

c/o John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
Suite 800, Box 55  
Toronto, Ontario M5H 3S8

Dear Sir:

**Re: (a) Proposed Revocation and Replacement of OSC Rule 13-502 Fees and Companion Policy 13-502CP Fees**

**(b) Proposed Revocation and Replacement of Rule 13-503 and Companion Policy 13-503 CP Fees**

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The Investment Dealers Association (“IDA”) appreciates this opportunity to provide comments on Proposed changes to the Ontario Securities Commission’s fee structure. The comments below are in connection with the fees relating to powers and duties delegated to the Investment Dealers Association.

Our comments are based on the rationale for assessing registration fees as described in the July, 2002 notice of the final Rule 13-502:

Activity fees,,, are intended to represent the direct cost of OSC staff resources to take a specific action or provide service requested by a market player (for example, reviewing prospectuses and applications for discretionary relief or processing registration documents). Activity fees will be charged for a limited number of activities only and will be flat rate fees based on the average cost to the OSC of providing the service.

In each of the matters on which we comment below, IDA Staff actually provide the service under a delegation order, although it is only registration fee that is retained by the IDA to compensate for that work. We note that OSC staff still have oversight responsibilities and we do not, therefore, question the approach, but our comments are informed by our knowledge of the actual work involved in each process.

**(1) Applications for Relief Approval or Recognition**  
(Ref: Appendix C, E.3)

The IDA supports the proposed reduction of the fee for Exemptions applicable to IDA member firms \$1,500 to \$800. We believe that the revised fee more accurately reflects the work required to process such applications.

**(2) Registration – related activity.**  
(Ref: Appendix C, I.3 and 4)

We note that proposed fee for reviewing an individual’s application for registration will be reduced from \$400 to \$200(I.3 and I.4). We disagree that staff require less time to review registration applications since the introduction of NRD. The IDA finds that NRD has made the filing of applications by firms much faster and easier, but that our review time has not been cut in half, as NRD has few functions to expedite the regulator’s review.

In addition, IDA Staff have found that the implementation of the National Registration System has resulted in an increased workload for staff resulting from the extra review time.

As a result, the IDA recommends this fee remain at \$400.

**(3) Application for amending terms and conditions of registration**

(Ref: Appendix C, I.6)

We support the proposed fee reduction \$1,500 to \$500, again agreeing that the fee more accurately reflects the work required.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

Yours truly,

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