

Chapter 5

Rules and Policies

5.1.1 CSA Notice of Approval – MI 13-102 System Fees for SEDAR and NRD



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA Notice of Approval Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*

July 18, 2013

Introduction

We, the Canadian Securities Administrators (CSA), are adopting Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* (the Instrument). We are also making related changes to:

- National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*,
- National Instrument 31-102 *National Registration Database*, and
- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*,

(the Related Consequential Amendments).

The Instrument and Related Consequential Amendments are necessary in connection with the scheduled expiry of existing agreements with CDS Inc. to operate the System for Electronic Documents Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI) and the National Registration Database (NRD) (collectively, the CSA National Systems) on behalf of the CSA.

The Instrument will consolidate and replace the existing filing service charge schedules under the SEDAR Filer Manual and NRD User Guide. As well, we have taken advantage of cost saving opportunities under the new arrangements to reduce fees. Based on recent filing patterns, we expect system fees to decline in approximately 40% of SEDAR filing situations and in approximately 24% of NRD filing situations.

The Instrument and Related Consequential Amendments are initiatives of the securities regulatory authorities in all Canadian jurisdictions. CSA members in the following jurisdictions have made, or expect to implement the Instrument via:

- rules in each of British Columbia, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, the Northwest Territories, Nunavut and Yukon; and
- regulations in Alberta, Manitoba, Saskatchewan and Québec.

Provided all necessary approvals are obtained, the Instrument and Related Consequential Amendments will come into force on October 12, 2013. Where applicable, Annex A provides information about each jurisdiction's approval process.

Substance and Purpose

The Instrument sets out system fees payable to Canadian securities regulatory authorities, largely in connection with specified filings. It consolidates and replaces the existing system fee schedules found in the SEDAR Filer Manual and NRD User Guide, and reduces overall fees currently charged. System fees will continue, with the exception of NRD enrolment fees, to be paid on-line through SEDAR and NRD.

The Related Consequential Amendments reflect the changes necessary as a result of the change of the SEDAR filing service contractor, SEDI operator and NRD administrator from CDS Inc. to CGI Information Systems and Management Consultants Inc.

Background

We published the Instrument and Related Consequential Amendments for comment on January 24, 2013. For additional background, including a comparison of the existing system fee schedules to the fees in the Instrument, please refer to the notice we published on January 24, 2013.

From a user perspective, we do not expect any significant changes to the current process for paying SEDAR and NRD fees.

Summary of Written Comments Received by the CSA

The comment period for the Instrument and Related Consequential Amendments ended April 24, 2013. During the comment period, we received submissions from two commenters. We have considered the comments received and thank all of the commenters for their input. The names of commenters are contained in Annex B of this notice. The comment letters can be viewed on the Ontario Securities Commission website at www.osc.gov.on.ca. Both commenters were supportive of the filing fee reductions included in the Instrument, and neither suggested any changes to the Instrument or Related Consequential Amendments.

The commenters also took the opportunity to provide feedback on technical aspects of the CSA National Systems and their functionality. We thank the commenters for this feedback and have provided these technical comments to relevant CSA Staff for consideration in connection with the redevelopment of these systems. These technical comments do not affect the Instrument or the Related Consequential Amendments.

Summary of Changes to the Proposed Instrument

We have made some revisions to the materials that were published for comment. Those revisions are reflected in the materials we are publishing concurrently with this notice. As these changes are not material, we are not republishing the Instrument or the Related Consequential Amendments for a further comment period.

In particular, we updated Section 4 of the Instrument to clarify that the SEDAR annual filing service charge applicable in the first calendar year after filing an initial filer profile is for the pro rated amount covering the month following the month in which the filer filed its initial filer profile through the remainder of that calendar year.

The text of the Instrument and the Related Consequential Amendments are being published concurrently with this notice.

Local Matters

Annex A is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Questions

Please refer your questions to any of the following:

Autorité des marchés financiers
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1-877-525-0337 ext. 2537
mathieu.laberge@lautorite.qc.ca

Alberta Securities Commission
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Rules and Policies

Manitoba Securities Commission
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Ontario Securities Commission
Robert Galea
Legal Counsel
General Counsel's Office
416-593-2321
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ANNEX A

Local Matters

Alberta

In Alberta, the Instrument will be incorporated by reference in the Schedule – Fees of the *Securities Regulation*, Alta Reg. 115/95 as a result of an amendment to that regulation which will come into force on October 12, 2013. The Related Consequential Amendments are expected to come into force on October 12, 2013.

Manitoba

In Manitoba, the implementation of the Instrument will be by a regulation under *The Securities Act* (Manitoba). The Related Consequential Amendments will come into force on October 12, 2013.

Ontario

In Ontario, OSC Rule 31-509 *National Registration Database (Commodity Futures Act)* is being amended (the 31-509 Amendments) to reflect similar amendments being made to National Instrument 31-102 *National Registration Database*. The Ontario Securities Commission is of the view that the 31-509 Amendments do not materially change the existing rule. These amendments are published concurrently with this notice.

In Ontario, the Instrument, Related Consequential Amendments, 31-509 Amendments and other required materials were delivered to the Minister of Finance on July 17, 2013. The Minister may approve or reject the Instrument, Related Consequential Amendments and 31-509 Amendments or return them for further consideration. If the Minister approves the Instrument, Related Consequential Amendments and 31-509 Amendments or does not take any further action, they will come into force on October 12, 2013.

Québec

In Québec, the Instrument is a regulation made under section 331 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Government.

The Related Consequential Amendments are regulations made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The Instrument and Related Consequential Amendments will come into force 15 days after the date of its publication in the *Gazette officielle du Québec* or on any later date indicated in the regulation.

ANNEX B

List of Commenters

FIRM/ORGANIZATION	COMMENTER NAME(S)
Portfolio Management Association of Canada	Katie Walmsley, Scott Mahaffy
RBC Dominion Securities Inc.; RBC Direct Investing Inc.; Royal Mutual Funds Inc.; RBC Global Asset Management Inc.; RBC Phillips, Hager & North Investment Counsel Inc.; and Phillips, Hager & North Investment Funds Ltd.	Kevin Bresler

**MULTILATERAL INSTRUMENT 13-102
SYSTEM FEES FOR SEDAR AND NRD**

**PART 1
DEFINITIONS AND INTERPRETATION**

Definitions

1. (1) In this Instrument,

“annual information form” means an “AIF” as defined by National Instrument 51-102 *Continuous Disclosure Obligations* or an annual information form for the purposes of Part 9 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;

“initial filer profile” means a filer profile filed in accordance with subsection 5.1(1) of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

“issuer bid”,

- (a) except in Ontario, means an issuer bid to which Part 2 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* applies, and
- (b) in Ontario, means a “formal issuer bid” as defined by subsection 89(1) of the *Securities Act* (Ontario);

“shelf prospectus” means a prospectus filed under National Instrument 44-102 *Shelf Distributions*;

“take-over bid”,

- (a) except in Ontario, means a take-over bid to which Part 2 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* applies, and
- (b) in Ontario, means a “formal take-over bid” as defined by subsection 89(1) of the *Securities Act* (Ontario).

(2) In this Instrument, a term referred to in Column 1 of the following table has the meaning ascribed to it in the Instrument referred to in Column 2 opposite that term.

Column 1 Defined Term	Column 2 Instrument
CPC instrument	National Instrument 45-106 <i>Prospectus and Registration Exemptions</i>
firm filer	National Instrument 31-102 <i>National Registration Database</i>
individual filer	National Instrument 31-102 <i>National Registration Database</i>
long form prospectus	National Instrument 41-101 <i>General Prospectus Requirements</i>
MJDS prospectus	National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i>
NRD	National Instrument 31-102 <i>National Registration Database</i>
principal jurisdiction	Multilateral Instrument 11-102 <i>Passport System</i>
principal regulator	Multilateral Instrument 11-102 <i>Passport System</i>
rights offering	National Instrument 45-101 <i>Rights Offerings</i>
SEDAR	National Instrument 13-101 <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i>
short form prospectus	National Instrument 41-101 <i>General Prospectus Requirements</i>
sponsoring firm	National Instrument 33-109 <i>Registration Information</i> , in Form 33-109F4 <i>Registration of Individuals and Review of Permitted Individuals</i>

Inconsistency with other instruments

2. If there is any conflict or inconsistency between this Instrument and National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or National Instrument 31-102 *National Registration Database*, this Instrument prevails.

PART 2 SEDAR SYSTEM FEES

Local system fees

3. In Québec, a person or company making the type of filing described in Column C of Appendix A with the Autorité des marchés financiers must pay to the Autorité des marchés financiers the system fee specified in Column D of that Appendix.

System fees

4. (1) A person or company making a filing, in the local jurisdiction, of the type described in Column B of Appendix B, and of the category referred to in Column A of that Appendix, must pay to the securities regulatory authority the system fee specified in Column C or D of that Appendix, as the case may be.

(2) Despite subsection (1), if a person or company pays a fee referred to in item 1 or 2 of Appendix B, the person or company is not required to pay a fee with respect to any other filing referred to in that item made during the calendar year in which the payment was made.

(3) Despite subsection (1), in the calendar year that a person or company files its initial filer profile, the fee referred to in item 1 or 2 of Appendix B is prorated in accordance with the following formula:

$A \times B / 12$, where

A = the amount referred to in item 1 or 2 of Appendix B, as applicable, and

B = the number of months remaining in the calendar year following the month in which the initial filer profile was filed.

PART 3 NRD SYSTEM FEES

Enrolment Fee

5. If the local jurisdiction is a firm filer's principal jurisdiction, the firm filer must pay to the securities regulatory authority an enrolment fee of \$500 upon enrolment in NRD.

NRD submission fee

6. (1) A firm filer must pay an NRD system fee in respect of an individual filer to the securities regulatory authority in the local jurisdiction if

- (a) the firm filer is the sponsoring firm for the individual filer, and
- (b) through the filing of a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals*, the individual filer registers or reactivates their registration in the local jurisdiction.

(2) The NRD system fee payable to the securities regulatory authority under subsection (1) by a sponsoring firm in respect of an individual filer is,

- (a) if the securities regulatory authority is the principal regulator of the individual filer, \$75.00, and
- (b) in any other case, \$20.50.

Annual NRD system fee

7. On December 31 of each year, a firm filer must pay an annual NRD system fee to the securities regulatory authority in the local jurisdiction equal to the total of the following:

- (a) if the securities regulatory authority in the local jurisdiction is the principal regulator of one or more individuals who are individual filers on that date, and for which the firm filer is the sponsoring firm in that jurisdiction,
 $\$75.00 \times$ the number of those individuals, and
- (b) if there are individual filers on that date for which the securities regulatory authority in the local jurisdiction is not the principal regulator, and for which the firm filer is the sponsoring firm in that jurisdiction,
 $\$20.50 \times$ the number of those individuals.

**PART 4
PAYMENT OF FEES**

Means of payment

8. A fee under section 3, 4, 6 or 7 must be paid through SEDAR or NRD, as the case may be.

**PART 5
EXEMPTION**

Exemption

9. (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions*, opposite the name of the local jurisdiction.

**PART 6
EFFECTIVE DATE**

Effective Date

10. This Instrument comes into force on October 12, 2013.

Appendix A – Local SEDAR System Fees

(Section 3)

Column A Local Jurisdiction	Column B Category of Filing	Column C Type of Filing	Column D System Fee
Québec	Securities Offerings	Prospectus distribution to person outside Québec, if made from within Québec (section 12 of <i>Securities Act</i> (Québec))	\$130.00

Appendix B – Other SEDAR System Fees

(Section 4)

Item	Column A Category of Filing	Column B Type of Filing	Column C System Fee Payable to Principal Regulator	Column D System Fee Payable to Each Other Securities Regulatory Authority
1	Annual filing fee for continuous disclosure - investment funds <i>Note: Excludes the annual information form and all other filings listed separately in items 3 to 21.</i>	Initial filer profile or annual financial statements (for investment funds)	\$495.00	N/A
2	Annual filing fee for continuous disclosure <i>Note: Excludes the annual information form and all other filings listed separately in items 3 to 21.</i>	Initial filer profile or annual financial statements (for reporting issuers other than investment funds)	\$705.00	\$74.00
3	Investment fund issuers / securities offerings	Simplified prospectus, annual information form and fund facts (National Instrument 81-101 <i>Mutual Fund Prospectus Disclosure</i>)	\$585.00, which applies in total to a combined filing, if one annual information form and one simplified prospectus are used to qualify the investment fund securities of more than one investment fund for distribution	\$162.50, which applies in total to a combined filing, if one annual information form and one simplified prospectus are used to qualify the investment fund securities of more than one investment fund for distribution
4		Long form prospectus	\$715.00	\$212.50
5	Investment fund issuers / continuous disclosure	Annual information form (National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>) for investment fund if not a short form prospectus issuer	\$455.00	N/A
6	Investment fund issuers / continuous disclosure	Annual information form (National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>) for investment fund if short form prospectus issuer	\$2,655.00	N/A
7	Investment fund issuers / exemptions and other applications	Exemptions and other applications (National Instrument 81-102 <i>Mutual Funds</i>)	\$195.00	\$40.00
8		Exemptions and other applications in connection with a prospectus filing	\$195.00	\$82.50

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Item	Column A Category of Filing	Column B Type of Filing	Column C System Fee Payable to Principal Regulator	Column D System Fee Payable to Each Other Securities Regulatory Authority
9	Other issuers / securities offerings	Short form prospectus (National Instrument 44-101 <i>Short Form Prospectus Distributions</i>)	\$390.00	\$115.00
10		Shelf prospectus	\$390.00	\$115.00
11		MJDS Prospectus (National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i>)	\$390.00	\$115.00
12		Long form prospectus	\$715.00	\$212.50
13		Rights offering material	\$325.00	\$115.00
14		Prospectus governed by CPC instrument (TSX Venture Exchange)	\$715.00	\$212.50
15		Other issuers / continuous disclosure	Annual information form, if neither an investment fund nor a short form prospectus issuer	\$455.00
16	Annual information form, if a short form prospectus issuer (other than an investment fund)		\$2,655.00	N/A
17	Exemptions and other applications (if not an investment fund)	Exemptions and other applications in connection with prospectus filing	\$195.00	\$82.50
18	Other issuers / going private / related party transactions	Going private transaction filings	\$325.00	\$115.00
19		Related party transaction filings	\$325.00	\$115.00
20	Other issuers/securities acquisitions	Issuer bid filings	\$195.00	\$82.50
21	Third party filers/third party filings	Take-over bid filings	\$195.00	\$82.50

**AMENDMENTS TO NATIONAL INSTRUMENT 13-101
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)**

1. **National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by this Instrument.**
2. **Section 1.1 is amended by, in the definition of “SEDAR filing service contractor”, replacing “CDS INC.” with “CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.”.**
3. This Instrument comes into force on October 12, 2013.

**AMENDMENTS TO NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE**

1. **National Instrument 31-102 National Registration Database is amended by this Instrument.**
2. **Section 1.1 is amended by, in the definition of “NRD administrator”, replacing “CDS INC.” with “CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.”.**
3. **Paragraph 4.5(e) is amended by replacing “payable to CDS INC. in Canadian funds, to the firm’s principal regulator within 14 days of the date the payment is due” with “pays the following fees within 14 days of the date the payment is due by submitting a cheque, payable to the Ontario Securities Commission in Canadian currency, to CSA Service Desk, Attn: NRD Administrator, 12 Millennium Blvd, Suite 210, Moncton, NB E1C 0M3”.**
4. This Instrument comes into force on October 12, 2013.

**AMENDMENTS TO NATIONAL INSTRUMENT 55-102
SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)**

1. **National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) is amended by this Instrument.**
2. **Section 1.1 is amended by, in the definition of “SEDI operator”, replacing “CDS INC.” with “CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.”.**
3. **Form 55-102F5 – SEDI User Registration Form is amended by**

- (a) **replacing the section titled “Delivery of Signed Copy to SEDI Operator” with the following:**

Delivery of Signed Copy to SEDI Operator

Before you may make a valid SEDI filing, you must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. To satisfy this requirement, you may print a copy of the online user registration form once you have certified and submitted it. You must deliver a manually signed and dated copy of the completed user registration form via prepaid mail, personal delivery or facsimile to the SEDI operator at the following address or fax number, as applicable:

CSA Service Desk
Attn: SEDI Operator
12 Millennium Blvd, Suite 210
Moncton, NB E1C 0M3

or at such other address(es) or fax number(s) as may be provided on the SEDI web site (www.sedi.ca).

- (b) **replacing the section titled “Questions” with the following:**

Questions

Questions may be directed to the SEDI operator at 1-800-219-5381 or such other number as may be provided on the SEDI web site.

- (c) **in the section titled “Notice – Collection and Use of Personal Information”,**

- (i) **replacing “CDS INC. (the SEDI operator) is retained by CDS INC.” with “the SEDI operator is retained by the SEDI operator”; and**

- (ii) **replacing “the CDS SEDI Administrator” with “the SEDI operator”;**

- (d) **replacing the first paragraph in the section titled “SEDI User Registration Form” with the following:**

Note: Before an individual registering as a SEDI user may make a valid SEDI filing, the registering individual must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. The registering individual may print a copy of the online version using the “Print” function provided for this purpose in SEDI. The signed paper copy must be delivered by prepaid mail, personal delivery or facsimile to:

CSA Service Desk
Attn: SEDI Operator
12 Millennium Blvd, Suite 210
Moncton, NB E1C 0M3

- (e) **replacing, in the section titled “SEDI User Registration Form”, the portion titled “Section 3 – Certification of SEDI User” with the following:**

Section 3 Certification of SEDI User

I certify that the foregoing information is true in all material respects. I agree to update the information submitted on this form in SEDI as soon as practicable following any material change in the information. I agree that an executed copy of Form 55-102F5, if delivered to the SEDI operator by facsimile, shall have the same effect as an originally executed copy delivered to the SEDI operator.

4. This Instrument comes into force on October 12, 2013.

**AMENDMENTS TO ONTARIO SECURITIES COMMISSION RULE 31-509
NATIONAL REGISTRATION DATABASE (COMMODITY FUTURES ACT)**

1. ***Ontario Securities Commission Rule 31-509 National Registration Database (Commodity Futures Act) is amended by this Instrument.***
2. ***Section 1.1 is amended by, in the definition of “NRD administrator”, replacing “CDS INC.” with “CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.”.***
3. ***Paragraph 4.5(e) is amended by replacing “payable to CDS INC. in Canadian funds, to the firm’s principal regulator within 14 days of the date the payment is due” with “pays the following fees within 14 days of the date the payment is due by submitting a cheque, payable to the Ontario Securities Commission in Canadian currency, to CSA Service Desk, Attn: NRD Administrator, 12 Millennium Blvd, Suite 210, Moncton, NB E1C 0M3”.***
4. This Instrument comes into force on October 12, 2013.