

The Ontario Securities Commission

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The Ontario Securities Commission administers the *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)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and Related Instruments

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS AND RELATED INSTRUMENTS

On September 21, 2017, the Minister of Finance approved amendments made by the Ontario Securities Commission (**OSC** or the **Commission**) to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, National Instrument 33-109 *Registration Information* and Ontario Securities Commission Rule 33-506 (*Commodity Futures Act*) *Registration Information* (the **Amendments**).

The Amendments, together with related companion policy changes, were made by the Commission on June 13, 2017 and were published on the OSC website at <http://www.osc.gov.on.ca> and in the OSC Bulletin in (2017), 40 OSCB (Supp-1) on July 27, 2017.

The Amendments, other than the amendments that enhance custody requirements for certain registered firms (the **Custody Amendments**), come into force on December 4, 2017. The Custody Amendments come into force on June 4, 2018. The related companion policy changes are effective on the coming into force of the corresponding Amendments.

The text of the Amendments is reproduced in Chapter 5 of this OSC Bulletin.

1.1.2 OSC Staff Notice 21-710 TSX Insider Trading Report

OSC STAFF NOTICE 21-710

TSX INSIDER TRADING REPORT

Staff received an Application from TSX Inc. (TSX) to revoke a 2006 Commission decision that requires the TSX to publicly disseminate an end-of-day insider trading marker report, commonly referred to as the "Insider Trading Report". A similar request was filed with the BCSC and ASC for TSX-Venture exchange (TSX-V).

TSX applied to revoke the order because the Insider Trading Report is not representative of the whole market, there are concerns about its accuracy and there may be the ability to use it inappropriately.

On November 24, 2017, the Commission revoked its 2006 decision that mandates the TSX to produce and disseminate the Insider Trading Report. The Commission order is published in Chapter 2 of this Bulletin.

Questions regarding this notice may be directed to:

Barb Majerski
Legal Counsel, Market Regulation Branch
bmajerski@osc.gov.on.ca
Ontario Securities Commission

1.5 Notices from the Office of the Secretary

1.5.1 Omega Securities Inc.

**FOR IMMEDIATE RELEASE
November 22, 2017**

**OMEGA SECURITIES INC.,
File No. 2017-66**

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

A copy of the Order dated November 21, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Land and Buildings Investment Management, LLC

**FOR IMMEDIATE RELEASE
November 22, 2017**

**LAND AND BUILDINGS
INVESTMENT MANAGEMENT, LLC.,
File No. 2017-65**

TORONTO – Take notice that the Commission will hold a hearing on November 22, 2017 at 4:00 p.m. to consider a motion brought by Land and Buildings Investment Management, LLC. seeking an adjournment Order.

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1.5.3 Omega Securities Inc.

**FOR IMMEDIATE RELEASE
November 23, 2017**

**OMEGA SECURITIES INC.,
File No. 2017-64**

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

A copy of the Order dated November 23, 2017 is available at www.osc.gov.on.ca.

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1.5.4 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
November 24, 2017

**PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART MCKINNON and
JOHN FARRELL**

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

A copy of the Order dated November 23, 2017 is available at www.osc.gov.on.ca.

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GRACE KNAKOWSKI
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1.5.5 Land and Buildings Investment Management, LLC.

FOR IMMEDIATE RELEASE
November 24, 2017

**LAND AND BUILDINGS
INVESTMENT MANAGEMENT, LLC.,
File No. 2017-65**

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

A copy of the Order dated November 23, 2017 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Arrow Capital Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to exchange-traded series of conventional mutual funds for continuous distribution of securities – relief to permit funds' prospectus to not include an underwriter's certificate – relief from take-over bid requirements for normal course purchases of securities on the TSX – relief granted to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – relief granted from the requirement in NI 41-101 to prepare and file a long form prospectus for exchange-traded series provided that a simplified prospectus is prepared and filed in accordance with NI 81-101 – exchange-traded series and mutual fund series referable to same portfolio and have substantially identical disclosure – relief permitting all series of funds to be disclosed in same prospectus – disclosure required by NI 41-101 for exchange-traded series and not contemplated by NI 81-101 will be disclosed in prospectus under relevant headings.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1), 147.
National Instrument 41-101 General Prospectus Requirements, s. 19.1.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

November 21, 2017

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
ARROW CAPITAL MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Exemplar Investment Grade Fund (the **Proposed ETF Fund**), the Proposed ETF Fund being an exchange traded series of a mutual fund, and such other exchange traded series mutual funds as are managed or may be managed by the Filer now or in the future and that are structured in the same manner as the Proposed ETF Fund (the **Other Funds** and together with the Proposed ETF Fund, the **Funds** and each individually, a **Fund**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:

- (a) exempts the Filer and each Fund from the requirement to prepare and file a long form prospectus for the ETF Securities (as defined below) in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus (Form 41-101F2)*, subject to the terms of this decision and provided that the Filer files a prospectus for the ETF Securities in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)*, other than the requirements pertaining to the filing of a fund facts document (the **ETF Prospectus Form Requirement**);

- (b) exempts the Filer and each Fund from the requirement to include a certificate of an underwriter in a Fund's prospectus (the **Underwriter's Certificate Requirement**); and
- (c) exempts a person or company purchasing ETF Securities (as defined below) in the normal course through the facilities of the TSX or another Marketplace (as defined below) from the Take-over Bid Requirements (as defined below).

(collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for 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 all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of a Fund authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more Funds on a continuous basis from time to time.

Basket of Securities means, in relation to the ETF Securities of a Fund, a group of securities or assets representing the constituents of the Fund.

Creation Units means newly issued ETF Securities.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the Filer or an affiliate of the Filer on behalf of a Fund to perform certain duties in relation to the ETF Securities of the Fund, including the posting of a liquid two-way market for the trading of the Fund's ETF Securities on the TSX or another Marketplace.

ETF Facts means a prescribed summary disclosure document required in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F1 means Form 81-101F1 *Contents of Simplified Prospectus*.

Form 81-101F2 means Form 81-101F2 *Contents of Annual Information Form*.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer and that has received relief under a Prospectus Delivery Decision.

Prescribed Number of ETF Securities means, in relation to a Fund, the number of ETF Securities of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Prospectus Delivery Decision means a decision granting relief from the Prospectus Delivery Requirement to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer dated August 24, 2015 and any subsequent decision granted to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer that grants similar relief.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable.

Take-over Bid Requirements means the requirements of NI 62-104 relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each Jurisdiction.

TSX means the Toronto Stock Exchange.

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a portfolio manager in Ontario, an exempt market dealer in Ontario, Alberta, British Columbia and Quebec and commodity trading manager in Ontario.
3. The Filer is, or will be, the investment fund manager of each Fund, and the Filer or an affiliate of the Filer is, or will be, the portfolio manager of each Fund. Another portfolio advisor is, or may be, the sub-advisor to certain of the Funds.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.
5. The Proposed ETF Fund is established under the laws of Ontario as an investment fund that is an open-ended mutual fund trust. The Funds will be either trusts or corporations or classes thereof governed by the laws of the Jurisdiction. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed. Each Fund offers, or will offer, ETF Securities and Mutual Fund Securities.
6. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
7. The Proposed ETF Fund currently offers Series A, Series AI, Series AN, Series U, Series F, Series FI, Series FN, Series G and Series I units. These Mutual Fund Securities are currently distributed under a simplified prospectus dated June 29, 2017.
8. On November 17, 2017, an amended and restated prospectus in respect of the Mutual Fund Securities and ETF Securities of the Proposed ETF Funds was filed with the securities regulatory authorities in each of the Jurisdictions.
9. The Filer will apply to list any ETF Securities of the Funds on the TSX or another Marketplace. The Filer will not file a final prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
10. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through qualified financial advisors or brokers.
11. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. A Prescribed Number of ETF Securities may generally only be subscribed for or purchased directly from the Funds by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.

12. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
13. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
14. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
15. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
16. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.
17. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

ETF Prospectus Form Requirement

18. The Filer believes it is more efficient and expedient to include all of the series of each Fund in one prospectus form instead of two different prospectus forms and that this presentation will assist in providing full, true and plain disclosure of all material facts relating to the securities of the Funds by permitting disclosure relating to all series of securities to be included in one prospectus.
19. The Filer will ensure that any additional disclosure included in the simplified prospectus and annual information form relating to the ETF Securities will not interfere with an investor's ability to differentiate between the Mutual Fund Securities and the ETF Securities and their respective attributes.
20. The Funds will comply with the provisions of NI 81-101 when filing any amendment or prospectus.

Underwriter's Certificate Requirement

21. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.
22. The Filer will generally conduct its own marketing, advertising and promotion of the Funds to the extent permitted by its registrations.
23. Authorized Dealers and Designated Brokers will not be involved in the preparation of a Fund's prospectus, will not perform any review or any independent due diligence to the content of a Fund's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the Funds or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of

ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

Prospectus Form Requirement

24. Securities regulatory authorities have advised that they take the view that the first re-sale of a Creation Unit on the TSX or another Marketplace will generally constitute a distribution of Creation Units under the Legislation and that the Authorized Dealers, Designated Brokers and Affiliate Dealers are subject to the Prospectus Delivery Requirement in connection with such re-sales. Re-sales of ETF Securities in the secondary market that are not Creation Units would not ordinarily constitute a distribution of such ETF Securities.
25. According to Authorized Dealers and Designated Brokers, Creation Units will generally be commingled with other ETF Securities purchased by the Authorized Dealers, Designated Brokers and Affiliate Dealers in the secondary market. As such, it is not practicable for the Authorized Dealers, Designated Brokers or Affiliate Dealers to determine whether a particular re-sale of ETF Securities involves Creation Units or ETF Securities purchased in the secondary market.
26. Under the applicable Prospectus Delivery Decision, Authorized Dealers, Designated Brokers and Affiliate Dealers are exempt from the Prospectus Delivery Requirement in connection with the re-sale of Creation Units to investors on the TSX or another Marketplace. Under a Prospectus Delivery Decision, Other Dealers are also exempt from the Prospectus Delivery Requirement in connection with the re-sale of creation units of other exchange-traded funds that are either not managed by the Filer or that are managed by the Filer but are not structured as a separate series of a mutual fund.
27. Each Prospectus Delivery Decision includes a condition that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer undertakes that it will, unless it has previously done so, send or deliver to each purchaser of an ETF Security who is a customer of the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer and to whom a trade confirmation is required under the Legislation to be sent or delivered by the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer in connection with the purchase, the latest ETF Facts filed in respect of the ETF Security not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after the purchase of the ETF Security.
28. The Filer will prepare and file with the applicable Jurisdictions on the System for Electronic Document Analysis and Retrieval (**SEDAR**) ETF Facts for each class or series of ETF Securities and will make available to the applicable Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers the requisite number of copies of the ETF Facts for the purpose of facilitating their compliance with the Prospectus Delivery Decision within the timeframe necessary to allow Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers to effect delivery of the ETF Facts as contemplated in the Prospectus Delivery Decision.

Take-over Bid Requirements

29. As equity securities that will trade on the TSX or another Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-over Bid Requirements. However,
 - (a) it will not be possible for one or more Securityholders to exercise control or direction over a Fund as the constating documents of each Fund provide that there can be no changes made to such Fund which do not have the support of the Filer;
 - (b) it will be difficult for the purchasers of ETF Securities of a Fund to monitor compliance with the Take-over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by each Fund; and
 - (c) the way in which ETF Securities will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities.
30. The application of the Take-over Bid Requirements to the Funds would have an adverse impact on the liquidity of the ETF Securities because they could cause the Designated Brokers and other large Securityholders to cease trading ETF Securities once the Securityholder has reached the prescribed threshold at which the Take-over Bid Requirements would apply. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over 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.

1. The decision of the principal regulator is that the Exemption Sought from the ETF Prospectus Form Requirement is granted, provided that the Filer will be in compliance with the following conditions:
 - (a) the Filer files a simplified prospectus and annual information form in respect of the ETF Securities in accordance with the requirements of NI 81-101, NI 81-101F1 and Form 81-101F2, other than the requirements pertaining to the filing of a fund facts document;
 - (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1 or Form 81-101F2) in respect of the ETF Securities, in each Fund's simplified prospectus and/or annual information form, as applicable; and
 - (c) the Filer includes disclosure regarding this decision under the heading "Additional Information" and "Exemptions and Approvals" in each Fund's simplified prospectus and annual information form, respectively.
2. The decision of the principal regulator is that the Exemption Sought in respect of the Underwriter's Certificate Requirement and the Prospectus Form Requirement are granted, provided that the Filer will be in compliance with the following conditions:
 - (a) the Filer provides or makes available to each Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer, the number of copies of the ETF Facts of each ETF Security that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer reasonably requests in support of compliance with its respective Prospectus Delivery Decision;
 - (b) each Fund's prospectus, as the same may be amended from time to time, will disclose both the relief granted pursuant to the Exemption Sought and the Prospectus Delivery Decision;
 - (c) the Filer obtains an executed acknowledgement from each Authorized Dealer, Designated Broker and Affiliate Dealer, and uses its best efforts to obtain an acknowledgment from each Other Dealer:
 - (i) indicating each dealer's election, in connection with the re-sale of Creation Units on the TSX or another Marketplace, to send or deliver the ETF Facts in accordance with a Prospectus Delivery Decision or, alternatively, to comply with the Prospectus Delivery Requirement; and
 - (ii) if the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer agrees to deliver the ETF Facts in accordance with a Prospectus Delivery Decision:
 - (A) an undertaking that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer will attach or bind one Fund's ETF Facts with another Fund's ETF Facts only if the documents are being sent or delivered under the Prospectus Delivery Decision at the same time to an investor purchasing ETF Securities of each such Fund; and
 - (B) confirming that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer has in place written policies and procedures to ensure that it is in compliance with the conditions of the Prospectus Delivery Decision;
 - (d) the Filer will keep records of which Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers have provided it with an acknowledgement under a Prospectus Delivery Decision, and which intend to rely on and comply with the Prospectus Delivery Decision or intend to comply with the Prospectus Delivery Requirement;
 - (e) the Filer files with its principal regulator, to the attention of the Director, Investment Funds and Structured Products Branch, on or before January 31st in each calendar year, a certificate signed by its ultimate designated person certifying that, to the best of the knowledge of such person, after making due inquiry, the Filer has complied with the terms and conditions of this decision during the previous calendar year; and
 - (f) conditions (a), (b), (c), (d) and (e) above do not apply to the Exemption Sought after any new legislation or rule dealing with the Prospectus Delivery Decision takes effect and any applicable transition period has expired.

3. The decision of the principal regulator is that the Exemption Sought from the Take-over Bid Requirements is granted.

As to the Exemption Sought from the ETF Prospectus Form Requirement and the Take-over Bid Requirements:

“Darren McKall”
Manager, Investment Funds & Structured Products Branch
Ontario Securities Commission

As to the Exemption Sought from the Underwriter’s Certificate Requirement:

“Philip Anisman”
Commissioner
Ontario Securities Commission

“Peter Currie”
Commissioner
Ontario Securities Commission

2.1.2 Desjardins Global Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

Relief from subsection 4.1(1) of Regulation 81-102 for dealer-managed investment funds to invest in debt securities for which dealer-manager acts as underwriter during distribution period or 60 day period following distribution – debt securities will not have “designated rating” by “designated rating organization” as required by subsection 4.1(4) of Regulation 81-102, subject to conditions.

Relief from subsection 4.1(2) of Regulation 81-102 to permit mutual funds to purchase securities of related entities on primary and secondary market, subject to conditions.

Relief from subsection 4.2(1) of Regulation 81-102 to enable the mutual funds to purchase from, or sell to a current affiliate of the Filer that acts, and any other affiliate of the Filer that may in the future act as a principal dealer in the Canadian debt securities market and/or international debt securities market, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 4.1(1), 4.1(2), 4.2(1), 19.1.

[TRANSLATION]

November 21, 2017

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

AND

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

AND

IN THE MATTER OF
DESJARDINS GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

THE DESJARDINS FUNDS
(as defined below)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**), pursuant to section 19.1 of *Regulation 81-102 respecting Investment Funds* (c. V-1.1, r. 39) (**Regulation 81-102**), exempting the Desjardins Funds (as defined below) from the restrictions contained in:

1. subsection 4.1(1) of Regulation 81-102 to permit the Desjardins Funds to invest in debt securities of an issuer during the period of the distribution (the **Distribution**) or during the period of 60 days after the Distribution (the **60-day Period**, together with the Distribution, the **Prohibition Period**), notwithstanding that the dealer manager of the Desjardins Funds, or an associate or affiliate of the dealer manager, acts or has acted as underwriter in the Distribution (each a **Related Underwriter**), and notwithstanding that the debt securities do

not have a designated rating by a designated rating organization as contemplated in paragraph 4.1(4)(b) of Regulation 81-102 (the **Subsection 4.1(1) Relief**);

2. subsection 4.1(2) of Regulation 81-102 to permit the Desjardins Funds to invest in non-exchange-traded debt securities of Related Issuers (as defined below) in a Primary Offering (as defined below) and in the secondary market having a designated rating within the meaning of that term in *Regulation 44-101 respecting Short Form Prospectus Distributions* (V-1.1, r. 16) (**Regulation 44-101**) (the **Subsection 4.1(2) Relief**);
3. subsection 4.2(1) of Regulation 81-102 to permit the Desjardins Funds to purchase from, or sell to Desjardins Securities Inc. (**DSI**), a current affiliate of the Filer that acts, and any other affiliate of the Filer that may in the future act (each a **Related Dealer**), as a principal dealer (**Principal Dealer**) in the Canadian debt securities market and/or an international debt securities market, debt securities of an issuer other than the federal or a provincial government (**Non-Government Debt Securities**) or debt securities issued or fully and unconditionally guaranteed by the federal or a provincial government (**Government Debt Securities**) in the secondary market (the **Subsection 4.2(1) Relief**);

(collectively, the **Exemption Sought**).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r.1) (**Regulation 11-102**) is intended to be relied upon in the jurisdictions of Canada other than the Jurisdictions; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in Regulation 11-102, *Regulation 14-101 respecting Definitions* (c. V-1.1, r.3), Regulation 81-102 and *Regulation 81-107 respecting Independent Review Committee for Investment Funds* (c. V-1.1, r.43) (**Regulation 81-107**) have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

Desjardins Funds means all investment funds subject to Regulation 81-102, including mutual funds and exchange traded funds, and any investment funds subject to Regulation 81-102, subsequently established in the future for which the Filer acts, or will act, as investment fund manager;

IRC means the independent review committee established in accordance with Regulation 81-107;

Primary Offering means a primary distribution or treasury offering of non-exchange-traded debt securities of a Related Issuer;

Related Issuer means an issuer of which a partner, director, officer or employee of the dealer manager of the Desjardins Funds, or of an affiliate or associate of the dealer manager is a partner, director or officer, unless the partner, director, officer or employee (i) does not participate in the formulation of investment decisions made on behalf of the dealer managed investment fund, (ii) does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed investment fund; and (iii) does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed investment fund.

Representations

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

The Filer, DSI and the Desjardins Funds

1. The Filer is, or will be, the investment fund manager of each Desjardins Fund. The Filer is registered as a portfolio manager in each of the jurisdictions of Canada, as a commodity trading manager in Ontario, derivatives portfolio manager in Québec, exempt-market dealer in Québec, Ontario, Nova Scotia, Alberta, British Columbia, Saskatchewan and Manitoba and as an investment fund manager in Ontario, Alberta, Manitoba, Nova Scotia, Newfoundland and Labrador and Québec. The head office of the Filer is in Montreal, Québec.

Decisions, Orders and Rulings

2. The Filer is a member of a group of entities which fall under the Fédération des Caisses Desjardins du Québec umbrella;
3. The Filer is currently an affiliate of DSI as they are both directly or indirectly held by Fédération des Caisses Desjardins du Québec. The Filer may become an affiliate of additional dealers in the future, any of which may act as underwriter in a Distribution.
4. DSI is a member of the Investment Industry Regulatory Organization of Canada and is registered as an investment dealer in each of the jurisdictions of Canada, as a futures commission merchant in Ontario and as a derivatives dealer in Québec.
5. Based on the facts above, some or all of the Desjardins Funds may be dealer managed investment funds within the meaning of Regulation 81-102, as the portfolio manager of the Desjardins Funds, which may include the Filer in its capacity as portfolio manager, may be a dealer manager within the meaning of Regulation 81-102.
6. The securities of each Desjardins Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the jurisdictions of Canada. Accordingly, each Desjardins Fund is, or will be, a reporting issuer in each of the jurisdictions of Canada.
7. The Filer, DSI and the Desjardins Funds are not in default of securities legislation of the jurisdictions of Canada.

Reasons supporting the Subsection 4.1(1) Relief:

8. The Filer may wish to cause a Desjardins Fund to invest in debt securities that do not have a designated rating by a designated rating organization as such terms are defined in Regulation 81-102 and where a Related Underwriter is underwriting the offering of such debt securities.
9. The Desjardins Funds would not be subject to the prohibition in subsection 4.1(1) of Regulation 81-102 if, in accordance with subsection 4.1(4) of Regulation 81-102, certain conditions were met. The Filer is however not able to rely on the relief if the debt securities the Desjardins Funds invest in do not have a designated rating by a designated rating organization.
10. The Desjardins Funds require the Subsection 4.1(1) Relief because:
 - (a) there is a limited supply of Non-Government Debt Securities;
 - (b) frequently, the only source of new issues of Non-Government Debt Securities will be offerings that are, in whole or in part, underwritten by a Related Underwriter; and
 - (c) frequently, Non-Government Debt Securities that the Filer, as portfolio manager, wishes to purchase for the Desjardins Funds may not have a designated rating by a designated rating organization.
11. The Filer considers that a Desjardins Fund may be prejudiced if it cannot purchase, during a Prohibition Period, Non-Government Debt Securities that do not have a designated rating and that are consistent with a Desjardins Fund's investment objective. Forgoing participation in these investment opportunities may be a significant opportunity cost for the relevant Desjardins Funds, as they would be denied timely access to these securities purely as a result of the coincidental participation of a Related Underwriter in the transaction and the lack of a designated rating of the securities distributed.
12. None of the Desjardins Funds will be required or obligated to purchase any debt securities during the Prohibition Period.
13. The Filer operates, or will operate, independently from the Related Underwriter with regard to their respective investment decisions and this will be reflected in the policies and procedures approved by the IRC of the Desjardins Funds. Information and influence barriers ensure that a Desjardins Fund has no involvement in a Related Underwriter's function as an underwriter.

Reasons supporting the Subsection 4.1(2) Relief:

14. A director, officer or employee of the Filer that acts as the portfolio manager of a Desjardins Fund, or a director, officer or employee of an associate or an affiliate of the Filer that acts as the portfolio manager of a Desjardins Fund, may also be a director or officer of a Related Issuer of the Filer.

15. Section 6.2(2) of Regulation 81-107 provides an exemption from the investment fund conflict of interest investment restrictions for purchases of securities of Related Issuers provided the purchase is made on an exchange. It does not provide an exemption from the requirements in subsection 4.1(2) of Regulation 81-102 for purchases of exchange-traded securities of a Related Issuer in the secondary market, or for purchases of non-exchange-traded securities of a Related Issuer in either a Primary Offering or in the secondary market.
16. The Subsection 4.1(2) Relief will enable the Desjardins Funds to invest in non-exchange-traded debt securities of Related Issuers in a Primary Offering and in the secondary market having a designated rating within the meaning of that term in Regulation 44-101.
17. The Related Issuers are or may be significant issuers of investment grade quality fixed income securities in the debt market. The Filer considers that it would be in the best interest of the Desjardins Funds to have access, on the terms and conditions described herein, to non-exchange-traded debt securities of the Related Issuers with a designated rating by a designated rating organization within the meaning of those terms in Regulation 44-101, for the reasons set out below:
 - (a) there is a limited supply of Non-Government Debt Securities which have a designated rating by a designated rating organization within the meaning of those terms in Regulation 44-101; and
 - (b) diversification is reduced to the extent that a Desjardins Fund is limited with respect to investment opportunities; and
 - (c) investing in debt securities of Related Issuers is a fundamentally distinct investment and cannot simply be replicated by investing in other securities of similarly situated issuers that are unrelated to the Desjardins Funds. A Desjardins Fund may be prejudiced if it cannot purchase, in either a Primary Offering or the secondary market, non-exchange-traded debt securities of a Related Issuer that are consistent with the Desjardins Fund's investment objectives.
18. The debt securities of Related Issuers that are purchased by a Desjardins Fund in a Primary Offering pursuant to the Subsection 4.1(2) Relief will be non-exchange-traded debt securities, other than asset backed commercial paper securities, with a term to maturity of 365 days or more and will be purchased in a Primary Offering where the terms, such as the size and the pricing, will be a matter of public record as evidenced in a prospectus, offering memorandum, press release or other public document.

Reasons supporting the Subsection 4.2(1) Relief:

19. The Related Dealers are Principal Dealers in the Canadian debt securities market and/or an international debt securities market – both primary and secondary.
20. Related Dealers that act as a Principal Dealer in international debt securities markets are growing participants in the US, UK, European, Australian and Asian debt markets in various types of debt securities.
21. The purchase and sale of debt securities by a Desjardins Fund from and to a Related Dealer that is a Principal Dealer in the secondary market is subject to subsection 4.2(1) of Regulation 81-102 which prohibits such transactions.
22. Section 4.3 of Regulation 81-102 provides certain relief from subsection 4.2(1) of Regulation 81-102 but does not provide an exemption for transactions involving a purchase or sale to a Related Dealer in the Canadian debt securities market and/or an international debt securities market, of Government Debt Securities or Non-Government Debt Securities that are not the subject of public quotations or not inter-fund trades that comply with subsection 6.1(2) of Regulation 81-107.
23. The Desjardins Funds require the Subsection 4.2(1) Relief because:
 - (a) there is a limited supply of Non-Government Debt Securities and Government Debt Securities available to the Desjardins Funds; and
 - (b) frequently, the only source of Non-Government Debt Securities and Government Debt Securities will be a Related Dealer that is a Principal Dealer.
24. Related Dealers that act as Principal Dealers in the Canadian debt securities market and/or an international debt securities market do not influence the business judgement of the Filer, or its affiliate, in connection with the determination of the suitability of investments and information, and influence barriers are in place. Decisions made by the Filer as to which investments a Desjardins Fund should hold are based on the best interest of such Desjardins

Fund, without consideration given to the interest of the party with whom a purchase or sale is transacted. This principle is reflected in the policies and procedures that have been and will be implemented and approved by the IRC for dealing with related parties.

25. The investment strategies of the Desjardins Funds that rely on the Exemption Sought permit, or will permit, each Desjardins Fund to invest in the securities purchased, either as a principal strategy in achieving its investment objective or as a temporary strategy, pending the purchase of other securities.

Decision

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

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

1. At the time of each transaction, the transaction is consistent with or necessary to meet the investment objectives of the Desjardins Fund, and represents the business judgment of the portfolio manager of the Desjardins Fund uninfluenced by considerations other than the best interests of the Desjardins Fund or in fact is in the best interests of the Desjardins Fund.
2. The Filer, as manager of the Desjardins Funds, complies with section 5.1 of Regulation 81-107 and the Filer and the IRC of the Desjardins Funds comply with section 5.4 of Regulation 81-107 for any standing instructions the IRC provides in connection with the transactions.
3. The IRC of the Desjardins Fund has approved the transaction in accordance with subsection 5.2(2) of Regulation 81-107.
4. If the IRC of a Desjardins Fund becomes aware of an instance where the Filer, in its capacity as investment fund manager of the Desjardins Fund, did not comply with the terms of this decision, or a condition imposed by securities legislation or the IRC in its approval, the IRC of the Desjardins Fund will, as soon as practicable, notify in writing the Desjardins Fund's principal regulator.
5. In the case of the Subsection 4.1(1) Relief, in addition to conditions 1 to 4 above:
 - (a) if Non-Government Debt Securities are acquired during the Distribution,
 - (i) at least one underwriter acting as underwriter in the Distribution is not a Related Underwriter;
 - (ii) at least one purchaser who is independent and arm's length to the Desjardins Funds and the Related Underwriters must purchase at least 5% of the securities distributed under the Distribution;
 - (iii) the price paid for the securities by a Desjardins Fund in the Distribution shall be no higher than the lowest price paid by any of the arm's length purchasers who participate in the Distribution; and
 - (iv) a Desjardins Fund and any related Desjardins Funds for which the Filer acts as portfolio manager can collectively acquire no more than 20% of the securities distributed under the Distribution in which a Related Underwriter acts as underwriter;
 - (b) if Non-Government Debt Securities are acquired during the 60-Day Period,
 - (i) the ask price of the securities is readily available as provided in Commentary 7 to section 6.1 of Policy Statement to Regulation 81-107;
 - (ii) the price paid for the securities by a Desjardins Fund is not higher than the available ask price of the security; and
 - (iii) the purchase is subject to market integrity requirements as defined in subsection 6.1(1) of Regulation 81-107;
 - (c) the Non-Government Debt Securities acquired by the Desjardins Funds pursuant to the Subsection 4.1(1) Relief cannot be asset backed commercial paper; and

- (d) no later than the time a Desjardins Fund files its annual financial statements, the Filer, as manager of the Desjardins Fund, files the particulars of each investment made by the Desjardins Fund, pursuant to the Subsection 4.1(1) Relief during its most recent completed financial year.

6. In the case of the Subsection 4.1(2) Relief, in addition to conditions 1 to 4 above:

- (a) if the purchase is made in a Primary Offering:
 - (i) the size of the Primary Offering is at least \$100 million;
 - (ii) at least two purchasers who are independent and at arm's-length, which may include an independent underwriter (within the meaning of *Regulation 33-105 respecting Underwriting Conflicts* (V-1.1, r. 11)) purchase collectively at least 20% of the Primary Offering;
 - (iii) no Desjardins Fund shall participate in the Primary Offering, if following its purchase, the Desjardins Fund would have more than 5% of its net assets invested in non-exchange-traded debt securities of the Related Issuer;
 - (iv) no Desjardins Fund shall participate in the Primary Offering, if following its purchase, the Desjardins Fund, together with other Desjardins Funds will hold more than 20% of the securities issued under the Primary Offering;
 - (v) the price paid for the non-exchange-traded debt securities by the Desjardins Fund in the Primary Offering shall be no higher than the lowest price paid by any of the arm's-length purchasers who participate in the Primary Offering; and
 - (vi) the non-exchange-traded debt security has been given and continues, at the time of the purchase, to have a designated rating by a designated rating organization within the meaning of those terms in Regulation 44-101;
- (b) if the purchase occurs in the secondary market:
 - (i) if the security is an exchange-traded security, the purchase is made on an exchange on which the securities of the issuer are listed and traded;
 - (ii) if the security is not an exchange-traded security,
 - A. the price payable for the security is not more than the ask price of the security;
 - B. the ask price of the security is determined as follows:
 - I. if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or
 - II. if the purchase does not occur on a marketplace:
 - (1) the Desjardins Fund may pay the price for the security, at which an independent, arm's-length seller is willing to sell the security, or
 - (2) if the Desjardins Fund does not purchase the security from an independent, arm's-length seller, the Desjardins Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's-length purchaser or seller and not pay more than that quote; and,
 - (iii) the security has been given and continues, at the time of the purchase, to have a designated rating by a designated rating organization within the meaning of those terms in Regulation 44-101; and
 - (iv) the transaction complies with any applicable market integrity requirements as defined in subsection 6.1(1) of Regulation 81-107; and
- (c) No later than the time a Desjardins Fund files its annual financial statements, the Filer, as manager of the Desjardins Funds, files with the securities regulatory authority the particulars of any such investments.

7. In the case of the Subsection 4.2(1) Relief, in addition to conditions 1 to 4 above:
- (a) the bid and ask price of the security are readily available, as provided in Commentary 7 of section 6.1 of Policy Statement to Regulation 81-107;
 - (b) a purchase is not executed at a price which is higher than the available ask price and a sale is not executed at a price which is lower than the available bid price;
 - (c) the transaction is subject to market integrity requirements as defined in subsection 6.1(1) of Regulation 81-107 and any equivalent transparency and trade reporting requirements applicable to the transaction of debt securities in international debt securities markets; and
 - (d) the Desjardins Fund keeps the written records required by paragraph 6.1(2)(g) of Regulation 81-107.

“Hugo Lacroix”
Senior Director, Investment Funds
Autorité des marchés financiers

2.1.3 Arrow Capital Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Technical relief granted to mutual funds from Parts 9, 10 and 14 of NI 81-102 to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – Relief permitting funds to treat exchange-traded series in a manner consistent with treatment of other ETF securities in continuous distribution in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – Relief permitting funds to treat mutual fund series in a manner consistent with treatment of other conventional mutual fund securities in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – National Instrument 81-102 Investment Funds – relief granted from certain mutual fund requirements and restrictions on borrowing from custodian and, if necessary, provision of a security interest to the custodian to fund distributions payable under the fund's distribution policy.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 14.1, 19.1.

November 21, 2017

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
ARROW CAPITAL MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Exemplar Investment Grade Fund (the **Proposed Fund**), the Proposed Fund having an exchange traded series and a mutual fund series of a mutual fund, and such other mutual funds as are managed and may be managed by the Filer now or in the future and that are structured in the same manner as the Proposed Fund (the **Other Funds** and together with the Proposed Fund, the **Funds** and each individually, a **Fund**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that grants

exemptive relief to the Filer and each Fund as set forth below:

- (a) an exemption from section 2.6(a)(i) of National Instrument 81-102 *Investment Funds (NI 81-102)* to permit the Proposed Fund and any other mutual funds that are managed or may be managed by the Filer now or in the future (collectively, the **Borrowing Funds** and each, a **Borrowing Fund**) to borrow cash from the custodian of the Borrowing Funds (the **Custodian**) and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to Securityholders (as defined below) that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Borrowing Fund (the **Borrowing Requirement**); and
- (b) an exemption to permit the Filer and each Fund to treat the ETF Securities and the Mutual Fund Securities (as defined below) as if such securities were separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102 (the **Sales and Redemptions Requirements**),

(collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for 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 all of the provinces and territories of Canada other than Ontario (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.

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of a Fund authorizing the dealer to subscribe for,

purchase and redeem Creation Units from one or more Funds on a continuous basis from time to time.

Basket of Securities means, in relation to the ETF Securities of a Fund, a group of securities or assets representing the constituents of the Fund.

Creation Units means newly issued ETF Securities.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the Filer or an affiliate of the Filer on behalf of a Fund to perform certain duties in relation to the ETF Securities of the Fund, including the posting of a liquid two-way market for the trading of the Fund's ETF Securities on the TSX or another Marketplace.

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F1 means Form 81-101F1 *Contents of Simplified Prospectus*.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operations* that is located in Canada.

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

NI 81-101 means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer and that has received relief under a Prospectus Delivery Decision.

Prescribed Number of ETF Securities means, in relation to a Fund, the number of ETF Securities of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Prospectus Delivery Decision means a decision granting relief from the Prospectus Delivery Requirement to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer dated August 24, 2015 and any subsequent decision granted to an Affiliate Dealer, Authorized Dealer, Designated Broker or Other Dealer that grants similar relief.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either

before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means, in the case of a Fund, beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable and, in the case of a Borrowing Fund, beneficial or registered holders of securities of securities of the Borrowing Fund.

TSX means the Toronto Stock Exchange.

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a portfolio manager in Ontario, an exempt market dealer in Ontario, Alberta, British Columbia and Quebec and commodity trading manager in Ontario.
3. The Filer is, or will be, the investment fund manager of each Fund and each Borrowing Fund, and the Filer or an affiliate of the Filer is, or will be, the portfolio manager of each Fund and each Borrowing Fund. Another portfolio advisor is, or may be, the sub-advisor to certain of the Funds and Borrowing Funds.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.
5. The Proposed ETF Fund is established under the laws of Ontario as an investment fund that is an open-ended mutual fund trust. The Funds and the Borrowing Funds will be either trusts or corporations or classes thereof governed by the laws of the Jurisdiction. Each Fund and Borrowing Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed. Each Fund offers, or will offer, ETF Securities and Mutual Fund Securities.
6. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund and Borrowing Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
7. The Proposed Fund currently offers Series A, Series AI, Series AN, Series U, Series F, Series FI, Series FN, Series G and Series I units. These Mutual Fund Securities are currently distributed

- under a simplified prospectus dated June 29, 2017.
8. On or about November 10, 2017, an amended and restated prospectus in respect of the Mutual Fund Securities and ETF Securities of the Proposed Funds will be filed with the securities regulatory authorities in each of the Jurisdictions.
 9. The Filer will apply to list any ETF Securities of the Funds on the TSX or another Marketplace. The ETF Securities will not be made publicly available until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
 10. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through qualified financial advisors or brokers.
 11. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. A Prescribed Number of ETF Securities may generally only be subscribed for or purchased directly from the Funds by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.
 12. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
 13. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
 14. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
 15. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
 16. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.
 17. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

Borrowing Requirement

18. Section 2.6(a)(i) of NI 81-102 prevents a mutual fund from borrowing cash or providing a security interest over its portfolio assets unless the transaction is a temporary measure to accommodate redemption requests or to settle portfolio transactions and does not exceed five percent of the net assets of the mutual fund. As a result, a Borrowing Fund is not permitted under section 2.6(a)(i) to borrow from the Custodian to fund distributions under the Distribution Policy (as defined below).

19. Each Borrowing Fund will make distributions on a monthly, quarterly or annual basis or at such frequency as the Filer may, in its discretion, determine appropriate and, in each taxation year, will distribute sufficient net income and net realized capital gains so that it will not be liable to pay income tax under Part I of the *Income Tax Act* (Canada) (collectively, the **Distribution Policy**).
20. Amounts included in the calculation of net income and net realized capital gains of a Borrowing Fund for a taxation year that must be distributed in accordance with the Distribution Policy sometimes include amounts that are owing to but have not actually been received by the Borrowing Fund from the issuers of securities held in the Borrowing Fund's portfolio (**Issuers**).
21. While it is possible for a Borrowing Fund to maintain a portion of its assets in cash or to dispose of securities in order to obtain any cash necessary to make a distribution in accordance with the Distribution Policy, maintaining such a cash position or making such a disposition (which would generally be followed, when the cash is actually received from the Issuers, by an acquisition of the same securities) impacts the Borrowing Fund's performance. Maintaining assets in cash or disposing of securities means that a portion of the net asset value of the Borrowing Fund is not invested in accordance with its investment objective.
22. The Filer is of the view that it is in the interests of a Borrowing Fund to have the ability to borrow cash from the Custodian and, if required by the Custodian, to provide a security interest over its portfolio assets as a temporary measure to fund the portion of any distribution payable to Securityholders that represents, in the aggregate, amounts that are owing to, but have not yet been received by, the Borrowing Fund from the Issuers. While such borrowing will have a cost, the Filer expects that such costs will be less than the reduction in the Borrowing Fund's performance if the Borrowing Fund had to hold cash instead of securities in order to fund the distribution.

Sales and Redemptions Requirements

23. Parts 9, 10 and 14 of NI 81-102 do not contemplate both Mutual Fund Securities and ETF Securities being offered in a single fund structure. Accordingly, without the Exemption Sought, the Filer and the Funds would not be able to technically comply with those parts of the Instrument.
24. The Exemption Sought will permit the Filer and the Funds to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with Parts 9, 10 and 14 of NI 81-102. The Exemption

Sought will enable each of the ETF Securities and Mutual Fund Securities to comply with Parts 9, 10 and 14 of NI 81-102 as appropriate for the type of security being offered.

Decision

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

1. The decision of the principal regulator is that the Exemption Sought from the Borrowing Requirement is granted, provided that the Filer will be in compliance with the following conditions:
 - (a) the borrowing by the Borrowing Fund in respect of a distribution does not exceed the portion of the distribution that represents, in the aggregate, amounts that are payable to the Borrowing Fund but have not been received by the Borrowing Fund from the Issuers and, in any event, does not exceed five percent of the net assets of the Borrowing Fund;
 - (b) the borrowing is not for a period longer than 45 days;
 - (c) any security interest in respect of the borrowing is consistent with industry practice for the type of borrowing and is only in respect of amounts owing as a result of the borrowing;
 - (d) the Borrowing Fund does not make any distribution to Securityholders where the distribution would impair the Borrowing Fund's ability to repay any borrowing to fund distributions; and
 - (e) the final prospectus of the Borrowing Fund discloses the potential borrowing, the purpose of the borrowing and the risks associated with the borrowing.
2. The decision of the principal regulator under the Legislation is that the Exemption Sought from the Sales and Redemptions Requirements is granted, provided that the Filer will be in compliance with the following conditions:
 - (a) with respect to its Mutual Fund Securities, each Fund complies with the provisions of Parts 9, 10 and 14 of NI 81-102 that apply to mutual funds that are not exchange-traded mutual funds; and
 - (b) with respect to its ETF Securities, each Fund complies with the provisions of Parts 9 and 10 of NI 81-102 that apply to exchange-traded mutual funds.

“Darren McKall”
Manager
Investment Funds & Structured Products Branch
Ontario Securities Commission

2.1.4 MD Financial Management Inc. and MD Management Limited

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions. Under paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another registered firm. The Filers are affiliated entities and have valid business reasons for the individual to be registered with both firms. A maximum of 10 individuals may be dually registered at any point in time pursuant to the exemption. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

November 23, 2017

**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
MD FINANCIAL MANAGEMENT INC.
(MD FINANCIAL)**

AND

**MD MANAGEMENT LIMITED
(MD MANAGEMENT, and together with
MD FINANCIAL, the Filers)**

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 of the principal regulator (the **Legislation**) for relief from the restriction under paragraph 4.1(1)(b) of National Instrument 31-103

Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) (the **Dual Registration Restriction**), pursuant to section 15.1 of NI 31-103, to permit Richard Switzer (the **Representative**), who is currently an advising representative of MD Financial, and future individuals registered as advising representatives or associate advising representatives of MD Financial to each be registered as dealing representatives of MD Management. Conversely, the Filers also seek relief from the Dual-Registration Restriction for the future individuals registered as dealing representatives of MD Management to each be registered as advising representatives of MD Financial (the **Relief Sought**). For clarity, the Relief Sought will apply to the Representative and up to nine (9) additional representatives. The up to nine (9) additional representatives will be comprised of future individuals registered as advising representatives or associate advising representatives of MD Financial, and future individuals registered as dealing representatives of MD Management (collectively, the **Future Representatives**).

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 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 by the Filers in each jurisdiction of Canada outside of Ontario (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:

1. MD Financial is registered as a portfolio manager in each of the provinces and territories of Canada and is registered in Ontario in the category of exempt market dealer, commodity trading manager and investment fund manager. MD Financial is also registered as an investment fund manager in the provinces of Quebec and Newfoundland and Labrador. The head office of MD Financial is located in Ontario.
2. MD Financial manages two families of mutual funds that are each offered by simplified prospectus – being the MD family of mutual funds, primarily distributed by MD Management, and the MDPIIM family of mutual funds (collectively, **MD Family of Funds**), which are available to

discretionary managed account clients of MD Financial through its division known as MD Private Investment Counsel (**MDPIC**). MD Financial also manages a pooled fund (**MDPIM Pooled Fund**) that is distributed pursuant to applicable prospectus exemptions, primarily to its MDPIC managed account clients.

3. MD Management is registered as an investment dealer in each province and territory of Canada and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**). The head office of MD Management is located in Ontario.
4. Since MD Financial directly holds all of the issued and outstanding shares of MD Management, each such entity is an affiliate of the other. Both MD Financial and MD Management are part of the Canadian Medical Association (**CMA**) group of companies.
5. MDPIC, a division of MD Financial, offers investment advice and portfolio management services to clients that have discretionary asset managed accounts.
6. MD Management offers primarily “advisory” services to its clients, being non-discretionary accounts, as well as financial planning and life insurance products (through its dually licenced representatives).
7. Clients of both MD Management and MD Financial must be “qualified eligible clients”, which is defined primarily as physicians and their families who are members of the CMA, or clients who are sponsored by such members.
8. MD Financial has decided to establish a new Private Client Program (the **New Program**) for its most affluent of clients – being those clients with investable assets above the specified minimums for the New Program. Under the New Program, MD Financial will offer customized and holistic financial planning and an enhanced service model to clients that have complex financial needs and the applicable levels of investable assets.
9. The New Program is unrelated to the activities of MD Financial as investment fund manager and portfolio manager of the MD Family of Funds and the MDPIIM Pooled Fund. None of the MD Family of Funds and the MDPIIM Pooled Fund will be a client of the Representative or the Future Representatives in the New Program.
10. Clients participating in the New Program will have one point of contact within MD Financial – who will advise the clients on their advisory accounts with MD Management and their discretionary accounts with MD Financial, as well as assist them with any tax planning, estate and trust planning, legal

- issues (for instance, incorporation strategies), insurance or other financial planning matters. The single client contact will coordinate all financial planning needs for the clients participating in the New Program, by referring the client to MD experts or to outside experts that have been vetted by MD Financial.
11. From an investment perspective, the New Program clients may continue to have an advisory account with MD Management, as well as an MDPIC managed account with MD Financial. The single client contact will coordinate these investment accounts, and the client will not liaise with any other individual registrant.
12. Initially the Representative will be the primary single client contact, but MD Financial expects that up to nine (9) additional individuals located in provinces outside of Ontario may also be so employed by MD Financial and MD Management.
13. The Representative is currently registered as an advising representative of MD Financial. He is authorized to manage client relationships with high net worth individuals for discretionary portfolio management services (the MDPIC managed accounts). He is resident in Ontario. The Representative is familiar with the business model of the CMA group of companies, including that of MD Management. MD Management intends to put forward his registration with IIROC as a dealing representative so that he can work with the New Program clients in respect of their accounts with MD Management.
14. It is expected that the Representative, and the Future Representatives, as the single client contact under the New Program, will be:
- a. the single point of contact for clients participating in the New Program;
 - b. responsible for providing the highest levels of service to clients of the New Program; and
 - c. qualified, under NI 31-103 and applicable IIROC rules, to be registered as an advising representative or associate advising representative with MD Financial, and also as a dealing representative (registered representative) with MD Management and will seek such dual registration.
15. The Representative and the Future Representatives will be subject to supervision by, and the applicable compliance requirements of, both Filers.
16. The Chief Compliance Officer and Ultimate Designated Person of each Filer will ensure that
- the Representative and Future Representatives have sufficient time and resources to adequately serve each Filer and the clients in the New Program.
17. The Filers each have adequate policies and procedures in place to address any potential conflicts of interest that may arise as a result of the dual registration of the Representative and the Future Representatives, and will be able to deal appropriately with any such conflicts.
18. The Filers are not in default of any requirement of securities legislation in any Canadian jurisdiction.
19. MD Financial is not in default of any requirement of commodity futures legislation or derivatives legislation.
20. In the absence of the Relief Sought, the Filers would be prohibited by the Dual-Registration Restriction from permitting the Representative and Future Representatives to act both as an advising representative or associate advising representative of MD Financial as well as a dealing representative (registered representative) of MD Management, even though the Filers are affiliates and have controls and compliance procedures in place to deal with their advising and/or dealing activities. Both MD Financial and MD Management consider that the concept of the Representative and the Future Representatives being the single point of contact for clients in the New Program to be in the best interests of those clients.
21. The effective delivery of the New Program depends on the industry experience and proficiency of the Representative and Future Representatives that are registered with both Filers.
22. There are valid business reasons for the Representative and the Future Representatives to be registered with both Filers.
23. MD Management is wholly-owned by MD Financial and accordingly, the dual registration of the Representative and the Future Representatives will not give rise to the conflicts of interest present in a similar arrangement involving unrelated, arm's length firms. The interests of MD Financial and MD Management are aligned in conjunction with the New Program. The role of the Representative and the Future Representatives will be to support the business activities and interests of both MD Financial and MD Management in connection with the New Program, as well as the clients who participate in the New Program, and accordingly no conflicts of interest arise from the dual registration.

Decisions, Orders and Rulings

24. The Representative and the Future Representatives will have a sole focus on clients in the New Program, therefore their dual registration does not create significant additional work for these individuals and they will be able to adequately serve both Filers.
25. The relationship between MD Financial and MD Management, and the fact that the Representative and Future Representatives are dually registered with both MD Financial and MD Management, will be fully disclosed in writing to clients of both MD Management and MD Financial that participate in the New Program.
- representative or associate advising representative of MD Financial;
- ii. The Representative and the Future Representatives are no longer registered in any of the Jurisdictions as a dealing representative of MD Management.

“Elizabeth King”
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision. The decision of the principal regulator under the Legislation is that the Relief Sought is granted on the following conditions:

- i. That at any point in time the Filers have no more than ten (10) representatives who are registered with both Filers;
- ii. The Representative and the Future Representatives are subject to supervision by, and the applicable compliance requirements of, both Filers;
- iii. The Chief Compliance Officer and Ultimate Designated Person of each Filer ensures that the Representative and Future Representatives have sufficient time and resources to adequately serve each Filer and the clients in the New Program;
- iv. The Filers each have adequate policies and procedures in place to address any potential conflicts of interest that may arise as a result of the dual registration of the Representative and the Future Representatives, and deal appropriately with any such conflicts; and
- v. The relationship between MD Financial and MD Management, and the fact that the Representative and Future Representatives are dually registered with both MD Financial and MD Management, is fully disclosed in writing to clients of both MD Management and MD Financial that participate in the New Program.

The Relief Sought shall cease to be effective when either of the following apply:

- i. The Representative and the Future Representatives are no longer registered in any of the Jurisdictions as an advising

2.1.5 Ingevity Corporation

Headnote

Dual application for Exemptive Relief Applications – Application for relief from prospectus requirements for the first trades of common shares by Canadian shareholders after a spin-off by a U.S. publicly traded company to investors by issuing shares of spun-off entity – Distribution made pursuant to the spin-off not covered by legislative exemptions or discretionary relief – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are *de minimis* – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74.
National Instrument 45-106 Prospectus Exemptions, ss. 2.11, 2.31.
National Instrument 45-102 Resale of Securities, ss. 2.6, 2.14.

TRANSLATION

November 21, 2017

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

AND

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

AND

**IN THE MATTER OF
INGEVITY CORPORATION
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (collectively, the **Decision Makers**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer Canadian Shareholders (as hereinafter defined) from the prospectus requirement contained in the Legislation as it relates to first trades of common shares in the capital of the Filer (**Filer Common Shares**) issued to WestRock Shareholders (as hereinafter defined) resident in Canada pursuant to the Spin Off (as hereinafter defined) (the **Exemption Sought**).

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

- (a) the Autorité des marchés financiers (the **AMF**) is the principal regulator for this application,
- (b) the Filer has provided notice that Section 4.7(1) of *Regulation 11-102 respecting Passport System (Regulation 11-102)* is intended to be relied upon in each of the provinces and territories of Canada other than the Jurisdictions, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* and *Regulation 11-102* have the same meanings if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was incorporated in Delaware on March 27, 2015 and is a leading global manufacturer of specialty chemicals and high performance carbon materials. The address of the Filer's principal executive office is in North Charleston, South Carolina, in the United States.
2. The Filer is a reporting issuer in the Province of Québec and is not a reporting issuer under the securities legislation of any other jurisdiction of Canada and, currently, has no intention of becoming a reporting issuer under the securities legislation of any other jurisdiction of Canada.
3. The authorized share capital of the Filer consists of 300 million Filer Common Shares and 50 million preferred shares. As of October 2, 2017, 42,191,653 Filer Common Shares were issued and outstanding.
4. The Filer Common Shares are listed on the New York Stock Exchange (**NYSE**) and trade under the symbol "NGVT". Other than the foregoing listing on the NYSE, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada. The Filer has no present intention of listing or posting its securities on any exchange or market in Canada.
5. The Filer is a registrant with the SEC and is subject to the requirements of the 1934 Act.
6. WestRock Company (**WestRock**) is incorporated in Delaware. WestRock is a global provider of paper and packaging solutions in consumer and corrugated markets and is headquartered in

- Norcross, Georgia and its executive offices are in Norcross, Georgia, in the United States. The common shares of WestRock are listed on the NYSE and trade under the symbol "WRK".
7. To the knowledge of the Filer, as of October 2, 2017, WestRock was a reporting issuer under the securities legislation of the provinces of British Columbia, Manitoba and Québec.
8. The Filer was formerly a wholly-owned subsidiary of WestRock and began operations as a standalone company whose shares are listed on the NYSE following the completion by WestRock on May 15, 2016 of the distribution of 100% of the outstanding Filer Common Shares on a pro rata basis by way of a dividend in specie to holders of WestRock common shares (**WestRock Shareholders**) under the laws of the State of Delaware (the **Spin Off**).
9. Under the terms of the Separation and Distribution Agreement dated May 14, 2016 between WestRock and the Filer which governs certain matters relating to the Spin Off, WestRock Shareholders were not required to make any payment, surrender or exchange their WestRock common shares, or take any other action to receive Filer Common Shares. The Spin Off occurred without any investment decision on the part of WestRock Shareholders.
10. Because the Spin Off was effected by way of a dividend to WestRock Shareholders, stockholder approval of the Spin Off was neither required nor sought under Delaware state law or any applicable U.S. federal securities laws.
11. In connection with the Spin Off, on October 6, 2015, the Filer filed a registration statement on Form 10 (as amended, the **Registration Statement**) with the SEC detailing the proposed Spin Off and containing prospectus level disclosure about the Filer. The Registration Statement was declared effective by the SEC on April 25, 2016.
12. On May 3, 2016, the Filer filed with the SEC an information statement regarding the distribution of the Filer Common Shares pursuant to the Spin Off which contained prospectus-level disclosure about the Filer and the Filer Common Shares.
13. Broadridge Financial Solutions, Inc. and Wells Fargo Bank, N.A., the agents and entities charged with processing, distributing and mailing materials relating to the Spin Off to registered and beneficial WestRock Shareholders, processed, distributed and mailed such materials, or a notice of access and public availability of such materials, to registered and beneficial WestRock Shareholders, including WestRock Shareholders resident in Canada (each, a **Filer Canadian Shareholder**).
14. Filer Canadian Shareholders who received Filer Common Shares pursuant to the Spin Off have the same rights and remedies available to WestRock Shareholders resident in the United States under U.S. federal securities laws in respect of the disclosure documentation received in connection with the Spin Off.
15. The Spin Off would have been exempt from the prospectus requirement pursuant to Subsection 2.31(2) of *Regulation 45-106 respecting Prospectus Exemptions (Regulation 45-106)* but for the fact that the Filer was not a reporting issuer under the securities legislation of any jurisdiction in Canada at such time.
16. No prospectus was prepared for the distribution of the Filer Common Shares to Filer Canadian Shareholders in connection with the Spin Off and, to the knowledge of the Filer, no exemption from the prospectus requirement was applied for in connection therewith.
17. According to a registered shareholder report prepared for the Filer by Wells Fargo Shareowner Services, as July 21, 2017, there were 28 registered Filer Canadian Shareholders holding an aggregate of 1,129 Filer Common Shares, representing approximately 0.47% of the registered shareholders of the Filer worldwide and less than 0.01% of the total outstanding Filer Common Shares as at such date. The Filer does not expect these numbers to have materially changed since that date.
18. According to a beneficial ownership report (the **Beneficial Ownership Report**) prepared for the Filer by Broadridge Financial Solutions, Inc., as of July 26, 2017, (the **Report Date**), Filer Canadian Shareholders (i) beneficially owned 494,257 Filer Common Shares, representing approximately 1.19% of the total number of Filer Common Shares identified in the Beneficial Ownership Report, and (ii) represented in number 335 beneficial owners of Filer Common Shares, representing approximately 0.81% of the total number of beneficial holders identified in the Beneficial Ownership Report. The Beneficial Ownership Report accounts for approximately 98.59% of the total number of issued and outstanding Filer Common Shares as at the Report Date and is the most comprehensive source of information available to the Filer regarding the holdings and jurisdictions of residence of the beneficial holders of Filer Common Shares. The Filer does not expect these numbers to have materially changed since that date.
19. Based on the above information, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Common Shares held by such shareholders is *de minimis*.

20. The Filer was deemed to have become a reporting issuer in Québec as a result of the Spin Off. The Filer does not have a present intention of becoming a reporting issuer in any other province or territory of Canada.
21. The Filer is not in default under applicable securities legislation in any jurisdiction of Canada.
22. In the absence of an order granting the Exemption Sought, the first trade of the Filer Common Shares by Filer Canadian Shareholders would be considered to constitute a distribution in respect of which a prospectus must be prepared, subject to the availability of a prospectus exemption.
23. There is no active trading market for the Filer Common Shares in Canada and none is expected to develop. It is expected that any resale of the Filer Common Shares will be made through the NYSE.
24. At this time, the preparation of a prospectus by the Filer would be a disproportionate expense given the de minimis shareholdings by Filer Canadian Shareholders.
25. Since WestRock did not seek a formal exemption from the prospectus requirements from a securities regulatory authority or regulator in any of the Jurisdictions, the Filer Common Shares held by Filer Canadian Shareholders are subject to an indefinite hold period which, in the absence of an order granting the Exemption Sought, would prevent the Filer Canadian Shareholders from reselling the Filer Common Shares in the Jurisdictions unless a prospectus is filed. Creating an indefinite hold period for Filer Canadian Shareholders may be prejudicial to them, particularly in circumstances where other holders of Filer Common Shares are able to freely trade such securities through the facilities of the NYSE.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the first trade in Filer Common Shares issued to Filer Canadian Shareholders in connection with the Spin Off will be deemed to be a distribution unless the conditions in Section 2.6 or Subsection 2.14(1) of Regulation 45-102 respecting Resale of Securities are satisfied.

“Lucie J. Roy”
Directrice principale du financement des sociétés

2.2 Orders

2.2.1 Omega Securities Inc.

File No.: 2017-66

IN THE MATTER OF OMEGA SECURITIES INC.

Mark J. Sandler, Commissioner and Chair of the Panel
AnneMarie Ryan, Commissioner
Deborah Leckman, Commissioner

November 21, 2017

ORDER

WHEREAS on November 21, 2017, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the first appearance in respect of the Notice of Hearing issued on November 16, 2017;

IT IS ORDERED THAT the first appearance is adjourned and shall continue on November 29, 2017 at 4:30 p.m.

“Mark J. Sandler”

“AnneMarie Ryan

“Deborah Leckman”

2.2.2 Hunter Oil Corp.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and British Columbia Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by British Columbia Securities Commission, as principal regulator.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.
National Policy 11-207 Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions.

Citation: 2017 BCSECCOM 341

REVOCATION ORDER

**HUNTER OIL CORP.
under the securities legislation of
British Columbia and Ontario (Legislation)**

Background

- 1 Hunter Oil Corp. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator in each of British Columbia (the Principal Regulator) and Ontario (each a Decision Maker) respectively on May 5, 2017.
- 2 The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocation in Multiple Jurisdiction* (NP 11-207) for an order revoking the FFCTOs.
- 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.
- 4 The Issuer has filed the continuous disclosure documents required under the Legislation.

Interpretation

- 5 Terms defined in National Instrument 14-101 *Definitions* and NP 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Order

- 6 Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation to make this decision.

7 The decision of the Decision Makers under the Legislation is that the FFCTO is revoked as it applies to the Issuer.

8 November 10, 2017

“Michael L. Moretto, CPA, CA”
Manager
Corporate Finance

2.2.3 Omega Securities Inc. – s. 127(5)

File No.: 2017-64

**IN THE MATTER OF
OMEGA SECURITIES INC.**

Mark J. Sandler, Commissioner and Chair of the Panel
AnneMarie Ryan, Commissioner
Deborah Leckman, Commissioner

November 23, 2017

ORDER
Section 127(5) of the
Securities Act, RSO 1990, c S.5

WHEREAS on November 17, 20 and 21, 2017, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application by Staff of the Commission for a temporary order;

ON READING the materials filed by the parties, on hearing the testimony of the witnesses and submissions of the representatives for Omega Securities Inc. (**OSI**) and for Staff of the Commission (**Staff**);

IT IS ORDERED THAT:

1. Staff's requests for a temporary order that the registration of OSI be suspended and that trading in any securities by OSI cease until the conclusion of the hearing on the merits or such other time as ordered by the Commission are denied;
2. Pursuant to subsection 127(5) and paragraph 1 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), the registration of OSI is subject to the following terms and conditions:
 - a. OSI shall forthwith provide notice on its website and to its subscribers in writing that the time of execution of trades disseminated pursuant to its ITCH protocol may differ, at the millisecond level, from the time internally recorded by OSI in its matching engine for the execution of these trades;
 - b. OSI shall upgrade from the ITCH 3.0 protocol to the ITCH 5.0 protocol as expeditiously as possible, in compliance with existing regulatory requirements;
 - c. OSI shall report, on a monthly basis, in writing, to Staff of the Commission and to IIROC, if IIROC so requests, on the ongoing steps taken by OSI to comply with 2(b) above;

- d. OSI shall implement a MRF Feed patch as expeditiously as possible, in compliance with existing regulatory requirements, including IIROC approvals or certification;
 - e. OSI shall forthwith notify its subscribers that after seven days, all order acknowledgement messages sent pursuant to its FIX Feed will be sent at the millisecond level, except to such subscribers which notify OSI in writing within seven days that they choose not to receive such acknowledgements to the millisecond level;
 - f. OSI shall comply with the terms of the notification referred to in 2(e) and provide a written report to Staff of the Commission within 14 days and to IIROC, if requested by IIROC, outlining steps taken to so comply; and
 - g. OSI shall retain, within 14 days or such later time period as approved by Staff of the Commission, at its own expense, the services of an independent systems reviewer or reviewers that are approved by Staff of the Commission to provide reporting to OSI and Staff of the Commission and to IIROC, if IIROC so requests, regarding the effectiveness of the MRF Feed patch and the ITCH 5.0 protocol, on a quarterly basis for a 12 month period, after each respectively, is implemented; and
3. Pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

"Mark J. Sandler"

"AnneMarie Ryan"

"Deborah Leckman"

2.2.4 Bison Gold Resources Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceases to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

November 23, 2017

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

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
BISON GOLD RESOURCES INC.
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, British Columbia and Manitoba.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Jo-Anne Matear”
Manager, Corporate Finance
Ontario Securities Commission

2.2.5 Pro-Financial Asset Management Inc. et al.

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART MCKINNON and
JOHN FARRELL

AnneMarie Ryan, Commissioner and Chair of the Panel
Janet Leiper, Commissioner
Timothy Moseley, Commissioner

November 23, 2017

ORDER

WHEREAS on November 20, 2017 the Ontario Securities Commission (**Commission**) received a request from Staff of the Commission (**Staff**) for an adjournment of the sanctions and costs hearing scheduled on January 10, 2018, which was considered in writing;

ON READING the email correspondence from Staff dated November 20 and 23, 2017, and on considering that counsel for Mr. McKinnon and Pro-Financial Asset Management Inc. and Staff consent to adjourning the sanctions and costs hearing to February 14, 2018;

IT IS ORDERED THAT the sanctions and costs hearing is adjourned to February 14, 2018 at 10:00 a.m.

“AnneMarie Ryan”

“Janet Leiper”

“Timothy Moseley”

2.2.6 Land and Buildings Investment Management, LLC. – ss. 8, 21.7

IN THE MATTER OF
LAND AND BUILDINGS
INVESTMENT MANAGEMENT, LLC

Philip Anisman, Commissioner

File No. 2017-65

November 23, 2017

ORDER

(Sections 8 and 21.7 of the
Securities Act, RSO 1990, c S.5)

WHEREAS on November 22, 2017, the Ontario Securities Commission (the “**Commission**”) held a hearing at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider a motion brought by Land and Buildings Investment Management, LLC (the “**Applicant**”) requesting an adjournment of the hearing of the Application for Hearing and Review (the “**Hearing**”), amendments to the schedule for filing materials in the Commission’s Order issued on November 15, 2017, and a date to be set to hear a motion for a stay (the “**Stay Motion**”) of the decision of the Toronto Stock Exchange (the “**TSX**”) made on November 7, 2017 (the “**TSX Decision**”);

ON READING the Motion Record of the Applicant and the Legal Issues Brief of Staff of the Commission (“**Staff**”), and on hearing the submissions of the representatives for the Applicant, Hudson’s Bay Company (“**HBC**”), the TSX and Staff;

IT IS ORDERED THAT:

1. the Hearing, including any request for relief pursuant to subsection 127(1) of the Act, is adjourned and shall commence on December 6 or 13, 2017, as set by the Office of the Secretary, and shall continue on the day following the day so set, at 10:00 a.m. on each day, or such other dates as may be agreed to by the parties and set by the Office of the Secretary;
2. unless HBC has agreed that its preferred shares will not be issued to Rhône Capital LLC (“**Rhône**”) or an affiliate of Rhône before the conclusion of the Hearing and the decision of the Commission, the Stay Motion and any other preliminary matters presented by the parties, including any disclosure motions and a schedule for filing and serving materials for the Hearing, shall be heard on November 30, 2017, commencing at 9:30 a.m. and continuing, if necessary, on December 1, 2017 at 9:30 a.m., or such other dates as may be agreed to by the parties and set by the Office of the Secretary;
3. if the Stay Motion is not required, other preliminary matters, including any disclosure motions and a

schedule for filing and serving materials for the Hearing, shall be heard on the dates set out in paragraph 2 of this Order;

4. the Applicant shall serve and file its materials for the Stay Motion and any other preliminary matters by no later than November 24, 2017;
5. HBC shall serve and file any responding materials for the Stay Motion and other matters by no later than November 27, 2017;
6. the Applicant shall serve and file any reply materials, the TSX shall serve and file any TSX submissions and Staff shall serve and file Staff's submissions for the Stay Motion and other matters by no later than 1:00 p.m. on November 28, 2017; and
7. the hearing date of November 29, 2017 for the Hearing is vacated.

"Philip Anisman"

2.2.7 TSX Inc. – s. 144

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

AND

**IN THE MATTER OF
TSX INC.
(TSX)**

**REVOCATION ORDER
Section 144 of the Act**

WHEREAS the Ontario Securities Commission (the **Commission**) issued a decision dated September 8, 2006 pursuant to subsection 21(5) of the Act (the **Order**) requiring TSX to use reasonable commercial efforts to consolidate on a per security basis all trades executed on TSX that have an insider trading marker and publicly disseminate the information in summary form at the end of the day (the **Insider Trading Report**);

AND WHEREAS since the date of the Order regulatory tools have been established that disclose material information, including insider trading information, to investors;

AND WHEREAS since the date of the Order other regulatory tools have been established to investigate illegal insider trading in the Canadian capital markets;

AND WHEREAS the Insider Trading Report is not providing insider trading information reflective of today's multi-marketplace environment;

AND WHEREAS TSX has filed an application (the **Application**) with the Commission to revoke the Order pursuant to section 144 of the Act in order to remove the requirement to produce and disseminate the Insider Report;

AND WHEREAS the Commission has determined, based on the Application and representations made by TSX, that it is not prejudicial to the public interest to remove the Insider Trading Report;

IT IS HEREBY ORDERED that, pursuant to section 144 of the Act, the Order is revoked.

DATED at Toronto this 24 day of November, 2017.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Timothy Moseley"
Commissioner
Ontario Securities Commission

2.2.8 Repsol Oil & Gas Canada Inc.

Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut; and

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer has *de minimis* market presence in Canada – issuer has debt securities outstanding – issuer has more than 51 securityholders worldwide.

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

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

Interpretation

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

Citation: Re Repsol Oil & Gas Canada Inc., 2017 ABASC 155

Representations

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

September 29, 2017

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
REPSOL OIL & GAS CANADA INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova

- 1. The Filer is a corporation governed by the *Canada Business Corporations Act* (the **CBCA**).
- 2. The Filer's head and registered office is located in Calgary, Alberta.
- 3. The Filer is a reporting issuer in each of the jurisdictions of Canada and is applying for a decision that it is not a reporting issuer in each of the jurisdictions of Canada.
- 4. The Filer was previously named Talisman Energy Inc. and its common shares were previously listed on the Toronto and New York Stock Exchanges. On May 8, 2015, all of the issued and outstanding shares of the Filer were indirectly acquired by Repsol S.A., a Spanish oil and gas company, pursuant to an arrangement under the CBCA. Since May 8, 2015, the Filer has been an indirect, wholly-owned subsidiary of Repsol S.A. Upon completion of the acquisition by Repsol S.A., the Filer's common and preferred shares were delisted from the Toronto Stock Exchange. The Filer's common shares were also delisted from the New York Stock Exchange.
- 5. The Filer currently has outstanding US\$1,008,869,000 aggregate principal amount of seven series of notes, as follows:
 - (a) US\$50,382,000 aggregate principal amount of 7.25% debentures due 2027, which were issued on October 16, 1997;
 - (b) US\$87,534,000 aggregate principal amount of 5.75% notes due 2035, which were issued on May 12, 2005;
 - (c) US\$359,923,000 aggregate principal amount of 7.75% notes due 2019, which were issued on June 1, 2009;

- (d) US\$236,641,000 aggregate principal amount of 3.75% notes due 2021, which were issued on November 12, 2010;
- (e) US\$102,266,000 aggregate principal amount of 5.85% notes due 2037, which were issued on January 27, 2006;
- (f) US\$115,158,000 aggregate principal amount of 6.25% notes due 2038, which were issued on November 10, 2006; and
- (g) US\$56,965,000 aggregate principal amount of 5.50% notes due 2042, which were issued on May 18, 2012,
- (collectively, the **Notes**).
6. All of the Filer's shares are held by Repsol S.A. as described above. The Filer's previously issued preferred shares have all been changed into common shares and no preferred shares are currently outstanding. The Filer's only other outstanding securities are the Notes.
7. Repsol S.A. has now fully and unconditionally guaranteed the due and punctual payment of the principal of, premium, if any, and interest on each series of Notes, when and as the same shall become due and payable.
8. The Notes were issued by the Filer pursuant to offerings in the U.S. made under registration statements filed with the SEC utilizing the multi-jurisdictional disclosure system (the **MJDS**). No Notes were issued directly to Canadians.
9. The Notes are not convertible or exchangeable into any other voting or equity securities of the Filer. The Notes entitle holders to the payment of principal and interest only and do not entitle the holders to participate in the distribution of the assets of the Filer upon a liquidation or winding up.
10. The Filer has no current intention to redeem any of the Notes prior to their maturity.
11. The Notes trade in the over-the-counter market in the U.S., which is the usual means by which U.S. publicly offered and privately placed investment grade debt securities that are not listed on an exchange are traded.
12. The European Union (**EU**) rules and regulations on markets in financial instruments allow investment firms and other market participants to apply for the listing of financial instruments on multilateral trading facilities (**MTFs**) without the consent of the issuer of the instruments. In these cases, the issuer is not subject to any obligation relating to initial, ongoing or *ad hoc* financial disclosure with regard to those MTFs. Certain of
- the Notes are currently admitted for trading on an MTF in Europe which publicly reports trading data. During 2016 and the first eight months of 2017, the aggregate trading volume of Notes as reported by that MTF was approximately U.S. \$200,000.
13. Except as represented by the Filer in this order, no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
14. All of the Notes are held in book entry only form and are registered in the name of The Depository Trust Company (**DTC**) or its nominee. In order to ascertain the number of beneficial holders of Notes and their geographical location, the Filer has made inquiry (the **Investigation**) through Broadridge Financial Solutions (**Broadridge**). Broadridge is an experienced provider of financial marketing information and investor communications services. Broadridge reviewed the positions of participants in the book entry only system maintained by DTC and canvassed such participants as to the beneficial holders of Notes. As a result of this process, Broadridge was able to provide data on the number of holders and their geographical location for 90% of the outstanding aggregate principal amount of Notes (which, at March 31, 2017 was \$1,095,262,000). Broadridge has advised the Filer that due to inter-participant lending, the potential for some Notes to be in the midst of trade settlement, some beneficial holders electing not to be identified and approximately 1% of the aggregate principal amount of Notes being held through participants who do not subscribe to the services provided by Broadridge, identifying the number and location of the holders of 100% of the Notes is not possible. Since the results of the Investigation count holders by series of notes separately and some holders of Notes own notes of more than one series, the total number of holders is likely to be much lower than the number described below. Based on the Investigation, for the Notes for which Broadridge was able to obtain information on the beneficial ownership, as of March 31, 2017, there were:
- (a) 12 holders (representing approximately 0.86% of total holders) located in Canada, holding approximately 0.16% of the aggregate principal amount of the Notes then outstanding;
- (b) 1,274 holders located in the U.S., holding approximately 71% of the aggregate principal amount of the Notes then outstanding;
- (c) 94 holders located outside of Canada and the U.S., holding approximately 17%

- of the aggregate principal amount of the Notes then outstanding; and
- (d) 10 holders whose location was not identified, holding approximately 2% of the aggregate principal amount of the Notes then outstanding.
15. On July 10, 2017 the Filer completed a successful solicitation (the **Consent Solicitation**) of holders of Notes for their consent to make certain amendments to the indentures governing the Notes (the **Amendments**). Noteholders representing more than 85% of the aggregate principal amount outstanding of each series of the Notes consented to the Amendments, thereby exceeding the noteholder consent threshold of either 50% or 66⅔% required to make the Amendments. The Filer also completed a tender offer for the Notes in conjunction with the Consent Solicitation, pursuant to which the Filer purchased and cancelled \$86,393,000 aggregate principal amount of the Notes.
16. As a result of the Amendments, the indentures governing the Notes (the **Indentures**) no longer contain an obligation on the part of the Filer to furnish to the trustees under the Indentures certain periodic disclosure of the Filer, including annual information forms and annual and quarterly financial statements. Instead, the Indentures now require the Filer to furnish the trustees or post on a public website, English translations of certain financial information of Repsol S.A., including Repsol S.A.'s annual audited consolidated financial statements and related management report, its first half-year consolidated financial statements and related management report and consolidated quarterly financial reports for the first and third quarters of each fiscal year.
17. The ordinary shares of Repsol S.A. are listed on the Spanish Stock Exchange. Repsol S.A. files its continuous disclosure documents with the Spanish securities markets authority (Comisión Nacional del Mercado de Valores) and posts them on its corporate website in accordance with applicable requirements of the EU. Such requirements are independent from those arising under the Indentures and from the Filer's status as a reporting issuer.
18. The Filer will, for the foreseeable future following the Filer ceasing to be a reporting issuer, maintain a credit rating for the Notes by at least one designated rating organization or an affiliate thereof. It is expected that the Notes will be rated based on the guarantee by Repsol S.A. rather than by an independent assessment of the condition and performance (financial or otherwise) of the Filer.
19. The Indentures do not, and did not prior to the Consent Solicitation, require the Filer to maintain reporting issuer status in any jurisdiction.
20. As part of the Consent Solicitation, the Filer disclosed to holders of Notes that it had made an application to cease to be a reporting issuer in each jurisdiction of Canada.
21. As a result of having filed registration statements with the SEC, the Filer was a registrant under the 1934 Act and has filed continuous disclosure documents with the SEC utilizing the MJDS. However, the Filer has been relieved from its reporting obligations under the 1934 Act after having filed a Form 15 with the SEC on July 12, 2017 which de-registered all unsold securities on its previously filed registration statements.
22. The Filer is not subject to any statutory or regulatory (including stock exchange) continuous disclosure reporting obligations other than those arising from the Filer being a reporting issuer in the jurisdictions of Canada. The Filer is not subject to any continuous disclosure reporting obligations by virtue of the trading of Notes through any MTF in the EU.
23. The Filer is unable to rely on the simplified procedure set out in Section 19 of NP 11-206 because the Filer does not meet the requirement of having fewer than 51 securityholders in total worldwide.
24. The Filer is not in default under the securities legislation of any jurisdiction of Canada.
25. In the preceding 12 months the Filer has not taken any steps that indicate there is a market for its securities in Canada.
26. The Filer has no intention to distribute any securities to the public in Canada or seek financing by way of its securities in Canada.
27. The Filer, upon grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.

Order

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2.9 Magna International Inc. and CIBC World Markets Inc. – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – due to the discounted purchase price, the common shares cannot be acquired through the TSX trading system – but for the fact that the common shares cannot be acquired through the TSX trading system, the issuer could otherwise acquire such shares in accordance with TSX rules and in reliance upon the issuer bid exemption available under section 4.8 of NI 62-104 – the third party will purchase common shares under the program on the same basis as if the issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to, the issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

**IN THE MATTER OF
MAGNA INTERNATIONAL INC. AND
CIBC WORLD MARKETS INC.**

ORDER

(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Magna International Inc. (the "**Issuer**") and CIBC World Markets Inc. ("**CIBC World Markets**", and together with the Issuer, the "**Filers**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 1,472,000 (the "**Program Maximum**") of its common shares (the "**Common Shares**") from CIBC World Markets pursuant to a share repurchase program (the "**Program**");

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

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 9 to 15, inclusive, 17 to 25, inclusive, 31, 33 to 35, inclusive, 37 and 38;

AND UPON CIBC World Markets and Canadian Imperial Bank of Commerce ("**CIBC**" and together with CIBC World Markets, the "**CIBC Entities**") having represented to the Commission the matters set out in paragraphs 5 to 8, inclusive, 14, 16 to 18, inclusive, 24, 26 to 30, inclusive, 32, 36, 38 and 39 as they relate to the CIBC Entities;

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).
2. The Issuer's registered and head office is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the "**Jurisdictions**") and the Common Shares are listed for trading on the TSX and the New York Stock Exchange ("**NYSE**") under the symbols "MG" and "MGA", respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.

4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares and 99,760,000 preference shares (“**Preference Shares**”) issuable in series. As of October 31, 2017, 361,367,702 Common Shares and no Preference Shares were issued and outstanding.
5. CIBC World Markets is registered as an investment dealer under the securities legislation of each of the Jurisdictions. It is also registered as: (a) a futures commission merchant under the *Commodity Futures Act* (Ontario); (b) a derivatives dealer under the *Derivatives Act* (Quebec) and (c) a dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). CIBC World Markets is a member of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of CIBC World Markets is located in Toronto, Ontario.
6. CIBC World Markets does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.
7. CIBC World Markets is the beneficial owner of at least 1,472,000 Common Shares, none of which were acquired by, or on behalf of, CIBC World Markets in anticipation or contemplation of resale to the Issuer (such Common Shares over which CIBC World Markets has beneficial ownership, the “**Inventory Shares**”). All of the Inventory Shares are held by CIBC World Markets in the Province of Ontario and all purchases of Inventory Shares by the Issuer from CIBC World Markets will be executed and settled in the Province of Ontario. No Common Shares were purchased by, or on behalf of, CIBC World Markets on or after October 3, 2017, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by CIBC World Markets to the Issuer.
8. CIBC World Markets is at arm’s length to the Issuer and is not an “insider” of the Issuer, an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the “**Act**”). CIBC World Markets is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
9. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the “**Notice**”), which was accepted by the TSX effective November 13, 2017, the Issuer is permitted to make a normal course issuer bid (“**NCIB**”) to purchase for cancellation, during the 12-month period beginning on November 15, 2017 and ending on November 14, 2018, up to 35,800,000 Common Shares, representing approximately 10% of the Issuer’s public float as of the date specified in the Notice. The Notice specifies that purchases under the NCIB will be conducted through the facilities of the TSX, the NYSE and alternative trading systems in Canada and/or the United States, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX Rules**”), a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.
10. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the “**Designated Exchange Exemption**”).
11. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the “**Other Published Markets**”) in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the “**Other Published Markets Exemption**”, and together with the Designated Exchange Exemption, the “**Exemptions**”).
12. Pursuant to the TSX Rules, the Issuer has appointed CIBC World Markets as its designated broker in respect of the NCIB (the “**Responsible Broker**”).
13. Subject to TSX approval, the Issuer may implement an automatic repurchase plan (an “**ARP**”) to permit the Issuer to make purchases under the NCIB at such times when the Issuer would not be permitted to trade in its securities, including regularly scheduled quarterly blackout periods and other internal blackout periods (each such time, a “**Blackout Period**”). No ARP has been implemented at this time and no ARP will be implemented or operative during the Program Term (as defined below).
14. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from CIBC World Markets, and for CIBC World Markets to sell to the Issuer, that number of Inventory Shares equal to the Program Maximum.
15. To the best of the Issuer’s knowledge, the “public float” (calculated in accordance with the TSX Rules) for the Common Shares as at October 31, 2017 consisted of 358,669,599 Common Shares. The Common Shares are “highly-liquid securities” as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (“**OSC Rule 48-501**”) and section 1.1 of the *Universal Market Integrity Rules* (“**UMIR**”).

16. Pursuant to the terms of the Program Agreement (as defined below), CIBC World Markets will be retained as agent by CIBC to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a **"Canadian Other Published Market"** and collectively with the TSX, the **"Canadian Markets"**) under the Program. No Common Shares will be acquired under the Program on a market that is not a Canadian Market.
17. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the **"Program Agreement"**) that will be entered into among the Filers and CIBC prior to the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.
18. The Program will terminate on the earlier of: (a) December 29, 2017; and (b) the date on which the Issuer will have purchased the Program Maximum under the Program (the **"Program Term"**). Neither the Issuer nor any of the CIBC Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law or announced change in law that would have adverse consequences to the transactions contemplated under the Program Agreement or to the Issuer or either of the CIBC Entities.
19. Concurrently with the Application, the Issuer filed an additional application with the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,400,000 Common Shares (**"NBC Program Maximum"**) from National Bank of Canada pursuant to a share repurchase program (the **"NBC Program"**, and together with the Program, the **"Programs"**). The NBC Program will begin on the Trading Day (as defined below) following completion or termination of the Program and will terminate on the earlier of: (a) December 29, 2017 and (b) the date on which the Issuer will have purchased the NBC Program Maximum (the **"NBC Program Term"**).
20. At least two clear Trading Days prior to the commencement of the Program, the Issuer will issue and file a press release that has been pre-cleared by the TSX that: (a) describes the material features of the Programs, including the Program Term and the NBC Program Term; (b) discloses the Issuer's intention to participate in the Programs during the NCIB; (c) states that it is the Issuer's current intention to purchase the Program Maximum and the NBC Program Maximum, but that the number of Common Shares purchased pursuant to the Programs may be less than the Program Maximum and the NBC Program Maximum, respectively; (d) provides an explanation as to why less than the Program Maximum and the NBC Program Maximum may be purchased; and (e) states that, immediately following the Program Term, the Issuer will issue and file the Completion Press Release (as defined below) (the **"Commencement Press Release"**).
21. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.
22. The TSX has: (a) been advised of the Issuer's intention to enter into the Program; (b) been provided with a copy of the Program Agreement and a draft of the Commencement Press Release; and (c) confirmed that it has no objection to the Issuer conducting the Program as part of the NCIB.
23. The Program Term will not include a Blackout Period. In the event that a Blackout Period should arise during the Program Term, purchasing under the Program will cease immediately and will not recommence until following the expiration of the Blackout Period.
24. During the Program Term, CIBC World Markets will purchase Common Shares on the applicable Trading Day in accordance with instructions received by CIBC from the Issuer prior to the opening of trading on such day, which instructions will be relayed by CIBC to CIBC World Markets without modification and which instructions will be the same instructions that the Issuer would have given to the Responsible Broker, as its designated broker in respect of the NCIB if the Issuer was conducting the NCIB, in reliance on the Exemptions.
25. The Issuer will not give purchase instructions in respect of the Program to CIBC at any time that the Issuer is aware of Undisclosed Information (as defined below).
26. All Common Shares acquired for the purposes of the Program by CIBC World Markets on a day during the Program Term on which Canadian Markets are open for trading (each, a **"Trading Day"**) must be acquired on Canadian Markets in accordance with the TSX Rules and any by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the **"NCIB Rules"**) that would be applicable to the Issuer in connection with the NCIB, provided that:
 - (a) the aggregate number of Common Shares to be acquired on Canadian Markets by CIBC World Markets on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume

of the Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the “**Modified Maximum Daily Limit**”), it being understood that the aggregate number of Common Shares to be acquired on the TSX by CIBC World Markets on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and

- (b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by CIBC World Markets on any Canadian Markets pursuant to a pre-arranged trade.
27. The aggregate number of Common Shares acquired by CIBC World Markets in connection with the Program:
- (a) shall not exceed the Program Maximum; and
 - (b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.
28. On every Trading Day, CIBC World Markets will purchase the Number of Common Shares. The “**Number of Common Shares**” will be no greater than the least of:
- (a) the maximum number of Common Shares established in the instructions received by CIBC from the Issuer prior to the opening of trading on such day;
 - (b) the Program Maximum less the aggregate number of Common Shares previously purchased by CIBC World Markets under the Program;
 - (c) on a Trading Day where trading ceases on the TSX or some other event that would impair CIBC World Markets’ ability to acquire Common Shares on Canadian Markets occurs (a “**Market Disruption Event**”), the number of Common Shares acquired by CIBC World Markets on such Trading Day up until the time of the Market Disruption Event; and
 - (d) the Modified Maximum Daily Limit.

The “**Discounted Price**” per Common Share will be equal to: (a) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount; or (b) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

29. CIBC World Markets will deliver to the Issuer that number of Inventory Shares equal to the number of Common Shares purchased by CIBC World Markets on a Trading Day under the Program on the Trading Day immediately thereafter (or such other Trading Day as agreed to between the parties to the Program Agreement), and the Issuer will pay CIBC World Markets a purchase price equal to the Discounted Price for each such Inventory Share on the date of delivery thereof. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.
30. CIBC World Markets will not sell any Inventory Shares to the Issuer unless CIBC World Markets has purchased the equivalent number of Common Shares on Canadian Markets under the Program. The number of Common Shares that are purchased by CIBC World Markets on Canadian Markets under the Program on a Trading Day will be equal to the Number of Common Shares for such Trading Day. CIBC will provide the Issuer with a daily written report of CIBC World Market’s purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired under the Program, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.
31. During the Program Term, the Issuer will: (a) not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program) and (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf.
32. All purchases of Common Shares under the Program will be made by CIBC World Markets and neither of the CIBC Entities will engage in any hedging activity in connection with the conduct of the Program.
33. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the end of the Program Term, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) issue and file a press release that announces the completion of the Program and sets out the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares (the “**Completion Press Release**”).

34. The Issuer is of the view that: (a) it will be able to purchase Common Shares from CIBC World Markets at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions; and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes an appropriate use of the Issuer's funds.
35. The entering into of the Program Agreement, the purchase of Common Shares by CIBC World Markets in connection with the Program, and the sale of Inventory Shares by CIBC World Markets to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.
36. The sale of Inventory Shares to the Issuer by CIBC World Markets will not be a "distribution" (as defined in the Act).
37. The Issuer will be able to acquire the Inventory Shares from CIBC World Markets without the Issuer being subject to the dealer registration requirements of the Act.
38. At the time that the Issuer and the CIBC Entities enter into the Program Agreement, neither the Issuer, nor any member of the Equity Derivatives Trading Group of CIBC World Markets, nor any personnel of either of the CIBC Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").
39. Each of the CIBC Entities:
 - (a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and
 - (b) will, prior to entering into the Program Agreement: (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program and this Order; and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of, this Order.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from CIBC World Markets pursuant to the Program, provided that:

- (a) at least two clear Trading Days prior to the commencement of the Program, the Issuer issues and files the Commencement Press Release;
- (b) all purchases of Common Shares under the Program are made on Canadian Markets by CIBC World Markets, and are:
 - (i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 26 of this Order;
 - (ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;
 - (iii) marked with such designation as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and
 - (iv) monitored by the CIBC Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, NCIB Rules, and applicable securities law;
- (c) during the Program Term: (i) the Issuer does not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program) and (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker;

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- (d) the number of Inventory Shares transferred by CIBC World Markets to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by CIBC World Markets on Canadian Markets under the Program in respect of the Trading Day;
- (e) no hedging activity is engaged in by the CIBC Entities in connection with the conduct of the Program;
- (f) at the time that the Program Agreement is entered into by the Filers and CIBC:
 - (i) the Common Shares are “highly liquid securities”, as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and
 - (ii) none of the Issuer, any member of the Equity Derivatives Trading Group of CIBC World Markets, or any personnel of either of the CIBC Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;
- (g) no purchase instructions in respect of the Program are given by the Issuer to CIBC at any time that the Issuer is aware of Undisclosed Information;
- (h) no purchases of Common Shares under the Program will occur during a Blackout Period;
- (i) the CIBC Entities maintain records of all purchases of Common Shares that are made by CIBC World Markets pursuant to the Program, which will be available to the Commission and IIROC upon request; and
- (j) In addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the end of the Program Term, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) issue and file the Completion Press Release.

DATED at Toronto, Ontario, this 21st day of November, 2017.

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2.10 Magna International Inc. and National Bank of Canada – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – due to the discounted purchase price, the common shares cannot be acquired through the TSX trading system – but for the fact that the common shares cannot be acquired through the TSX trading system, the issuer could otherwise acquire such shares in accordance with TSX rules and in reliance upon the issuer bid exemption available under section 4.8 of NI 62-104 – the third party will purchase common shares under the program on the same basis as if the issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to, the issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

**IN THE MATTER OF
MAGNA INTERNATIONAL INC. AND
NATIONAL BANK OF CANADA**

ORDER

(Section 6.1 of National Instrument 62-104)

UPON the application (the “**Application**”) of Magna International Inc. (the “**Issuer**”) and National Bank of Canada (“**NBC**”, and together with the Issuer, the “**Filers**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 1,400,000 (the “**Program Maximum**”) of its common shares (the “**Common Shares**”) from NBC pursuant to a share repurchase program (the “**Program**”);

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

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 9 to 16, inclusive, 18 to 26, inclusive, 32, 34 to 36, inclusive, 38 and 39;

AND UPON NBC and National Bank Financial Inc. (“**NBF**” and together with NBC, the “**National Entities**”) having represented to the Commission the matters set out in paragraphs 5 to 9, inclusive, 15, 17 to 19, inclusive, 24, 25, 27 to 31, inclusive, 33, 37, 39 and 40 as they relate to the National Entities;

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).
2. The Issuer's registered and head office is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the “**Jurisdictions**”) and the Common Shares are listed for trading on the TSX and the New York Stock Exchange (“**NYSE**”) under the symbols “MG” and “MGA”, respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.

4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares and 99,760,000 preference shares (“**Preference Shares**”) issuable in series. As of October 31, 2017, 361,367,702 Common Shares and no Preference Shares were issued and outstanding.
5. NBC is a Schedule I bank governed by the *Bank Act* (Canada). The head office of NBC is located in Montreal, Quebec.
6. NBF is registered as an investment dealer under the securities legislation of each of the Jurisdictions. It is also registered as: (a) a futures commission merchant under the *Commodity Futures Act* (Ontario); (b) a derivatives dealer under the *Derivatives Act* (Quebec) and (c) a dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). NBF is a member of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and the Canadian Investor Protection Fund, a participating organization or member of the TSX and the TSX Venture Exchange, a dealer with the Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of NBF is located in Montreal, Quebec.
7. NBC does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.
8. NBC is the beneficial owner of at least 1,400,000 Common Shares, none of which were acquired by, or on behalf of, NBC in anticipation or contemplation of resale to the Issuer (such Common Shares over which NBC has beneficial ownership, the “**Inventory Shares**”). All of the Inventory Shares are held by NBC in the Province of Ontario and all purchases of Inventory Shares by the Issuer from NBC will be executed and settled in the Province of Ontario. No Common Shares were purchased by, or on behalf of, NBC on or after October 3, 2017, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by NBC to the Issuer.
9. NBC is at arm’s length to the Issuer and is not an “insider” of the Issuer, an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the “**Act**”). NBC is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
10. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the “**Notice**”), which was accepted by the TSX effective November 13, 2017, the Issuer is permitted to make a normal course issuer bid (“**NCIB**”) to purchase for cancellation, during the 12-month period beginning on November 15, 2017 and ending on November 14, 2018, up to 35,800,000 Common Shares, representing approximately 10% of the Issuer’s public float as of the date specified in the Notice. The Notice specifies that purchases under the NCIB will be conducted through the facilities of the TSX, the NYSE and alternative trading systems in Canada and/or the United States, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX Rules**”), a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.
11. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the “**Designated Exchange Exemption**”).
12. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the “**Other Published Markets**”) in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the “**Other Published Markets Exemption**”, and together with the Designated Exchange Exemption, the “**Exemptions**”).
13. Pursuant to the TSX Rules, the Issuer has appointed CIBC World Markets Inc. as its designated broker in respect of the NCIB (the “**Responsible Broker**”).
14. Subject to TSX approval, the Issuer may implement an automatic repurchase plan (an “**ARP**”) to permit the Issuer to make purchases under the NCIB at such times when the Issuer would not be permitted to trade in its securities, including regularly scheduled quarterly blackout periods and other internal blackout periods (each such time, a “**Blackout Period**”). No ARP has been implemented at this time and no ARP will be implemented or operative during the Program Term (as defined below).
15. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from NBC, and for NBC to sell to the Issuer, that number of Inventory Shares equal to the Program Maximum.
16. To the best of the Issuer’s knowledge, the “public float” (calculated in accordance with the TSX Rules) for the Common Shares as at October 31, 2017 consisted of 358,669,599 Common Shares. The Common Shares are “highly-liquid securities” as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (“**OSC Rule 48-501**”) and section 1.1 of the *Universal Market Integrity Rules* (“**UMIR**”).

17. Pursuant to the terms of the Program Agreement (as defined below), NBF has been retained by NBC to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a “**Canadian Other Published Market**” and collectively with the TSX, the “**Canadian Markets**”) under the Program. No Common Shares will be acquired under the Program on a market that is not a Canadian Market.
18. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the “**Program Agreement**”) that will be entered into among the Filers and NBF prior to the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.
19. The Program will commence on the Trading Day (as defined below) following completion or termination of the CIBC Program (as defined below) and will terminate on the earlier of: (a) December 29, 2017; and (b) the date on which the Issuer will have purchased the Program Maximum under the Program (the “**Program Term**”). Neither the Issuer nor any of the National Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law or announced change in law that would have adverse consequences to the transactions contemplated under the Program Agreement or to the Issuer or either of the National Entities.
20. Concurrently with the Application, the Issuer filed an additional application with the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,472,000 Common Shares (“**CIBC Program Maximum**”) from CIBC World Markets Inc. pursuant to a share repurchase program (the “**CIBC Program**”, and together with the Program, the “**Programs**”). The CIBC Program will begin on a date determined by the Issuer and will terminate on the earlier of: (a) December 29, 2017 and (b) the date on which the Issuer will have purchased the CIBC Program Maximum (the “**CIBC Program Term**”).
21. At least two clear Trading Days prior to the commencement of the CIBC Program, the Issuer will issue and file a press release that has been pre-cleared by the TSX that: (a) describes the material features of the Programs, including the Program Term and the CIBC Program Term; (b) discloses the Issuer’s intention to participate in the Programs during the NCIB; (c) states that it is the Issuer’s current intention to purchase the Program Maximum and the CIBC Program Maximum, but that the number of Common Shares purchased pursuant to the Programs may be less than the Program Maximum and the CIBC Program Maximum, respectively; (d) provides an explanation as to why less than the Program Maximum and the CIBC Program Maximum may be purchased; and (e) states that, immediately following the Program Term, the Issuer will issue and file the Completion Press Release (as defined below) (the “**Commencement Press Release**”).
22. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.
23. The TSX has: (a) been advised of the Issuer’s intention to enter into the Program; (b) been provided with a copy of the Program Agreement and a draft of the Commencement Press Release; and (c) confirmed that it has no objection to the Issuer conducting the Program as part of the NCIB.
24. The Program Term will not include a Blackout Period. In the event that a Blackout Period should arise during the Program Term, purchasing under the Program will cease immediately and will not recommence until following the expiration of the Blackout Period.
25. During the Program Term, NBF will purchase Common Shares on the applicable Trading Day in accordance with instructions received by NBF from the Issuer prior to the opening of trading on such day and which instructions will be the same instructions that the Issuer would have given to the Responsible Broker, as its designated broker in respect of the NCIB if the Issuer was conducting the NCIB, in reliance on the Exemptions.
26. The Issuer will not give purchase instructions in respect of the Program to NBF at any time that the Issuer is aware of Undisclosed Information (as defined below).
27. All Common Shares acquired for the purposes of the Program by NBF on a day during the Program Term on which Canadian Markets are open for trading (each, a “**Trading Day**”) must be acquired on Canadian Markets in accordance with the TSX Rules and any by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the “**NCIB Rules**”) that would be applicable to the Issuer in connection with the NCIB, provided that:
 - (a) the aggregate number of Common Shares to be acquired on Canadian Markets by NBF on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume of the

Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the “**Modified Maximum Daily Limit**”), it being understood that the aggregate number of Common Shares to be acquired on the TSX by NBF on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and

- (b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by NBF on any Canadian Markets pursuant to a pre-arranged trade.

28. The aggregate number of Common Shares acquired by NBF in connection with the Program:

- (a) shall not exceed the Program Maximum; and
- (b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.

29. On every Trading Day, NBF will purchase the Number of Common Shares. The “**Number of Common Shares**” will be no greater than the least of:

- (a) the maximum number of Common Shares established in the instructions received by NBF from the Issuer prior to the opening of trading on such day;
- (b) the Program Maximum less the aggregate number of Common Shares previously purchased by NBF under the Program;
- (c) on a Trading Day where trading ceases on the TSX or some other event that would impair NBF’s ability to acquire Common Shares on Canadian Markets occurs (a “**Market Disruption Event**”), the number of Common Shares acquired by NBF on such Trading Day up until the time of the Market Disruption Event; and
- (d) the Modified Maximum Daily Limit.

The “**Discounted Price**” per Common Share will be equal to: (a) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount; or (b) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

30. NBC will deliver to the Issuer that number of Inventory Shares equal to the number of Common Shares purchased by NBF on a Trading Day under the Program on the Trading Day immediately thereafter (or such other Trading Day as agreed to between the parties to the Program Agreement), and the Issuer will pay NBC a purchase price equal to the Discounted Price for each such Inventory Share on the date of delivery thereof. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.

31. NBC will not sell any Inventory Shares to the Issuer unless NBF has purchased the equivalent number of Common Shares on Canadian Markets under the Program. The number of Common Shares that are purchased by NBF on Canadian Markets under the Program on a Trading Day will be equal to the Number of Common Shares for such Trading Day. NBF will provide the Issuer with a daily written report of NBF’s purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired under the Program, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.

32. During the Program Term, the Issuer will: (a) not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program); and (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf.

33. All purchases of Common Shares under the Program will be made by NBF and neither of the National Entities will engage in any hedging activity in connection with the conduct of the Program.

34. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the end of the Program Term, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) issue and file a press release that announces the completion of the Program and sets out the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares (the “**Completion Press Release**”).

35. The Issuer is of the view that: (a) it will be able to purchase Common Shares from NBC at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions; and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes an appropriate use of the Issuer's funds.
36. The entering into of the Program Agreement, the purchase of Common Shares by NBF in connection with the Program, and the sale of Inventory Shares by NBC to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.
37. The sale of Inventory Shares to the Issuer by NBC will not be a "distribution" (as defined in the Act).
38. The Issuer will be able to acquire the Inventory Shares from NBC without the Issuer being subject to the dealer registration requirements of the Act.
39. At the time that the Issuer and the National Entities enter into the Program Agreement, neither the Issuer, nor any member of the trading products group of NBC, nor any personnel of either of the National Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").
40. Each of the National Entities:
 - (a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and
 - (b) will, prior to entering into the Program Agreement: (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program and this Order; and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of, this Order.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from NBC pursuant to the Program, provided that:

- (a) at least two clear Trading Days prior to the commencement of the CIBC Program, the Issuer issues and files the Commencement Press Release;
- (b) all purchases of Common Shares under the Program are made on Canadian Markets by NBF, and are:
 - (i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 27 of this Order;
 - (ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;
 - (iii) marked with such designation as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and
 - (iv) monitored by the National Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, NCIB Rules, and applicable securities law;
- (c) during the Program Term: (i) the Issuer does not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program) and (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker;

Decisions, Orders and Rulings

- (d) the number of Inventory Shares transferred by NBC to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by NBF on Canadian Markets under the Program in respect of the Trading Day;
- (e) no hedging activity is engaged in by the National Entities in connection with the conduct of the Program;
- (f) at the time that the Program Agreement is entered into by the Filers and NBF:
 - (i) the Common Shares are “highly liquid securities”, as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and
 - (ii) none of the Issuer, any member of the trading products group of NBC, or any personnel of either of the National Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;
- (g) no purchase instructions in respect of the Program are given by the Issuer to NBF at any time that the Issuer is aware of Undisclosed Information;
- (h) no purchases of Common Shares under the Program will occur during a Blackout Period;
- (i) the National Entities maintain records of all purchases of Common Shares that are made by NBF pursuant to the Program, which will be available to the Commission and IIROC upon request; and
- (j) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the end of the Program Term, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) issue and file the Completion Press Release.

DATED at Toronto, Ontario, this 21st day of November, 2017.

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2.11 Craft Oil Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of certain filing obligations as a reporting issuer under applicable securities laws – outstanding securities are beneficially owned, directly or indirectly by fewer than 15 securityholders in each jurisdiction and fewer than 51 securityholders worldwide – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: Re Craft Oil Ltd., 2017 ABASC 171

November 10, 2017

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
CRAFT OIL LTD.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon each jurisdiction of Canada, other than Alberta and Ontario, and

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act (Alberta)* (the **ABCA**) and is a reporting issuer in each jurisdiction of Canada.
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.
4. On March 20, 2017, the Filer completed a sale of all or substantially all of its assets to Cardinal Energy Ltd. (the **Cardinal Transaction**) in exchange for shares of Cardinal Energy Ltd. (the **Cardinal Shares**). The Cardinal Transaction was approved by 99.95% of the votes cast by Shareholders at a special meeting held on March 17, 2017.
5. Subsequent to the Cardinal Transaction, the Filer's only remaining assets were:
 - (a) the Cardinal Shares;
 - (b) shares of Point Loma Resources Ltd. (the **Point Loma Shares**) which were acquired pursuant to a purchase and sale agreement dated January 23, 2017 between the Filer and Point Loma Resources Ltd; and
 - (c) working capital surplus, including cash and cash-equivalent assets in the approximate amount of \$3.5 million and some equipment that was no longer being used for operations.
6. Pursuant to a statutory plan of arrangement under section 193 of the ABCA completed on June 6, 2017 (the **Arrangement**), all of the outstanding common shares of the Filer (the **Common Shares**) were acquired by Manito Energy Inc. (**Manitok**) in consideration for common shares of Manito Energy Inc.

7. On June 5, 2017, the Arrangement was approved by 99.84% of the votes cast by holders of the Common Shares (the **Shareholders**) at a special meeting of the Shareholders, as well as 99.80% of the votes cast by Shareholders after excluding the votes required by Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. The Arrangement was approved by the Court of Queen's Bench of Alberta on June 6, 2017.
8. Pursuant to the Arrangement, the Point Loma Shares and the Cardinal Shares were distributed to the Shareholders.
9. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
10. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
11. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
12. The Filer has no current intention to distribute any securities by way of a public or private offering of securities in Canada.
13. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for the obligation to file its annual financial statements and management's discussion and analysis for the period ended December 31, 2016 as required under National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)*, the related certificates of such annual statements for the year ended December 31, 2016 as required under National Instrument 52-109 *Certification of Disclosure (NI 52-109)*, a statement of reserves data and other oil and gas information for the year ended December 31, 2016 as required under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities (NI 51-101)*, a report of an independent qualified reserves evaluator for the year ended December 31, 2016 as required under NI 51-101, a report of management and directors for the year ended December 31, 2016 as required under NI 51-101, its interim financial report and management's discussion and analysis for the periods ended March 31, 2017 and June 31, 2017 as required under NI 51-102 (the **Interim Statements**) and the related certificates of such Interim Statements as required under NI 52-109 (collectively, the **Defaults**).

14. The Filer is unable to rely on the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because of the Defaults.
15. The Filer, upon grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.

Decision

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance
Alberta Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.2 Director's Decisions

3.2.1 Bonwick Capital Partners, LLC

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

AND

**IN THE MATTER OF
THE REGISTRATION OF
BONWICK CAPITAL PARTNERS, LLC**

1. Bonwick Capital Partners, LLC (**Bonwick**) has been registered as a dealer in the category of exempt market dealer since April 8, 2016.
2. Bonwick's head office is located in New York, NY and its principal regulator is the *Autorité des Marchés Financiers (AMF)* in Québec.
3. Bonwick failed to comply with the requirements in s. 12.12 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* to deliver audited annual financial statements and a completed Form 31-103F1 *Calculation of Excess Working Capital* (collectively, the **Financial Information**) to the AMF. Pursuant to NI 31-103, the Financial Information was required to be delivered by March 31, 2017.
4. Bonwick was formerly a member of the Financial Industry Regulatory Authority (**FINRA**) in the United States. On July 13, 2016, FINRA suspended Bonwick's membership for failing to file its 2015 Audit Report in a timely manner. Although the suspension was lifted in October 2016, Bonwick's membership was suspended again on December 12, 2016 for failure to pay outstanding fees.
5. Bonwick's membership was finally cancelled by FINRA on February 7, 2017 for failure to pay outstanding fees, and Bonwick was further sanctioned in June 2017 for having operated with a net capital deficiency and for violating net capital books and records requirements.
6. In addition to failing to comply with its obligation to deliver the Financial Information to the AMF, Bonwick failed to pay its annual fees to the AMF for 2016.
7. Ontario Securities Commission (**OSC**) staff assessed a \$900 late fee on May 9, 2017 for filing its 2016 Form 13-502F4 *Capital Markets Participation Fee Calculation* after the prescribed deadline. This late fee remains unpaid.
8. On November 6, 2017, OSC staff sent a letter (the **Letter**) to Devin Wicker, the ultimate designated person and chief compliance officer of Bonwick, informing him that OSC staff were recommending to the Director that Bonwick's registration under the *Securities Act* (Ontario) (the **Act**) be suspended pursuant to section 28 of that statute on the grounds that OSC staff had concerns with Bonwick's integrity, proficiency and solvency, that Bonwick had failed to comply with Ontario securities law, and that its ongoing registration would be objectionable. The Letter also informed Bonwick of its right to request an opportunity to be heard under section 31 of the Act if it wished to oppose Staff's recommendation that its registration be suspended.
9. On November 20, 2017, the AMF suspended Bonwick's registration pursuant to subsection 10.1(2) of NI 31-103 for failing to pay its annual fees required under section 271.5 of the Québec Securities Regulation.
10. Bonwick did not exercise its right to be heard, and did not otherwise respond to the Letter in any way.
11. By failing to pay its late fees to the OSC, Bonwick has failed to comply with Ontario securities law. Moreover, because the AMF, Bonwick's principal regulator, has suspended its registration for failing to pay its fees, Bonwick's ongoing registration under the Act would be objectionable.

12. For these reasons, my decision is to suspend Bonwick's registration under the Act, effective immediately.

"November 27, 2017"

"Debra Foubert"

Director

Compliance and Registrant Regulation

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK				

Failure to File Cease Trade Orders

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

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Canada House Wellness Group Inc.	13 September 2017	22 November 2017

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	
Canada House Wellness Group Inc.	13 September 2017	22 November 2017

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Chapter 5

Rules and Policies

5.1.1 Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

AMENDMENTS TO NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

The amendments set out in sections 9, 11, 12, 13, 15(a) and 24 of this Amending Instrument are not being made in certain CSA jurisdictions because these amendments have already been adopted in those jurisdictions by means of other instruments. This will be reflected in the version of this Amending Instrument that is adopted in those jurisdictions.

1. ***National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.***
2. ***Section 1.1 is amended by adding the following definitions:***

“Canadian custodian” means any of the following:

- (a) a bank listed in Schedule I, II or III of the *Bank Act* (Canada);
- (b) a trust company that is incorporated under the laws of Canada or a jurisdiction of Canada and licensed or registered under the laws of Canada or a jurisdiction of Canada, and that has equity, as reported in its most recent audited financial statements, of not less than \$10,000,000;
- (c) a company that is incorporated under the laws of Canada or a jurisdiction of Canada, and that is an affiliate of a bank or trust company referred to in paragraph (a) or (b), if either of the following applies:
 - (i) the company has equity, as reported in its most recent audited financial statements, of not less than \$10,000,000;
 - (ii) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for the cash and securities the company holds for a client or investment fund;
- (d) an investment dealer that is a member of IIROC and that is permitted under the rules of IIROC, as amended from time to time, to hold the cash and securities of a client or investment fund;

“foreign custodian” means any of the following:

- (a) an entity that
 - (i) is incorporated or organized under the laws of a country, or a political subdivision of a country, other than Canada,
 - (ii) is regulated as a banking institution or trust company by the government, or an agency of the government, of the country under the laws of which it is incorporated or organized, or a political subdivision of that country, and
 - (iii) has equity, as reported in its most recent audited financial statements, of not less than the equivalent of \$100,000,000;
- (b) an affiliate of an entity referred to in paragraph (a), (b) or (c) of the definition of “Canadian custodian”, or paragraph (a) of this definition, if either of the following applies:
 - (i) the affiliate has equity, as reported in its most recent audited financial statements, of not less than the equivalent of \$100,000,000;

- (ii) the entity referred to in paragraph (a), (b) or (c) of the definition of “Canadian custodian”, or paragraph (a) of this definition, has assumed responsibility for all of the custodial obligations of the affiliate for the cash and securities the affiliate holds for a client or investment fund;

“qualified custodian” means a Canadian custodian or a foreign custodian;.

3. Section 1.2 is replaced with the following:

1.2 Interpretation of “securities” in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan

- (1) Subject to sections 8.2 and 8.26, in British Columbia, a reference to “securities” in this Instrument includes “exchange contracts”, unless the context otherwise requires.
- (2) Subject to sections 8.2 and 8.26, in Alberta, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this Instrument includes “derivatives”, unless the context otherwise requires..

4. Subsections 1.2(1) and (2), as amended by section 3 of this Instrument, are amended by replacing “8.2 and 8.26” with “8.2, 8.26 and 14.5.1”.

5. Section 3.16 is amended

- (a) *in subsections (1) and (1.1) by adding “an investment dealer that is” after “a dealing representative of”, and*
- (b) *in subsections (2) and (2.1) by adding “a mutual fund dealer that is” after “a dealing representative of”.*

6. Section 7.1 is amended

- (a) *in subparagraph (2) (d) (i) by deleting “whether or not a prospectus was filed in respect of the distribution,”,*
- (b) *by replacing subparagraph (2) (d) (ii) with the following:*
 - (ii) act as a dealer by trading a security if all of the following apply:
 - (A) the trade is not a distribution;
 - (B) an exemption from the prospectus requirement would be available to the seller if the trade were a distribution;
 - (C) the class of security is not listed, quoted or traded on a marketplace, or , **and**
- (c) *by repealing subsection (5).*

7. Section 8.2 is replaced with the following:

8.2 Definition of “securities” in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan

Despite section 1.2, in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this Division excludes “exchange contracts”..

8. Subsection 8.6 (1) is amended

- (a) *by replacing “both of the following apply” with “all of the following apply”,*
- (b) *by replacing paragraph (a) with the following:*
 - (a) the adviser or an affiliate of the adviser acts as the fund’s adviser;, **and**
- (c) *by adding the following paragraph:*
 - (a.1) the adviser or an affiliate of the adviser acts as the fund’s investment fund manager;.

9. **Subsection 8.12(3) is amended by adding “New Brunswick,” after “Manitoba,”.**

10. **Paragraph 8.18(2) (b) is replaced with the following:**

- (b) a trade in a debt security with a permitted client if the debt security
 - (i) is denominated in a currency other than the Canadian dollar, or
 - (ii) is or was originally offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution;.

11. **The heading to section 8.20 is amended by adding “, Nova Scotia” after “New Brunswick”.**

12. **Subsection 8.20(1) is amended by adding “, Nova Scotia” after “New Brunswick”.**

13. **Section 8.20.1 is replaced with the following:**

8.20.1 Exchange contract trades through or to a registered dealer – Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan

In Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, the dealer registration requirement does not apply to a registered adviser, or an advising representative or associate advising representative acting on behalf of the registered adviser, in respect of trading activities related to exchange contracts that are incidental to its providing advice to a client, if the trade is made through a dealer registered in a category that permits the trade or a dealer operating under an exemption from the dealer registration requirement..

14. **Section 8.24 is amended by adding “is an investment dealer that” after “account if the registered dealer”.**

15. **Section 8.26 is amended**

(a) **in subsection (1) by adding “, Nova Scotia” after “New Brunswick”, and**

(b) **by replacing subsection (3) with the following:**

- (3) The adviser registration requirement does not apply to a person or company if either of the following applies:
 - (a) the person or company provides advice on a foreign security to a permitted client that is not registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
 - (b) the person or company provides advice on a security that is not a foreign security and the advice is incidental to the advice referred to in paragraph (a)..

16. **Subsection 9.3 (1) is amended**

(a) **by replacing “a registered firm” with “an investment dealer”,**

(b) **by replacing paragraph (m) with the following:**

- (m) subsections 14.2(2) to (6) [*relationship disclosure information*];,

(c) **by adding the following paragraph:**

- (m.1) section 14.2.1 [*pre-trade disclosure of charges*];,

(d) **by adding the following paragraphs:**

- (m.2) section 14.5.2 [*restriction on self-custody and qualified custodian requirement*];
- (m.3) section 14.5.3 [*cash and securities held by a qualified custodian*];,

- (e) **by replacing paragraph (n) with the following:**
 - (n) section 14.6 [client and investment fund assets held by a registered firm in trust];,
- (f) **by adding the following paragraphs:**
 - (n.1) section 14.6.1 [custodial provisions relating to certain margin or security interests];
 - (n.2) section 14.6.2 [custodial provisions relating to short sales];,
- (g) **by repealing paragraphs (o) and (p),**
- (h) **by adding the following paragraph:**
 - (p.1) section 14.11.1 [determining market value];,
- (i) **in paragraph (q) by replacing “[content and delivery of trade confirmation].” with “[content and delivery of trade confirmation];” ,and**
- (j) **by adding the following paragraphs:**
 - (r) section 14.14 [account statements];
 - (s) section 14.14.1 [additional statements];
 - (t) section 14.14.2 [security position cost information];
 - (u) section 14.17 [report on charges and other compensation];
 - (v) section 14.18 [investment performance report];
 - (w) section 14.19 [content of investment performance report];
 - (x) section 14.20 [delivery of report on charges and other compensation and investment performance report];.

17. **Subsection 9.3 (1.1) is amended by replacing “(q)” with “(x)”.**

18. **Subsection 9.3 (2) is amended**

- (a) **by replacing “a registered firm” with “an investment dealer”,**
- (b) **by replacing paragraph (i) with the following:**
 - (i) subsections 14.2(2) to (6) [relationship disclosure information];,
- (c) **by adding the following paragraph:**
 - (i.1) section 14.2.1 [pre-trade disclosure of charges];,
- (d) **by adding the following paragraphs:**
 - (i.2) section 14.5.2 [restriction on self-custody and qualified custodian requirement];
 - (i.3) section 14.5.3 [cash and securities held by a qualified custodian];,
- (e) **by replacing paragraph (j) with the following:**
 - (j) section 14.6 [client and investment fund assets held by a registered firm in trust];,
- (f) **by adding the following paragraphs:**
 - (j.1) section 14.6.1 [custodial provisions relating to certain margin or security interests];

(j.2) section 14.6.2 [*custodial provisions relating to short sales*];,

(g) by repealing paragraphs (k) and (l),

(h) by adding the following paragraph:

(l.1) section 14.11.1 [*determining market value*];,

(i) in paragraph (m) by replacing “[content and delivery of trade confirmation].” with “[content and delivery of trade confirmation];”, and

(j) by adding the following paragraphs:

(n) section 14.17 [*report on charges and other compensation*];

(o) section 14.18 [*investment performance report*];

(p) section 14.19 [*content of investment performance report*];

(q) section 14.20 [*delivery of report on charges and other compensation and investment performance report*];.

19. Subsection 9.3 (2.1) is amended by replacing “(m)” with “(q)”.

20. Section 9.4 (1) is amended

(a) by replacing “a registered firm” with “a mutual fund dealer”,

(b) by replacing paragraph (m) with the following:

(m) subsections 14.2(2), (3) and (5.1) [*relationship disclosure information*];,

(c) by adding the following paragraph:

(m.1) section 14.2.1 [*pre-trade disclosure of charges*];,

(d) by adding the following paragraphs:

(m.2) section 14.5.2 [*restriction on self-custody and qualified custodian requirement*];

(m.3) section 14.5.3 [*cash and securities held by a qualified custodian*];,

(e) by replacing paragraph (n) with the following:

(n) section 14.6 [*client and investment fund assets held by a registered firm in trust*];,

(f) by adding the following paragraphs:

(n.1) section 14.6.1 [*custodial provisions relating to certain margin or security interests*];

(n.2) section 14.6.2 [*custodial provisions relating to short sales*];,

(g) by repealing paragraphs (o) and (p),

(h) by adding the following paragraph:

(p.1) section 14.11.1 [*determining market value*];,

(i) in paragraph (q) by replacing “[content and delivery of trade confirmation].” with “[content and delivery of trade confirmation];”, and

- (j) **by adding the following paragraphs:**
 - (r) section 14.14 [*account statements*];
 - (s) section 14.14.1 [*additional statements*];
 - (t) section 14.14.2 [*security position cost information*];
 - (u) section 14.17 [*report on charges and other compensation*];
 - (v) section 14.18 [*investment performance report*];
 - (w) section 14.19 [*content of investment performance report*];
 - (x) section 14.20 [*delivery of report on charges and other compensation and investment performance report*].

21. **Subsection 9.4 (1.1) is amended by replacing “(q)” with “(x)”.**

22. **Subsection 9.4 (2) is amended**

- (a) **by adding** “is a mutual fund dealer that” **after** “If a registered firm”,
- (b) **by replacing paragraph (g) with the following:**
 - (g) subsections 14.2(2), (3) and (5.1) [*relationship disclosure information*];,
- (c) **by adding the following paragraph:**
 - (g.1) section 14.2.1 [*pre-trade disclosure of charges*];,
- (d) **by adding the following paragraphs:**
 - (g.2) section 14.5.2 [*restriction on self-custody and qualified custodian requirement*];
 - (g.3) section 14.5.3 [*cash and securities held by a qualified custodian*];,
- (e) **by replacing paragraph (h) with the following:**
 - (h) section 14.6 [*client and investment fund assets held by a registered firm in trust*];,
- (f) **by adding the following paragraphs:**
 - (h.1) section 14.6.1 [*custodial provisions relating to certain margin or security interests*];
 - (h.2) section 14.6.2 [*custodial provisions relating to short sales*];,
- (g) **by repealing paragraphs (i) and (j),**
- (h) **by adding the following paragraph:**
 - (j.1) section 14.11.1 [*determining market value*];,
- (i) **in paragraph (k) by replacing** “[*content and delivery of trade confirmation*].” **with** “[*content and delivery of trade confirmation*].”, **and**
- (j) **by adding the following paragraphs:**
 - (l) section 14.17 [*report on charges and other compensation*];
 - (m) section 14.18 [*investment performance report*];
 - (n) section 14.19 [*content of investment performance report*];

- (o) section 14.20 [*delivery of report on charges and other compensation and investment performance report*].

23. Section 9.4 is amended

- (a) in subsection (2.1) by replacing “(k)” with “(o)”, and
- (b) in subsection (4) by replacing “subsection (1)” with “subsection (1), other than paragraph (1)(h),”.

24. Paragraph 10.1 (1) (a) is replaced with the following:

- (a) in Alberta, the fees required under section 5 of ASC Rule 13-501 *Fees*.

25. Subsection 12.1 (5) is amended by replacing “a registered firm” with “an investment dealer”.

26. Section 12.12 is amended

- (a) in subsection (2.1) by adding “is a mutual fund dealer that” after “if a registered firm”, and
- (b) by adding the following subsections:
 - (4) Despite paragraph (1)(b), in Québec, a firm registered only in that jurisdiction and only in the category of mutual fund dealer may deliver to the securities regulatory authority, no later than the 90th day after the end of its financial year, the *Monthly Report on Net Free Capital* provided in Appendix I of the *Regulation respecting the trust accounts and financial resources of securities firms*, as that Appendix read on September 27, 2009, that shows the calculation of the firm’s net free capital as at the end of its financial year and as at the end of the immediately preceding financial year, if any.
 - (5) Despite paragraph (2)(b), in Québec, a firm registered only in that jurisdiction and only in the category of mutual fund dealer may deliver to the securities regulatory authority, no later than the 30th day after the end of the first, second and third interim period of its financial year, the *Monthly Report on Net Free Capital* provided in Appendix I of the *Regulation respecting the trust accounts and financial resources of securities firms*, as that Appendix read on September 27, 2009, that shows the calculation of the firm’s net free capital as at the end of the interim period and as at the end of the immediately preceding interim period, if any.

27. Section 12.14 is amended

- (a) in subsection (4) by adding “is an investment dealer that” after “if a registered firm”, and
- (b) in subsection (5) by adding “is a mutual fund dealer that” after “if a registered firm”.

28. Subsection 13.17 (1) is amended

- (a) in paragraph (f) by replacing “[account statements].” with “[account statements];”, and
- (b) by adding the following paragraphs:
 - (g) section 14.14.1 [*additional statements*];
 - (h) section 14.14.2 [*security position cost information*];
 - (i) section 14.17 [*report on charges and other compensation*];
 - (j) section 14.18 [*investment performance report*].

29. Section 14.1 is amended by replacing “section 14.1.1, section 14.6,” with “sections 14.1.1, 14.5.1, 14.5.2, 14.5.3, 14.6, 14.6.1 and 14.6.2,”.

30. Section 14.1.1 is replaced with the following:

14.1.1 Duty to provide information

A registered investment fund manager of an investment fund must, within a reasonable period of time, provide a registered dealer or a registered adviser that has a client that owns securities of the investment fund with the information that is required by the dealer or adviser in order for the dealer or adviser to comply with paragraph 14.12(1)(c), subsections 14.14(4) and (5), 14.14.1(2) and 14.14.2(1) and paragraph 14.17(1)(h)..

31. Subsection 14.2 (2) is amended

(a) by adding “to a client” after “the information delivered”, and

(b) by adding the following paragraphs:

- (a.1) in the case of a registered firm that holds the client’s assets, or directs or arranges which custodian will hold the client’s assets, disclosure of the location where, and a general description of the manner in which, the client’s assets are held, and a description of the risks and benefits to the client arising from the assets being held at that location and in that manner;
- (a.2) in the case of a registered firm that has access to the client’s assets
 - (i) disclosure of the location where, and a general description of the manner in which, the client’s assets are held, and a description of the risks and benefits to the client arising from the assets being held in that location and in that manner, and
 - (ii) a description of the manner in which the client’s assets are accessible by the registered firm, and a description of the risks and benefits to the client arising from having access to the assets in that manner;.

32. The title of Division 3 of Part 14 is amended by adding “and investment fund assets” after “Client assets”.

33. Division 3 of Part 14 is amended by adding the following sections:

14.5.1 Definition of “securities” in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan

Despite section 1.2, in Alberta, British Columbia, New Brunswick, Nova Scotia and Saskatchewan, a reference to “securities” in this Division excludes “exchange contracts”..

14.5.2 Restriction on self-custody and qualified custodian requirement

- (1) A registered firm must not be a custodian or sub-custodian for a client of the firm or for an investment fund in respect of the client’s or investment fund’s cash or securities unless the registered firm
 - (a) is a Canadian custodian under paragraph (a), (b) or (d) of the definition of “Canadian custodian”, and
 - (b) has established and maintains a system of controls and supervision that a reasonable person would conclude is sufficient to manage the risks to the client or investment fund associated with the custody of the client’s or investment fund’s cash or securities.
- (2) A registered firm must ensure that any custodian for a client of the firm or for an investment fund managed by the firm in respect of the client’s or investment fund’s cash or securities is a Canadian custodian if the firm
 - (a) directs or arranges which custodian will hold the cash or securities of the client or investment fund, or
 - (b) holds or has access to the cash or securities of the client or investment fund.
- (3) Despite the requirement to use a Canadian custodian in subsection (2), a foreign custodian may be a custodian of the cash or securities of the client or investment fund if a reasonable person would conclude, considering all of the relevant circumstances, including, for greater certainty, the nature of the regulation and the sufficiency of the equity of the foreign custodian, that using the foreign custodian is more beneficial to the client or investment fund than using a Canadian custodian.

- (4) Despite the requirement to use a Canadian custodian in subsection (2), a Canadian financial institution may be a custodian of the cash of the client or investment fund.
- (5) For the purposes of subsections (2) and (3), the registered firm must ensure that the qualified custodian is functionally independent of the registered firm unless
 - (a) the qualified custodian is a Canadian custodian under paragraph (a), (b) or (d) of the definition of “Canadian custodian”, and
 - (b) the registered firm ensures that the qualified custodian has established and maintains a system of controls and supervision that a reasonable person would conclude is sufficient to manage the risks to the client or investment fund associated with the custody of the client’s or investment fund’s cash or securities.
- (6) For the purpose of subsection (4), the registered firm must ensure that the Canadian financial institution is functionally independent of the registered firm.
- (7) This section does not apply to a registered firm in respect of any of the following:
 - (a) an investment fund that is subject to National Instrument 81-102 *Investment Funds*;
 - (b) an investment fund that is subject to National Instrument 41-101 *General Prospectus Requirements*;
 - (c) a security that is recorded on the books of the security’s issuer, or the transfer agent of the security’s issuer, only in the name of the client or investment fund;
 - (d) cash or securities of a permitted client, if the permitted client
 - (i) is not an individual or an investment fund, and
 - (ii) has acknowledged in writing that the permitted client is aware that the requirements in this section that would otherwise apply to the registered firm do not apply;
 - (e) customer collateral subject to custodial requirements under National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions*;
 - (f) a security that evidences a debt obligation secured by a mortgage registered or published against the title of real estate if
 - (i) the mortgage is registered or published in the name of the client or investment fund as mortgagee, or
 - (ii) in the case of a syndicated mortgage, the mortgage is registered or published in the name of either of the following as mortgagee:
 - (A) a person or company that is registered or licensed under mortgage brokerage, mortgage administrators or mortgage dealer legislation of a jurisdiction of Canada if that mortgage is held in trust for the client or investment fund, as applicable;
 - (B) each investor that is a mortgagee in respect of that mortgage.

14.5.3 Cash and securities held by a qualified custodian

A registered firm that is subject to subsection 14.5.2(2), (3) or (4) must take reasonable steps to ensure that cash and securities of a client or an investment fund,

- (a) except as provided in paragraphs (b) and (c), are held by the qualified custodian or, in respect of cash, the Canadian financial institution using an account number or other designation in the records of the qualified custodian or the Canadian financial institution, as applicable, sufficient to show that the beneficial ownership of the cash or securities of the client or investment fund is vested in that client or investment fund,

- (b) in the case of cash held in an account in the name of the registered firm, is held separate and apart from the registered firm's own property and held by the qualified custodian, or the Canadian financial institution, in a designated trust account in trust for clients or investment funds, or
- (c) in the case of cash or securities held for the purpose of bulk trading, are held in the name of the registered firm in trust for its clients or investment funds if the cash or securities are transferred to the client's or investment fund's account held by that client's or investment fund's qualified custodian or, in respect of cash, Canadian financial institution as soon as possible following a trade..

34. Section 14.6 is replaced with the following:

14.6 Client and investment fund assets held by a registered firm in trust

- (1) If a registered firm holds client assets or investment fund assets other than cash or securities, or if a registered firm holds cash or securities of a client or an investment fund as permitted by section 14.5.2, the registered firm must hold the assets
 - (a) separate and apart from its own property,
 - (b) in trust for the client or investment fund, and
 - (c) in the case of cash, in a designated trust account with a Canadian custodian or Canadian financial institution.
- (2) Despite paragraph (1)(c), a foreign custodian may be a custodian for the cash of the client or investment fund if a reasonable person would conclude, considering all of the relevant circumstances, including, for greater certainty, the nature of the regulation and the sufficiency of the equity of the foreign custodian, that using the foreign custodian is more beneficial to the client or investment fund than using a Canadian custodian or a Canadian financial institution.

14.6.1 Custodial provisions relating to certain margin or security interests

- (1) In this section, "clearing corporation option", "futures exchange", "option on futures", "specified derivative" and "standardized future" have the same meaning as in section 1.1 of National Instrument 81-102 *Investment Funds*.
- (2) Subsection 14.5.2(2) does not apply to a registered firm in respect of cash or securities of a client or investment fund deposited with a dealer as margin for transactions outside of Canada involving clearing corporation options, options on futures or standardized futures if
 - (a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit,
 - (b) the dealer has a net worth, determined from its most recent audited financial statements, in excess of \$50 million, and
 - (c) a reasonable person would conclude that using the dealer is more beneficial to the client or investment fund than using a Canadian custodian.
- (3) Subsection 14.5.2(2) does not apply to a registered firm in respect of cash or securities of a client or investment fund deposited with the client's or investment fund's counterparty over which the client or investment fund has granted a security interest in connection with a particular specified derivatives transaction.
- (4) The registered firm must take reasonable steps to ensure that any agreement by which cash or securities of a client or investment fund are deposited in accordance with subsection (2) or (3) requires the person or company holding the cash or securities to ensure that its records show that the client or investment fund is the beneficial owner of the cash or securities.

14.6.2 Custodial provisions relating to short sales

Subsection 14.5.2(2) does not apply to a registered firm in respect of cash or securities of a client or investment fund deposited as security in connection with a short sale of securities with a dealer outside of Canada if

- (a) the dealer is a member of a stock exchange and is subject to a regulatory audit,
- (b) the dealer has a net worth, determined from its most recent audited financial statements, in excess of \$50 million, and
- (c) a reasonable person would conclude that using the dealer is more beneficial to the client or investment fund than using a Canadian custodian..

35. **Section 14.7 is repealed.**

36. **Section 14.8 is repealed.**

37. **Section 14.9 is repealed.**

38. **Subsection 14.11.1(2) is amended by replacing “14.14.2 [position cost information]” with “14.14.2 [security position cost information]”.**

39. **Subsection 14.11.1(3) is replaced with the following:**

- (3) If a registered firm reasonably believes that it cannot determine the market value of a security in accordance with subsection (1), the market value of the security must be reported in a statement delivered under section 14.14 [account statements], 14.14.1 [additional statements], 14.14.2 [security position cost information], 14.15 [security holder statements] or 14.16 [scholarship plan dealer statements] as not determinable, and the market value of the security must be excluded from the total market value referred to in paragraphs 14.14(5)(e), 14.14.1(2)(e) and 14.14.2(5)(c)..

40. **Section 14.12 is amended by adding the following subsection:**

- (7) In Newfoundland and Labrador, Ontario and Saskatchewan, a registered dealer that complies with the requirements of this section in respect of a purchase or sale of a security is not subject to any of subsections 37(1), (2) or (3) of the *Securities Act* (Newfoundland and Labrador), subsection 36(1) of the *Securities Act* (Ontario) and subsection 42(1) of *The Securities Act, 1988* (Saskatchewan)..

41. **Section 14.14 is amended**

- (a) **in paragraph (4) (d) by adding “purchased, sold or transferred” after “the number of securities”, and**
- (b) **in paragraph (5) (f) by replacing “covered” with “eligible for coverage”.**

42. **Section 14.14.1 is amended**

- (a) **in paragraph (2) (f) by replacing “the name” with “disclosure in respect”,**
- (b) **in paragraph (2) (g) by replacing “securities are covered” with “securities are, or the account is, eligible for coverage”, and by deleting “and, if they are, the name of the fund”, and**
- (c) **by adding the following subsection:**
 - (2.1) Paragraph (2)(g) does not apply if the party referred to in paragraph (2)(f) is required under section 14.14, or under an IIROC provision or MFDA provision, to deliver a statement to the client in respect of the securities or the account referred to in subsection (1) of this section..

43. **The heading to section 14.14.2 is amended by replacing “Position cost information” with “Security position cost information”.**

44. Section 14.14.2 is amended

(a) by replacing paragraphs (2) (a) and (b) with the following:

- (a) for each security position, in the statement, opened on or after July 15, 2015, presented on an average cost per unit or share basis or an aggregate basis,
 - (i) the cost of the security position, determined as at the end of the period for which the information referred to in subsection 14.14(5) or 14.14.1(2) is provided, or
 - (ii) if the security position was transferred from another registered firm, the information referred to in subparagraph (i) or the market value of the security position as at the date of the transfer of the security position;
- (b) for each security position, in the statement, opened before July 15, 2015, presented on an average cost per unit or share basis or an aggregate basis,
 - (i) the cost of the security position, determined as at the end of the period for which the information referred to in subsection 14.14(5) or 14.14.1(2) is provided, or
 - (ii) the market value of the security position on
 - (A) December 31, 2015, or
 - (B) a date that is earlier than December 31, 2015 if the registered firm reasonably believes accurate, recorded historical position cost information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date; **and**

(b) by adding the following subsection:

- (2.1) If a registered firm reports one or more security positions of a client using the market value determined as at the date referred to in subparagraph (2)(a)(ii) or (2)(b)(ii), the firm must disclose in the statement that it is providing the market value of the security position as at the relevant date, instead of the cost of the security position..

45. Paragraph 14.15(c) and section 14.16 are amended by replacing "14.14.2 [position cost information]" with "14.14.2 [security position cost information]"

46. Subsection 14.18 (6) is replaced with the following:

- (6) Despite subsection (1), a registered firm is not required to deliver a report to a client for a 12-month period referred to in that subsection if the firm reasonably believes
 - (a) there are no securities of the client with respect to which information is required to be reported under subsection 14.14(5) [account statements] or subsection 14.14.1(1) [additional statements], or
 - (b) no market value can be determined for any securities of the client in respect to which information is required to be reported under subsection 14.14(5) or 14.14.1(1)..

47. Section 14.19 is amended:

(a) by replacing paragraph (1) (d) with the following:

- (d) the market values determined under subsection (1.1);

(b) by repealing paragraph (1)(e),

(c) in paragraph (1)(g) by replacing "paragraph (h)" with "subsection (1.2)",

(d) by repealing paragraph (1)(h),

(e) **by adding the following subsections:**

- (1.1) For the purposes of paragraph (1)(d), the investment performance report must include the following, as applicable:
- (a) if the client's account was opened on or after July 15, 2015, the market value of all deposits and transfers of cash and securities into the client's account, and the market value of all withdrawals and transfers of cash and securities out of the account, since opening the account;
 - (b) if the client's account was opened before July 15, 2015, and the firm has not delivered an investment performance report for the 12-month period ending December 31, 2016,
 - (i) the market value of all cash and securities in the client's account as at
 - (A) July 15, 2015, or
 - (B) a date that is earlier than July 15, 2015 if the registered firm reasonably believes accurate, recorded historical market value information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date, and
 - (ii) the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, since the date referred to in clause (i)(A) or (B), as applicable;
 - (c) if the client's account was opened before July 15, 2015, and the firm delivered an investment performance report for the 12-month period ending December 31, 2016,
 - (i) the market value of all cash and securities in the client's account as at
 - (A) January 1, 2016, or
 - (B) a date that is earlier than January 1, 2016 if the registered firm reasonably believes accurate, recorded historical market value information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date, and
 - (ii) the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, since the date referred to in clause (i)(A) or (B), as applicable.
- (1.2) Paragraph (1)(g) does not apply if the client's account was opened before July 15, 2015 and the registered firm includes in the investment performance report the cumulative change in the market value of the account determined using the following formula, instead of the formula in paragraph (g):

$$A - G - H + I$$

where

- A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;
- G = the market value of all cash and securities in the account determined as follows:
 - (a) if the firm has not delivered an investment performance report for the 12-month period ending December 31, 2016, the market value of all cash and securities in the client's account as at
 - (i) July 15, 2015, or
 - (ii) a date that is earlier than July 15, 2015 if the registered firm reasonably believes accurate, recorded historical market value

information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date,

- (b) if the firm has delivered an investment performance report for the 12-month period ending December 31, 2016, the market value of all cash and securities in the client's account as at
 - (i) January 1, 2016, or
 - (ii) a date that is earlier than January 1, 2016 if the registered firm reasonably believes accurate, recorded historical market value information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date;

H = the market value of all deposits and transfers of cash and securities into the account since the date used for the purposes of the definition of "G"; and

I = the market value of all withdrawals and transfers of cash and securities out of the account since the date used for the purposes of the definition of "G".

(f) by replacing paragraph (2) (e) with the following:

- (e) subject to subsection (3.1), the period since the client's account was opened if the account has been open for more than one year before the date of the report or, if the account was opened before July 15, 2015, the period since
 - (i) July 15, 2015, or
 - (ii) a date that is earlier than July 15, 2015 if the registered firm reasonably believes accurate, recorded annualized total percentage return information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date., **and**

(g) by adding the following subsection:

- (3.1) Paragraph (2)(e) does not apply to a registered firm that delivered an investment performance report for the 12-month period ending December 31, 2016 if the firm provides, in the report, the annualized total percentage return information referred to in that paragraph for the period since
 - (a) January 1, 2016, or
 - (b) a date that is earlier than January 1, 2016 if the registered firm reasonably believes accurate, recorded annualized total percentage return information is available for the client's account, and it would not be misleading to the client to provide that information as at the earlier date..

48. Subsection 15.1 (3) is amended by adding "Alberta and" after "Except in".

49. Form 31-103F1 Calculation of Excess Working Capital is amended

- (a) **in the column entitled "Component" in Line 10 of the table by adding** "or, in Québec, for a firm registered only in that jurisdiction and solely in the category of mutual fund dealer, less the deductible under the liability insurance required under section 193 of the Québec Securities Regulation" **after** "National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations",
- (b) **in subparagraph (a)(i) of Schedule 1 by replacing** "Aaa or AAA by Moody's Canada Inc. or its DRO affiliate or Standard & Poor's Rating Services (Canada) or its DRO affiliate, respectively" **with** "Aaa or AAA, or the short-term ratings equivalent of either of those ratings, by a designated rating organization or its DRO affiliate", **and**
- (c) **in paragraph (d) of Schedule 1 by replacing** "Investment Companies Act of 1940" **with** "Investment Company Act of 1940".

50. Appendix G is replaced with the following:

APPENDIX G – EXEMPTIONS FROM CERTAIN REQUIREMENTS FOR IIROC MEMBERS

(Section 9.3 [exemptions from certain requirements for IIROC members])

NI 31-103 Provision	IIROC Provision
section 12.1 [capital requirements]	<ol style="list-style-type: none"> 1. Dealer Member Rule 17.1; and 2. Form 1
section 12.2 [subordination agreement]	<ol style="list-style-type: none"> 1. Dealer Member Rule 5.2; and 2. Dealer Member Rule 5.2A
section 12.3 [insurance – dealer]	<ol style="list-style-type: none"> 1. Dealer Member Rule 17.5 2. Dealer Member Rule 400.2 [Financial Institution Bond]; 3. Dealer Member Rule 400.4 [Amounts Required]; and 4. Dealer Member Rule 400.5 [Provisos with respect to Dealer Member Rules 400.2, 400.3 and 400.4]
section 12.6 [global bonding or insurance]	<ol style="list-style-type: none"> 1. Dealer Member Rule 400.7 [Global Financial Institution Bonds]
section 12.7 [notifying the regulator of a change, claim or cancellation]	<ol style="list-style-type: none"> 1. Dealer Member Rule 17.6; 2. Dealer Member Rule 400.3 [Notice of Termination]; and 3. Dealer Member Rule 400.3B [Termination or Cancellation]
section 12.10 [annual financial statements]	<ol style="list-style-type: none"> 1. Dealer Member Rule 16.2 [Dealer Member Filing Requirements]; and 2. Form 1
section 12.11 [interim financial information]	<ol style="list-style-type: none"> 1. Dealer Member Rule 16.2 [Dealer Member Filing Requirements]; and 2. Form 1
section 12.12 [delivering financial information – dealer]	<ol style="list-style-type: none"> 1. Dealer Member Rule 16.2 [Dealer Member Filing Requirements]
subsection 13.2(3) [know your client]	<ol style="list-style-type: none"> 1. Dealer Member Rule 1300.1(a)-(n) [Identity and Creditworthiness]; 2. Dealer Member Rule 1300.2; 3. Dealer Member Rule 2500, Part II [Opening New Accounts]; 4. Dealer Member Rule 2700, Part II [New Account Documentation and Approval]; and 5. Form 2 New Client Application Form
section 13.3 [suitability]	<ol style="list-style-type: none"> 1. Dealer Member Rule 1300.1(o) [Business Conduct]; 2. Dealer Member Rule 1300.1(p) [Suitability determination required when accepting order]; 3. Dealer Member Rule 1300.1(q) [Suitability determination required when recommendation provided]; 4. Dealer Member Rule 1300.1(r) [Suitability determination required for account positions held when certain events occur]; 5. Dealer Member Rule 1300.1(s) [Suitability of investments in client accounts]; 6. Dealer Member Rule 1300.1(t) – (v) [Exemptions from the suitability assessment requirements] 7. Dealer Member Rule 1300.1(w) [Corporation approval] 8. Dealer Member Rule 2700, Part I [Customer Suitability]; and 9. Dealer Member Rule 3200 [Minimum requirements for Dealer Members seeking approval under Rule 1300.1(t) to offer an order-execution only service]

Rules and Policies

NI 31-103 Provision	IIROC Provision
section 13.12 [<i>restriction on lending to clients</i>]	1. Dealer Member Rule 17.11; and 2. Dealer Member Rule 100 [<i>Margin Requirements</i>]
section 13.13 [<i>disclosure when recommending the use of borrowed money</i>]	1. Dealer Member Rule 29.26
section 13.15 [<i>handling complaints</i>]	1. Dealer Member Rule 2500, Part VIII [<i>Client Complaints</i>]; and 2. Dealer Member Rule 2500B [<i>Client Complaint Handling</i>]
subsection 14.2(2) [<i>relationship disclosure information</i>]	1. Dealer Member Rule 3500.5 [<i>Content of relationship disclosure</i>]
subsection 14.2(3) [<i>relationship disclosure information</i>]	1. Dealer Member Rule 3500.4 [<i>Format of relationship disclosure</i>]
subsection 14.2(4) [<i>relationship disclosure information</i>]	1. Dealer Member Rule 3500.1 [<i>Objective of relationship disclosure requirements</i>]
subsection 14.2(5.1) [<i>relationship disclosure information</i>]	1. Dealer Member Rule 29.8
subsection 14.2(6) [<i>relationship disclosure information</i>]	1. Dealer Member Rule 3500.1 [<i>Objective of relationship disclosure requirements</i>]
section 14.2.1 [<i>pre-trade disclosure of charges</i>]	1. Dealer Member Rule 29.9
section 14.6 [<i>holding client assets in trust</i>]	1. Dealer Member Rule 17.3
section 14.8 [<i>securities subject to a safekeeping agreement</i>]	1. Dealer Member Rule 17.2A 2. Dealer Member Rule 2600 – Internal Control Policy Statement 5 [<i>Safekeeping of Clients' Securities</i>]
section 14.9 [<i>securities not subject to a safekeeping agreement</i>]	1. Dealer Member Rule 17.3; 2. Dealer Member Rule 17.3A; and 3. Dealer Member Rule 200.1(c)
section 14.11.1 [<i>determining market value</i>]	1. Dealer Member Rule 200.1(c); and 2. Definition (g) of the General Notes and Definitions to Form 1
section 14.12 [<i>content and delivery of trade confirmation</i>]	1. Dealer Member Rule 200.2(l) [<i>Trade confirmations</i>]
section 14.14 [<i>account statements</i>]	1. Dealer Member Rule 200.2(d) [<i>Client account statements</i>]; and 2. "Guide to Interpretation of Rule 200.2", Item (d)
section 14.14.1 [<i>additional statements</i>]	1. Dealer Member Rule 200.2(e) [<i>Report on client positions held outside of the Dealer Member</i>]; 2. Dealer Member Rule 200.4 [<i>Timing of sending documents to clients</i>]; and 3. "Guide to Interpretation of Rule 200.2", Item (e)
section 14.14.2 [<i>security position cost information</i>]	1. Dealer Member Rule 200.1(a); 2. Dealer Member Rule 200.1(b); 3. Dealer Member Rule 200.1(e); 4. Dealer Member Rule 200.2(d)(ii)(F) and (H); and 5. Dealer Member Rule 200.2(e)(ii)(C) and (E)
section 14.17 [<i>report on charges and other compensation</i>]	1. Dealer Member Rule 200.2(g) [<i>Fee/ charge report</i>]; and 2. "Guide to Interpretation of Rule 200.2", Item (g)
section 14.18 [<i>investment performance report</i>]	1. Dealer Member Rule 200.2(f) [<i>Performance report</i>]; and 2. "Guide to Interpretation of Rule 200.2", Item (f)

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NI 31-103 Provision	IIROC Provision
section 14.19 [content of investment performance report]	1. Dealer Member Rule 200.2(f) [Performance report]; and 2. "Guide to Interpretation of Rule 200.2", Item (f)
section 14.20 [delivery of report on charges and other compensation and investment performance report]	1. Dealer Member Rule 200.4 [Timing of the sending of documents to clients]

51. **Appendix G, as amended by section 50 of this Instrument, is amended by adding the following rows in the format indicated by the shaded area before the row commencing with "section 14.6 [holding client assets in trust]":**

NI 31-103 Provision	IIROC Provision
section 14.5.2 [restriction on self-custody and qualified custodian requirement]	1. Dealer Member Rule 17.2A; 2. Dealer Member Rules 17.3, 17.3A, 17.3B and 2000 [Segregation Requirements]; 3. Dealer Member Rule 2600 – Internal Control Policy Statement 4 [Segregation of Clients' Securities]; 4. Dealer Member Rule 2600 – Internal Control Policy Statement 5 [Safekeeping of Clients' Securities]; 5. Dealer Member Rule 2600 – Internal Control Policy Statement 6 [Safeguarding of Securities and Cash]; and 6. Definition of "acceptable securities locations", General Notes and Definitions to Form 1
section 14.5.3 [cash and securities held by a qualified custodian]	1. Dealer Member Rule 200 [Minimum Records]

52. **Appendix G, as amended by section 50 of this Instrument, is amended by replacing "section 14.6 [holding client assets in trust]" with "section 14.6 [client and investment fund assets held by a registered firm in trust]".**

53. **Appendix G, as amended by section 50 of this Instrument, is amended by adding the following rows in the format indicated by the shaded area after the row commencing with "section 14.6 [holding client assets in trust]":**

NI 31-103 Provision	IIROC Provision
section 14.6.1 [custodial provisions relating to certain margin or security interests]	1. Dealer Member Rules 17.2, 17.2A, 17.3, 17.3A, 17.3B, 17.11 and 2000 [Segregation Requirements]; 2. Dealer Member Rule 100 [Margin Requirements]; 3. Dealer Member Rule 2200 [Cash and Securities Loan Transactions]; 4. Dealer Member Rule 2600 – Internal Control Policy Statement 4 [Segregation of Clients' Securities]; 5. Dealer Member Rule 2600 – Internal Control Policy Statement 5 [Safekeeping of Clients' Securities]; 6. Dealer Member Rule 2600 – Internal Control Policy Statement 6 [Safeguarding of Securities and Cash]; and 7. Definitions of "acceptable counterparties", "acceptable institutions", "acceptable securities locations", "regulated entities", General Notes and Definitions to Form 1
section 14.6.2 [custodial provisions relating to short sales]	1. Dealer Member Rule 100 [Margin Requirements]; 2. Dealer Member Rule 2200 [Cash and Securities Loan Transactions]; 3. Dealer Member Rule 2600 – Internal Control Policy Statement 6 [Safeguarding of Securities and Cash]; and

NI 31-103 Provision	IIROC Provision
	4. Definitions of “acceptable counterparties”, “acceptable institutions”, “acceptable securities locations”, “regulated entities”, General Notes and Definitions to Form 1

54. **Appendix G, as amended by section 50 of this Instrument, is amended by repealing the rows commencing with “section 14.8 [securities subject to a safekeeping agreement]” and “section 14.9 [securities not subject to a safekeeping agreement]”.**

55. **Appendix H is replaced with the following:**

APPENDIX H – EXEMPTIONS FROM CERTAIN REQUIREMENTS FOR MFDA MEMBERS

(Section 9.4 [exemptions from certain requirements for MFDA members])

NI 31-103 Provision	MFDA Provision
section 12.1 [capital requirements]	<ol style="list-style-type: none"> 1. Rule 3.1.1 [Minimum Levels]; 2. Rule 3.1.2 [Notice]; 3. Rule 3.2.2 [Member Capital]; 4. Form 1; and 5. Policy No. 4 [Internal Control Policy Statements – Policy Statement 2: Capital Adequacy]
section 12.2 [subordination agreement]	<ol style="list-style-type: none"> 1. Form 1, Statement F [Statement of Changes in Subordinated Loans]; and 2. Membership Application Package – Schedule I (Subordinated Loan Agreement)
section 12.3 [insurance – dealer]	<ol style="list-style-type: none"> 1. Rule 4.1 [Financial Institution Bond]; 2. Rule 4.4 [Amounts Required]; 3. Rule 4.5 [Provisos]; 4. Rule 4.6 [Qualified Carriers]; and 5. Policy No. 4 [Internal Control Policy Statements – Policy Statement 3: Insurance]
section 12.6 [global bonding or insurance]	<ol style="list-style-type: none"> 1. Rule 4.7 [Global Financial Institution Bonds]
section 12.7 [notifying the regulator of a change, claim or cancellation]	<ol style="list-style-type: none"> 1. Rule 4.2 [Notice of Termination]; and 2. Rule 4.3 [Termination or Cancellation]
section 12.10 [annual financial statements]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [Monthly and Annual]; 2. Rule 3.5.2 [Combined Financial Statements]; and 3. Form 1
section 12.11 [interim financial information]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [Monthly and Annual]; 2. Rule 3.5.2 [Combined Financial Statements]; and 3. Form 1
section 12.12 [delivering financial information – dealer]	<ol style="list-style-type: none"> 1. Rule 3.5.1 [Monthly and Annual]
section 13.3 [suitability]	<ol style="list-style-type: none"> 1. Rule 2.2.1 [“Know-Your-Client”]; and 2. Policy No. 2 [Minimum Standards for Account Supervision]

NI 31-103 Provision	MFDA Provision
section 13.12 [restriction on lending to clients]	<ol style="list-style-type: none"> 1. Rule 3.2.1 [Client Lending and Margin]; and 2. Rule 3.2.3 [Advancing Mutual Fund Redemption Proceeds]
section 13.13 [disclosure when recommending the use of borrowed money]	<ol style="list-style-type: none"> 1. Rule 2.6 [Borrowing for Securities Purchases]
section 13.15 [handling complaints]	<ol style="list-style-type: none"> 1. Rule 2.11 [Complaints]; 2. Policy No. 3 [Complaint Handling, Supervisory Investigations and Internal Discipline]; and 3. Policy No. 6 [Information Reporting Requirements]
subsections 14.2(2), (3) and (5.1) [relationship disclosure information]	<ol style="list-style-type: none"> 1. Rule 2.2.5 [Relationship Disclosure]; and 2. Rule 2.4.3 [Operating Charges]
section 14.2.1 [pre-trade disclosure of charges]	<ol style="list-style-type: none"> 1. Rule 2.4.4 [Transaction Fees or Charges]
section 14.6 [holding client assets in trust]	<ol style="list-style-type: none"> 1. Rule 3.3.1 [General]; 2. Rule 3.3.2 [Cash]; and 3. Policy No. 4 [Internal Control Policy Statements – Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients’ Securities]
section 14.8 [securities subject to a safekeeping agreement]	<ol style="list-style-type: none"> 1. Rule 3.3.3 [Securities]; and 2. Policy No. 4 [Internal Control Policy Statements – Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients’ Securities]
section 14.9 [securities not subject to a safekeeping agreement]	<ol style="list-style-type: none"> 1. Rule 3.3.3 [Securities]
section 14.11.1 [determining market value]	<ol style="list-style-type: none"> 1. Rule 5.3(1)(f) [definition of “market value”]; and 2. Definitions to Form 1 [definition of “market value of a security”]
section 14.12 [content and delivery of trade confirmation]	<ol style="list-style-type: none"> 1. Rule 5.4.1 [Delivery of Confirmations]; 2. Rule 5.4.2 [Automatic Plans]; and 3. Rule 5.4.3 [Content]
section 14.14 [account statements]	<ol style="list-style-type: none"> 1. Rule 5.3.1 [Delivery of Account Statement]; and 2. Rule 5.3.2 [Content of Account Statement]
section 14.14.1 [additional statements]	<ol style="list-style-type: none"> 1. Rule 5.3.1 [Delivery of Account Statement]; and 2. Rule 5.3.2 [Content of Account Statement]
section 14.14.2 [security position cost information]	<ol style="list-style-type: none"> 1. Rule 5.3(1)(a) [definition of “book cost”]; 2. Rule 5.3(1)(c) [definition of “cost”]; and 3. Rule 5.3.2(c) [Content of Account Statement – Market Value and Cost Reporting]
section 14.17 [report on charges and other compensation]	<ol style="list-style-type: none"> 1. Rule 5.3.3 [Report on Charges and Other Compensation]
section 14.18 [investment performance report]	<ol style="list-style-type: none"> 1. Rule 5.3.4 [Performance Report]; and 2. Policy No. 7 Performance Reporting

Rules and Policies

NI 31-103 Provision	MFDA Provision
section 14.19 [content of investment performance report]	1. Rule 5.3.4 [Performance Report]; and 2. Policy No. 7 Performance Reporting
section 14.20 [delivery of report on charges and other compensation and investment performance report]	1. Rule 5.3.5 [Delivery of Report on Charges and Other Compensation and Performance Report]

56. **Appendix H, as amended by section 55 of this Instrument, is amended by adding the following rows in the format indicated by the shaded area before the row commencing with “section 14.6 [holding client assets in trust]”:**

NI 31-103 Provision	MFDA Provision
section 14.5.2 [restriction on self-custody and qualified custodian requirement]	1. Rule 3.3.1 [General]; 2. Rule 3.3.2 [Cash]; 3. Rule 3.3.3 [Securities]; and 4. Policy No. 4 [Internal Control Policy Statements – Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients’ Securities]
section 14.5.3 [cash and securities held by a qualified custodian]	1. Policy No. 4 [Internal Control Policy Statements – Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients’ Securities]

57. **Appendix H, as amended by section 55 of this Instrument, is amended by replacing the row commencing with “section 14.6 [holding client assets in trust]” with the following row in the format indicated by the shaded area:**

NI 31-103 Provision	MFDA Provision
section 14.6 [client and investment fund assets held by a registered firm in trust]	1. Rule 3.3.1 [General]; 2. Rule 3.3.2 [Cash]; 3. Rule 3.3.3 [Securities]; and 4. Policy No. 4 [Internal Control Policy Statements – Policy Statement 4: Cash and Securities, and Policy Statement 5: Segregation of Clients’ Securities]

58. **Appendix H, as amended by section 55 of this Instrument, is amended by adding the following rows in the format indicated by the shaded area after the row commencing with “section 14.6 [holding client assets in trust]”:**

NI 31-103 Provision	MFDA Provision
section 14.6.1 [custodial provisions relating to certain margin or security interests]	1. Rule 3.2.1 [Client Lending and Margin]
section 14.6.2 [custodial provisions relating to short sales]	1. Rule 3.2.1 [Client Lending and Margin]

59. **Appendix H, as amended by section 55 of this Instrument, is amended by repealing the rows commencing with “section 14.8 [securities subject to a safekeeping agreement]” and “section 14.9 [securities not subject to a safekeeping agreement]”.**

60. (1) Subject to subsection (2), this Instrument comes into force on December 4, 2017.

- (2) The following provisions of this Instrument come into force on June 4, 2018:
 - (a) section 2;
 - (b) section 4;
 - (c) paragraphs 16(d), (e), (f) and (g);
 - (d) paragraphs 18(d), (e), (f) and (g);
 - (e) paragraphs 20(d), (e), (f) and (g);
 - (f) paragraphs 22(d), (e), (f) and (g);
 - (g) section 29;
 - (h) paragraph 31(b);
 - (i) sections 32 to 37, 51 to 54 and 56 to 59.

- (3) In Saskatchewan, despite subsections (1) and (2), if this Instrument is filed with the Registrar of Regulations after December 4, 2017,
 - (a) subject to paragraph (b), this Instrument comes into force on the day on which it is filed with the Registrar of Regulations, and
 - (b) the provisions of this Instrument referenced in subsection (2) come into force six months after that day.

5.1.2 Amendments to National Instrument 33-109 Registration Information

AMENDMENTS TO NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION

The amendments set out in sections 4, 5, 8, 9, 11 and 15 of this Amending Instrument are not being made in certain CSA jurisdictions because these amendments have already been adopted in those jurisdictions by means of other instruments. This will be reflected in the version of this Amending Instrument that is adopted in those jurisdictions.

1. **National Instrument 33-109 Registration Information is amended by this Instrument.**
2. **Subparagraph 2.3(2)(c)(i) is amended by replacing “Item 13.3(c)” with “Item 13.3(a)”.**
3. **Subsection 7.1 (3) is amended by adding “Alberta and” before “Ontario”.**
4. **Schedule B to Form 33-109F2 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
5. **Schedule A to Form 33-109F3 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
6. **Form 33-109F4 is amended**
 - (a) **in the “General Instructions” by replacing “regulators(s) or in Québec,” with “regulator(s) or, in Québec,” and**
 - (b) **in Item 22, under the heading “Individual” and under the heading “Authorized partner or officer of the firm”, by replacing “regulator, or in Québec,” with “regulator or, in Québec,”.**
7. **Schedule C to Form 33-109F4 is amended under the heading “Individual categories and permitted activities” by adding “as described in paragraph (c) of the definition of “permitted individual” in section 1.1 of National Instrument 33-109 Registration Information” after “Permitted Individual”.**
8. **Schedule O to Form 33-109F4 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
9. **Schedule A to Form 33-109F5 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**

- (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
10. **Section 4.2 of Form 33-109F6 is amended by adding “(other than those exemptions with respect to which the firm has already notified the securities regulator or, in Québec, the securities regulatory authority in accordance with the applicable exemption)” after “trade or advise in securities or derivatives”.**
11. **Schedule A to Form 33-109F6 is amended**
- (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
- (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
- (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
12. **Schedule C to Form 33-109F6 is amended**
- (a) **in the column entitled “Component” in Line 10 of the table by adding “or, in Québec, for a firm registered only in that jurisdiction and solely in the category of mutual fund dealer, less the deductible under the liability insurance required under section 193 of the Québec Securities Regulation” after “National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations”,**
- (b) **in subparagraph (a)(i) of Schedule 1 by replacing “Aaa or AAA by Moody’s Canada Inc. or its DRO affiliate, or Standard & Poor’s Rating Services (Canada) or its DRO affiliate, respectively” with “Aaa or AAA, or the short-term ratings equivalent of either of those ratings, by a designated rating organization or its DRO affiliate”, and**
- (c) **in paragraph (d) of Schedule 1 by replacing “Investment Companies Act of 1940” with “Investment Company Act of 1940”.**
13. **Form 33-109F7 is amended**
- (a) **in the “General Instructions” by replacing “regulator(s) or in Québec,” with “regulator(s) or, in Québec,”,**
- (b) **in section 2 of the “General Instructions” and in section 1 of Item 9 by replacing “Item 13.3(c)” with “Item 13.3(a)”, and**
- (c) **in Item 12 under the heading “Individual” and under the heading “Authorized partner or officer of the new sponsoring firm”, by replacing “regulator, or in Québec” with “regulator or, in Québec,”.**
14. **Schedule B to Form 33-109F7 is amended under the heading “Individual categories and permitted activities” by adding “as described in paragraph (c) of the definition of “permitted individual” in section 1.1 of National Instrument 33-109 Registration Information” after “Permitted Individual”.**
15. **Schedule F to Form 33-109F7 is amended**
- (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
- (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
- (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**

Coming into force

16. (1) This Instrument comes into force on December 4, 2017.
- (2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after December 4, 2017, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.

5.1.3 Amendments to OSC Rule 33-506 (Commodity Futures Act) Registration Information

**AMENDMENTS TO ONTARIO SECURITIES COMMISSION RULE 33-506
(COMMODITY FUTURES ACT) REGISTRATION INFORMATION**

1. **Ontario Securities Commission Rule 33-506 (Commodity Futures Act) Registration Information is amended by this Instrument.**
2. **Subparagraph 2.3(2)(c)(i) is amended by replacing “Item 13.3(c)” with “Item 13.3(a)”.**
3. **Schedule B to Form 33-506F2 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
4. **Schedule A to Form 33-506F3 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
5. **Form 33-506F4 is amended**
 - (a) **in the “General Instructions” by replacing “regulators(s) or in Québec,” with “regulator(s) or, in Québec,” and**
 - (b) **in Item 22 under the heading “Individual” and under the heading “Authorized partner or officer of the firm”, by replacing “regulator, or in Québec” with “regulator or, in Québec,”.**
6. **Schedule C to Form 33-506F4 is amended under the heading “Individual categories and permitted activities” by adding “as described in paragraph (c) of the definition of “permitted individual” in section 1.1 of OSC Rule 33-506 (Commodity Futures Act) Registration Information” after “Permitted Individual”.**
7. **Schedule O to Form 33-506F4 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
8. **Schedule A to Form 33-506F5 is amended**
 - (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**

9. **Section 4.2 of Form 33-506F6 is amended by adding** “(other than those exemptions with respect to which the firm has already notified the securities regulator or, in Québec, the securities regulatory authority in accordance with the applicable exemption)” **after** “trade or advise in securities or derivatives”.
10. **Schedule A to Form 33-506F6 is amended**
- (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**
11. **Schedule C to Form 33-506F6 is amended**
- (a) **in the column entitled “Component” in Line 10 of the table by adding** “or, in Québec, for a firm registered only in that jurisdiction and solely in the category of mutual fund dealer, less the deductible under the liability insurance required under section 193 of the Québec Securities Regulation” **after** “National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations”,
 - (b) **in subparagraph (a)(i) of Schedule 1 by replacing** “Aaa or AAA by Moody’s Canada Inc. or its DRO affiliate, or Standard & Poor’s Rating Services (Canada) or its DRO affiliate, respectively” **with** “Aaa or AAA, or the short-term ratings equivalent of either of those ratings, by a designated rating organization or its DRO affiliate”, **and**
 - (c) **in paragraph (d) of Schedule 1 by replacing** “Investment Companies Act of 1940” **with** “Investment Company Act of 1940”.
12. **Form 33-506F7 is amended**
- (a) **in the “General Instructions” by replacing** “regulator(s) or in Québec,” **with** “regulator(s) or, in Québec,”
 - (b) **in section 2 of the “General Instructions” and in section 1 of Item 9 by replacing** “Item 13.3(c)” **with** “Item 13.3(a)”, **and**
 - (c) **in Item 12 under the heading “Individual” and under the heading “Authorized partner or officer of the new sponsoring firm”, by replacing** “regulator, or in Québec” **with** “regulator or, in Québec,”.
13. **Schedule B to Form 33-506F7 is amended under the heading “Individual categories and permitted activities” by adding** “as described in paragraph (c) of the definition of “permitted individual” in section 1.1 of OSC Rule 33-506 (Commodity Futures Act) Registration Information” **after** “Permitted Individual”.
14. **Schedule F to Form 33-506F7 is amended**
- (a) **under the heading “New Brunswick” by replacing “Director of Securities” with “Registration”,**
 - (b) **under the heading “Nunavut” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”, and**
 - (c) **under the heading “Prince Edward Island” by replacing “Deputy Registrar of Securities” with “Superintendent of Securities”.**

Coming into force

15. This Instrument comes into force on December 4, 2017.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Counsel Income Managed Portfolio
Counsel World Managed Portfolio
Counsel Managed Yield Portfolio
Counsel Managed High Yield Portfolio
Counsel Managed Portfolio
Counsel Regular Pay Portfolio
Counsel Short Term Bond
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
November 24, 2017
Received on November 24, 2017

Offering Price and Description:

Series Private Wealth I

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2672281

Issuer Name:

Fidelity Multi-Sector Investment Grade Bond Currency
Neutral Fund
Fidelity Multi-Sector Investment Grade Bond Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 24,
2017
NP 11-202 Preliminary Receipt dated November 27, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC

Promoter(s):

Fidelity Investments Canada ULC

Project #2700369

Issuer Name:

First Asset Resource Fund Inc.
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
November 23, 2017
Received on November 23, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

TDK Management Fund Inc.

Promoter(s):

N/A

Project #2629260

Issuer Name:

GC One Equity Income Portfolio
GC One Fixed Income Portfolio
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 21,
2017
NP 11-202 Preliminary Receipt dated November 21, 2017

Offering Price and Description:

Series A Units

Underwriter(s) or Distributor(s):

Worldsource Financial Management Inc.,
Worldsource Securities Inc.

Promoter(s):

Guardian Capital LP

Project #2697713

Issuer Name:

Redwood Energy Credit Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 17,
2017
NP 11-202 Preliminary Receipt dated November 24, 2017

Offering Price and Description:

Class A units, Class F units, ETF Currency Hedged Units
and U.S. dollar denominated ETF Non-Currency Hedged
Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Redwood Asset Management Inc.

Project #2698318

Issuer Name:

TD Emerald Balanced Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Canadian Equity Index Fund
TD Emerald Canadian Short Term Investment Fund
TD Emerald Canadian Treasury Management –
Government of Canada Fund
TD Emerald Canadian Treasury Management Fund
TD Emerald International Equity Index Fund
TD Emerald U.S. Market Index Fund
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated
November 23, 2017

Received on November 23, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

TD Asset Management Inc.

Project #2584656

Issuer Name:

BMG BullionFund
BMG Gold BullionFund
BMG Silver BullionFund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 23, 2017

NP 11-202 Receipt dated November 23, 2017

Offering Price and Description:

Class A, Class B1, Class B2, Class B3, Class C1, Class
C2, Class C3, Class D and Class F Units @ Net Assets
Value

Underwriter(s) or Distributor(s):

Bullion Management Services Inc.

Promoter(s):

BMG Management Services Inc.

Project #2665448

Issuer Name:

Dynamic Active Core Bond Private Pool
Dynamic Active Credit Strategies Private Pool
Dynamic Alternative Investments Private Pool Class
Dynamic Asset Allocation Private Pool
Dynamic Canadian Equity Private Pool Class
Dynamic Conservative Yield Private Pool
Dynamic Conservative Yield Private Pool Class
Dynamic Global Equity Private Pool Class
Dynamic Global Yield Private Pool
Dynamic Global Yield Private Pool Class
Dynamic International Dividend Private Pool
Dynamic North American Dividend Private Pool
Dynamic Premium Bond Private Pool
Dynamic Premium Bond Private Pool Class
Dynamic Tactical Bond Private Pool
Dynamic U.S. Equity Private Pool Class
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Annual Information Form dated
November 17, 2017

NP 11-202 Receipt dated November 21, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.

Promoter(s):

1832 Asset Management L.P.

Project #2609787

Issuer Name:

First Asset Investment Grade Bond ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
November 15, 2017

NP 11-202 Receipt dated November 23, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

First Asset Investment Management Inc.

Project #2639667

Issuer Name:

Lysander TDV Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 21, 2017
NP 11-202 Receipt dated November 23, 2017

Offering Price and Description:

Series A, Series D and Series F Units @ net asset value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Lysander Funds Limited

Project #2684935

Issuer Name:

Mackenzie Canadian All Cap Dividend Class
Mackenzie Canadian All Cap Value Class
Mackenzie Canadian Bond Fund
Mackenzie Canadian Growth Class
Mackenzie Canadian Money Market Fund
Mackenzie Canadian Resource Fund
Mackenzie Canadian Short Term Income Fund
Mackenzie Canadian Small Cap Class
Mackenzie Corporate Bond Fund
Mackenzie Cundill Recovery Fund
Mackenzie Global Dividend Fund
Mackenzie Global Growth Class
Mackenzie Global Small Cap Fund
Mackenzie Global Tactical Bond Fund
Mackenzie Income Fund
Mackenzie Ivy Canadian Fund
Mackenzie Ivy International Fund
Mackenzie Monthly Income Balanced Portfolio
Mackenzie Monthly Income Conservative Portfolio
Mackenzie Strategic Bond Fund
Mackenzie Strategic Income Fund
Mackenzie US Mid Cap Growth Class
Symmetry Balanced Portfolio
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio
Symmetry Conservative Portfolio Class
Symmetry Equity Portfolio Class
Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 23, 2017
NP 11-202 Receipt dated November 24, 2017

Offering Price and Description:

Series LB, Series LM, Series LP, Series LW, Series LW6
and/or Series LX securities @ net asset value

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2680408

Issuer Name:

Marquis Balanced Class Portfolio
Marquis Balanced Growth Class Portfolio
Marquis Balanced Growth Portfolio
Marquis Balanced Income Portfolio
Marquis Balanced Portfolio
Marquis Equity Portfolio
Marquis Growth Portfolio
Marquis Institutional Balanced Growth Portfolio
Marquis Institutional Balanced Portfolio
Marquis Institutional Bond Portfolio
Marquis Institutional Canadian Equity Portfolio
Marquis Institutional Equity Portfolio
Marquis Institutional Global Equity Portfolio
Marquis Institutional Growth Portfolio
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 24, 2017
NP 11-202 Receipt dated November 27, 2017

Offering Price and Description:

Series A, F, G, I, O, T and V @ net asset

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.

Promoter(s):

N/A

Project #2684911

Issuer Name:

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:

Amendment #2 to Final Simplified Prospectus dated
November 23, 2017
NP 11-202 Receipt dated November 27, 2017

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

TD Asset Management Inc.

Project #2584656

Issuer Name:

Primerica Balanced Yield Fund (formerly Primerica
Conservative Growth Fund)
Primerica Canadian Balanced Growth Fund (formerly
Primerica Growth Fund)
Primerica Canadian Money Market Fund
Primerica Global Balanced Growth Fund (formerly
Primerica Moderate Growth Fund)
Primerica Global Equity Fund (formerly Primerica
Aggressive Growth Fund)
Primerica Income Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 21, 2017
NP 11-202 Receipt dated November 22, 2017

Offering Price and Description:

Mutual fund units at net asset value

Underwriter(s) or Distributor(s):

PFSL Investments Canada Ltd.

Promoter(s):

N/A

Project #2684983

NON-INVESTMENT FUNDS

Issuer Name:

Cannabis Growth Opportunity Corporation
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 24, 2017

NP 11-202 Preliminary Receipt dated November 27, 2017

Offering Price and Description:

Minimum: \$5,000,000.00 of Units
Maximum: \$75,000,000.00 of Units
Price: \$2.50 per Unit

Underwriter(s) or Distributor(s):

Eight Capital

Promoter(s):

CGOC Management Corp.

Project #2700140

Issuer Name:

Harvest One Cannabis Inc.
Principal Regulator – British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 24, 2017

NP 11-202 Preliminary Receipt dated November 24, 2017

Offering Price and Description:

C\$17,500,000.00
8.0% Unsecured Convertible Debenture Units
Price: \$1,000.00 per Convertible Debenture Unit

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation
Haywood Securities Inc.
Eight Capital

Promoter(s):

–

Project #2698202

Issuer Name:

K-Bro Linen Inc.
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Short Form Prospectus dated November 27, 2017

Received on November 22, 2017

Offering Price and Description:

\$30,029,400.00 – 804,000 Common Shares
Price: \$37.35 per Common Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
Acumen Capital Finance Patners Limited
GMP Securities L.P.
National Bank Financial Inc.
Cormark Securities Inc.
Laurentian Bank Securities Inc.
Echelon Wealth Partners Inc.

Promoter(s):

–

Project #2697940

Issuer Name:

LeoNovus Inc.
Principal Regulator – Ontario

Type and Date:

Amendment dated November 21, 2017 to Preliminary Short Form Prospectus dated November 7, 2017

NP 11-202 Preliminary Receipt dated November 22, 2017

Offering Price and Description:

\$12,000,000.00
24,000,000 Units consisting of Common Shares and Warrants
Price: \$0.50 per Unit

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
Canaccord Genuity Corp.
Haywood Securities Inc.
Paradigm Capital Inc.
PI Financial Corp.

Promoter(s):

–

Project #2691170

Issuer Name:

Platform Eight Capital Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary CPC Prospectus (TSX-V) dated November 23, 2017

NP 11-202 Preliminary Receipt dated November 23, 2017

Offering Price and Description:

Minimum Offering: \$200,000.00 or 2,000,000 Common Shares
Maximum Offering: \$700,000.00 or 7,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

John Travaglini

Project #2698708

Issuer Name:

Titan Medical Inc.
Principal Regulator – Ontario

Type and Date:

Amendment dated November 21, 2017 to Preliminary Short Form Prospectus dated November 16, 2017
NP 11-202 Preliminary Receipt dated November 22, 2017

Offering Price and Description:

Minimum: CDN \$18,000,000.00 (36,000,000 Units)
Maximum: CDN \$23,000,000.00 (46,000,000 Units)
Price: CDN \$0.50 per Unit

Underwriter(s) or Distributor(s):

Bloom Burton Securities Inc.

Promoter(s):

–

Project #2694805

Issuer Name:

Urbanimmersive Inc.
Principal Regulator – Quebec

Type and Date:

Preliminary Short Form Prospectus dated November 21, 2017
NP 11-202 Preliminary Receipt dated November 22, 2017

Offering Price and Description:

Minimum Offering: \$500,000.00 or 4,000,000 Units
Maximum Offering: \$1,250,000.00 or 10,000,000 Units
Price: \$0.125 per Unit

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.
Jean-Francois Perrault

Promoter(s):

–

Project #2697919

Issuer Name:

Akumin Inc.
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated November 24, 2017
NP 11-202 Receipt dated November 24, 2017

Offering Price and Description:

10,484,790 Common Shares Issuable Upon the Exercise of 9,940,773 Special Warrants and 544,017 Broker Warrants

Underwriter(s) or Distributor(s):

Clarus Securities Inc.

Promoter(s):

–

Project #2683127

Issuer Name:

Fennec Pharmaceuticals Inc.
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 22, 2017
NP 11-202 Receipt dated November 23, 2017

Offering Price and Description:

US\$90,000,000.00
Common Shares

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2686503

Issuer Name:

Killam Apartment Real Estate Investment Trust
Principal Regulator – Nova Scotia

Type and Date:

Final Short Form Prospectus dated November 22, 2017
NP 11-202 Receipt dated November 22, 2017

Offering Price and Description:

\$70,053,500.00 – 5,170,000 Trust Units
Price \$13.55 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Raymond James Ltd.
Desjardins Securities Inc.
GMP Securities L.P.
Brookfield Financial Securities LP
Industrial Alliance Securities Inc.

Promoter(s):

–

Project #2693375

Issuer Name:

MedReleaf Corp.
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated November 27, 2017
NP 11-202 Receipt dated November 27, 2017

Offering Price and Description:

6,072,600 COMMON SHARES
\$100,501,530.00
Price: \$16.55 per Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
Canaccord Genuity Corp.
Clarus Securities Inc.
Cormark Securities Inc.
PI Financial Corp.

Promoter(s):

–

Project #2694807

Issuer Name:

Morguard Corporation
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 23, 2017
NP 11-202 Receipt dated November 23, 2017

Offering Price and Description:

\$600,000,000.00
Debt Securities

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2696270

Issuer Name:

Phivida Holdings Inc.
Principal Regulator – British Columbia

Type and Date:

Final Long Form Prospectus dated November 21, 2017
NP 11-202 Receipt dated November 22, 2017

Offering Price and Description:

Up to \$5,000,000.00
Maximum 12,500,000 Units
Minimum 1,250,000 Units
Price – at a price of \$0.40 per Unit

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Mackie Research Capital Corp.
Haywood Securities Inc.

Promoter(s):

John-David Belfontaine
Kyle Johnston

Project #2631818

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Sampford Advisors Inc.	Exempt Market Dealer	November 20, 2017
Voluntary Surrender	Guardian Capital Management LP	Exempt Market Dealer and Portfolio Manager	November 20, 2017
New Registration	WhiteHaven Asset Management Inc.	Portfolio Manager	November 23, 2017
Suspended (Regulatory Action)	Bonwick Capital Partners, LLC	Exempt Market Dealer	November 27, 2017
Amalgamation	National Bank Financial Inc., National Bank Financial Ltd., National Bank Direct Brokerage Inc. and NBCN Inc. To form: National Bank Financial Inc.	Investment Dealer and Futures Commission Merchant	November 1, 2017

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Continuing Education Requirements for Approved Persons – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

CONTINUING EDUCATION REQUIREMENTS FOR APPROVED PERSONS

The Ontario Securities Commission has approved IIROC's proposed Rule 2650 *Continuing Education Requirements for Approved Persons* (the CE Rules). The CE Rules require IIROC Approved Persons to maintain high standards of proficiency, professionalism and ethics.

The proposed CE Rules were originally published for comment on February 11, 2011, as part of IIROC's plain language rule rewrite project, and republished for comment on March 30, 2012, March 10, 2016 and March 9, 2017. While the IIROC Dealer Member Plain Language Rule Book is an ongoing project, IIROC has sought to implement the proposed CE Rules for the new CE cycle commencing January 1, 2018. IIROC has made non-substantive changes to the proposed CE Rules published on March 9, 2017 in response to comments received. A summary of the public comments and IIROC's responses, as well as the IIROC Notice including the approved CE Rules, can be found at <http://www.osc.gov.on.ca>.

The CE Rules will be effective on January 1, 2018.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities have approved or not objected to the CE Rules.

**13.1.2 IIROC – Housekeeping Amendments to the IIROC Consolidated Enforcement, Examination and Approval Rules
– Notice of Commission Deemed Approval**

NOTICE OF COMMISSION DEEMED APPROVAL

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

HOUSEKEEPING AMENDMENTS TO THE IIROC CONSOLIDATED ENFORCEMENT, EXAMINATION AND APPROVAL RULES

The Ontario Securities Commission did not object to the classification of IIROC's proposed housekeeping amendments to specific sections of the IIROC Consolidated Enforcement, Examination and Approval Rules and to repeal certain provisions of Policy 10.8 of the Universal Market Integrity Rules. As a result, the proposed housekeeping amendments are deemed to be approved and are effective immediately.

In addition, the Alberta Securities Commission, the *autorité des marchés financiers*, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Newfoundland and Labrador Office of the Superintendent of Securities Services, the Nova Scotia Securities Commission, and the Prince Edward Island Office of the Superintendent of Securities did not object to the amendments.

A copy of IIROC's Notice of Approval/Implementation and the text of the approved amendments can be found at <http://www.osc.gov.on.ca>.

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