manner set out in that Form by the earlier of

(a) the close of business of the designated trade repository on the 10th day after the end of the month in which the change was made, and

(b) the time the designated trade repository publicly discloses the change.

Filing of initial audited financial statements

4. (1) An applicant must file audited financial statements for its most recently completed financial year with the Commission as part of its application for designation under section 21.2.2 of the Act.

(2) The financial statements referred to in subsection (1) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America,

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements,

(c) disclose the presentation currency, and

(d) be audited in accordance with

(i) Canadian GAAS,

(ii) International Standards on Auditing, or

(iii) U.S. AICPA GAAS or U.S. PCAOB GAAS if the person or company is incorporated or organized under the laws of the United States of America.

(3) The financial statements referred to in subsection (1) must be accompanied by an auditor's report that

(a) expresses an unmodified opinion if the financial statements are audited in accordance with Canadian GAAS or International Standards on Auditing,

(b) expresses an unqualified opinion if the financial statements are audited in accordance with U.S. AICPA GAAS or U.S. PCAOB GAAS,

(c) identifies all financial periods presented for which the auditor's report applies,

(d) identifies the auditing standards used to conduct the audit,

(e) identifies the accounting principles used to prepare the financial statements,

(f) is prepared in accordance with the same auditing standards used to conduct the audit, and

(g) is prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

Filing of annual audited and interim financial statements

5. (1) A designated trade repository must file annual audited financial statements that comply with the requirements in subsections 4(2) and 4(3) with the Commission no later than the 90th day after the end of its financial year.

(2) A designated trade repository must file interim financial statements with the Commission no later than the 45th day after the end of each interim period.

(3) The interim financial statements referred to in subsection (2) must

(a) be prepared in accordance with one of the following

(i) Canadian GAAP applicable to a publicly accountable enterprise,

(ii) IFRS, or

(iii) U.S. GAAP, if the person or company is incorporated or organized under the laws of the United States of America, and

(b) identify in the notes to the financial statements the accounting principles used to prepare the financial statements.

Ceasing to carry on business

6. (1) A designated trade repository that intends to cease carrying on business in Ontario as a trade repository must make an application and file a report on Form 91-507F3 – *Cessation of Operations Report For Trade Repository* at least 180 days before the date on which it intends to cease carrying on that business.

(2) A designated trade repository that involuntarily ceases to carry on business in Ontario as a trade repository must file a report on Form 91-507F3 as soon as practicable after it ceases to carry on that business.

Legal framework

7. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities.

(2) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that

(a) such rules, policies and procedures and the contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,

(b) the rights and obligations of a user, owner and regulator with respect to the use of the designated trade repository's information are clear and transparent,

(c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, and

(d) the status of records of contracts in its repository and whether those records of contracts are the legal contracts of record are clearly established.

Governance

8. (1) A designated trade repository must establish, implement and maintain written governance arrangements that

(a) are well-defined, clear and transparent,

(b) set out a clear organizational structure with consistent lines of responsibility,

(c) provide for effective internal controls,

(d) promote the safety and efficiency of the designated trade repository,

(e) ensure effective oversight of the designated trade repository,

(f) support the stability of the broader financial system and other relevant public interest considerations, and

(g) properly balance the interests of relevant stakeholders.

(2) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.

(3) A designated trade repository must publicly disclose on its website

(a) the governance arrangements established in accordance with subsection (1), and

(b) the rules, policies and procedures established in accordance with subsection (2).

Board of directors

9. (1) A designated trade repository must have a board of directors.

(2) The board of directors of a designated trade repository must include

(a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and

(b) appropriate representation by individuals who are independent of the designated trade repository.

(3) The board of directors of a designated trade repository must, in consultation with the chief compliance officer of the designated trade repository, resolve conflicts of interest identified by the chief compliance officer.

(4) The board of directors of a designated trade repository must meet with the chief compliance officer of the designated trade repository on a regular basis.

Management

10. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that

(a) specify the roles and responsibilities of management, and

(b) ensure that management has the experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities.

(2) A designated trade repository must notify the Commission no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.

Chief compliance officer

11. (1) The board of directors of a designated trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity and mix of skills necessary to serve in that capacity.

(2) The chief compliance officer of a designated trade repository must report directly to the board of directors of the designated trade repository or, if so directed by the board of directors, to the chief executive officer of the designated trade repository.

(3) The chief compliance officer of a designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,

(b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the designated trade repository complies with securities legislation,

(c) monitor compliance with the rules, policies and procedures required under paragraphs (a) and (b) on an ongoing basis,

(d) report to the board of directors of the designated trade repository as soon as practicable upon becoming aware of a circumstance indicating that the designated trade repository, or an individual acting on its behalf, is not in compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:

(i) the non-compliance creates a risk of harm to a user;

(ii) the non-compliance creates a risk of harm to the capital markets;

(iii) the non-compliance is part of a pattern of non-compliance;

(iv) the non-compliance may have an impact on the ability of the designated trade repository to carry on business as a trade repository in compliance with securities legislation,

(e) report to the designated trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and

(f) prepare and certify an annual report assessing compliance by the designated trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors.

(4) Concurrently with submitting a report under paragraph (3)(d), (3)(e) or (3)(f), the chief compliance officer must file a copy of the report with the Commission.

Fees

12. All fees and other material costs imposed by a designated trade repository on its participants must be

(a) fairly and equitably allocated among participants, and

(b) publicly disclosed on its website for each service it offers with respect to the collection and maintenance of derivatives data.

Access to designated trade repository services

13. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.

(2) A designated trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection (1).

(3) A designated trade repository must not do any of the following:

(a) unreasonably prohibit, condition or limit access by a person or company to the services offered by the designated trade repository;

(b) permit unreasonable discrimination among the participants of the designated trade repository;

(c) impose a burden on competition that is not reasonably necessary and appropriate;

(d) require the use or purchase of another service for a person or company to utilize the trade reporting service offered by the designated trade repository.

Acceptance of reporting

14. A designated trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the designated trade repository's designation order.

Communication policies, procedures and standards

15. A designated trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of

(a) its participants,

(b) other trade repositories,

(c) exchanges, clearing agencies, alternative trading systems, and other marketplaces, and

(d) other service providers.

Due process

16. For a decision made by a designated trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the designated trade repository must ensure that

(a) the participant or applicant is given an opportunity to be heard or make representations, and

(b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant, the reasons for granting, denying or limiting access.

Rules, policies and procedures

17. (1) The rules, policies and procedures of a designated trade repository must

(a) be clear and comprehensive and provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the designated trade repository and the risks, fees, and other material costs they incur by using the services of the designated trade repository,

(b) be reasonably designed to govern all aspects of the services offered by the designated trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and

(c) not be inconsistent with securities legislation.

(2) A designated trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

(3) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.

(4) A designated trade repository must publicly disclose on its website

(a) its rules, policies and procedures referred to in this section, and

(b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.

(5) A designated trade repository must file its proposed new or amended rules, policies and procedures for approval in accordance with the terms and conditions of its designation order, unless the order explicitly exempts the designated trade repository from this requirement.

Records of data reported

18. (1) A designated trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.

(2) A designated trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.

(3) Throughout the period described in subsection (2), a designated trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection (2), in a safe location and in a durable form, separate from the location of the original record.

Comprehensive risk-management framework

19. A designated trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.

General business risk

20. (1) A designated trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.

(2) Without limiting the generality of subsection (1), a designated trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.

(3) For the purposes of subsection (2), a designated trade repository must hold, at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.

(4) A designated trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.

(5) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection (4).

(6) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the designated trade repository or the wind-down of the designated trade repository's operations.

System and other operational risk requirements

21. (1) A designated trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.

(2) The systems, controls and procedures established pursuant to subsection (1) must be approved by the board of directors of the designated trade repository.

(3) Without limiting the generality of subsection (1), a designated trade repository must

(a) develop and maintain

(i) an adequate system of internal controls over its systems, and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the Commission of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide a post-incident report that includes a root-cause analysis as soon as practicable.

(4) Without limiting the generality of subsection (1), a designated trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to

(a) achieve prompt recovery of its operations following a disruption,

(b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and

(c) provide for the exercise of authority in the event of an emergency.

(5) A designated trade repository must test its business continuity plans, including disaster recovery plans, at least annually.

(6) For each of its systems for collecting and maintaining reports of derivatives data, a designated trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs (3)(a) and (b) and subsections (4) and (5).

(7) A designated trade repository must provide the report prepared in accordance with subsection (6) to

(a) its board of directors or audit committee promptly upon the completion of the report, and

(b) the Commission not later than the 30th day after providing the report to its board of directors or audit committee.

(8) A designated trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(9) A designated trade repository must make available testing facilities for interfacing with or accessing the services provided by the designated trade repository,

(a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and

(b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.

(10) A designated trade repository must not begin operations in Ontario unless it has complied with paragraphs (8)(a) and (9)(a).

(11) Paragraphs (8)(b) and (9)(b) do not apply to a designated trade repository if

(a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,

(b) the designated trade repository immediately notifies the Commission of its intention to make the change to its technology requirements, and

(c) the designated trade repository publicly discloses on its website the changed technology requirements as soon as practicable.

Data security and confidentiality

22. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.

(2) A designated trade repository must not release derivatives data for commercial or business purposes unless

(a) the derivatives data has otherwise been disclosed pursuant to section 39, or

(b) the counterparties to the transaction have provided the designated trade repository with their express written consent to use or release the derivatives data.

Confirmation of data and information

23. (1) A designated trade repository must establish, implement, maintain and enforce written rules, policies and procedures to confirm with each counterparty to a transaction, or agent acting on behalf of such counterparty, that the derivatives data that the designated trade repository receives from a reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Rule, is accurate.

(2) Despite subsection (1), a designated trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the designated trade repository.

Outsourcing

24. If a designated trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the designated trade repository, the designated trade repository must

(a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,

(b) identify any conflicts of interest between the designated trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,

(c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,

(d) maintain access to the books and records of the service provider relating to the outsourced activity,

(e) ensure that the Commission has the same access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that it would have absent the outsourcing arrangement,

(f) ensure that all persons conducting audits or independent reviews of the designated trade repository under this Rule have appropriate access to all data, information and systems maintained by the service provider on behalf of the designated trade repository that such persons would have absent the outsourcing arrangement,

(g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,

(h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of derivatives data and of users' confidential information in accordance with the requirements under section 22, and

(i) establish, implement, maintain and enforce written rules, policies and procedures to regularly review the performance of the service provider under the outsourcing arrangement.

PART 3
DATA REPORTING

Reporting counterparty

25. (1) The reporting counterparty with respect to a transaction involving a local counterparty is

(a) if the transaction is cleared through a recognized or exempt clearing agency, the recognized or exempt clearing agency,

(b) if the transaction is not cleared through a recognized or exempt clearing agency and is between two derivatives dealers, each derivatives dealer,

(c) if the transaction is not cleared through a recognized or exempt clearing agency and is between a derivatives dealer and a counterparty that is not a derivatives dealer, the derivatives dealer, and

(d) in any other case, each local counterparty to the transaction.

~~(2) A local counterparty to a transaction must act as the reporting counterparty to the transaction for the purposes of this Rule if~~

~~(a) the reporting counterparty to the transaction as determined under paragraph (1)(c) is not a local counterparty, and~~

~~(b) by the end of the second business day following the day on which derivatives data is required to be reported under this Part, the local counterparty has not received confirmation that the derivatives data for the transaction has been reported by the reporting counterparty.~~

Duty to report

26. (1) A reporting counterparty to a transaction involving a local counterparty must report, or cause to be reported, the data required to be reported under this Part to a designated trade repository.

(2) A reporting counterparty in respect of a transaction is responsible for ensuring that all reporting obligations in respect of that transaction have been fulfilled.

(3) A reporting counterparty may delegate its reporting obligations under this Rule, but remains responsible for ensuring the timely and accurate reporting of derivatives data required by this Rule.

(4) Despite subsection (1), if no designated trade repository accepts the data required to be reported by this Part, the reporting counterparty must electronically report the data required to be reported by this Part to the Commission.

(5) A reporting counterparty satisfies the reporting obligation in respect of a transaction required to be reported under subsection (1) if

(a) the transaction is required to be reported solely because a counterparty to the transaction is a local counterparty pursuant to paragraph (b) or (c) of the definition of "local counterparty",

(b) the transaction is reported to a designated trade repository pursuant to

(i) the securities legislation of a province of Canada other than Ontario, or

(ii) the laws of a foreign jurisdiction listed in Appendix B; and

(c) the reporting counterparty instructs the designated trade repository referred to in paragraph (b) to provide the Commission with access to the derivatives data that it is required to report pursuant to this Rule and otherwise uses its best efforts to provide the Commission with access to such derivatives data.

(6) A reporting counterparty must ensure that all reported derivatives data relating to a transaction

(a) is reported to the same designated trade repository to which the initial report was made or, if the initial report was made to the Commission under subsection (4), to the Commission, and

(b) is accurate and contains no misrepresentation.

(7) A reporting counterparty must report an error or omission in the derivatives data as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(8) A local counterparty, other than the reporting counterparty, must notify the reporting counterparty of an error or omission with respect to derivatives data relating to a transaction to which it is a counterparty as soon as technologically practicable upon discovery of the error or omission, and in no event later than the end of the business day following the day of discovery of the error or omission.

(9) A recognized or exempt clearing agency must report derivatives data to the designated trade repository specified by a local counterparty and may not report derivatives data to another trade repository without the consent of the local counterparty where

(a) the reporting counterparty to a transaction is the recognized or exempt clearing agency, and

(b) the local counterparty to the transaction that is not a recognized or exempt clearing agency has specified a designated trade repository to which derivatives data in respect of that transaction is to be reported.

Identifiers, general

27. A reporting counterparty must include the following in every report required by this Part:

(a) the legal entity identifier of each counterparty to the transaction as set out in section 28;

(b) the unique transaction identifier for the transaction as set out in section 29;

(c) the unique product identifier for the transaction as set out in section 30.

Legal entity identifiers

28. (1) A designated trade repository must identify each counterparty to a transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a single legal entity identifier.

(2) Each of the following rules apply to legal entity identifiers

(a) a legal entity identifier must be a unique identification code assigned to a counterparty in accordance with the standards set by the Global Legal Entity Identifier System, and

(b) a local counterparty must comply with all applicable requirements imposed by the Global Legal Entity Identifier System.

(3) Despite subsection (2), if the Global Legal Entity Identifier System is unavailable to a counterparty to a transaction at the time when a report under this Rule is required to be made, all of the following rules apply

(a) each counterparty to the transaction must obtain a substitute legal entity identifier which complies with the standards established March 8, 2013 by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers,

(b) a local counterparty must use the substitute legal entity identifier until a legal entity identifier is assigned to the counterparty in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), and

(c) after the holder of a substitute legal entity identifier is assigned a legal entity identifier in accordance with the standards set by the Global Legal Entity Identifier System as required under paragraph (2)(a), the local counterparty must ensure that it is identified only by the assigned legal entity identifier in all derivatives data reported pursuant to this Rule in respect of transactions to which it is a counterparty.

Unique transaction identifiers

29. (1) A designated trade repository must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique transaction identifier.

(2) A designated trade repository must assign a unique transaction identifier to a transaction, using its own methodology or incorporating a unique transaction identifier previously assigned to the transaction.

(3) A designated trade repository must not assign more than one unique transaction identifier to a transaction.

Unique product identifiers

30. (1) For the purposes of this section, a unique product identifier means a code that uniquely identifies a derivative and is assigned in accordance with international or industry standards.

(2) A reporting counterparty must identify each transaction that is required to be reported under this Rule in all recordkeeping and all reporting required under this Rule by means of a unique product identifier.

(3) A reporting counterparty must not assign more than one unique product identifier to a transaction.

(4) If international or industry standards for a unique product identifier are unavailable for a particular derivative when a report is required to be made to a designated trade repository under this Rule, a reporting counterparty must assign a unique product identifier to the transaction using its own methodology.

Creation data

31. (1) Upon execution of a transaction that is required to be reported under this Rule, a reporting counterparty must report the creation data relating to that transaction to a designated trade repository.

(2) A reporting counterparty in respect of a transaction must report creation data in real time.

(3) If it is not technologically practicable to report creation data in real time, a reporting counterparty must report creation data as soon as technologically practicable and in no event later than the end of the business day following the day on which the data would otherwise be required to be reported.

~~(4) Despite subsections (2) and (3), a local counterparty that is required to act as reporting counterparty to a transaction under subsection 25(2) must report the creation data relating to the transaction in no event later than the end of the third business day following the day on which the data would otherwise be required to be reported.~~

Life-cycle event data

32. (1) For a transaction that is required to be reported under this Rule, the reporting counterparty must report all life-cycle event data to a designated trade repository by the end of the business day on which the life-cycle event occurs.

(2) If it is not technologically practicable to report life-cycle event data by the end of the business day on which the life-cycle event occurs, the reporting counterparty must report life-cycle event data no later than the end of the business day following the day on which the life-cycle event occurs.

Valuation data

33. (1) For a transaction that is required to be reported under this Rule, a reporting counterparty must report valuation data, based on industry accepted valuation standards, to a designated trade repository

(a) daily, based on relevant closing market data from the previous business day, if the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency , or

(b) quarterly, as of the last day of each calendar quarter, if the reporting counterparty is not a derivatives dealer or a recognized or exempt clearing agency.

(2) Valuation data required to be reported pursuant to paragraph 1(b) must be reported to the designated trade repository no later than 30 days after the end of the calendar quarter.

Pre-existing transactions

34. (1) Despite section 31 and subject to subsection 43(5), ~~for~~ a reporting party (as determined under subsection 25(1)) to a transaction required to be reported ~~pursuant to subsection 26(1) that was entered into before July 2, 2014 and that had outstanding contractual obligations on that day~~

~~(a) a reporting counterparty to the transaction~~under subsection 26(1) is required to report only ~~that~~the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" ~~in Appendix A~~on or before April 30, 2015 if

(a) the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency,

(b) the transaction was entered into before October 31, 2014, and

~~(b) the creation data required to be reported pursuant to paragraph (a) must be reported no later than December 31, 2014.~~(c) there were outstanding contractual obligations with respect to the transaction on October 31, 2014.

(1.1) Despite section 31 and subject to subsection 43(6), a reporting party (as determined under subsection 25(1)) to a transaction required to be reported under subsection 26(1) is required to report only the creation data indicated in the column in Appendix A entitled "Required for Pre-existing Transactions" on or before December 31, 2015 if

(a) the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency,

(b) the transaction was entered into before June 30, 2015, and

(c) there were outstanding contractual obligations with respect to the transaction on June 30, 2015.

(2) Despite section 32, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report life-cycle event data under section 32 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

(3) Despite section 33, for a transaction to which subsection (1) or (1.1) applies, a reporting counterparty's obligation to report valuation data under section 33 commences only after it has reported creation data in accordance with subsection (1) or (1.1).

Timing requirements for reporting data to another designated trade repository

35. Despite the data reporting timing requirements in sections 31, 32, 33 and 34, where a designated trade repository ceases operations or stops accepting derivatives data for a certain asset class of derivatives, the reporting counterparty may fulfill its reporting obligations under this Rule by reporting the derivatives data to another designated trade repository, or the Commission if there is not an available designated trade repository, within a reasonable period of time.

Records of data reported

36. (1) A reporting counterparty must keep transaction records for the life of each transaction and for a further 7 years after the date on which the transaction expires or terminates.

(2) A reporting counterparty must keep records referred to in subsection (1) in a safe location and in a durable form.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) A designated trade repository must, at no cost

(a) provide to the Commission direct, continuous and timely electronic access to such data in the designated trade repository's possession as is required by the Commission in order to carry out the Commission's mandate,

(b) accept and promptly fulfil any data requests from the Commission in order to carry out the Commission's mandate,

(c) create and make available to the Commission aggregate data derived from data in the designated trade repository's possession as required by the Commission in order to carry out the Commission's mandate, and

(d) disclose to the Commission the manner in which the derivatives data provided under paragraph (c) has been aggregated.

(2) A designated trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.

(3) A reporting counterparty must use its best efforts to provide the Commission with access to all derivatives data that it is required to report pursuant to this Rule, including instructing a trade repository to provide the Commission with access to such data.

Data available to counterparties

38. (1) A designated trade repository must provide counterparties to a transaction with timely access to all derivatives data relevant to that transaction which is submitted to the designated trade repository.

(2) A designated trade repository must have appropriate verification and authorization procedures in place to deal with access pursuant to subsection (1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

(3) Each counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Rule.

(4) Subsection (3) applies despite any agreement to the contrary between the counterparties to a transaction.

Data available to public

39. (1) A designated trade repository must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number and price, relating to the transactions reported to it pursuant to this Rule.

(2) The periodic aggregate data made available to the public pursuant to subsection (1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, maturity and whether the transaction is cleared.

(3) A designated trade repository must make transaction level reports of the data indicated in the column entitled "Required for Public Dissemination" in Appendix A for each transaction reported pursuant to this Rule available to the public at no cost not later than

(a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer, or

(b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.

(4) In disclosing transaction level reports required by subsection (3), a designated trade repository must not disclose the identity of either counterparty to the transaction.

(5) A designated trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.

(6) Despite subsections (1) to (5), a designated trade repository is not required to make public any derivatives data for transactions entered into between affiliated companies as defined under subsection 1(2) of the Act.

PART 5
EXCLUSIONS

40. Despite any other section of this Rule, a local counterparty is under no obligation to report derivatives data for a transaction if,

(a) the transaction relates to a derivative the asset class of which is a commodity other than cash or currency,

(b) the local counterparty is not a derivatives dealer, and

(c) the local counterparty has less than $500,000 aggregate notional value, without netting, under all its outstanding transactions at the time of the transaction including the additional notional value related to that transaction.

41. Despite any other section of this Rule, a counterparty is under no obligation to report derivatives data in relation to a transaction if it is entered into between

(a) Her Majesty in right of Ontario or the Ontario Financing Authority when acting as agent for Her Majesty in right of Ontario, and

(b) an Ontario crown corporation or crown agency that forms part of a consolidated entity with Her Majesty in right of Ontario for accounting purposes.

PART 6
EXEMPTIONS

42. A Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 7
EFFECTIVE DATE

Effective date

43. (1) Parts 1, 2, 4, and 6 come into force on December 31, 2013.

(2) Despite subsection (1), subsection 39(3) does not apply until ~~December 31, 2014.~~April 30, 2015.

(3) Parts 3 and 5 come into force ~~July 2,~~October 31, 2014.

(4) Despite subsection (3), Part 3 does not apply so as to require a reporting counterparty that is not a derivatives dealer or a recognized or exempt clearing agency to make any reports under that Part until ~~September~~June 30, ~~2014.~~2015.

(5) Despite ~~the foregoing,~~subsection (3) and section 34, Part 3 does not apply to a transaction entered into before ~~July 2,~~October 31, 2014 that expires or terminates ~~not later than December 31, 2014.~~on or before April 30, 2015 if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency.

(6) Despite subsection (3) and section 34, Part 3 does not apply to a transaction entered into before June 30, 2015 that expires or terminates on or before December 31, 2015 if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency.

ANNEX C

Note: Changes to 91-507CP are presented by way of blackline and would be effective on the coming into force of the corresponding amendments to OSC Rule 91-507.

COMPANION POLICY 91-507CP TO ONTARIO SECURITIES COMMISSION RULE 91-507 *TRADE REPOSITORIES AND DERIVATIVES DATA REPORTING*

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PART 1
GENERAL COMMENTS

Introduction

This companion policy (the "Policy") sets out the views of the Commission ("our" or "we") on various matters relating to Ontario Securities Commission Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (the "Rule") and related securities legislation.

The numbering of Parts, sections and subsections from Part 2 on in this Policy generally corresponds to the numbering in the Rule. Any general guidance for a Part appears immediately after the Part's name. Any specific guidance on a section or subsection follows any general guidance. If there is no guidance for a Part, section or subsection, the numbering in this Policy will skip to the next provision that does have guidance.

Unless defined in the Rule or this Policy, terms used in the Rule and in this Policy have the meaning given to them in securities legislation, including, for greater certainty, in National Instrument 14-101 *Definitions* and OSC Rule 14-501 *Definitions*.

Definitions and interpretation

1. (1) In this Policy,

"CPSS" means the Committee on Payment and Settlement Systems,

"FMI" means a financial market infrastructure, as described in the PFMI Report,

"Global LEI System" means the Global Legal Entity Identifier System,

"IOSCO" means the Technical Committee of the International Organization of Securities Commissions,

"LEI" means a legal entity identifier,

"LEI ROC" means the LEI Regulatory Oversight Committee,

"PFMI Report" means the April 2012 final report entitled *Principles for financial market infrastructures* published by CPSS and IOSCO, as amended from time to time,[1] and

[1] The PFMI Report is available on the Bank for International Settlements' website (www.bis.org) and the IOSCO website (www.iosco.org).

"principle" means, unless the context otherwise indicates, a principle set out in the PFMI Report.

(2) A "life-cycle event" is defined in the Rule as an event that results in a change to derivatives data previously reported to a designated trade repository. Where a life-cycle event occurs, the corresponding life-cycle event data must be reported under section 32 of the Rule by the end of the business day on which the life-cycle event occurs. When reporting a life-cycle event, there is no obligation to re-report derivatives data that has not changed – only new data and changes to previously reported data need to be reported. Examples of a life-cycle event would include

- a change to the termination date for the transaction,
- a change in the cash flows, payment frequency, currency, numbering convention, spread, benchmark, reference entity or rates originally reported,
- the availability of a legal entity identifier for a counterparty previously identified by name or by some other identifier,
- a corporate action affecting a security or securities on which the transaction is based (e.g., a merger, dividend, stock split, or bankruptcy),
- a change to the notional amount of a transaction including contractually agreed upon changes (e.g., amortization schedule),
- the exercise of a right or option that is an element of the expired transaction, and
- the satisfaction of a level, event, barrier or other condition contained in the original transaction.

(3) Paragraph (c) of the definition of "local counterparty" captures affiliates of parties mentioned in paragraph (a) of the "local counterparty" definition, provided that such party guarantees the liabilities of the affiliate. It is our view that the guarantee must be for all or substantially all of the affiliate's liabilities.

(4) The term "transaction" is defined in the Rule and used instead of the term "trade", as defined in the Act, in order to reflect the types of activities that require a unique transaction report, as opposed to the modification of an existing transaction report. The primary difference between the two definitions is that unlike the term "transaction", the term "trade" includes material amendments and terminations.

A material amendment is not referred to in the definition of "transaction" but is required to be reported as a life-cycle event in connection with an existing transaction under section 32. A termination is not referred to in the definition of "transaction", as the expiry or termination of a transaction would be reported to a trade repository as a life-cycle event without the requirement for a new transaction record.

In addition, unlike the definition of "trade", the definition of "transaction" includes a novation to a clearing agency. Each transaction resulting from a novation of a bi-lateral transaction to a clearing agency is required to be reported as a separate, new transaction with reporting links to the original transaction.

(5) The term "valuation data" is defined in the Rule as data that reflects the current value of a transaction. It is the Commission's view that valuation data can be calculated based upon the use of an industry-accepted methodology such as mark-to-market or mark-to-model, or another valuation method that is in accordance with accounting principles and will result in a reasonable valuation of a transaction.[2] The valuation methodology should be consistent over the entire life of a transaction.

PART 2
TRADE REPOSITORY DESIGNATION AND ONGOING REQUIREMENTS

Part 2 contains rules for designation of a trade repository and ongoing requirements for a designated trade repository. To obtain and maintain a designation as a trade repository, a person or entity must comply with these rules and requirements in addition to all of the terms and conditions in the designation order made by the Commission. In order to comply with the reporting obligations contained in Part 3, counterparties must report to a designated trade repository. While there is no prohibition on an undesignated trade repository operating in Ontario, a counterparty that reports a transaction to an undesignated trade repository would not be in compliance with its reporting obligations under this Rule with respect to that transaction.

The legal entity that applies to be a designated trade repository will typically be the entity that operates the facility and collects and maintains records of completed transactions reported to the trade repository by other persons or companies. In some cases, the applicant may operate more than one trade repository facility. In such cases, the trade repository may file separate

[2] For example, see International Financial Reporting Standard 13, *Fair Value Measurement*.

forms in respect of each trade repository facility, or it may choose to file one form to cover all of the different trade repository facilities. If the latter alternative is chosen, the trade repository must clearly identify the facility to which the information or changes submitted under this Part apply.

Trade repository initial filing of information and designation

2. (1) In determining whether to designate an applicant as a trade repository under section 21.2.2 of the Act, it is anticipated that the Commission will consider a number of factors, including

- whether it is in the public interest to designate the applicant,
- the manner in which the trade repository proposes to comply with the Rule,
- whether the trade repository has meaningful representation on its governing body,
- whether the trade repository has sufficient financial and operational resources for the proper performance of its functions,
- whether the rules and procedures of the trade repository ensure that its business is conducted in an orderly manner that fosters both fair and efficient capital markets, and improves transparency in the derivatives market,
- whether the trade repository has policies and procedures to effectively identify and manage conflicts of interest arising from its operation or the services it provides,
- whether the requirements of the trade repository relating to access to its services are fair and reasonable,
- whether the trade repository's process for setting fees is fair, transparent and appropriate,
- whether the trade repository's fees are inequitably allocated among the participants, have the effect of creating barriers to access or place an undue burden on any participant or class of participants,
- the manner and process for the Commission and other applicable regulatory agencies to receive or access derivatives data, including the timing, type of reports, and any confidentiality restrictions,
- whether the trade repository has robust and comprehensive policies, procedures, processes and systems to ensure the security and confidentiality of derivatives data, and
- whether the trade repository has entered into a memorandum of understanding with its local securities regulator.

The Commission will examine whether the trade repository has been, or will be, in compliance with securities legislation. This includes compliance with the Rule and any terms and conditions attached to the Commission's designation order in respect of a designated trade repository.

A trade repository that is applying for designation must demonstrate that it has established, implemented, maintained and enforced appropriate written rules, policies and procedures that are in accordance with standards applicable to trade repositories. We consider that these rules, policies and procedures include, but are not limited to, the principles and key considerations and explanatory notes applicable to trade repositories in the PFMI Report. These principles are set out in the following chart, along with the corresponding sections of the Rule the interpretation of which we consider ought to be consistent with the principles:

Principle in the PFMI Report applicable to a trade repository	***Relevant section(s) of the Rule***
Principle 1: Legal Basis	Section 7 – Legal framework Section 17 – Rules (in part)
Principle 2: Governance	Section 8 – Governance Section 9 – Board of directors

Principle in the PFMI Report applicable to a trade repository	*Relevant section(s) of the Rule*
	Section 10 – Management
Principle 3: Framework for the comprehensive management of risks	Section 19 – Comprehensive risk management framework Section 20 – General business risk (in part)
Principle 15: General business risk	Section 20 – General business risk
Principle 17: Operational risk	Section 21 – System and other operational risk requirements Section 22 – Data security and confidentiality Section 24 – Outsourcing
Principle 18: Access and participation requirements	Section 13 – Access to designated trade repository services Section 16 – Due process (in part) Section 17 – Rules (in part)
Principle 19: Tiered participation arrangements	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 20: FMI links	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 21: Efficiency and effectiveness	No equivalent provisions in the Rule; however, the trade repository may be expected to observe or broadly observe the principle, where applicable.
Principle 22: Communication procedures and standards	Section 15 – Communication policies, procedures and standards
Principle 23: Disclosure of rules, key procedures, and market data	Section 17 – Rules (in part)
Principle 24: Disclosure of market data by trade repositories	Sections in Part 4 – Data Dissemination and Access to Data

It is anticipated that the Commission will apply the principles in its oversight activities of designated trade repositories. Therefore, in complying with the Rule, designated trade repositories will be expected to observe the principles.

The forms filed by an applicant or designated trade repository under the Rule will be kept confidential in accordance with the provisions of securities legislation. The Commission is of the view that the forms generally contain proprietary financial, commercial and technical information, and that the cost and potential risks to the filers of disclosure outweigh the benefit of the principle requiring that forms be made available for public inspection. However, the Commission would expect a designated trade repository to publicly disclose its responses to the CPSS-IOSCO consultative report entitled *Disclosure framework for financial market infrastructures*, which is a supplement to the PFMI Report.[3] In addition, much of the information that will be included in the forms that are filed will be required to be made publicly available by a designated trade repository pursuant to the Rule or the terms and conditions of the designation order imposed by the Commission.

While Form 91-507F1 – *Application for Designation and Trade Repository Information Statement* and any amendments to it will be kept generally confidential, if the Commission considers that it is in the public interest to do so, it may require the applicant or designated trade repository to publicly disclose a summary of the information contained in such form, or amendments to it.

Notwithstanding the confidential nature of the forms, an applicant's application itself (excluding forms) will be published for comment for a minimum period of 30 days.

[3] Publication available on the BIS website (www.bis.org) and the IOSCO website (www.iosco.org).

Change in information

3. (1) Under subsection 3(1), a designated trade repository is required to file an amendment to the information provided in Form 91-507F1 at least 45 days prior to implementing a significant change. The Commission considers a change to be significant when it could impact a designated trade repository, its users, participants, market participants, investors, or the capital markets (including derivatives markets and the markets for assets underlying a derivative). The Commission would consider a significant change to include, but not be limited to,

- a change in the structure of the designated trade repository, including procedures governing how derivatives data is collected and maintained (included in any back-up sites), that has or may have a direct impact on users in Ontario,
- a change to the services provided by the designated trade repository, or a change that affects the services provided, including the hours of operation, that has or may have a direct impact on users in Ontario,
- a change to means of access to the designated trade repository's facility and its services, including changes to data formats or protocols, that has or may have a direct impact on users in Ontario,
- a change to the types of derivative asset classes or categories of derivatives that may be reported to the designated trade repository,
- a change to the systems and technology used by the designated trade repository that collect, maintain and disseminate derivatives data, including matters affecting capacity,
- a change to the governance of the designated trade repository, including changes to the structure of its board of directors or board committees and their related mandates,
- a change in control of the designated trade repository,
- a change in affiliates that provide key services or systems to, or on behalf of, the designated trade repository,
- a change to outsourcing arrangements for key services or systems of the designated trade repository,
- a change to fees or the fee structure of the designated trade repository,
- a change in the designated trade repository's policies and procedures relating to risk-management, including relating to business continuity and data security, that has or may have an impact on the designated trade repository's provision of services to its participants,
- the commencement of a new type of business activity, either directly or indirectly through an affiliate, and
- a change in the location of the designated trade repository's head office or primary place of business or the location where the main data servers or contingency sites are housed.

(2) The Commission generally considers a change in a designated trade repository's fees or fee structure to be a significant change. However, the Commission recognizes that designated trade repositories may frequently change their fees or fee structure and may need to implement fee changes within timeframes that are shorter than the 45-day notice period contemplated in subsection (1). To facilitate this process, subsection 3(2) provides that a designated trade repository may provide information that describes the change to fees or fee structure in a shorter timeframe (at least 15 days before the expected implementation date of the change to fees or fee structure). See section 12 of this Policy for guidance with respect to fee requirements applicable to designated trade repositories.

The Commission will make best efforts to review amendments to Form 91-507F1 filed in accordance with subsections 3(1) and 3(2) before the proposed date of implementation of the change. However, where the changes are complex, raise regulatory concerns, or when additional information is required, the Commission's review may exceed these timeframes.

(3) Subsection 3(3) sets out the filing requirements for changes to information provided in a filed Form 91-507F1 other than those described in subsections 3(1) or (2). Such changes to information are not considered significant and include changes that:

- would not have an impact on the designated trade repository's structure or participants, or more broadly on market participants, investors or the capital markets; or
- are administrative changes, such as

- changes in the routine processes, policies, practices, or administration of the designated trade repository that would not impact participants,
- changes due to standardization of terminology,
- corrections of spelling or typographical errors,
- changes to the types of designated trade repository participants in Ontario,
- necessary changes to conform to applicable regulatory or other legal requirements of Ontario or Canada, and
- minor system or technology changes that would not significantly impact the system or its capacity.

For the changes referred to in subsection 3(3), the Commission may review these filings to ascertain whether they have been categorized appropriately. If the Commission disagrees with the categorization, the designated trade repository will be notified in writing. Where the Commission determines that changes reported under subsection 3(3) are in fact significant changes under subsection 3(1), the designated trade repository will be required to file an amended Form 91-507F1 that will be subject to review by the Commission.

Ceasing to carry on business

6. (1) In addition to filing a completed Form 91-507F3 – *Cessation of Operations Report for Trade Repository*, a designated trade repository that intends to cease carrying on business in Ontario as a designated trade repository must make an application to voluntarily surrender its designation to the Commission pursuant to securities legislation. The Commission may accept the voluntary surrender subject to terms and conditions.[4]

Legal framework

7. (1) Designated trade repositories are required to have rules, policies, and procedures in place that provide a legal basis for their activities in all relevant jurisdictions, whether within Canada or any foreign jurisdiction, where they have activities.

Governance

8. Designated trade repositories are required to have in place governance arrangements that meet the minimum requirements and policy objectives set out in subsections 8(1) and 8(2).

(3) Under subsection 8(3), a designated trade repository is required to make the written governance arrangements required under subsections 8(1) and (2) available to the public on its website. The Commission expects that this information will be posted on the trade repository's publicly accessible website and that interested parties will be able to locate the information through a web search or through clearly identified links on the designated trade repository's website.

Board of directors

9. The board of directors of a designated trade repository is subject to various requirements, such as requirements pertaining to board composition and conflicts of interest. To the extent that a designated trade repository is not organized as a corporation, the requirements relating to the board of directors may be fulfilled by a body that performs functions that are equivalent to the functions of a board of directors.

(2) Paragraph 9(2)(a) requires individuals who comprise the board of directors of a designated trade repository to have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations. This would include individuals with experience and skills in areas such as business recovery, contingency planning, financial market systems and data management.

Under paragraph 9(2)(b), the board of directors of a designated trade repository must include individuals who are independent of the designated trade repository. The Commission would view individuals who have no direct or indirect material relationship with the designated trade repository as independent. The Commission would expect that independent directors of a designated trade repository would represent the public interest by ensuring that regulatory and public transparency objectives are fulfilled, and that the interests of participants who are not derivatives dealers are considered.

Chief compliance officer

[4] Section 21.4 of the Act provides that the Commission may impose terms and conditions on an application for voluntary surrender. The transfer of derivatives data/information can be addressed through the terms and conditions imposed by the Commission on such application.

11. (3) References to harm to the capital markets in subsection 11(3) may be in relation to domestic or international capital markets.

Fees

12. A designated trade repository is responsible for ensuring that the fees it sets are in compliance with section 12. In assessing whether a designated trade repository's fees and costs are fairly and equitably allocated among participants as required under paragraph 12(a), the Commission will consider a number of factors, including

- the number and complexity of the transactions being reported,
- the amount of the fee or cost imposed relative to the cost of providing the services,
- the amount of fees or costs charged by other comparable trade repositories, where relevant, to report similar transactions in the market,
- with respect to market data fees and costs, the amount of market data fees charged relative to the market share of the designated trade repository, and
- whether the fees or costs represent a barrier to accessing the services of the designated trade repository for any category of participant.

A designated trade repository should provide clear descriptions of priced services for comparability purposes. Other than fees for individual services, a designated trade repository should also disclose other fees and costs related to connecting to or accessing the trade repository. For example, a designated trade repository should disclose information on the system design, as well as technology and communication procedures, that influence the costs of using the designated trade repository. A designated trade repository is also expected to provide timely notice to participants and the public of any changes to services and fees.

Access to designated trade repository services

13. (3) Under subsection 13(3), a designated trade repository is prohibited from unreasonably limiting access to its services, permitting unreasonable discrimination among its participants, imposing unreasonable burdens on competition or requiring the use or purchase of another service in order for a person or company to utilize its trade reporting service. For example, a designated trade repository should not engage in anti-competitive practices such as setting overly restrictive terms of use or engaging in anti-competitive price discrimination. A designated trade repository should not develop closed, proprietary interfaces that result in vendor lock-in or barriers to entry with respect to competing service providers that rely on the data maintained by the designated trade repository.

Acceptance of reporting

14. Section 14 requires that a designated trade repository accept derivatives data for all derivatives of the asset class or classes set out in its designation order. For example, if the designation order of a designated trade repository includes interest rate derivatives, the designated trade repository is required to accept transaction data for all types of interest rate derivatives that are entered into by a local counterparty. It is possible that a designated trade repository may accept derivatives data for only a subset of a class of derivatives if this is indicated in its designation order. For example, there may be designated trade repositories that accept derivatives data for only certain types of commodity derivatives such as energy derivatives.

Communication policies, procedures and standards

15. Section 15 sets out the communication standard required to be used by a designated trade repository in communications with other specified entities. The reference in paragraph 15(d) to "other service providers" could include persons or companies who offer technological or transaction processing or post-transaction services.

Rules, policies and procedures

17. Section 17 requires that the publicly disclosed written rules and procedures of a designated trade repository be clear and comprehensive, and include explanatory material written in plain language so that participants can fully understand the system's design and operations, their rights and obligations, and the risks of participating in the system. Moreover, a designated trade repository should disclose to its participants and to the public, basic operational information and responses to the CPSS-IOSCO *Disclosure framework for financial market infrastructures*.

(2) Subsection 17(2) requires that a designated trade repository monitor compliance with its rules and procedures. The methodology of monitoring such compliance should be fully documented.

(3) Subsection 17(3) requires a designated trade repository to implement processes for dealing with non-compliance with its rules and procedures. This subsection does not preclude enforcement action by any other person or company, including the Commission or other regulatory body.

(5) Subsection 17(5) requires a designated trade repository to file its rules and procedures with the Commission for approval, in accordance with the terms and conditions of the designation order. Upon designation, the Commission may develop and implement a protocol with the designated trade repository that will set out the procedures to be followed with respect to the review and approval of rules and procedures and any amendments thereto. Generally, such a rule protocol will be appended to and form part of the designation order. Depending on the nature of the changes to the designated trade repository's rules and procedures, such changes may also impact the information contained in Form 91-507F1. In such cases, the designated trade repository will be required to file a revised Form 91-507F1 with the Commission. See section 3 of this Policy for a discussion of the filing requirements.

Records of data reported

18. A designated trade repository is a market participant under securities legislation and therefore subject to the record-keeping requirements under securities legislation. The record-keeping requirements under section 18 are in addition to the requirements under securities legislation.

(2) Subsection 18(2) requires that records be maintained for 7 years after the expiration or termination of a transaction. The requirement to maintain records for 7 years after the expiration or termination of a transaction, rather than from the date the transaction was entered into, reflects the fact that transactions create on-going obligations and information is subject to change throughout the life of a transaction.

Comprehensive risk-management framework

19. Requirements for a comprehensive risk-management framework of a designated trade repository are set out in section 19.

Features of framework

A designated trade repository should have a written risk-management framework (including policies, procedures, and systems) that enable it to identify, measure, monitor, and manage effectively the range of risks that arise in, or are borne by, a designated trade repository. A designated trade repository's framework should include the identification and management of risks that could materially affect its ability to perform or to provide services as expected, such as interdependencies.

Establishing a framework

A designated trade repository should have comprehensive internal processes to help its board of directors and senior management monitor and assess the adequacy and effectiveness of its risk-management policies, procedures, systems, and controls. These processes should be fully documented and readily available to the designated trade repository's personnel who are responsible for implementing them.

Maintaining a framework

A designated trade repository should regularly review the material risks it bears from, and poses to, other entities (such as other FMIs, settlement banks, liquidity providers, or service providers) as a result of interdependencies, and develop appropriate risk-management tools to address these risks. These tools should include business continuity arrangements that allow for rapid recovery and resumption of critical operations and services in the event of operational disruptions and recovery or orderly wind-down plans should the trade repository become non-viable.

General business risk

20. (1) Subsection 20(1) requires a designated trade repository to manage its general business risk effectively. General business risk includes any potential impairment of the designated trade repository's financial position (as a business concern) as a consequence of a decline in its revenues or an increase in its expenses, such that expenses exceed revenues and result in a loss that must be charged against capital or an inadequacy of resources necessary to carry on business as a designated trade repository.

(2) For the purposes of subsection 20(2), the amount of liquid net assets funded by equity that a designated trade repository should hold is to be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services, if such action is taken.

(3) Subsection (3) requires a designated trade repository, for the purposes of subsection (2), to hold liquid net assets funded by equity equal to no less than six months of current operating expenses.

(4) For the purposes of subsections 20(4) and (5), and in connection with developing a comprehensive risk-management framework under section 19, a designated trade repository should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern, and assess the effectiveness of a full range of options for recovery or orderly wind-down. These scenarios should take into account the various independent and related risks to which the designated trade repository is exposed.

Based on the required assessment of scenarios under subsection 20(4) (and taking into account any constraints potentially imposed by legislation), the designated trade repository should prepare appropriate written plans for its recovery or orderly wind-down. The plan should contain, among other elements, a substantive summary of the key recovery or orderly wind-down strategies, the identification of the designated trade repository's critical operations and services, and a description of the measures needed to implement the key strategies. The designated trade repository should maintain the plan on an ongoing basis, to achieve recovery and orderly wind-down, and should hold sufficient liquid net assets funded by equity to implement this plan (see also subsections 20(2) and (3) above). A designated trade repository should also take into consideration the operational, technological, and legal requirements for participants to establish and move to an alternative arrangement in the event of an orderly wind-down.

Systems and other operational risk requirements

21. (1) Subsection 21(1) sets out a general principle concerning the management of operational risk. In interpreting subsection 21(1), the following key considerations should be applied:

- a designated trade repository should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks;
- a designated trade repository should review, audit, and test systems, operational policies, procedures, and controls, periodically and after any significant changes; and
- a designated trade repository should have clearly defined operational-reliability objectives and policies in place that are designed to achieve those objectives.

(2) The board of directors of a designated trade repository should clearly define the roles and responsibilities for addressing operational risk and approve the designated trade repository's operational risk-management framework.

(3) Paragraph 21(3)(a) requires a designated trade repository to develop and maintain an adequate system of internal control over its systems as well as adequate general information-technology controls. The latter controls are implemented to support information technology planning, acquisition, development and maintenance, computer operations, information systems support, and security. Recommended Canadian guides as to what constitutes adequate information technology controls include '*Information Technology Control Guidelines*' from the Canadian Institute of Chartered Accountants and '*COBIT*' from the IT Governance Institute. A designated trade repository should ensure that its information-technology controls address the integrity of the data that it maintains, by protecting all derivatives data submitted from corruption, loss, improper disclosure, unauthorized access and other processing risks.

Paragraph 21(3)(b) requires a designated trade repository to thoroughly assess future needs and make systems capacity and performance estimates in a method consistent with prudent business practice at least once a year. The paragraph also imposes an annual requirement for designated trade repositories to conduct periodic capacity stress tests. Continual changes in technology, risk management requirements and competitive pressures will often result in these activities or tests being carried out more frequently.

Paragraph 21(3)(c) requires a designated trade repository to notify the Commission of any material systems failure. The Commission would consider a failure, malfunction, delay or other disruptive incident to be "material" if the designated trade repository would in the normal course of its operations escalate the incident to, or inform, its senior management that is responsible for technology, or the incident would have an impact on participants. The Commission also expects that, as part of this notification, the designated trade repository will provide updates on the status of the failure, the resumption of service, and the results of its internal review of the failure.

(4) Subsection 21(4) requires that a designated trade repository establish, implement, maintain and enforce business continuity plans, including disaster recovery plans. The Commission believes that these plans should allow the designated trade repository to provide continuous and undisrupted service, as back-up systems ideally should commence processing immediately. Where a disruption is unavoidable, a designated trade repository is expected to provide prompt recovery of operations, meaning that it resumes operations within 2 hours following the disruptive event. Under paragraph 21(4)(c), an emergency event could include any external sources of operational risk, such as the failure of critical service providers or utilities or events affecting a wide metropolitan area, such as natural disasters, terrorism, and pandemics. Business continuity planning should encompass all policies and procedures to ensure uninterrupted provision of key services regardless of the cause of potential disruption.

(5) Subsection 21(5) requires a designated trade repository to test its business continuity plans at least once a year. The expectation is that the designated trade repository would engage relevant industry participants, as necessary, in tests of its business continuity plans, including testing of back-up facilities for both the designated trade repository and its participants.

(6) Subsection 21(6) requires a designated trade repository to engage a qualified party to conduct an annual independent assessment of the internal controls referred to in paragraphs 21(3)(a) and (b) and subsections 21(4) and (5). A qualified party is a person or company or a group of persons or companies with relevant experience in both information technology and in the evaluation of related internal controls in a complex information technology environment, such as external auditors or third party information system consultants. The Commission is of the view that this obligation may also be satisfied by an independent assessment by an internal audit department that is compliant with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Audit. Before engaging a qualified party, the designated trade repository should notify the Commission.

(8) Subsection 21(8) requires designated trade repositories to make public all material changes to technology requirements to allow participants a reasonable period to make system modifications and test their modified systems. In determining what a reasonable period is, the Commission of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

(9) Subsection 21(9) requires designated trade repositories to make available testing facilities in advance of material changes to technology requirements to allow participants a reasonable period to test their modified systems and interfaces with the designated trade repository. In determining what a reasonable period is, the Commission of the view that the designated trade repository should consult with participants and that a reasonable period would allow all participants a reasonable opportunity to develop, implement and test systems changes. We expect that the needs of all types of participants would be considered, including those of smaller and less sophisticated participants.

Data security and confidentiality

22. (1) Subsection 22(1) provides that a designated trade repository must establish policies and procedures to ensure the safety, privacy and confidentiality of derivatives data to be reported to it under the Rule. The policies must include limitations on access to confidential trade repository data and safeguards to protect against persons and companies affiliated with the designated trade repository from using trade repository data for their personal benefit or the benefit of others.

(2) Subsection 22(2) prohibits a designated trade repository from releasing reported derivatives data, for a commercial or business purpose, that is not required to be publicly disclosed under section 39 without the express written consent of the counterparties to the transaction or transactions to which the derivatives data relates. The purpose of this provision is to ensure that users of the designated trade repository have some measure of control over their derivatives data.

Confirmation of data and information

23. Subsection 23(1) requires a designated trade repository to have and follow written policies and procedures for confirming the accuracy of the derivatives data received from a reporting counterparty. A designated trade repository must confirm the accuracy of the derivatives data with each counterparty to a reported transaction provided that the non-reporting counterparty is a participant of the trade repository. Where the non-reporting counterparty is not a participant of the trade repository, there is no obligation to confirm with such non-reporting counterparty.

The purpose of the confirmation requirement in subsection 23(1) is to ensure that the reported information is agreed to by both counterparties. However, in cases where a non-reporting counterparty is not a participant of the relevant designated trade repository, the designated trade repository would not be in a position to confirm the accuracy of the derivatives data with such counterparty. As such, under subsection 23(2) a designated trade repository will not be obligated to confirm the accuracy of the derivatives data with a counterparty that is not a participant of the designated trade repository. Additionally, similar to the reporting obligations in section 26, confirmation under subsection 23(1) can be delegated under section 26(3) to a third-party representative.

A trade repository may satisfy its obligation under section 23 to confirm the derivatives data reported for a transaction by notice to each counterparty to the transaction that is a participant of the designated trade repository, or its delegated third-party representative where applicable, that a report has been made naming the participant as a counterparty to a transaction, accompanied by a means of accessing a report of the derivatives data submitted. The policies and procedures of the designated trade repository may provide that if the designated trade repository does not receive a response from a counterparty within 48 hours, the counterparty is deemed to confirm the derivatives data as reported.

Outsourcing

24. Section 24 sets out requirements applicable to a designated trade repository that outsources any of its key services or systems to a service provider. Generally, a designated trade repository must establish policies and procedures to evaluate and approve these outsourcing arrangements. Such policies and procedures include assessing the suitability of potential service providers and the ability of the designated trade repository to continue to comply with securities legislation in the event of bankruptcy, insolvency or the termination of business of the service provider. A designated trade repository is also required to monitor the ongoing performance of a service provider to which it outsources a key service, system or facility. The requirements under section 24 apply regardless of whether the outsourcing arrangements are with third-party service providers or affiliates of the designated trade repository. A designated trade repository that outsources its services or systems remains responsible for those services or systems and for compliance with securities legislation.

PART 3
DATA REPORTING

Part 3 deals with reporting obligations for transactions and includes a description of the counterparties that will be subject to the duty to report, requirements as to the timing of reports and a description of the data that is required to be reported.

Reporting counterparty

25. Section 25 outlines how the counterparty required to report derivatives data and fulfil the ongoing reporting obligations under the Rule is determined. Reporting obligations on derivatives dealers apply irrespective of whether the derivatives dealer is a registrant.

(1) Subsection 25(1) outlines a hierarchy for determining which counterparty to a transaction will be required to report the transaction based on the counterparty to the transaction that is best suited to fulfill the reporting obligation. For example, for transactions that are cleared through a recognized or exempt clearing agency, the clearing agency is best positioned to report derivatives data and is therefore required to act as reporting counterparty

Although there may be situations in which the reporting obligation falls on both counterparties to a transaction, it is the Commission's view that in such cases the counterparties should select one counterparty to fulfill the reporting obligation to avoid duplicative reporting. For example, if a transaction required to be reported is between two dealers, each dealer has an obligation to report under paragraph 25(1)(b). Similarly, if a transaction is between two local counterparties that are not dealers, both local counterparties have an obligation to report under paragraph 25(1)(d). However, because a reporting counterparty may delegate its reporting obligations under subsection 26(3), the Commission expects that the practical outcome is that one counterparty will delegate its reporting obligation to the other (or a mutually agreed upon third party) and only one report will be filed in respect of the transaction. Therefore, although both counterparties to the transaction examples described above ultimately have the reporting obligation, they may institute contracts, systems and practices to agree to delegate the reporting function to one party. The intention of these provisions is to facilitate one counterparty reporting through delegation while requiring both counterparties to have procedures or contractual arrangements in place to ensure that reporting occurs.

~~(2) Subsection 25(2) applies to situations where the reporting counterparty, as determined under paragraph 25(1)(c), is not a local counterparty. This provision is intended to cover situations where a non-local reporting counterparty does not report a transaction or otherwise fails to fulfil the reporting counterparty's reporting duties. In such case the local counterparty must act as the reporting counterparty and fulfil the reporting counterparty duties under the Rule. This provision differs from the situations in paragraphs 25(1)(b) and 25(1)(d) because the Commission is of the view that, where a transaction is between a derivatives dealer and an end user, the derivatives dealer is best positioned to act as reporting counterparty.~~

~~The Commission expects that a local counterparty will determine that the non local reporting counterparty has discharged its reporting obligations by reviewing a confirmation of the transaction report. Where the local counterparty has not received confirmation that its transaction has been reported in accordance with the requirements of this Rule within two business days after the date on which the transaction occurred, under subsection 25(2) it must act as reporting counterparty for the transaction. Where the local counterparty is a participant of the designated trade repository this confirmation would come from the designated trade repository in accordance with subsection 23(1). Where the local counterparty is not a participant it would be necessary for the local counterparty to ensure that it receives the confirmation from the reporting counterparty (or its delegate).~~

~~Subsection 31(4) modifies the timing requirement for the reporting of data where a local counterparty has assumed the role of reporting counterparty because of a failure to report by a non local reporting counterparty. In such cases the local counterparty should report the transaction no later than the end of the third business day after the day on which the data should otherwise have been reported.~~
~~The Commission is of the view that, because a registered foreign derivatives dealer is a local counterparty under the rule, there will only be limited situations where this subsection 25(2) applies.~~

Duty to report

26. Section 26 outlines the duty to report derivatives data.

(1) Subsection 26(1) requires that, subject to sections 40, 41, 42 and 43, derivatives data for each transaction to which one or more counterparties is a local counterparty be reported to a designated trade repository. The counterparty required to report the derivatives data is the reporting counterparty as determined under section 25.

(2) Under subsection 26(2), the reporting counterparty for a transaction must ensure that all reporting obligations are fulfilled. This includes ongoing requirements such as the reporting of life-cycle event data and valuation data.

(3) Subsection 26(3) permits the delegation of all reporting obligations of a reporting counterparty. This includes reporting of initial creation data, life-cycle event data and valuation data. For example, some or all of the reporting obligations may be delegated to a third-party service provider. However, the reporting counterparty remains responsible for ensuring that the derivatives data is accurate and reported within the timeframes required under the Rule.

(4) With respect to subsection 26(4), prior to the reporting rules in Part 3 coming into force, the Commission will provide public guidance on how reports for transactions that are not accepted for reporting by any designated trade repository should be electronically submitted to the Commission.

(5) Subsection 26(5) provides for limited substituted compliance with this Rule where a transaction has been reported to a designated trade repository pursuant to the law of a province of Canada other than Ontario or of a foreign jurisdiction listed in Appendix B, provided that the additional conditions set out in paragraphs (a) and (c) are satisfied.

(6) Paragraph 26(6)(a) requires that all derivatives data reported for a given transaction be reported to the same designated trade repository to which the initial report is submitted or, with respect to transactions reported under section 26(4), to the Commission. For a bi-lateral transaction that is assumed by a clearing agency (novation), the designated trade repository to which all derivatives data for the assumed transactions must be reported is the designated trade repository to which the original bi-lateral transaction was reported.

The purpose of this requirement is to ensure the Commission has access to all reported derivatives data for a particular transaction from the same entity. It is not intended to restrict counterparties' ability to report to multiple trade repositories. Where the entity to which the transaction was originally reported is no longer a designated trade repository, all data relevant to that transaction should be reported to another designated trade repository as otherwise required by the Rule.

(7) The Commission interprets the requirement in subsection 26(7) to report errors or omissions in derivatives data "as soon as technologically practicable" after it is discovered, to mean upon discovery and in any case no later than the end of the business day on which the error or omission is discovered.

(8) Under subsection 26(8), where a local counterparty that is not a reporting counterparty discovers an error or omission in respect of derivatives data that is reported to a designated trade repository, such local counterparty has an obligation to report the error or omission to the reporting counterparty. Once the error or omission is reported to the reporting counterparty, the reporting counterparty then has an obligation under subsection 26(7) to report the error or omission to the designated trade repository or to the Commission in accordance with subsection 26(6). The Commission interprets the requirement in subsection 26(8) to notify the reporting counterparty of errors or omissions in derivatives data to mean upon discovery and in any case no later than the end of the business day on which the error or omission is discovered.

Legal entity identifiers

28. (1) Subsection 28(1) requires that a designated trade repository identify all counterparties to a transaction by a legal entity identifier. It is envisioned that this identifier be a LEI under the Global LEI System. The Global LEI System is a G20 endorsed initiative[5] that will uniquely identify parties to transactions. It is currently being designed and implemented under the direction of the LEI ROC, a governance body endorsed by the G20.

[5] See http://www.financialstabilityboard.org/list/fsb_publications/tid_156/index.htm for more information.

(2) The "Global Legal Entity Identifier System" referred to in subsection 28(2) means the G20 endorsed system that will serve as a public-good utility responsible for overseeing the issuance of legal entity identifiers globally to counterparties who enter into transactions.

(3) If the Global LEI System is not available at the time counterparties are required to report their LEI under the Rule, they must use a substitute legal entity identifier. The substitute legal entity identifier must be in accordance with the standards established by the LEI ROC for pre-LEI identifiers. At the time the Global LEI System is operational; counterparties must cease using their substitute LEI and commence reporting their LEI. The substitute LEI and LEI could be identical.

Unique transaction identifier

29. A unique transaction identifier will be assigned by the designated trade repository to each transaction which has been submitted to it. The designated trade repository may utilize its own methodology or incorporate a previously assigned identifier that has been assigned by, for example, a clearing agency, trading platform, or third-party service provider. However, the designated trade repository must ensure that no other transaction shares the same identifier.

A transaction in this context means a transaction from the perspective of all counterparties to the transaction. For example, both counterparties to a single swap transaction would identify the transaction by the same single identifier. For a bi-lateral transaction that is novated to a clearing agency, the reporting of the novated transactions should reference the unique transaction identifier of the original bi-lateral transaction.

Unique product identifier

30. Section 30 requires that a reporting counterparty identify each transaction that is subject to the reporting obligation under the Rule by means of a unique product identifier. There is currently a system of product taxonomy that may be used for this purpose.[6] To the extent that a unique product identifier is not available for a particular transaction type, a reporting counterparty would be required to create one using an alternative methodology.

Creation data

31. Subsection 31(2) requires that reporting of creation data be made in real time, which means that creation data should be reported as soon as technologically practicable after the execution of a transaction. In evaluating what will be considered to be "technological practicable", the Commission will take into account the prevalence of implementation and use of technology by comparable counterparties located in Canada and in foreign jurisdictions. The Commission may also conduct independent reviews to determine the state of reporting technology.

(3) Subsection 31(3) is intended to take into account the fact that not all counterparties will have the same technological capabilities. For example, counterparties that do not regularly engage in transactions would, at least in the near term, likely not be as well situated to achieve real-time reporting. Further, for certain post-transaction operations, such as trade compressions involving numerous transactions, real time reporting may not currently be practicable. In all cases, the outside limit for reporting is the end of the business day following execution of the transaction.

~~(4) Subsection 31(4) is intended to take into account the fact that a local counterparty who is required to fulfill the obligations of a reporting counterparty under subsection 25(2) will become aware of a non-local reporting counterparty's failure to report derivatives data only by the end of the second day following the execution of the transaction required to be reported. Accordingly, a local counterparty that must act as reporting counterparty under subsection 25(2) is required to report creation data no later than the end of the third business day following the day on which the data should otherwise have been reported.~~

Life-cycle event data

32. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository to which the initial report was made, or to the Commission for transactions for which derivatives data was reported to the Commission in accordance with subsection 26(4).

(1) Life-cycle event data is not required to be reported in real time but rather at the end of the business day on which the life-cycle event occurs. The end of business day report may include multiple life-cycle events that occurred on that day.

Valuation data

33. Valuation data with respect to a transaction that is subject to the reporting obligations under the Rule is required to be reported by the reporting counterparty. For both cleared and uncleared transactions, counterparties may, as described in

[6] See http://www2.isda.org/identifiers-and-otc-taxonomies/ for more information.

subsection 26(3), delegate the reporting of valuation data to a third party, but such counterparties remain ultimately responsible for ensuring the timely and accurate reporting of this data. The Commission notes that, in accordance with subsection 26(6), all reported derivatives data relating to a particular transaction must be reported to the same designated trade repository to which the initial report was made, or to the Commission for transactions for which the initial report was made to the Commission in accordance with subsection 26(4).

(1) Subsection 33(1) provides for differing frequency of valuation data reporting based on the type of entity that is the reporting counterparty.

Pre-existing derivatives

34. Section 34 ~~requires that pre-existing~~outlines reporting obligations in relation to transactions that were entered into ~~before July 2,~~prior to the commencement of the reporting obligations. Where the reporting counterparty is a derivatives dealer or a recognized or exempt clearing agency, subsection 34(1) requires that pre-existing transactions that were entered into before October 31, 2014 and that will not expire or terminate on or before ~~December 31, 2014 to be reported to a designated trade repository. Creation data in respect of pre-existing transactions that must be reported pursuant to section 34 must~~April 30, 2015 to be reported to a designated trade repository no later than ~~December 31, 2014.~~April 30, 2015. Similarly, where the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency, subsection 34(1.1) requires that pre-existing transactions that were entered into before June 30, 2015 and that will not expire or terminate on or before December 31, 2015 to be reported to a designated trade repository no later than December 31, 2015. In addition, only the data indicated in the column entitled "Required for Pre-existing Transactions" in Appendix A will be required to be reported for pre-existing transactions.

Transactions that are entered into before ~~July 2,~~October 31, 2014 and that expire or terminate on or before ~~December 31, 2014~~April 30, 2015 will not be subject to the reporting obligation~~.~~, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency. Similarly, transactions for which the reporting counterparty is neither a derivatives dealer nor a recognized or exempt clearing agency will not be subject to the reporting obligation if they are entered into before June 30, 2015 but will expire or terminate on or before December 31, 2015. These transactions are exempted from the reporting obligation in the Rule, to relieve some of the reporting burden for counterparties and because they would provide marginal utility to the Commission due to their imminent termination or expiry.

The derivatives data required to be reported for pre-existing transactions under section 34 is substantively the same as the requirement under CFTC Rule 17 CFR Part 46 – *Swap Data Recordkeeping and Reporting Requirements: Pre-Enactment and Transition Swaps*. Therefore, to the extent that a reporting counterparty has reported pre-existing transaction derivatives data required by the CFTC rule, this would meet the derivatives data reporting requirements under section 34. This interpretation applies only to pre-existing transactions.

PART 4
DATA DISSEMINATION AND ACCESS TO DATA

Data available to regulators

37. (1) Subsection 37(1) requires designated trade repositories to, at no cost to the Commission: (a) provide to the Commission continuous and timely electronic access to derivatives data; (b) promptly fulfill data requests from the Commission; (c) provide aggregate derivatives data; and (d) disclose how data has been aggregated. Electronic access includes the ability of the Commission to access, download, or receive a direct real-time feed of derivatives data maintained by the designated trade repository.

The derivatives data covered by this subsection are data necessary to carry out the Commission's mandate to protect against unfair, improper or fraudulent practices, to foster fair and efficient capital markets, to promote confidence in the capital markets, and to address systemic risk. This includes derivatives data with respect to any transaction or transactions that may impact Ontario's capital markets.

Transactions that reference an underlying asset or class of assets with a nexus to Ontario or Canada can impact Ontario's capital markets even if the counterparties to the transaction are not local counterparties. Therefore, the Commission has a regulatory interest in transactions involving such underlying interests even if such data is not submitted pursuant to the reporting obligations in the Rule, but is held by a designated trade repository.

(2) Subsection 37(2) requires a designated trade repository to conform to internationally accepted regulatory access standards applicable to trade repositories. Trade repository regulatory access standards have been developed by CPSS and IOSCO. It is expected that all designated trade repositories will comply with the access recommendations in CPSS-IOSCO's final report.[7]

[7] See report entitled "Authorities' Access to TR Data" available at http://www.bis.org/publ/cpss110.htm.

(3) The Commission interprets the requirement for a reporting counterparty to use best efforts to provide the Commission with access to derivatives data to mean, at a minimum, instructing the designated trade repository to release derivative data to the Commission.

Data available to counterparties

38. Section 38 is intended to ensure that each counterparty, and any person acting on behalf of a counterparty, has access to all derivatives data relating to its transaction(s) in a timely manner. The Commission is of the view that where a counterparty has provided consent to a trade repository to grant access to data to a third-party service provider, the trade repository shall grant such access on the terms consented to.

Data available to public

39. (1) Subsection 39(1) requires a designated trade repository to make available to the public, free of charge, certain aggregate data for all transactions reported to it under the Rule (including open positions, volume, number of transactions, and price). It is expected that a designated trade repository will provide aggregate data by notional amounts outstanding and level of activity. Such aggregate data is expected to be available on the designated trade repository's website.

(2) Subsection 39(2) requires that the aggregate data that is disclosed under subsection 39(1), be broken down into various categories of information. The following are examples of the aggregate data required under subsection 39(2):

- currency of denomination (the currency in which the derivative is denominated);
- geographic location of the underlying reference entity (e.g., Canada for derivatives which reference the TSX60 index);
- asset class of reference entity (e.g., fixed income, credit, or equity);
- product type (e.g., options, forwards, or swaps);
- cleared or uncleared;
- maturity (broken down into maturity ranges, such as less than one year, 1-2 years, 2-3 years).

(3) Subsection 39(3) requires a designated trade repository to publicly report the data indicated in the column entitled "Required for public dissemination" in Appendix A of the Rule. For transactions where at least one counterparty is a derivatives dealer, paragraph 39(3)(a) requires that such data be publicly disseminated by the end of the day following the day on which the designated trade repository receives the data. For transactions where neither counterparty is a derivatives dealer, paragraph 39(3)(b) requires that such data be publicly disseminated by the end of the second day following the day on which the designated trade repository receives the data. The purpose of the public reporting delays is to ensure that counterparties have adequate time to enter into any offsetting transaction that may be necessary to hedge their positions. These time delays apply to all transactions, regardless of transaction size.

(4) Subsection 39(4) provides that a designated trade repository must not disclose the identity of either counterparty to the transaction. This means that published data must be anonymized and the names or legal entity identifiers of counterparties must not be published. This provision is not intended to create a requirement for a designated trade repository to determine whether anonymized published data could reveal the identity of a counterparty based on the terms of the transaction.

PART 5
EXCLUSIONS

40. Section 40 provides that the reporting obligation for a physical commodity transaction entered into between two non-derivatives dealers does not apply in certain limited circumstances. This exclusion only applies if a local counterparty to a transaction has less than $500,000 aggregate notional value under all outstanding derivatives transactions, including the additional notional value related to that transaction. In calculating this exposure, the notional value of all outstanding transactions, including transactions from all asset classes and with all counterparties, domestic and foreign, should be included. The notional value of a physical commodity transaction would be calculated by multiplying the quantity of the physical commodity by the price for that commodity. A counterparty that is above the $500,000 threshold is required to act as reporting counterparty for a transaction involving a party that is exempt from the reporting obligation under section 40. In a situation where both counterparties to a transaction qualify for this exclusion, it would not be necessary to determine a reporting counterparty in accordance with section 25.

This relief applies to physical commodity transactions that are not excluded derivatives for the purpose of the reporting obligation in paragraph 2(d) of OSC Rule 91-506 *Derivatives: Product Determination*. An example of a physical commodity

transaction that is required to be reported (and therefore could benefit from this relief) is a physical commodity contract that allows for cash settlement in place of delivery.

PART 7
EFFECTIVE DATE

Effective date

43. (2) The requirement under subsection 39(3) to make transaction level data reports available to the public does not apply until ~~December 31, 2014.~~April 30, 2015.

(3) Where the counterparty is a derivatives dealer or recognized or exempted clearing agency, subsection 42(3) provides that no reporting is required until ~~July 2,~~October 31, 2014.

(4) ~~For non-dealers~~Where neither of the counterparties is a derivatives dealer or a recognized or exempted clearing agency, subsection 42(4) provides that no reporting is required until ~~September~~June 30, ~~2014.~~2015. This provision only applies where ~~both counterparties are non-dealers. Where~~the reporting counterparty is a neither a derivatives dealer nor a clearing agency. For example, where the counterparties to a transaction are a dealer and a non-dealer, the derivatives dealer will be required to report according to the timing outlined in subsection 42(3).

(5) Subsection 43(5) provides that, if the reporting counterparty to the transaction is a derivatives dealer or a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire ~~by December 31, 2014.~~on or before April 30, 2015.

(6) Subsection 43(6) provides that, if the reporting counterparty to the transaction is neither a derivatives dealer nor a recognized or exempt clearing agency, no reporting is required for pre-existing transactions that terminate or expire on or before December 31, 2015.

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 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/07/2014	10	Acheson Commercial Corner RRSP Inc. - Bonds	184,000.00	N/A
01/01/2013 to 12/31/2013	3	Baker Gilmore & Associates Bond Fund - Trust Units	28,675,858.62	2,818,406.97
05/14/2007 to 10/03/2012	4	BlackRock Asia Property Fund III L.P. - Limited Partnership Interest	352,326,679.00	63.00
07/03/2007 to 12/17/2012	3	BlackRock Europe Property Fund III L.P. - Limited Partnership Interest	91,065,865.00	66.00
02/20/2014	11	Canadian First Financial Group Inc. - Common Shares	46,375,000.00	N/A
02/03/2014	18	Capital Direct I Income Trust - Trust Units	454,598.43	45,459.84
12/24/2013	1	CapVest Equity Partners III L.P. - Limited Partnership Interest	43,566,000.00	N/A
11/21/2013 to 12/20/2013	25	Creative Wealth Monthly Pay Trust - Trust Units	918,310.00	46,307.00
01/28/2014	82	Equicapita Income Trust - Trust Units	1,335,638.00	1,335,638.00
01/28/2014	82	Equicapital Income L.P. - Limited Partnership Units	672.82	672,819.00
01/02/2014	1	Generation IM Fund plc - Generation IM Global Equity Fund - Units	19,783,009.73	77,013.85
02/28/2014	115	Ginkgo Mortgage Investment Corporation - Preferred Shares	1,140,416.40	114,041.64
01/01/2013 to 12/31/2013	8	Goldman Sachs Global Opportunities Fund Offshore Ltd. - Common Shares	22,764,507.00	208,772.14
04/01/2013 to 12/31/2013	646	Guardian Short Duration Bond Fund - Units	17,948,626.77	1,794,559,582.00
05/27/2013 to 12/31/2013	76	Guardian Strategic Income Fund - Units	8,682,988.42	854,662.76
01/01/2013 to 12/31/2013	156	G.I. Capital Alternative Hedge Strategies Fund - Units	7,137,978.84	652,168.34
01/01/2013 to 12/31/2013	176	G.I. Capital Alternative Income Fund - Units	11,402,372.60	648,348.97
01/01/2013 to 12/31/2013	169	G.I. Capital Private Debt Fund - Units	6,086,964.58	566,412.15
01/01/2013 to 12/31/2013	112	G.I. Capital Private Equity Fund - Units	3,567,355.83	298,886.90

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/07/2014	10	Acheson Commercial Corner RRSP Inc. - Bonds	184,000.00	N/A
01/01/2013 to 12/31/2013	3	Baker Gilmore & Associates Bond Fund - Trust Units	28,675,858.62	2,818,406.97
05/14/2007 to 10/03/2012	4	BlackRock Asia Property Fund III L.P. - Limited Partnership Interest	352,326,679.00	63.00
07/03/2007 to 12/17/2012	3	BlackRock Europe Property Fund III L.P. - Limited Partnership Interest	91,065,865.00	66.00
02/20/2014	11	Canadian First Financial Group Inc. - Common Shares	46,375,000.00	N/A
02/03/2014	18	Capital Direct I Income Trust - Trust Units	454,598.43	45,459.84
12/24/2013	1	CapVest Equity Partners III L.P. - Limited Partnership Interest	43,566,000.00	N/A
03/01/2014	1	HBK Quantitative Strategies Offshore Fund L.P. - Limited Partnership Interest	31,612,200.00	N/A
12/16/2012 to 12/15/2013	364	Heathbridge Checkmark Equity Pooled Fund - Units	11,635,486.82	853,995.37
01/01/2013 to 12/04/2013	11	JC Clark Adaly Fund - Units	1,075,737.90	N/A
01/04/2013 to 12/04/2013	107	JC Clark Focused Opportunities Fund - Units	5,239,046.38	N/A
01/04/2013 to 12/04/2013	25	JC Clark Patriot Trust - Units	1,345,536.36	N/A
01/04/2013 to 12/04/2013	41	JC Clark Preservation Trust - Trust Units	3,644,859.27	N/A
01/04/2013 to 12/04/2013	19	JC Clark Yield Trust - Units	3,735,739.35	N/A
07/26/2013 to 12/31/2013	26	KFA Multi-Manager Global Equity Fund - Units	7,016,431.00	604,360.94
01/01/2013 to 12/31/2013	2	KKR Principal Opportunities Access Partnership (Offshore) L.P. - Common Shares	1,579,500.00	15,000.00
10/01/2013 to 12/01/2013	2	Knighthead Offshore Fund Ltd. - Common Shares	162,268,500.00	N/A
01/31/2013 to 12/31/2013	137	Lawrence Park Credit Strategies Fund - Trust Units	22,603,633.34	2,260,363.33
01/29/2014	2	Macquarie Infrastructure Partners III L.P. - Limited Partnership Interest	172,794,000.00	N/A
01/02/2013 to 04/29/2013	1	Manulife Asset Management Diversified Value Pooled Fund - Units	4,701,265.05	506,396.00
06/14/2013	9	Memoria LP - Units	362,725.72	3,637.13
03/08/2013 to 10/29/2013	1	Morgan Stanley International Equity Fund - Units	890,076.85	96,916.49
02/28/2014	28	Morrison Laurier Mortgage Corporation - Preferred Shares	798,110.00	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/07/2014	10	Acheson Commercial Corner RRSP Inc. - Bonds	184,000.00	N/A
01/01/2013 to 12/31/2013	3	Baker Gilmore & Associates Bond Fund - Trust Units	28,675,858.62	2,818,406.97
05/14/2007 to 10/03/2012	4	BlackRock Asia Property Fund III L.P. - Limited Partnership Interest	352,326,679.00	63.00
07/03/2007 to 12/17/2012	3	BlackRock Europe Property Fund III L.P. - Limited Partnership Interest	91,065,865.00	66.00
02/20/2014	11	Canadian First Financial Group Inc. - Common Shares	46,375,000.00	N/A
02/03/2014	18	Capital Direct I Income Trust - Trust Units	454,598.43	45,459.84
12/24/2013	1	CapVest Equity Partners III L.P. - Limited Partnership Interest	43,566,000.00	N/A
02/01/2014 to 02/24/2014	7	New Haven Mortgage Income Fund (1) Inc. - Special Shares	309,281.00	N/A
03/05/2013 to 12/04/2013	8	Northern Citadel Mortgage Investment Trust - Trust Units	15,400.00	1,540.00
01/01/2013 to 12/31/2013	3	PCJ Canadian Equity Fund - Trust Units	17,038,962.65	1,548,230.13
01/01/2013 to 12/31/2013	2	PCJ Canadian Small Cap Fund - Trust Units	1,393,866.51	118,222.38
01/02/2013 to 12/31/2013	13	PIMCO Canada Canadian CorePLUS Bond Trust - Units	297,177,489.31	2,898,831.89
01/03/2013 to 12/27/2013	6	PIMCO Canada Canadian CorePLUS Long Bond Trust - Units	290,454,654.00	722,286.62
01/31/2013 to 12/31/2013	7	Portland Focused Plus Fund LP - Units	10,300,000.00	N/A
10/31/2013 to 12/31/2013	38	Portland Global Energy Efficiency and Renewable Energy Fund LP (amended) - Units	1,207,654.70	N/A
01/01/2013 to 10/01/2013	1	Portland India Select Business Portfolio Inc. - Common Shares	61,265.58	N/A
03/28/2013 to 10/15/2013	15	Portland India Select Business Portfolio Trust - Units	44,856.14	N/A
01/07/2013 to 12/31/2013	39	Portland Private Income Fund - Units	1,930,603.27	N/A
01/07/2013 to 10/25/2013	2	Portland Private Income LP - Units	1,351,378.62	N/A
01/01/2013 to 12/31/2013	4	Private Equity Managers 2013: Offshore L.P. - Common Shares	3,518,060.00	34,000.00
03/03/2014	69	Romspen Mortgage Investment Fund - Units	15,067,890.00	1,506,789.00
02/18/2014	1266	Romspen Mortgage Investment Fund - Units	3,109,240.00	310,924.00
01/30/2014 to 02/06/2014	64	SecureCare Capital Inc. - Bonds	1,976,078.00	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/07/2014	10	Acheson Commercial Corner RRSP Inc. - Bonds	184,000.00	N/A
01/01/2013 to 12/31/2013	3	Baker Gilmore & Associates Bond Fund - Trust Units	28,675,858.62	2,818,406.97
05/14/2007 to 10/03/2012	4	BlackRock Asia Property Fund III L.P. - Limited Partnership Interest	352,326,679.00	63.00
07/03/2007 to 12/17/2012	3	BlackRock Europe Property Fund III L.P. - Limited Partnership Interest	91,065,865.00	66.00
02/20/2014	11	Canadian First Financial Group Inc. - Common Shares	46,375,000.00	N/A
02/03/2014	18	Capital Direct I Income Trust - Trust Units	454,598.43	45,459.84
12/24/2013	1	CapVest Equity Partners III L.P. - Limited Partnership Interest	43,566,000.00	N/A
01/02/2013 to 11/01/2013	22	SW8 Strategy Fund L.P. - Limited Partnership Units	7,311,255.00	639,332.74
01/01/2013 to 12/31/2013	5	TD Harbour Capital Commodity Fund - Trust Units	1,283,333.87	19,537.86
01/01/2013 to 12/31/2013	27	TD Private Canadian Diversified Equity Fund - Trust Units	677,053.38	6,360.75
01/02/2013 to 12/02/2013	32	The K2 Principal Fund LP - Limited Partnership Units	17,685,560.82	961.82
01/02/2013 to 12/02/2013	20	The K2 Principal Trust - Trust Units	1,423,917.25	114,504.55
12/20/2013	1	Trez Capital Limited Partnership - Mortgage	5,100,000.00	N/A
04/01/2013 to 12/30/2013	152	Trez Capital Yield Trust - Units	46,167,525.51	4,616,752.55
02/03/2014	1	ValueAct Capital Management L.P. - Limited Partnership Interest	2,688,145.20	N/A
01/01/2013 to 12/31/2013	8	Vintage Fund VI Offshore L.P. - Common Shares	56,503,220.00	543,000.00
02/28/2014	26	Western Lion Capital Inc. - Debentures	412,700.00	N/A
03/01/2013 to 12/02/2013	4	Winton Futures Fund Limited - Common Shares	23,884,837.00	208,012.19
02/03/2014	1	York Total Return Unit Trust - Trust Units	55,380.00	55,380.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Brandes Canadian Equity Fund
Brandes Corporate Focus Bond Fund
Brandes Emerging Markets Equity Fund
Brandes Global Balanced Fund
Brandes Global Equity Fund
Brandes Global Opportunities Fund
Brandes Global Small Cap Equity Fund
Brandes International Equity Fund
Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund
Lazard Emerging Markets Multi-Strategy Fund
Lazard Global Equity Income Fund
Sionna Canadian Balanced Fund
Sionna Canadian Equity Fund
Sionna Canadian Small Cap Equity Fund
Sionna Diversified Income Fund
Sionna Monthly Income Fund
Sionna Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 4, 2014
NP 11-202 Receipt dated April 8, 2014
Offering Price and Description:
Class A, Class D, Class F, Class K, Class KH, Class L, Class M and Class I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investments Partners & Co.
Project #2190946

Issuer Name:
Brompton Lifeco Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 11, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
Maximum: $ * - Up to * Preferred Shares and * Class A Shares
Prices: $ * per Preferred Share
$ * per Class A Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
GMP Securities L.P.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2193019

Issuer Name:
Cargojet Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
$67,000,000.00 - 5.5% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC
TD SECURITIES INC..
Promoter(s):
-
Project #2191199

Issuer Name:
DREAM Unlimited Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
$50,240,000.00 - 3,200,000 Class A Subordinate Voting Shares
PRICE: $15.70 per Subordinate Voting Share
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #2191334

Issuer Name:
Dynamic Alternative Investments Private Pool Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 11, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
Series F, FH and O Shares
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2192635

Issuer Name:
Fission Uranium Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 11, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
$28,750,000.00 - 17,968,750 Common Shares Issuable on Exercise of 17,968,750 Outstanding Special Warrants
Price: $1.60 Per Special Warrant
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Cantor Fitzerald Canada Corporation
MacQuarie Capital Markets Canada Ltd.
Raymond James Ltd.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Clarus Securities Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #2192366

Issuer Name:
Knight Therapeutics Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
21,428,580 Common Shares Issuable upon Exercise of 21,428,580 Outstanding Special Warrants
Price: $3.50 Per Special Warrant
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Cormark Securities Inc.
Promoter(s):
Jonathan Ross Goodman
Project #2192071

Issuer Name:
Knight Therapeutics Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
34,300,000 Common Shares Issuable upon Exercise of 34,300,000 Outstanding Special Warrants
Price: $5.25 Per Special Warrant
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Cormark Securities Inc.
Promoter(s):
Jonathan Ross Goodman
Project #2192110

Issuer Name:
Long Run Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
23,530,000 Subscription Receipts each representing the right to receive one Common Share
Price: $5,10 per Subscription Receipt
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Macquarie Capital Markets Canada Ltd.
Scotia Cpital Inc.
Cormark Securities Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
Clarus Securities Inc.
First Energy Capital Corp.
Promoter(s):
-
Project #2192067

Issuer Name:
Media Titans Growth & Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
Maximum: $ * - * Unit
Price: $10.00 per Unit
Minimum Purchase: $1,000 (100 Units)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Burgeonvest Bick Securities Limited
Mackie Research Capital Corporation
Manulife Securities Incorporated
Dundee Securities Ltd.
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc.
Promoter(s):
BMO Nesbitt Burns Inc.
Project #2190183

Issuer Name:
North American Preferred Share Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
Warrants to Subscribe for up to * Units at a Subscription Price of $ *
Underwriter(s) or Distributor(s):
-
Promoter(s):
Propel Capital Corporation
Project #2193167

Issuer Name:
Northland Power Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
$500,000,000.00
Common Shares
Preferred Shares
Debentures (unsecured)
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2192362

Issuer Name:
PrairieSky Royalty Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
$* - * Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Promoter(s):
Encana Corporation
Project #2193099

Issuer Name:
Richmont Mines Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
$10,150,000 - 7,000,000 Common Shares
Price: $1.45 per Offered Share
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #2189882

Issuer Name:
Senior Secured Floating Rate Loan Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 14, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
Warrants to Subscribe for up to * Class A Units at a Subscription Price of $*
Underwriter(s) or Distributor(s):
-
Promoter(s):
Propel Capital Corporation
Project #2193164

Issuer Name:
Sentry Bond Plus Fund
Sentry Canadian Income Class
Sentry Canadian Income Fund
Sentry Canadian Resource Class
Sentry Conservative Balanced Income Class
Sentry Conservative Balanced Income Fund
Sentry Diversified Equity Class
Sentry Diversified Equity Fund
Sentry Diversified Income Fund
Sentry Energy Growth and Income Fund
Sentry Enhanced Corporate Bond Capital Yield Class
Sentry Enhanced Corporate Bond Fund
Sentry Global Balanced Income Fund
Sentry Global Growth and Income Class
Sentry Global Growth and Income Fund
Sentry Growth and Income Fund
Sentry Infrastructure Fund
Sentry Money Market Class
Sentry Money Market Fund
Sentry Precious Metals Growth Class
Sentry Precious Metals Growth Fund
Sentry REIT Class
Sentry REIT Fund
Sentry Small/Mid Cap Income Class
Sentry Small/Mid Cap Income Fund
Sentry Tactical Bond Capital Yield Class
Sentry Tactical Bond Fund
Sentry U.S. Balanced Income Fund
Sentry U.S. Growth and Income Class
Sentry U.S. Growth and Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 8, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
Series A, Series P, Series F, Series I and Series PF Securities
Underwriter(s) or Distributor(s):
Sentry Investments Inc.
Promoter(s):
Sentry Investments Inc.
Project #2191886

Issuer Name:
Stornoway Diamond Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
$184,000,000 - * Subscription Receipts, each representing the right to receive one Common Share
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
RBC DOMINION SECURITIES INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
LAURENTIAN BANK SECURITIES INC.
PARADIGM CAPITAL INC.
Promoter(s):
-
Project #2191552

Issuer Name:
Stornoway Diamond Corporation
Principal Regulator - Quebec
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
$184,000,000 - * Subscription Receipts, each representing the right to receive one Common Share
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
RBC DOMINION SECURITIES INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
LAURENTIAN BANK SECURITIES INC.
PARADIGM CAPITAL INC.
Promoter(s):
-
Project #2191552

Issuer Name:
Talisman Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated April 7, 2014
NP 11-202 Receipt dated April 8, 2014
Offering Price and Description:
US$3,500,000,000
Debt Securities
Common Shares
Preferred Shares
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2190929

Issuer Name:
Talisman Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated April 7, 2014
NP 11-202 Receipt dated April 8, 2014
Offering Price and Description:
$1,000,000,000 - Medium Term Note Debentures (unsecured)
Price: Rates on Application
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #2190930

Issuer Name:
The Descartes Systems Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
US$250,000,000
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2191996

Issuer Name:
TransAlta Renewables Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 11, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
$124,830,000.00 - 10,950,000 Common Shares
Price: $11.40 per Common Share
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
MERRILL LYNCH CANADA INC.
HSBC SECURITIES (CANADA) INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #2191820

Issuer Name:
AGF Floating Rate Income Fund
(Mutual Fund Series, Series F, Series O, Series Q, Series T, Series V and Series W)
AGF American Growth Class
(Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V)
AGF Canadian Asset Allocation Fund
(Mutual Fund Series, Series D, Series F, Series O, Series T and Series V)
AGF Emerging Markets Bond Fund
(Mutual Fund Series, Series F, Series O and Series Q)
AGF European Equity Class
(Mutual Fund Series, Series F, Series O, Series T and Series V)
AGF Fixed Income Plus Fund
(Mutual Fund Series, Series F, Series O and Series Q)
AGF Global Equity Class
(Mutual Fund Series, Series F, Series O, Series T and Series V)
AGF Global Equity Fund
(Mutual Fund Series, Series F, Series O and Series Q)
AGF Global Select Fund
(Mutual Fund Series, Series F and Series O)
AGF High Yield Bond Fund
(Mutual Fund Series, Series F, Series O and Series Q)
AGF International Stock Class
(Mutual Fund Series, Series F, Series O, Series T and Series V)
AGF Monthly High Income Fund
(Mutual Fund Series, Series F, Series O, Series Q and Series T)
AGF Total Return Bond Fund
(Mutual Fund Series, Series F, Series O and Series Q)
Principal Regulator - Ontario
Type and Date:
Amendment #6 dated April 9, 2014 to the Simplified Prospectuses and Annual Information Form dated April 19, 2013
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
AGF INVESTMENTS INC.
Project #2027007

Issuer Name:
AGF U.S. AlphaSector Class
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated April 9, 2014 to the Simplified Prospectuses and Annual Information Form dated August 8, 2013
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Investments Inc.
Project #2082025

Issuer Name:
Cynapsus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 8, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
Minimum Offering of $15,000,000.00 (23,076,923 Units)
Maximum Offering of $25,000,000.00 (38,461,538 Units)
$0.65 per Unit
Each Unit is comprised of One Common Share and One Common Share Purchase Warrant
Underwriter(s) or Distributor(s):
M Partners Inc.
Promoter(s):
-
Project #2185153

Issuer Name:
Energy Fuels Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
US$100,000,000.00
Common Shares
Warrants
Subscription Receipts
Preferred Shares
Units
Debt Securities

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2185754

Issuer Name:
Horizons Cdn Select Universe Bond ETF
(Class A units)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 15, 2014
Offering Price and Description:
Class A units @ net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horizons ETFs Management (Canada) Inc.
Project #2160163

Issuer Name:
Hydrogenics Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 8, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
US$100,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2188131

Issuer Name:
iShares MSCI Europe IMI Index ETF
iShares MSCI Europe IMI Index ETF (CAD-Hedged)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 14, 2014
Offering Price and Description:
Exchange traded funds at net asset value
Underwriter(s) or Distributor(s):
BlackRock Asset Management Canada Limited
Promoter(s):
-
Project #2173519

Issuer Name:
Mackenzie Global Tactical Bond Fund
(Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, SC, S6 and T6)
Mackenzie Investment Grade Floating Rate Fund
(Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, SC, S6 and T6)
Mackenzie US Dividend Fund
(Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, and T6)
Mackenzie US Dividend Registered Fund
(Series A, D, F, O, PW, PWF and PWX)
Mackenzie US Low Volatility Fund
(Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, and T6)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 8, 2014
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, SC, S6 and T6)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #2172232

Issuer Name:
Magna International Inc.
Type and Date:
Final Base Shelf Prospectus dated April 9, 2014
Receipted on April 10, 2014
Offering Price and Description:
U.S. $2,000,000,000
Senior Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2185349

Issuer Name:
MBAC Fertilizer Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 10, 2014
NP 11-202 Receipt dated April 10, 2014
Offering Price and Description:
$18,004,000.00 - 25,720,000 Units
Price: $0.70 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
GMP SECURITIES L.P.
PARADIGM CAPITAL INC.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2182996

Issuer Name:
Institutional Class units of:
TD Emerald Canadian Treasury Management Fund
TD Emerald Canadian Treasury Management – Government of Canada Fund
Class B units of:
TD Emerald Canadian Short Term Investment Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Balanced Fund
TD Emerald Canadian Equity Index Fund
TD Emerald U.S. Market Index Fund
TD Emerald International Equity Index Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 10, 2014
NP 11-202 Receipt dated April 11, 2014
Offering Price and Description:
Institutional Class and Class B units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2165512

Issuer Name:
Timbercreek Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
$30,387,500.00 - 3,250,000 Common Shares
Offering Price: $9.35 per Offered Share
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
RAYMOND JAMES LTD.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
MANULIFE SECURITIES INCORPORATED
Promoter(s):
-
Project #2183366

Issuer Name:
UrtheCast Corp.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated April 7, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
$75,000,000.00
Common Shares
Warrants
Units
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2182170

Issuer Name:
West Kirkland Mining Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 9, 2014
NP 11-202 Receipt dated April 9, 2014
Offering Price and Description:
Minimum Offering: $16,500,000.00 or 110,000,000 Units
Maximum Offering: $22,500,000.00 or 150,000,000 Units
Price: $0.15 per Unit
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
PI FINANCIAL CORP.
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
Promoter(s):
-
Project #2174368

Issuer Name:
Horizons FTSE Europe Index ETF
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 30, 2014
Withdrawn on April 3, 2014
Offering Price and Description:
Exchange traded fund at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horizons ETFs Management (Canada) Inc.
Project #2160163

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension	Penbrooke Partners Investment Management Ltd.	Exempt Market Dealer and Investment Fund Manager	April 3, 2014
New Business Registration	Kindle Capital Management Inc.	Exempt Market Dealer	April 8, 2014
New Business Registration	Gestion HNB-Anchor Placement Inc. / HNB-Anchor Investment Management Inc.	Portfolio Manager	April 9, 2014
Firm Name Change	From: ING Direct Funds Limited To: Tangerine Investment Funds Limited	Mutual Fund Dealer	April 1, 2014
Firm Name Change	From: ING Direct Asset Management Limited To: Tangerine Investment Management Inc.	Portfolio Manager and Investment Fund Manager	April 1, 2014
Change in Registration Category	MFS Investment Management Canada Limited	From: Portfolio Manager, Exempt Market Dealer, Investment Fund Manager and Mutual Fund Dealer To: Portfolio Manager, Exempt Market Dealer, Investment Fund Manager	April 8, 2014
Firm Name Change	From: Red Jacket Asset Management Inc. To: KFL Capital Management Ltd.	Portfolio Manager, Commodity Trading Manager, Investment Fund Manager and Exempt Market Dealer	April 1, 2014

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 Surrender of Investment Dealers Association of Canada (IDA) and Market Regulation Services (RS) Recognition Orders – Notice of Approval

Headnote

Application under section 21.4 of the Securities Act (Ontario) and under section 19 of the Commodity Futures Act (Ontario) for Commission approval of the voluntary surrender of the recognition orders of the Investment Dealers Association of Canada and Market Regulation Services Inc.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 21.4.
Commodity Futures Act, R.S.O. 1990, c. C.20, as am., s. 19.

INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)
AND MARKET REGULATION SERVICES INC. (RS)
VOLUNTARY SURRENDER OF IDA AND RS RECOGNITION ORDERS

NOTICE OF COMMISSION APPROVAL

On March 11, 2014, the Commission accepted the voluntary surrender of the recognition of the Investment Dealers Association of Canada (IDA) and Market Regulation Services Inc. (RS) as self-regulatory organizations (SROs), effective April 17, 2014.

On June 1, 2008, the IDA and RS combined their regulatory activities (the Combination) into a single organization known as the Investment Industry Regulatory Organization of Canada (IIROC). On that date, IIROC was recognized as an SRO by the Ontario Securities Commission and other provincial securities regulators. Whereas IIROC agreed to perform all investigation and enforcement functions of the IDA and RS as part of its recognition, the Commission also varied and restated the recognition of the IDA and RS at that time. It was contemplated that the recognition of the IDA and RS would continue for a period of approximately 5 years, to facilitate ongoing or new investigations and enforcement activity involving pre-Combination activity of persons subject to the authority of the IDA and/or RS. The IDA and RS thus remained in existence, with limited investigations and enforcement functions. Upon the lapsing of the contemplated 5-year period, IIROC, on behalf of the IDA and RS, requested that the Commission accept the voluntary surrender of the IDA and RS recognition orders, on the basis that no circumstances warrant a continuation of the regulatory authority of those entities. The Commission has accepted the voluntary surrender of the recognition orders for the IDA and RS, and is of the view that such surrenders are not prejudicial to the public interest.

A copy of each of the orders approving the voluntary surrender of the recognition orders for the IDA and RS can be found under chapter 2 of this Bulletin.

13.3 Clearing Agencies

13.3.1 Canadian Derivatives Clearing Corporation – Application for Recognition – Notice of Commission Order

APPLICATION FOR RECOGNITION
NOTICE OF COMMISSION ORDER
CANADIAN DERIVATIVES CLEARING CORPORATION

On April 8, 2014, the Commission issued an order under section 21.2 of the *Securities Act* (Ontario) recognizing Canadian Derivatives Clearing Corporation (CDCC) as a clearing agency (Order), subject to terms and conditions as set out in the Order. A copy of the Order is published in Chapter 2 of this Bulletin (with the exception of Schedule "B" to the Order, which is accessible from the OSC's Website at www.osc.gov.on.ca, as well as from the AMF's Website at www.lautorite.qc.ca).

The Commission published CDCC's application and a draft recognition order for comment on February 20, 2014 on the OSC's Website at www.osc.gov.on.ca. The draft recognition order was also published in the Commission's Bulletin at (2014), 37 OSCB 1986. No comments were received.

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